

Report to Partnership Meeting 26 April 2019

PARTNERSHIP

Local Governance Review

Introduction

CP1919Plus21 consultants were invited by HITRANS in early 2019 to undertake scoping desk-based research into the impact and potential opportunities for HITRANS from the current Local Governance Review. The triple focus on the research was to investigate the level of local democracy and subsidiarity of key transport services, review the transport outcomes required across the HITRANS area and positively provoke further debate about the potential for aggregation of services. The final draft report is appended to this paper.

Local Governance Review

The Scottish Government and COSLA in 2018, launched the Local Governance Review, which is ongoing and seeks to undertake a comprehensive review of how local decisions are made and how local democracy is working. The review is based on an acceptance of increasing variation in decision-making arrangements across Scotland. The review is clear that one outcome is the desire to devolve more power to more local levels, in doing so will ensure that local communities have more of a say in how public services in their area are run and as part of the review will consider how powers, responsibilities and resources are shared across national and local spheres of government and with communities. A conclusion of this review could see the tabling of further Local Democracy legislation with the current session of the Scottish Parliament.

Initial Report

In the current context of this review, HITRANS have tasked CP1919Plus21 consultants to produce a review of previous transport governance and service delivery, with independent conclusions and recommendations for further discussion and brokerage with key stakeholders across the HITRANS area on the current local, regional and national context of policy and governance of transport services.

The report undertakes a review of the principle of subsidiarity in transport services across Scotland, detailing and discussing the evolution of service provision and governance since local governance reform of the mid-1990's; through to the creation and formalisation of Regional Transport Partnerships (RTPs) in the middle of 2000s, onto the emergence in policy debate of The Christie Commission principles and Community Empowerment. The Commissions on Local Democracy and ongoing initiatives on intelligent centralisation of

services are covered, with a highlighting of the increasing dichotomy of the level of subsidiarity for local transport services being area committees, whilst greater pan local authority initiatives for key delivery of infrastructural services, without at present such an apparent active consideration of the role an enhanced RTP model could play in delivering improved outcomes for the HITRANS area.

The research report then goes on to consider the local policy context for the HITRANS region, suggesting in its initial conclusions that there is a strong degree of strategic support for HITRANS as a Model 1 RTP but also support for further enhancements and a clear commonality of strategic transport issues across the HITRANS area. There is discussion of the current main challenges for local governance and discussions of previous research on enhancements to regional transport governance across the area. There is also a discussion of the change in national economic focus over the last decade, with an ever-increasing focus on increasing the focus on inclusive growth and the key role of transport services in this regard and the change this brings to how transport outcomes should be appraised. The report observes that there is little contradiction between a strategic service commissioning approach which seeks to enable greater community empowerment of local services and multi-agency partnerships delivering less services as constituent authorities themselves and commissioning more strategic services through larger shared/joint governance arrangements. Intelligent centralisation and local governance work in other areas and countries efficiently, preserving if not strengthening local democracy and participation of communities whilst sharing and/or aggregating certain services where that type of service model better responds to local needs.

The report collates the main findings from the desk-based review and summarises the key challenges and opportunities for HITRANS and key stakeholders. There is an analysis of the key findings within a context of the historical literature review and ongoing local policy context. There is for the consultants a clear window of opportunity for further work on the enhancements to HITRANS in the context of the resource challenges facing local partners to strengthen subsidiarity of delivery in transport services locally and regionally. The draft report concludes with a series of recommendations to HITRANS and key partners which could be progressed as part of both the Local Governance Review and emerging consultation on the second National Transport Strategy and ongoing work on the review of Roles and Responsibilities of Transport Authorities across Scotland if we are to understand how local democracy and transport are working presently.

Summary of Recommendations

The report details a series of recommendations;

A triumvirate of main groupings of recommendations could be summarised as follows:

- 1) HITRANS partners to proactively discuss the opportunities presented by regional structures for the delivery of positive outcomes locally in a constrained resource context.
- 2) If there is a desire for further discussions, there should be a clear strategic plan and analysis undertaken across the HITRANS area.

3) There is also a strong suggestion to HITRANS to lobby for a subsidiarity review of the current delivery of transport services and funding in Scotland, going beyond just reviewing roles and responsibilities, but looking at outcomes and participation in governance.

Conclusion

A clear conclusion of this element of research is that over the past quarter of a century, there has not always been a clear objective reflected in national transport strategy and policy around the preservation and enhancement of subsidiarity in the delivery and governance of transport services coupled with a clear recognition of the regional element of transport strategy but a willingness to enable that level of governance. The HITRANS area being a notable exception in terms of a key recurring message across a number of partners of the importance and value-added work of HITRANS. The research review concludes that there is strong support for HITRANS work in the region and that there is a clear opportunity in terms of the local governance review and significant transport specific work ongoing presently, to test the parameters of possible further enhancement and development of HITRANS functions and shared capacity across the HITRANS region. There is a clear opportunity to deliver improved outcomes in partnerships with constituent councils whilst maintaining the principles of subsidiarity and strengthening local democracy and participation.

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – The Research and Development Programme is the key mechanism by which HITRANS promotes delivery of the Transport Strategy for the Highlands and Islands

Policy

Impact – Positive

Comment – Actions within the report set out opportunities for greater subsidiarity in the delivery of transport services and infrastructure and promote the development of a more inclusive Scotland where the Highlands and Islands can improve socio economic outcomes.

Financial

Impact – Positive

Budget line and value – This item reports on the work commissioned through the Research and Strategy Delivery budget in 2018/19.

Equality

Impact – Positive

Comment – Actions within the report set out opportunities for greater subsidiarity in the delivery of transport services and infrastructure and promote the development of a more inclusive Scotland where the Highlands and Islands can improve socio economic outcomes.

RECOMMENDATIONS

1. Members are asked to note the report.
2. Members are asked to approve further discussion with HITRANS partners initially through the Partnership Advisors group on the report's recommendations.
3. Members are asked to approve the report being shared with Partners through the CPP process and direct to partner Councils.

Report by: Ranald Robertson
Designation: Partnership Director
Date: 25th March 2019
Additional Information: Appendix – Local Governance Review Report



“Local democracy is regarded by many as an essential component of transport provision”.

HITRANS Local Governance Report

Executive Summary

Introduction

The findings of this report are based on a desk-based review of the relevant legislation and policy governing the national, regional and local governance of transport in Scotland since Local Government Reform in the 1990s. The report considers chronologically the governance and subsidiarity of strategic transport planning in Scotland summarising a number of changes over the last quarter of a century. The report highlights the organisational and governance models which have evolved for strategic transport planning during this period and the impact of these on local democratic accountability and subsidiarity of services in the context of the ongoing Scottish Government/COSLA Local Governance Review.

The report then reviews the current wider strategic policy/ operating context for Highlands and Islands Transport Partnership (HITRANS) in its work with partner organisations in the Highlands & Islands area and the scope for further partnership and aggregation of services through a strategic planning body such as the RTP in response to several public reform and local democracy precedents that have emerged in Scotland in recent years.

The principal aim of the study is an initial desk-based research review of the context of the ongoing Local Governance Review and associated legislative and strategic matters that could impact on HITRANS delivery of mobility and accessibility outcomes across the Highlands and Islands.

Main Findings

In terms of policy and strategic context the report finds a clear focus for transport strategy and planning within Scotland in the last quarter of a century at local and national levels that has not always clearly reflected the subsidiarity principle. There has also been a clear recognition of the regional aspect of transport but an unwillingness to enable the regional aspect of transport to fully deliver. Only in recent years has there been a return to interest in service delivery at regional level.

Proceeding that there was a tendency for a clear dichotomy of service delivery, an argument that the most local level was the most appropriate level, despite a continuing recognition that transport and travel to work area required a regional approach. Or a national approach based on consistency of service provision to all, irrespective of the local needs or inequalities present within communities and arguments around economies of scale.

The Desk review highlights that a key recurring message is that regional transport is important in the Highland and Islands(H&I) and HITRANS is an important delivery agent for the region of positive strategic and project specific outcomes. The respect is clear from the references to HITRANS across the number of local and regional documents reviewed and also the continued willingness to consider joint working. Furthermore, across the H&I strategic policy context reviewed, there is a clear consistency of desired outcomes from the LTS's and LOIP's reflected up into the

Regional Transport Strategy. This points to a clear opportunity to the report author to investigate whether further transport aggregation of service across the HITRANS would be helpful with the resolution of several required mobility and accessibility outcomes.

Considering the local governance review and clear support and high standing for HITRANS there would appear to be an opportunity now to consider how subsidiarity and service delivery could be evolved in the HITRANS area and through HITRANS as a conduit for regional service delivery that meets several of the common transport outcomes desired across the 5 partner local authorities. The report concludes that whether this is a formal structural reform by partner authorities or an informal sharing of capacity through a number of councils, retaining their independence and identity but working together and sharing further resource and capacity through HITRANS, leading to more efficient and effective delivery of services and positive outcomes, as well as supporting workforce development and skills resilience for the H&I area. The report also highlights the change in economic thinking over the period since the creation of unitary authorities in the mid 1990's. The increasing focus on inclusive growth with its twin pillars of sustainable economic growth balanced with reducing inequalities highlights how it is fundamental that local/regional informs national as much as the other way around, given the key aspect of transport connectivity for the achievement of so many local and regional outcomes as well as the national vision of inclusive growth in Scotland. It also highlights the need for a change in focus and a re-focussing of current appraisal methodologies for policy and projects to ensure that inclusive growth is utilised to get the greatest benefits; realisation and transformative change from transport investment. As recent inclusive growth studies have highlighted, many communities close to large infrastructure-based investments struggle to benefit from such investments and in areas like H&I, any future strategic investments will need to focus on wider accessibility and service issues than a primarily infrastructure-based approach given the H&I geographies involved. The report suggests that HITRANS and its partners should consider whether there should be further functions, powers or empowerment at a regional level to enable this approach as well as a greater fiscal empowerment of regional transport planning to address key challenges. There are also the key risks of sharing highlighted alongside the need to make sure that efficiencies of skills or resources do not lead to a reduction in representative and especially participative democracy from the local communities of the H&I area or workforce engagement issues.

Main Recommendations

- This report is subject to presentation and discussion at a future HITRANS meeting and that there are subsequent individual engagements with conveners and senior officers in partner local authorities and focused engagement with key local partners.
- There would also seem to be a clear rationale for a Highlands and Islands Transport Workforce survey, to identify capacity and shortage

skills across the region in relation to transport service delivery and associated skills such as funding bids or business cases, vital for ensuring the investment and continuation of resource into the HITRANS area. There could also be a clear rationale for a desk-based review of Citizens Panel or Local Authority surveys to identify key transport statistics or a stand-alone community engagement survey on transport delivery.

- Following such discussions and the identification of potential for greater aggregation of delivery, given the forthcoming Local Democracy Bill, local authorities within the HITRANS area should form a working group to consider the potential for intelligent aggregation/sharing of specialist transport services and functions through or via the Regional Transport Partnership (RTP). This could enable a clear focus on prevention, reducing inequalities and promoting equality responses regionally co-designed with local communities but delivered with regional aggregated capacity.
- Transport Scotland as part of the Second National Transport Strategy (NTS2) consultation should undertake a subsidiarity assessment of current roles and responsibilities, including the delivery of significant amounts of funds which seek to deliver local outcomes but are distributed from a non-representative body. For example, the significant Active Travel Funds channeled via non-democratically elected organisations. This would build upon one of the key recommendations of the Commission on Strengthening Local Democracy to “locally proof” strategic decisions on local areas.
- Scottish Ministers and Transport Scotland (TS) should also be a consideration as to whether TS should decentralize or co-locate certain functions or services which are delivered within a specific geographical area. In the HITRANS context this could be the delivery of ferry services on behalf of Scottish Ministers.
- If a working group is agreed and set up or existing forum utilised for this purpose, it is recommended that a Strategic Plan is agreed, a form of continuing consultation, a roadmap for where HITRANS and partner local authorities want to go. Setting out a vision for buy-in from all partners to working together better. Vital from previous research findings is the need to have a clear plan to avoid a common pitfall to sharing/joint-working or collaboration: that of poor planning or also exclusion of local communities in participative decision making.
- As part of the clear commonality of transport outcomes desired regionally, there may be clear merit in a discussion about ring-fencing certain parts of

Community Planning Partnership (CPP) budgets or wider capital budgets to deliver common regional transport outcomes and to lobby for greater devolution of significant ring-fenced central funds such as Active Travel/Nation funding. There could also be discussion of the merits of local visitor taxes or regional levies to support transport services beneficial to the wider community and enabling legislation to allow innovative responses by groups of local authorities.

- Further research and discussions need to be undertaken with key stakeholders on the socio-economic benefits and inclusive growth contributions from smaller scale capital investments versus larger scale national projects ahead of the conclusion of the second Strategic Transport Projects Review.
- That there is also a commitment sought from Transport Scotland for a subsidiarity review of all its funding streams to local and regional transport authorities to ensure the greatest local representative and participative democratic input into funding delivery and project decisions to strengthen community empowerment and local democracy.
- Lobbying ahead of the Second Strategic Transport Project Review (STPR2) for a Transport Study/Studies for the Highlands and Islands Enterprise Agency area, to inform key projects for the region, like that which has been undertaken for the SW Scotland and Borders, ahead of the South of Scotland Enterprise Partnership formation. This could also inform the forthcoming transport aspects of the National Islands Plan, if commissioned in partnership with ZETRANS and HIE.
- HITRANS authorities may wish to consider lobbying for future local democracy legislation to give authorities individually but also collectively through HITRANS a power of competence like the Localism Act 2011 of England and Wales. Also, to continue previous lobbying for RTPs to be considered relevant authorities for the Fairer Scotland Duty and any consequential amendments given the regional aspects of transport poverty and socio-economic disadvantage within HITRANS area.
- HITRANS could consider succession planning of non-councillor and observer/adviser board roles linked to their existing community engagement and participation forums, to further embed community participation for partner councils in the governance of local and regionally shared transport services.
- Looking further ahead, the transport outcomes identified across the suite of LOIPs across the HITRANS region should be conveyed to the Scottish Government robustly ahead of the next National Performance Framework (NPF) to ensure that the next set of national outcomes

reflect more strongly the transport outcomes emerging from the 5 LOIPs locally.

Concluding Remarks

There is a clear consensus of the value of HITRANS within the published documents of the area. There is a variety of formality or involvement with the RTP across the region from all CPP partners.

There are also clear local outcomes stated as required in each of the 5 partner local authority areas around the clear need for improvements in transport services, need for better accessibility to key services and increased sustainable mobility for health and general population well-being reasons.

There is no view expressed in the documents reviewed that the current role and functions of HITRANS should be static in the future and several documents make references to a desire for greater joint working to produce strategies and projects with HITRANS. It would be clearly useful to test the parameters of possible further development of HITRANS co-produced powers or sole functions/joint capacity with all partners in the Highlands and Islands Area to see if further governance and sharing/aggregation arrangements could be beneficial in the delivery of local outcomes as well as increasing service resilience and sustainability locally of service but also local participative democracy.

There is a great deal of similarity and consistency of aspirations across the HITRANS area from a number of partners. This reinforces a clear opportunity that those with similar aspirations but containing constraints on resources may struggle without further informal or formal wider geographic or topic-based partnerships to realise those outcomes. This makes a clear case for discussions about whether a central unifying body and skilled staff could pull the delivery of outcomes all together and make quicker headway in influencing central government and regional/local partners than they could do individually within their own geographical areas or continuing the same level/model of working through HITRANS.

This will require further work and engagement with and across partner councils and also critically for me with the local voices and communities, who have outlined a clear desire within the H&I area to be given the opportunity to influence the decision-making process. As stated in the original consultation that created HITRANS formally "local democracy is regarded by many as an essential component of transport provision". That would appear from this study still to be true but as stated within the report, subsidiarity of decision making does not preclude service aggregation through bodies such as HITRANS as it is clear such centralisation of delivery can strengthen local democracy and improve outcomes.

2. Introduction

CP1919PLUS21 have been approached and engaged by Highlands and Islands Regional Transport Partnership in February 2019 to produce a report on the evolution of governance around strategic transport in the Highlands and Islands area in the last 25 years, analyse the current situation in the context of the ongoing Scottish Government/COSLA Local Governance Review and identify potential opportunities for HITRANS in delivering improved outcomes in partnership with councils whilst maintaining the principle of subsidiarity and strengthening local democracy

2.1 Research Outcomes

The aim of this research is an initial desk-based review of the ongoing Local Governance Review and associated legislative and strategic matters that will impact on the delivery of mobility and accessibility outcomes across the Highlands and Islands.

This piece of independent work will provide conclusions and recommendations on the role HITRANS could provide in supporting these outcomes across the Highlands & Islands area in partnership with councils and working with other key stakeholders, and recommendations for changes needed to support these jointly agreed outcomes.

- Outcome 1 Desk based research report into the Local Governance Review and other relevant contextual information and action for the Highlands and Islands Area
- Outcome 2 Presentation to a relevant Board meeting on the initial findings and Q&A with members and Senior Officers within relevant partner organisations.
- Outcome 3 Develop proposals for future role and functions of HITRANS, discussion and development of proposals with Senior Officers and members of constituent councils, and relevant Highlands and Islands (H&I) stakeholders.

2.2 Structure of This Report

Chapter 3 provides a chronological review of the significant transport governance and wider legislative aspects of local democracy/subsidiarity in Scotland over the last 25 years covering the voluntary formation of HITRANS as a result of the move to unitary authorities in the 1990s, the legislative formation of Transport Scotland and RTPs, the changes in relationships in the latter part of the 2000's and a subsequent renewal interest in regional collaboration for transport over the course of this decade. Bringing the reader up to the present day and the continuing Local Governance Review, emerging new National Transport Strategy and reflecting upon the impacts on subsidiarity and the most appropriate level of governance and decision making for strategic transport across Scotland's communities and their representatives.

Chapter 4 provides a desk-based analysis of the local transport outcomes in the Highlands and Islands area.

Chapter 5 provides contextual challenges for local government/public sector in recent times and the potential challenges facing it in future years alongside a review

of previous proposals for integrated transport authorities in the H&I area and elsewhere in Scotland in recent years.

Chapter 6 outlines the main findings of the report, reflecting on the desk-based research outlined in Chapters 3&4 and the identified challenges for local governance and previous attempts at sharing services in Scotland.

The report concludes with recommendations emerging from this report, addressing the aims of the research ahead of the Local Governance Review and potential Local Democracy legislation and the consultation in 2019 on the National Transport Strategy and subsequent publication of a second National Strategic Transport Projects Review (STPR)

3 Context

This section of the report seeks to provide a summary of the significant issues concerning the structures of local governance and the principle of subsidiarity in Scotland, the legislation relevant to transport and HITRANS over the last quarter of a century and continuing policy and practice. The following chapter seeks to take wherever possible a chronological approach to report the role of strategic transport planning in Scotland and the changes occurring since the last legislative reorganisation of Scotland starting in 1994.

3.1 What is Local Democracy and/or Subsidiarity?

There are many definitions but, in this report, I would propose a general view of local democracy and governance, as the decentralisation of power and responsibility from national governments to democratic institutions at a smaller geographical scale, be that village or town or city or on a non-geographic scale in terms of communities of interest. In the context of this report that might be user groups around transport. Subsidiarity is a principle which seeks to guide decision makers and stakeholders to the most appropriate place to allocate powers, balancing the need for local autonomy of actions and national co-operation / uniformity of service provision. Subsidiarity requires that larger geographical areas of government should not be involving themselves in the delivery of outcomes for communities, they might set a strategic context for local services, but they should not interfere with say local or regional governance structures delivery or their functions. Higher spheres of governance should have a strategic support role, enabling them to deliver and help co-ordinate and influence the role of other civic actors to achieve positive outcomes at whatever scale or community of interest.

A summary might be if someone closer to communities could deliver an outcome or perform a function better than a higher level, they should be given the broadest practicable autonomy. Recognising though that there will be functions and services for reasons of scale, size, complexity or their effect on others that would deliver sub-optimal outcomes if not handled at a higher level. Applying the principle of subsidiarity may require multiple levels of governance, not just UK, Scottish and Local governance, but regional or community in terms of geography or interest. It is important in any process to recognise the context for local democracy and the principle of subsidiarity as a political norm yet a norm that also does not stick rigidly to current norms, e.g. levels of governance and recognises the flexibility for evolution of governance to highlight local circumstances over time.

The aim of strengthening local democracy is based on the premise that such empowerment will better reflect the needs and preferences of local communities. If local democracy and governance is successful it can improve service delivery by responding better to local circumstance, strengthen communities as more people feel involved, participating and invested in decisions and improve outcomes as communities are developed according to local needs. This is not to say that every service delivered needs to be devolved to the most local level. There will be some services where strategic aspects of their impact will need to be designed and

delivered centrally to avoid fragmented and unequal service delivery. In the context of this report, transport, mobility and accessibility will have clear aspects where aggregation of service delivery above a local/community will need to devolve from national levels to larger locally based regional bodies, which are accountable and exercise these powers closer, more transparently and more accountable for local communities. For example, in this context there is a clear potential for devolution of functions and resourcing from Transport Scotland to the Highlands and Islands. This could see some responsibilities transfer to the RTP in several contexts and structures or indeed through the decentralisation or at least co-location of Transport Scotland delivery to a regional level.

3.2 The 1990's Structural Reform of Local Government

I do not intend to rehearse the whole history of local democracy in Scotland, others have already done this in accessible forms, notably the Commission on Strengthening Local Democracy in 2014ⁱ. I propose to focus on the context for HITRANS since the abolishment of the two-tier council system in 1996 with the amendment of the Local Government (Scotland) Act 1973 to create 32 unitary authorities across Scotland. This legislative change removed the regional councils which tended to focus on more strategic service delivery and most importantly in the context of this report, a significant number of accessibility and mobility services and strategic planning. All these strategic responsibilities were embodied in the new 29 mainland unitary authorities and the retained 3 island authorities.

There were previously direction orders for unitary authorities to continue strategic planning for the purposes of say land-use planning and several authorities in the context of mobility/accessibility recognised the need and formed voluntary regional transport partnerships in the years following the 1996 reorganisation, including the Highlands and Islands Integrated Transport Forum of 1998 onwards. The importance of these links and the cross-boundary nature of several regionally significant transport services was the main driver for the establishment of the Highlands and Islands Integrated Transport Forum on a voluntary partnership basis as a product developed from the Convention of the Highlands and Islands. This body developed into HITRANS as a voluntary transport partnership and developed further when the statutory regional transport partnership was established through the Transport (Scotland) Act 2005.

In this time, a significant number of aspects of transport legislation were devolved to the Scottish Parliament in 1999 and the first significant Transport Act in Scotland was in 2001 albeit it was more focussed on enhancing existing powers rather than governance aspects of transport but did introduce ministerial powers to order joint transport strategies. The then Scottish Executive (SE) recognised in the early part of this century that there was a need to consult on formalising these voluntary regional initiatives which existed alongside the formal Passenger Transport Authority of Strathclyde, designated in the 1960s by UK legislation as a recognition of the cross-boundary nature of travel to work areas around large urban areas.

3.3 Transport Bills/Acts

In September 2003 SE issued a consultationⁱⁱ outlining its proposals for a new approach to Transport in Scotland. The consultation shaped the creation of the new governmental body of Transport Scotland. The rationale at the time was that Scotland was not a large country, albeit in the context of other European countries, Highland Council area is comparable to Belgium in geographical scale. It was stated that many countries of a similar scale manage their transport through one national body, but many do not, and it was recognised that at the time local authorities and regional bodies had been effective in terms of delivery and this gave Scotland a distinct advantage in this context. In creating Transport Scotland, it was documented that a lot of the aims and objectives for transport in Scotland still need to be progressed and delivered at local and regional levels. The rationale for Transport Scotland was to provide a national centre of excellence, attracting the best human resource to deliver quickly and at high quality.

However, the core task of the national body was to ensure the construction of major projects. It could be argued and evidenced that in the context of local democracy and subsidiarity through democratic structures this focus over the last 10-15 years of Transport Scotland has widened to focus on delivery it could be suggested might be still best delivered via local and regional levels of delivery. The consultation at the time focussed on a very non-subsidiarity approach to governance. It explicitly stated that there might be a nationwide desire for uniformity on schemes such as concessionary fares or information. This may still be true however it also seems at present that there is an equal or even greater desire in communities and those charged with service delivery for greater variation of local services recognising differences in local circumstances, alongside a national government policy shift away from a universalism approach to policy to a greater recognition of the need to reduce inequalities e.g. inclusive growth as a primary aim of government and the devolution and introduction of the Fairer Scotland Duty, allowing local bodies the opportunity to target services on those experiencing socio-economic disadvantage.

The original proposals for the then new Transport Scotland where to:

- Be a centre of excellence in delivering transport
- Provide a foundation for the development of Scotland's largest transport projects
- Work for an integrated, multi-modal approach to services
- Take social justice and sustainable transport as central goals
- Aim to achieve reliable and improving services across Scotland

This compared with the current scope of the 2019 Transport Scotland scope and range would seem to suggest a clear centralisation over the last 10-15 years of activities that the purpose and aims of Transport Scotland have in a context of

subsidiarity seen them progress into a space where their activities and processes have interfered with the delivery regionally and locally of high-quality local outcomes. In their latest Corporate Plan 2017-2020ⁱⁱⁱ TS outline their purpose as one of being to advise Scottish Ministers on strategy and policy options for transport in Scotland and increase sustainable economic growth through the development of national transport projects.

Transport Scotland's core working principles are to:

- strive to continuously improve our activities in transport delivery, both nationally and internationally
- promote transport integration
- support transition to active and more sustainable forms of transport
- maintain a clear outward focus on the needs of transport users
- work in partnership with transport providers, communities and wider government in our planning and delivery
- make the most efficient use of public resources, and equip our staff to do the best possible job

Transport Scotland Aims in 2017 were:

- An accessible Scotland with safe, integrated and reliable transport that supports economic growth, provides opportunities for all and is easy to use;
- a transport system that meets everyone's needs, respects our environment and contributes to health;
- services recognised internationally for quality, technology and innovation, and for effective and well-maintained networks;
- a culture where transport providers and planners respond to the changing needs of businesses, communities and users, and where one ticket will get you anywhere.

This comparison is not meant to be critical of Transport Scotland's achievements over the last 10-15 years. Merely a reflection on the process that affects most agencies or organisations over time, where "mission creep" can evolve from an attempt to do more and more for the people you serve. However, in a focus on a local democracy/subsidiarity prospective, this might mean well-intended work and objectives are taken on at a national level, which produce outcomes that are sub-optimal in quality for inequalities, as whilst they might be of good value, better value might be produced by applying the subsidiarity principle to their delivery through different structures. The lack of explicit recognition in TS's purpose of the need to reduce inequalities perhaps demonstrates a corporate recognition of the ability of a national transport body to deliver the sustainable economic growth aspects of Government's central purpose but struggle to deliver on its own the reduction of inequalities and engagement required with communities so vital for an inclusive growth approach.

Indeed, in the original consultation in 2003 the Government recognised this dilemma explicitly in asking whether there were powers sitting with Scottish Ministers that

might be more effectively exercised by local government, whether at regional partnership or local authority level. And, in reverse asking if Transport Scotland would need to attract powers that are currently with local government – especially in relation to concessionary fares and quality contracts, to enable national co-ordination. It could be argued that after 15 years it might be an opportune moment to undertake a subsidiarity assessment of the current balance and distribution of powers ahead of the finalisation of the Second National Transport Strategy and any forthcoming Local Democracy Bill. Subsidiarity of delivery can evolve over time, it is not a constant given other external factors; what provision was thought appropriate to co-ordinate or deliver nationally may in time become a clear candidate for further devolution.

3.4 Regional Transport Partnerships

In the same 2003 consultation The Scottish Executive noted that many transport priorities are not in the scope of a national transport body. They recognised that more progress could be improved on several transport matters progressed at the time by local authorities. However, it was recognised that this delivery of outcomes varied considerably across councils but that this reflected local democratic priority setting. Indeed, the consultation itself stated that “local democracy is regarded by many as an essential component of transport provision”. However, as indicated earlier, after only 7 years of unitary authorities, the Scottish Executive was flagging up the need to increasingly share expertise and resources in transport between local authorities. It highlighted that whilst the 32-council system might have proved right for many local authority functions, the evidence was emerging within a decade that by breaking a strategic transport system into 32 areas, it was creating problems of integration or resourcing of investment in both cash and human terms.

Therefore, in the consultation of 2003, there were several possible options consulted upon; from maintaining the 32-council approach, joint board, voluntary partnership arrangements, special purpose bodies etc. It is easy to look back and see that despite the discussion of local democracy there was also a political desire for uniformity of structure which overran the potential for an asymmetric approach and a subsidiarity approach. However, at the time the argument seemed to suggest that the level of investment on the horizon in sub-national schemes would mean local authorities would be hard pressed to deliver and that this meant that a common pattern was not emerging and needed to in terms of risk and assurance for delivery of projects. Instead of viewing the diversity of structures and processes as a positive it was utilised as a rationale for structural service delivery uniformity in 2005, rather than an asymmetrical approach that recognised the most appropriate level and structure for reasons of subsidiarity might have been different across different geographical areas with different functions only to different RTPs at that point and perhaps reflected a bias towards urban transport planning.

However, there was a positive from the uniformity of governance structures as vote weighting fostered a clear sense of partnership and inclusion of non-councillor

members or observers in the Transport Act 2005 did give the opportunity for wider representative/participative involvement on the RTP boards. The notable concession to diversity and subsidiarity was the non-prescription from Scottish Executive on the size and scope of what was to become regional transport partnerships. Indeed, it recognised the good work of HITRANS in its voluntary stage in integrating and involving public and private sectors in strategic regional transport planning. Therefore, there were 3 Models or Levels of Regional Transport Partnership proposed as permissible with Ministerial and member council consent that the new RTPs could adopt.

Following consultation and consideration of legislative proposals, in 2005 the Transport (Scotland) Act gained Royal Assent, and RTPs were created on 1 December 2005. This legislation enabled the formalisation of previous voluntary forms of transport governance. This set up RTPs as Model 1 partnerships with mostly strategic planning powers, but the legislation enabled and still does, Ministers to transfer powers from constituent member councils of the partnership to the RTP as a separate body corporate under the 2005 Act. The current key duty of all RTPs is to produce a Regional Transport Strategy. The Model 1 authorities also can acquire or dispose of land; promote or oppose private legislation; have a duty to participate in community planning and the ability to create a company.

Model 2 might be called a halfway house where the RTP might take powers for certain measures, but the constituent councils retained certain powers or other powers could be co-exercised. The Scottish Executive in their 2004 consultation^{iv} specifically on RTPs, highlighted that one example of a Model 2 structure could be negotiating and managing contracts for supported bus services, quality partnerships and quality contracts. This could be either to take a strategic regional approach to these measures or in order to develop a regional 'centre of expertise' in contract management. If the latter, it could be the case that the local authorities maintained a role in defining service requirements with the RTP effectively acting as an agent. The consultation also suggested for examples, other functions that could be considered for delivery at regional level could include parking policy and enforcement and integrated ticketing schemes. Sharing some functions concurrently with local authorities, as in model 1, would remain possible under this mode

Model 3 authorities of which only SWESTRANS AND ZetTrans operate all transport provisions within their unitary authority areas. SPT focusses on public transport and other collective services for certain member councils. The 2005 Act did enable the aggregation of local authority functions but there was limited devolution of functions from Scottish Ministers. Local Authority Bus Services could be RTP functions by Order and those local road-user charging powers from the 2001 Act. Bridge Management and Maintenance and Traffic Regulation Orders from the Road Traffic Regulation Act 1984 and the Securing of the provision of passenger transport and related consultation and publicity from the Transport Act 1985, as local authority functions could all be transferred as functions to the RTP.

Therefore, legislative orders could make it possible for RTPs to exercise functions relating to quality partnership schemes and quality contract schemes, ticketing arrangements and schemes, bus service information, installing bus lanes, providing subsidised bus services, operating ferry services, managing tolled bridges, operating airports and air services and entering into public service contracts. The legislation did not exclude the potential for granting of other functions, there is no explicit prohibition clause in the Act in relation to road maintenance or parking enforcement; there is an implicit focus on the planning and provision of strategic transport. There is also in terms of the list of potential functions a focus mainly, with the notable exception of say ferries and airports, with an aggregation of functions taken up from the local level, rather than the potential devolution of focus from Transport Scotland to RTPs and potentially beyond to local communities.

RTPs would over the next 2-3 years undertake a period of clear research and consultation to inform their first nationwide suite of Regional Transport Strategies. This would build on the previous suite of documents from the statutory and voluntary regional partnerships or single authority areas with Local Transport Strategies enabled by the Transport Act 2001. However, crucially in terms of the subsidiarity principle it would mean that Scotland's first national transport strategy would not have the benefit of a full suite of local and regional strategic assessments of transport issues to build the first NTS from a community level up.

3.5 Scotland's National Transport Strategy 2006

During 2004-2005 the Scottish Executive consulted on the first National Transport Strategy (NTS) for Scotland, setting out a long-term vision for transport. The Scottish Government's overall purpose was to increase sustainable economic growth and it was recognised nationally that a safe, efficient, effective and sustainable transport system, for both passengers and freight was one of the key enablers of such sustainable economic growth. The NTS provided a strategic framework for enhancing Scotland's transport system and responding to key transport challenges facing Scotland. It set out three key Strategic Outcomes to be used as guiding principles at national, regional and local levels when developing strategies and deploying resources:

- Improved journey times and connections, to tackle congestion and lack of integration and connections in transport
- Reduced emissions, to tackle climate change, air quality, health improvement
- Improved quality, accessibility and affordability, to give choice of public transport, better quality services and value for money or alternatives to the car.

The NTS was accompanied at the time by a Strategic Transport Projects Review which was published in late 2008. It set out the Scottish Government's national priorities for transport investment over the next 25 years and sought to support the overall purpose of government at this point; namely Sustainable Economic Growth. The STRP was undertaken using an objective-led, evidence-based approach to appraise potential means of addressing transport issues and sought to ensure that

the Government's then priorities of a Wealthier and Fairer, Healthier, Safer and Stronger, Smarter and Green Scotland were met and that investment was focussed on improving Scotland's sustainable economic development, in line with the then focus of Scotland's Economic Strategy.

In 2015 following significant lobbying from COSLA and others, the then Minister for Transport Derek Mackay agreed to a refresh of the first NTS as a precursor assessment of the need for a fuller review post the 2016 Scottish Parliament Elections.

3.6 Concordat

However, the change of governing party in Scotland after the 2007 election, had a clear impact on ability to exercise these functions for RTP's like HITRANS. The previous capital funding allocated directly to RTPs was removed and re-allocated to the local authorities themselves. A combination of funding priorities and local democratic choices saw this money spent on other priorities than the actions outlined in Regional Transport Strategies. This was a slight paradox to the Scottish Government's guidance on delivering shared services at the same time. Where the then Cabinet Secretary for Finance and Sustainable Growth John Swinney MSP clearly stated that shared services were seen as a way of improving efficiency and a key element of the new Government's efficiency agenda.

The new relationship saw the agreement of a concordat set out the terms of a new relationship between the Scottish Government and local government, based on mutual respect and partnership. It underpinned the funding to be provided to local government over the period 2008-09 to 2010-11. This agreement sought to recognise the Scottish Government's role in setting policy and strategic outcomes but stood to reduce micro-management of service delivery. The initiative sought to free up local authorities and partners to meet varying needs and circumstances. However, part of the concordat package was the removal of the previous ring-fencing for strategic funds such as the RTP capital grants and the money transferred straight to the local government settlement. Therefore, whilst it did empower fiscally local democracy it also potentially ran contrary to a subsidiarity in terms of not determining with the benefit of hindsight the appropriate level of governance for strategic transport matters. Alongside the reduction in ring-fenced grants including other transport specific grants there was a reduction in monitoring with the aim of increasing whilst other policy areas potentially benefited from positively from such change. This led to a situation where RTPs as mainly local government bodies in terms of their operating procedures under the 1973 Act were separate from the wider Scottish Local Government family and a potential target for funding re-distribution by local authorities, despite offering the ability to share services so vital to the new Scottish Government's efficiency agenda and being governed by a majority of local councillors.

3.7 The Christie Commission / Post Concordat

Following on from the Concordat and subsequent to the 2011 Elections, the "Christie" Commission delivered its final report on the Future Delivery of Public Services reported in June 2011^v. The report sets out in detail what it sees as the

scale of the challenge facing public services in Scotland. However, while the current public spending reductions were the impetus behind the Commission's establishment, the Commission stated that the issues it seeks to address "also reflect long-standing needs in Scottish society as well as new demands, particularly from demographic change". The report concluded that the need for reform is now "urgent".

The Commission identified four key objectives for the programme of reform.

These are that:

- public services are built around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;
- public service organisations work together effectively to achieve outcomes;
- public service organisations prioritise prevention, reducing inequalities and promoting equality; and
- all public services constantly seek to improve performance and reduce costs, and are open, transparent and accountable.

Post the 2011 Elections and the non-renewal of a concordat with Local Government, there tended to be a greater use of challenge funds or direct delivery of funds by Scottish Government partner authority mechanisms. Charities such as Paths for All and Sustrans Scotland have been utilised as delivery agents for funding alongside social enterprises such as the Energy Saving Trust. The third sector clearly has an important role in terms of the encouragement of local subsidiarity and sub-local government local democracy to ensure the most vulnerable and marginalised members of the community are heard. However, in order to enable this to happen the third sector organisations used to deliver funding for local outcomes need to ensure that they are representative of the wider community and not an arms length extension of national government delivering or driving its strategic priorities to a local level without local democratic representation. Taking a local democracy action ensures that services are best provided within a democratic framework of local accountability and that the people who use public services should have as much of a say in the way they are organised, managed and funded as possible. It also in the case of active travel schemes potentially places charities or social enterprises as advocates and funders/funding conduits of significant government funds, which might in some instances as shown by the recent Active Travel Task Force report, whether liked or not, be contrary to locally desired outcomes and local democracy/subsidiarity of making decisions on funding.

However, during this period a large part of transport funding was delivered by non-local democratic structures. Whilst RTPs seemed to be stuck at this point; between being seen as Local Government by Transport Scotland and not being seen as Local Government by COSLA and have subsequently found it difficult to attract direct funding from Local Authorities or wider challenge funds due to lack of match funding. This despite a clear and continuing agenda from Scottish Government for the sharing of services.

Also, in this period there was the publication of the Audit Scotland Report that highlighted a continuing deterioration in the condition of Scotland's road network and a recommendation for the Scottish Government to take forward a national review of how the road network is managed and maintained. The underlying issue of the review was that there was a significant push from civil servants for nationalisation or enforced shared services regarding road maintenance. Whilst, there was a potential benefit for local government in terms of driving efficiency and accessing intelligent centralisation opportunities for local services within national contracts, neither national or local governments saw a role for the RTPs in the delivery of any response. The delivered review conclusion saw an ongoing focus upon how all stakeholders can deliver effectively managed roads for all within the budgets available and identify opportunities for innovation; collaborative working and the sharing of services, delivered via a formal collaboration programme which was formed around regional geographies which did not reflect the existing geographies of RTPs and continued a potential disconnect between regional working on physical road network assets and the potential for greater regional working around the delivery of services which relied on the physical network. Also, in terms of subsidiarity principle, the drive of the review was about re-organising sub-national services and contracts to address outcomes. Transport Scotland did not open their generation of trunk road contracts for discussion in terms of a more optimal level of delivery of services. There were no significant discussions on the potential interdependency of functions being exercised by multiple levels of governance to improve outcome. It was about driving the sharing of services locally by a national government; in retrospect that has led to regional collaboration, rather than an empowered approach by local authorities reaching out to form partnerships to improve local outcomes and potentially in doing so being able to better deliver national contracts locally.

3.8 The Community Empowerment Bill/Act

Following the 2011 Election of the majority SNP Government and discussions/consultations on several subjects, the Community Empowerment Scotland Act 2015 received Royal Assent in the Summer 2015. The legislation provided a framework for the promotion and encouragement of community empowerment and participation. In the main by seeking to promote subsidiarity from the local government tier of governance in Scotland and seek to build and enable community capacity across Scotland. The Act also set the national performance framework on a statutory footing and required Scottish Ministers to consult on the development of the next stage of local outcomes. The Bill also placed CPPs on a statutory footing and imposed duties on them around the planning and delivery of local outcomes, with a clear focus on tackling inequalities and enable CPPs to produce locality plans at a more local level for areas experiencing specific disadvantage. The legislation also included a mechanism where communities could seek to demand participation in decisions or delivery of certain outcomes from public authorities called a "participation request". However, the majority of the legislation when passed in 2015 focussed upon a clear principle of subsidiarity which focussed

on empowering local communities, which has a clear impact on the improvement of outcomes. It did not take a whole system approach to subsidiarity rather focusing on devolution from local government to communities to enable greater participative democracy. The review did not question within a whole Scotland context on whether there were other powers and functions that could be exercised closer to communities than at a national level.

Even where there were duties for public bodies to act together at a local level it was generally proposed within a local authority geography and governance context. Whilst RTP's were involved in each CPP there was generally a focus on local issues rather than any discussion of the role a strategic body such as RTP's could play in addressing local outcomes e.g. transport poverty; such as wider than a single Local Authority cause and as articulated throughout the years since 1990s needed an empowered and accountable form of regional governance related to clear and defined travel-to-work areas or the rural/deep-rural geographies of Scotland.

3.9 Our Islands Our Future

In the context of two of the three sole island authorities in the HITRANS, there was also a significant call for stronger local democracy ahead of the 2014 Referendum on Scottish Independence. In 2013, Scotland's three solely island councils: Comhairle nan Eilean Siar (Western Isles Council), Orkney Islands Council and Shetland Islands Council, launched the "Our Islands Our Future" campaign which was non-partisan but sought to engage both sides of the Referendum debate on the nature and needs of Scottish Island authorities and that they were considered in any constitutional settlement. This campaign has subsequently led to the passing of the Islands Act in 2018 with associated requirements to impact assessment for National Islands Plan. The campaign has also highlighted significant mutual transportation and accessibility issues for the three (3) Islands around Ferry and Air service provision and funding; as well as the provision of superfast broadband services, important for reducing the need to travel for several other aspects of island life. The campaign has also considered whether structural reform of governance within the islands is needed, either through internal aggregation of service provision through a single public authority model of governance or whether island councils could share or govern greater services together e.g. a combined authority model for specific services such as a joint board through the 1973 Act. Transport administration and governance was also considered at the early phase of OIOF and it was concluded the current regional approach was correct as it took account of the cross boundary travel requirements for Western Isles (through Highland and Argyll and Bute Council) and Orkney Islands (primarily through Highland), which is clear evidence of the role and outcomes delivered by HITRANS and its aggregated approach of accountable local services and functions.

3.10 The Commission on Strengthening Local Democracy

Also, 2013, COSLA and a few wider experts from across civic society of Scotland formed the Commission on Strengthening Local Democracy. The overall purpose of the Commission was to "identify a route map to deliver the full benefits of a shift in power towards local democracy for people in Scotland.

The Commission set out three specific objectives to govern its work and subsequent report:

- Firstly, to investigate a local approach to services and accountability that will improve outcomes in Scotland's communities.
- Secondly, consider the current landscape of democracy in Scotland and how this could be strengthened and enriched to benefit local people most.
- Finally, make recommendations that set a course for putting stronger local democracy at the heart of Scotland's constitutional future.

The Commission had a year of information gathering and evidence taken across a range of subjects and published an interim report^{vi} in April 2014, which focussed on a comparison of local democracy in other European countries to Scotland ahead of a final report in August 2014^{vii} ahead of the Independence Referendum, which made a significant number of recommendations based on seven key principles:

- Sovereignty – democratic power lies with people and communities who give some of that power to governments and local governments, not the other way around;
- Subsidiarity – decisions should be taken as close to communities as possible, and local governance must be right shape and form for the people and places it serves;
- Transparency – democratic decisions should be clear and understandable to communities, with clean lines of accountability back to communities;
- Participation – all communities must be able to participate in the decision making that affects their lives and their communities;
- Spheres not Tiers of Governance – different parts of the democratic system should have distinct jobs to do that are set out in competencies, rather than depend on powers being handed down from higher levels of governance;
- Interdependency – every part of the democratic system must support the others, and none can be, or should seek to be, self-contained and self-sufficient; and
- Wellbeing – the purpose of all democracy is to improve opportunities and outcomes for the individuals and communities that empower it.

In the context of this report, possibly the most important point/principle to focus upon is the most appropriate level of subsidiarity. The report in articulating its vision for a different democracy in Scotland, proposed a situation where powers rested locally as a default setting and enabled local people to have the ability to make decisions about issues that affect their communities. However, where accountability for services at a local level was sub-optimal, accountability for services should be clearly linked back to communities through participation and co-design in services and representation by members of the community elected and non-elected. This was an important part of the report, highlighting that local democracy is of fundamental importance but recognising that the delivery of services is a different aspect of this debate and that

for some services it is essential to aggregate delivery but ensure that they are shaped locally and accountable to communities.

The report was clear that to the Commission there was no contradiction in smaller local governments delivering some services themselves or commissioning others through larger shared services or the market. The Commission's final report highlighted international findings that the most extensive decentralisation is made possible by combining or sharing capacity between highly decentralised units of local governance. In other countries, local democracy is enabled and able to operate efficiently and effectively by routinely sharing, whilst aggregating certain services where that delivers the best outcomes to meet local needs. The report was clear that with local democratic consent of communities, there was clearly economies of skill and scale in Scotland that could be delivered by integrating currently separately managed and/or governed services under one mechanism. The report stated clearly that commissioning or sharing services at a larger scale than current local geographical areas of governance by aggregating functions into regional or national shared support services was not against the seven principles identified, indeed it could be positively supporting the enhancement of local democracy and subsidiarity in Scotland.

This was a key finding in the context of RTP's given the previous Concordat impact on their funding but given the recognition of local authorities over the last two decades of the wider cross-boundary nature of transport, mobility and accessibility as a service with a larger footprint than a single authority in the context of delivering outcomes. The existing architecture of RTP's in terms of legislative powers provides a clear opportunity for RTP's to realise the economies of scale, skills and resource identified by the Commission for their member authorities and wider communities which represent the sphere of governance below local authorities. Many RTP's have wider consultative forums which seek to involve and engage communities in order to improve the identification of local issues and improved delivery of outcomes. HITRANS and the other RTP's sought to articulate the specific opportunities for the aggregation of services across Scotland in terms of transport through their joint report with COSLA and Transport Scotland in August 2015^{viii}. Whilst the report itself focussed more on the delivery of services the implicit context was that there are some services which if aggregated at a level between local and national levels of governance/service delivery could significantly improve outcomes in terms of transport but also other areas of policy which are reliant on an efficient and accountable system of transport to deliver the required improvement in local and national outcomes.

3.11 Smith Commission

Following the result of the 2014 Referendum, the UK Government asked Lord Smith of Kelvin, to review the constitutional settlement between Scotland and the UK. The resultant commission involving all 5 main political parties of the Scottish Parliament resulted in a report^{ix} and a new Scotland Act to devolve further competencies to the Scottish Parliament. In the context of this report, the Smith Report focussed on the higher levels of government, principally between the UK and Scottish Government.

However, in some related contexts it did devolve powers around for example the Crown Estate and socio-economic inequalities which have relevance to HITRANS or its area. Specifically, in the case of the Crown Estate it was recommended that following the transfer of responsibility for the Crown Estate's economic assets to the Scottish Parliament, responsibility for the management of those assets should be further devolved to local authority areas such as Orkney, Shetland and Na h-Eilean Siar. A recognition of the principle of subsidiarity and that in devolving UK responsibilities that it was not a next level down or up scenario, but a need to consider the most appropriate level for exercising the power of sovereignty referenced in the COSLA Commission report. The Commission also recommended that Part 1 of the Equality Act 2010 in Scotland, devolved by the Scotland Act 2016. *“An authority to which this section applies must, when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce inequalities of outcome which result from socio-economic disadvantage”*.

In the consultation that introduced the primary legislation and whilst in launching the Fairer Scotland Duty consultation in 2017, the Equality and Human Rights Commission for Scotland highlights that for the first time public bodies will be required to set out how their plans will help in reducing poverty, including transport poverty and that the new duty will help focus on how major decisions like transport strategies can narrow the gaps in the lived experience between the most and least advantaged in Scottish society. Indeed, the original guidance issued by the UK Government in 2010^x highlights that the socio-economic duty will reinforce the need for local authorities and their partners to give very careful consideration to the need to address socio-economic inequalities through the careful planning of local transport options. Clearly highlighting that access to jobs, goods, services and social networks is particularly important for those from the most deprived areas.

3.12 New Scotland's Economic Strategy

Following this period of constitutional debate and research, there was also a change in leadership within the Scottish Government. Following this change in political leadership, the most distinctive change in the overall purpose of government was a movement from sustainable economic growth to inclusive growth.

Whilst sustainable economic growth remained the stated ambition of Government it was greater informed by the ethos of inclusive growth within the 2015 edition of the Government's Economic Strategy^{xi}. The Organisation for Economic Co-operation and Development (OECD) has defined “inclusive growth” as economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society.

The dual emphasis on growth and reducing the unequal distribution of prosperity, means that any strategy based on an inclusive growth agenda will need to focus not only on external connectivity or inter-city aspects of transport policy, but on

connecting at a local and regional level people to opportunities that exist in the labour market in terms of education and employment with transport at a sub-national level a vital component of addressing that strategic issue. That will mean that the response in a city compared to a rural area will not be uniform and therefore the previous arguments of universalism of service provision as outlined in the founding ethos of Transport Scotland for some services, will be eroded or replaced by a much greater focus on sub-national challenges and responses to increase the competitiveness and sustainability of the Scottish economy whilst reducing inequalities.

It would still be appropriate for the Economic and Transport National Strategies to set an overarching framework on how to strategically achieve a more productive, cohesive and fairer Scotland. However, with the principle of subsidiarity in terms of addressing the distribution of opportunities locally so implicit in inclusive growth responses the future of transport service delivery could be more and more about how the national strategic policy framework facilitates regional and local responses to strategic issues, supporting and sharing knowledge between spheres of governance to deliver government policy and positive outcomes for Scotland; its constituent economies and communities. The First Minister in her foreword to the 2015 Strategy was clear that creating greater prosperity and fairness is not the sole job of government, highlighting the need to work in partnership across all sectors to create fairer and sustainable growth.

3.13 The Second National Transport Strategy / Transport Bill (NTS)

A full review of the NTS was announced in late Summer 2016. The vision for the emerging NTS is a Scotland that will have a clean, inclusive and accessible transport system to deliver a healthy, prosperous and fair nation for communities, businesses and visitors. There are four strategic outcomes proposed:

- Firstly, a promotion of equality, seeking to provide fair access to ease of use and affordability of services.
- Secondly, a prosperous economy where transport enables mobility, is reliable, efficient and of high quality and embraces innovation and technology.
- Thirdly, takes climate action by adapting to the effects of existing climate change; takes steps to mitigate further climate change and promotes greener and cleaner choices.
- The final strategic outcome seeks to drive the strategic response to improve health and well-being, by ensuring safe and secure transport for all, enables users to make healthy travel choices and contributes to make our communities great places to live.

Although not explicitly reflected in the Strategic Framework Vision and Outcomes, there is as part of the NTS2 process a formal review being undertaken of the roles or responsibilities of transport governance in Scotland.

Transport Scotland have been keen to state that they have committed to a collaborative review of the NTS, seeking to engage stakeholders and communities in the development and influencing of transport policy. However, in the context of the

NTS published it sees this engagement influencing local, regional and national policy. Despite the local and regional development of policy not being part of the remit of TS as a national strategic body or the NTS, given there are partner documents at both local and regional levels of transport governance. There has been a call for evidence and an early engagement study published and a series of working groups over 2018 to develop the vision, strategic framework and policies, ahead of a formal consultation in Summer 2019 and finalisation of the NTS2 in late 2019, enabling the following development of an updated STPR. Given the change in Government central purpose and commitment to an inclusive growth agenda, it will be crucial that the governance of investment in infrastructure strikes the correct balance between strategic direction and appropriate level of subsidiarity of delivery of such key projects. It may be that the STPR identifies key areas of investment but leaves regional authorities to identify, develop and deliver key regional/local projects, supporting them with strategic funding and advice but TS not directly delivering themselves, given the change over the last decade towards greater collaboration and reduction of inequalities to achieve growth, which would seem to implicitly require a greater subsidiarity approach to projects.

As well as promising a review of the NTS following the 2016 elections, the Scottish Government also indicated that the introduction of a new Transport Bill would be forthcoming in this Parliamentary session. The Bill was introduced to Parliament in Summer 2018 and seeks to make legislative provision for low emission zones, further powers to local transport authorities in connection with local bus service operation and provision, parking issues and financial provision around RTP budget carry forward. Albeit in terms of the legislation whilst strengthening the powers of local transport authorities it would require the use of the 2005 Act and transfer of powers to a Transport Partnership it seems, to progress the use of new powers at a regional level. This is a welcome prospective in the view of the subsidiarity principle and opens the opportunity potentially for local transport strategies to exercise powers and functions at a wider regional level if the case can be made locally and in terms of strategic direction from any new emerging NTS2.

3.14 New National Performance Framework

Following the Community Empowerment Act 2015, Scottish Ministers were required to consult upon a set of new National Outcomes^{xii}. In 2018 there was a consultation on the outcomes for the new National Performance Framework and whilst there were not many direct transport outcomes, as with the concept of inclusive growth a large number of the specified national outcomes are reliant on mobility and accessibility at local, regional and national levels to enable the delivery of the outcomes. The new NPF also included the Scottish Government's commitment to transpose the UN's Sustainable Development Goals into national policy.

The NPF measures Scotland's progress against the national outcomes. To do this, it uses 'national indicators. These indicators give a measure of national wellbeing. They include a range of economic, social and environmental indicators. However, despite lobbying from all RTPs and the Society of Chief Officers of Transportation in

Scotland (SCOTS) the national outcomes and indicators contain less explicit linkages to the role of transport in delivering these outcomes and inclusive growth than would be helpful in the context they play in driving local outcome improvement plans via individual CPPs.

Therefore, whilst it was welcomed that there was an indicator on active travel, it did not include walking to public transport or use of public transport/collective transport such as car sharing. These are strategic regional sustainable transport issues that if included would have been helpful in driving public service reform discussions around the need for aggregation or sharing of services at a level above CPPs but crucially below national delivery by Transport Scotland or its agents. It did seem a missed opportunity in the context of a new round of national, regional and local transport strategies. Our transport networks are critical to every aspect of daily life across Scotland. From facilitating economic prosperity, providing lifeline services to remote communities, ensuring mobility in our cities and towns; the expectation of our politicians and the travelling public is that these networks will operate efficiently and safely on a daily basis. It is therefore essential that all custodians of our transport infrastructure are constantly looking to the needs and aspirations of coming generations as well as current demands. Whilst not being specified in the national outcomes doesn't preclude individual CPPs from addressing such issues through their LOIPs. However, in terms of national lobbying for resources over the long-term it would be helpful to have a strong H&I voice, based on a commonality of desired outcomes, lobbying for a greater representation of mobility and accessibility outcomes at a national level, to access subsequent enhanced resource allocation.

3.15 Local Governance Review

The Scottish Government and COSLA have in Summer 2018 announced a review of Local Governance in Scotland^{xiii}. This followed an intention outlined in the 2017-18 Programme for Government to decentralise power to a more local level in Scotland, review local governance ahead of a Local Democracy Bill later in this Parliament. The clear statement of intent from both spheres of governance is that they want to devolve more powers to local levels. The vehicle proposed to enable involvement and participation in this initiative is a Joint Review to enable local communities to have their say on how public services in their area are delivered and governed. The SG/COSLA review will consider how powers, responsibilities and resources are shared across national and local spheres of governance and with communities. It would be important to ascertain at an early stage that HITRANS as a form of aggregated regional public body made up of democratic representatives from local democratic structures implementing national legislative duties for regional transport is not excluded from the debate by the emerging narrative.

SG and COSLA have outlined an intention for a wide ranging and ambitious review, with much of the proposed activity split between two strands. Firstly, there has been a strand of work focussing on community decision making, which has been a public engagement conversation about how in future this can be developed in Scotland and focussing on decisions taken closer to people than the first level of full-scale democracy (recognising that whilst community councils in some areas of Scotland provide a more local level of democracy they are not universal across Scotland) provided by Scottish Councils. This strand of the Local Governance Review conversation was rounded off in late 2018 with a series of events across Scotland to bring together people to discuss and share ideas and reflect on the emerging issues. The proposal is to share these findings in early 2019 before a further public consultation on the published findings.

The second strand of the Local Governance Review has been asking public sector partners to outline what powers and resources they would need to improve outcomes for people. RTPs collectively have responded to this review. In 2018, COSLA Leaders and the Scottish Government Cabinet Sub-Committee agreed several key themes for the Local Governance Review to consider:

1: “Asymmetric” and “Permissive” approaches to governance

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

2: Collaboration and Integration across public services and councils

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

3: Subsidiarity, Empowerment and Participation

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

4: Scale

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

5: Fiscal Empowerment

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

In terms of the second Strand of the review both Scottish Government and COSLA have outlined a continuing commitment to strengthen subsidiarity and local democracy in ways that improve outcomes locally, grows the economy in an inclusive manner across all of Scotland and enables opportunities for new ideas to flourish. The review is an exploratory process and seeks to highlight opportunities for positive change. The Scottish Government and COSLA recognise that in making this commitment it brings a wide range of Scotland's public services into scope for exploration of positive change. It also recognises that there are also several reform or review processes ongoing/progressing which are considering the powers and functions held at national level. In the specific context of this report, the process of greater relevance is the Second National Transport Strategy and ongoing review of the role and responsibilities of transport authorities. Both SG and COSLA conclude with a clear view on the importance that any proposals emerging from the review need to reflect our shared aspirations in light of the new National Performance Framework to tackle inequalities and drive inclusive growth, are consistent with Christie Commission principles, and strengthen local decision making.

HITRANS alongside other RTPs have responded to the Local Governance Review. HITRANS and other RTPs emphasised the duty for RTPs to contribute to Community Planning and the ongoing refresh of all LOIPs across Scotland is highlighting that connectivity is a key local outcome for communities and seen across all geographies, as an enabler of inclusive growth by increasing access to employment, wider public services and amenities as well education/training. RTPs were keen to emphasise they are centres of specialist knowledge across a wider geography shared across several CPPs but ultimately accountable to local community governance. The response also highlights the democratic deficit in their collective view around whereby elected members leading on the strategic governance of transport are not automatically included in the Joint Committees established to oversee delivery. The fact that RTPs are body corporate rather than Local Government Joint Committees is a technicality that has clearly hampered in

their view the opportunity for such increased centralisation to be integrated into the wider local government family despite most of the boards of RTPs being local councillors.

In RTP's collective response to the review, there was a clear view expressed that strategic functions and planning of transport alongside land-use planning and economic development was critical to delivering best value. Therefore, there was an implicit willingness on their part to consider new partnerships and governance arrangements if this delivered a better outcome. However, until the legislation uniformity proposed in 2003/04 and delivered in 2005, the RTPs response is closely aligned with COSLA's view and that of its council membership of the need to recognise local needs and circumstances. This diversity of requirements across Scotland may lead to an asymmetric approach to strategic planning of regionally important functions such as transport.

The review thus far has not indicated that RTP's are appropriate models for improving local democracy. Indeed, in terms of the principles agreed, it would seem that an RTP such as HITRANS is a prime example of the lack of contradiction in terms of local democracy focussed on a priority of greater community empowerment of local services and local authorities delivering less services solely themselves and commissioning or co-producing more strategic services through larger/joint service arrangements with other councils or partners in an intelligent multi-agency approach. Local governance in other countries are able to operate efficiently and transparently by sharing and aggregating certain services where the type of service model better responds to local needs. There is no evidence to support this is not possible within Scotland.

The current SG/COSLA Local Governance Review is based on an acceptance of the increased variation and diversity in decision-making arrangements across Scotland. There is a clear opportunity for existing work between HITRANS councils to continue to deliver increasing amounts of services for the H&I area through some form of more enabled strategic partnership, perhaps gaining additional powers to make further future progress and protect and retain local democracy structures in any forthcoming 2019 Local Democracy Bill.

Summary

Whilst there has not been significant legislative change in structures over the last 20 years relating to local governance there has been significant change in emphasis and policy towards the most appropriate level of subsidiarity from which to deliver transport services. There has also been a significant political pressure for reform of public services but stopping short of legislation change, albeit this year there is on the horizon the potential for a Local Democracy Bill. There has been until recent years a clear polarisation of responsibilities at either local or national level, in either subsidiarity being about as a "local as possible level" and efficiencies being about the largest scale possibility mostly national. Only in recent years and discussions does it appear that regional geographies are returning to the policy debate as the most appropriate level for some interventions or strategic interventions.

4 Local Context

The Highlands and Islands Area Transport Partnership covers 5 Local Authorities and their corresponding Health and Social Care Integration Boards, 4 Health Boards and one Enterprise Agency as well as CPPs in each LA area including a range of key public sector agencies and third sector. There is also the Inverness City Region Deal and an emerging National Islands Plan where HITRANS are identified as a relevant authority for the purposes of the Act's duties.

This chapter seeks to summarise the current stated strategic context and aims for these bodies and their key strategic documents, in order to analyse the synergies of strategic objectives, current challenges across these public sector organisations and to review previous research in HITRANS and wider Scottish context in terms of potential for changes to governance structures.

4.1 HITRANS Regional Transport Strategy

The 2017 updated RTS has a vision to deliver connectivity across the region that enables sustainable economic growth and helps communities to actively participate in economic and social activities, by reducing barriers to participation in employment, learning, social, health and cultural activities. There are also specific transport objectives to: reduce journey times and improve reliability and resilience; improve safety of transport and travel; tackle capacity constraints; improve the quality, availability and accessibility, availability and integration of travel.

The updated RTS references several possible aspects of shared or aggregated services that could be progressed within the HITRANS area, public transport information ^{xiv}and mapping is a current example of shared services approach with positive outcomes being delivered. The RTS identifies that this approach could be extended to other areas of joint working.

The RTS also is upfront and clear about the opportunities to share resources to maximise efficient and effective delivery of an ambitious strategy. Forming efficient delivery mechanisms which give confidence to political funders will be critical for the necessary resources to be channelled into the HITRANS area and it would be in this context that such funders may wish to see an aggregation of resource and delivery agents into a clear and coherent strategy organisation with clear governance.

The updated RTS also provides a summary of the current structure of transport responsibilities within the HITRANS area. Highlighting that the RTP's main roles are as follows:

- Production of a Regional Transport Strategy;
- Project development/delivery/funding;
- Key agency in development planning;
- Statutory role in Community Planning Partnerships;
- Regional promoter of economic development, sustainable and active travel, behavioural change and modal shift;
- Regional modelling.

RTP's can receive functions transferred to them from local authorities or Scottish Government.

The Scottish Government are responsible for the provision of some transport services and activities in the HITRANS region. These include:

- Trunk roads.
- Rail services – rail franchises and Network Rail infrastructure.
- Most publicly funded mainland-island ferry services, through the CalMac and Northlink contracts.
- Operation of main airports, via Highlands and Islands Airports Limited (HIAL).
- Specification and funding of PSO air services from Glasgow to Barra, Campbeltown and Tiree.
- Air Discount Scheme.

Local Transport Authorities are responsible for a wide range of statutory duties some specific to transport such as road maintenance, road safety, school transport and a much wider range of duties across several policy areas which have a requirement on transport to deliver them. Local roads authorities through the Improvement Service/Society of Chief Officers of Transportation in Scotland (SCOTS) have been involved over the last 4-5 years in a regional road collaboration forum. The benefits of collaboration have expressed the long-term objective of any collaborative activity in this sector is to improve the performance and condition of the road network for road users. The desired outcome of this formal collaboration was to deliver primary benefits of greater effectiveness, resilience and sustainability. Whilst financial savings maybe delivered this was secondary to improved outcomes in the rationale for such shared service arrangements under a joint governance arrangement. All HITRANS councils are involved in this arrangement and it demonstrates the willingness of councils to partner on the delivery of a strategy for infrastructure assets that could be similarly developed further through HITRANS for other forms of transportation outcomes and services.

It will be an important part of any further research on the topic of local governance to test the appetite of partner organisations directly for greater sharing of resources or devolution/elevation of responsibilities between different levels of governance. The 2017 RTS specifically addresses such issues. Noting that some local authority funding and operational issues could be addressed by the transfer of responsibilities to national level organisations. Noting as an example, the potential for Transport Scotland to assume responsibility for lifeline ferry or air services currently run and funded by local authorities or CMAL adopting piers and running them for partners and charging accordingly. The RTS is clear that such changes in service delivery are possible but is clear that any changes still must comply with the subsidiarity principle and provide local accountability for the transport network and services in these communities. There is also discussion of the potential for greater co-operation or sharing of services between the five local authorities with HITRANS and between the local authorities themselves that may offer the potential for efficiencies and cost savings. Albeit, the strategy also highlights a key issue to address for any aggregation in line with the principle of subsidiarity. It will be vital as part of any HITRANS review of local governance to transparently address the lack of

understanding of all transport bodies current roles and responsibilities, this is vital from a service user perspective but also a key part of local democracy and improving outcomes. Local communities need to know who is responsible and critically how they as users can get involved in engaging and designing services that suit local needs and improve outcomes. Key to this is awareness and fostering involvement in service design and delivery by appropriate agencies whether directly or through lobbying by their representatives.

4.2 Local Transport Strategies

The Transport (Scotland) Act 2001 Act^{xv} gave some statutory context for Local Transport Strategies (LTSs), by outlining a definition for an LTS as meaning any strategy prepared, in accordance with guidance issued under section 79 of this Act, by a local transport authority relating to transport in their area. The Scottish Executive issued Section 79 guidance^{xvi} in 2005 with the expectation for the then latest round of local transport strategies to feed into the development process for the first regional transport strategies. They were clear at the time that they saw merit in their preparation, despite the changes on the horizon at that point in time.

HITRANS partner Local Authorities are at different stages in the production / delivery cycle of updating their Local Transport Strategies. The new National Transport Strategy, the recent refresh of the RTS and the evolving role of Local Outcome Improvement Plans across all Community Planning Partnerships, in considering multisectoral issues in each area presents an opportunity to consider a more collaborative approach to future planning for the delivery of a safe, accessible, integrated and reliable transport system at local levels through maintaining transport infrastructure, planning and delivering service

4.2.1 Highland Council LTS 2010

The LTS^{xvii} Vision is that “Through its Local Transport Strategy, the Highland Council seeks to enable and facilitate sustainable development and economic growth; support, include and empower communities through transparent decision-making, and establish an integrated transport network which supports safe and sustainable environments in which people can live, work and travel”.

There are also the following objectives:

- **Economy:** Provide a transport network to enable sustainable economic growth, noting the very different conditions between urban and rural locations and addressing the remoteness factor facing Highland trips to the rest of the UK.
- **Social Inclusion:** Facilitate travel to enable economic/social involvement and improve access/travel choices to essential services for those without access to a private car
- **Environment:** Manage/reduce the impacts of transport on the natural and built environment;

- Health: Increase levels of cycling and walking to promote health improvement and modal shift;
- Road Safety: Continue to improve road safety, addressing locations where road accidents are above average levels;
- Personal Safety: Address issues of perceived safety and personal security particularly where they are a barrier to walking, cycling and public transport
- Policy Integration: Identify policy overlap across Council services, and with other public bodies (e.g. NHS), maximise benefits and minimise contradiction;
- Investment integration: Identify benefits and opportunities of combined transport procurement for all Council services
- Traffic reduction: Where appropriate consider targets for reducing traffic, although noting the variation in conditions and requirements between rural and urban areas

There is a clear statement in the LTS of the urgency for all involved in transport to work more closely together to reduce the impact of these economic pressures, through greater efficiency, improved integration and sharing of knowledge and skills to continue to ensure quality outcomes and drive improvements. There is a specific reference to a longer-term objective to develop integrated working between the Council and other agencies such as the NHS, where shared services can give efficiencies which may open up future opportunities for inter-agency support of some Community Transport projects.

The LTS makes significant reference to partnership working and joint working with HITRANS, however in the context of wider partnership working with other authorities the LTS is largely silent on joint working beyond lobbying collectively for improvements. This may be a consequence of the age of the document and the shared services/collaboration agenda that has developed over the last decade. It also potentially highlights a clear point of discussion for local governance discussions moving forward. However, it is clear that in the strategy there is a strong and specific strategic lobbying, shared resource and partnership working between the council and HITRANS.

4.2.2 Moray LTS

The Moray Council LTS^{xviii} was published in 2011

The Vision for the document is “Excellent connections and accessibility are achieved for Moray through a safe, integrated, reliable and affordable transport system that is inclusive and supports economic development and the needs of local communities whilst safeguarding the environment”.

The following Key Objectives provide a framework for progress at a local level and provide a basis for the LTS:

- Support and enable economic development through a sustainable transport infrastructure;
- Promote safer, inclusive and affordable travel for all;

- Maintain and improve the existing transport infrastructure to enable an effective and reliable transport network;
- Improve accessibility to jobs, services and facilities;
- Increase sustainable travel choices to promote travel behaviour change and reduce the need for car use and the environmental impact associated with transport and health;
- Promote integration across different modes, policies and land-use planning.

The LTS refers to its primary linkage being the involvement in transport research with HITRANS and knowledge sharing, plus access to specialist strategic services.

4.2.3. Argyll & Bute LTS

Ask Ranald for digital directions to a final copy, web search turned up no PDFs albeit there was reference to a document in 2007 being produced.

Argyll and Bute Council LTS vision was to enable a vibrant Argyll and Bute. There were also 5 key objectives identified:

- Encourage a growing and sustainable economy in Argyll and Bute.
- Enhance people's transport experience.
- Manage the effect of transport on Argyll and Bute's rich natural environment.
- Support social inclusion, especially for our remote and island communities.
- Improve journey safety and personal security for everyone in Argyll and But

4.2.4 Western Isles LTS

The Western Isles produced an initial LTS in 2000 and reported in 2016^{xix} that although much has been achieved since the LTS development, publication and implementation, many of its strategic aims and objectives remain as valid for the Outer Hebrides as they were in 2000.

The Local Strategy published in 2000 proposed the following transportation objectives:

- On the basis that successful economic development depends on efficient transport networks, take account of sustainable development encompassing economic, social and environmental considerations when considering future development needs:
- To campaign for improvements to the price, reliability and availability of external links to the Western Isles by both air and sea:
- To maximise accessibility for all residents of the Western Isles to services and job opportunities;
- To improve safety in transportation matters;
- To ensure the maximisation and efficient use of available resources; and
- To maximise the integration of all strategies, promoted by the Comhairle, to optimise the development of internal and external transport needs

Another key task the council agreed in 2000, was to develop in conjunction with colleagues in other authorities the potential for a Strategic Transport Partnership for

the Highlands and Islands (which resulted in the formal establishment of HITRANS); and

The Council acknowledged that the LTS is significantly out-of-date and requires a major review. In a spirit of aggregation and joint working, it was proposed that a new Local Transport Strategy for the Outer Hebrides be developed in collaboration with the Highlands and Islands Regional Transport Partnership (HITRANS) and the Outer Hebrides Community Planning Partnership (OHCPP).

4.2.5 Orkney Islands Council

The Orkney Local Transport Strategy^{xx} was published in 2007 and is currently under review. The LTS sets out a vision of Promoting sustainability – enhancing quality of life over time, whilst at the same time trying to prevent problems being created elsewhere as a result; Promoting survival – maintaining fragile communities as places where people can live and work and Promoting equalities – ensuring that the most remote communities and hard-to-reach individuals feel included. The Vision is supported by a planning objective to promote, encourage and deliver an effective and efficient transportation network that supports the economic vitality, community well-being and environmental integrity of all of Orkney. They are also supported by six delivery objectives:

- Ensure travel opportunities meet the needs of the whole community
- Integrate various means of travel around Orkney.
- Promote accessibility for all. This objective seeks to promote enhanced accessibility while travelling, to the benefit of all of Orkney.
- Increase levels of active travel.
- Make travel safer.
- Reducing traffic in sensitive areas.

Again, there is reference through the document of the need to work with HITRANS in partnership to lobbying for service improvements, working with HITRANS to develop demand responsive transport and access to healthcare issues

4.3. Local Outcome Improvement Plans

The Community Empowerment Act 2015 required all Community Planning Partnerships to prepare and publish a local outcomes improvement plan (LOIP). The LOIP had to set local outcomes to which priority is to be given by the Community Planning Partnership with a view to improving the achievement of the outcomes, describe how the proposed improvement in outcomes was going to be achieved, over what period and how they related to the needs and circumstances of the local communities. As an RTP and specified body for the purposes of Community Planning. HITRANS is a CPP partner, albeit from the desk-based review, it is not clear if HITRANS is a core group partner on all CPPs in the area.

4.3.1 Highland LOIP

The LOIP for Highland Council^{xxi} outlined a vision in 2017 until 2027 of together creating better outcomes for our communities. There were 5 outcomes specified:

- Poverty reduction;
- Community Participation and Dialogue;
- Infrastructure;
- Community Safety and Resilience;
- Mental Health and Well-being.

Most transport related outcomes are outlined in the Infrastructure theme, albeit across the key outcomes there are a number of contributions that transport organisations could make to the improvement of local outcomes. The infrastructure outcomes have the explicit references to transport outcomes desired for the area of Highland Council by 2027. Albeit there is also reference to the need for strengthening local democracy under the community participation and dialogue theme, with discussion about the possibilities of doing things differently, getting people more involved improves outcomes. The LOIP highlights that one of the biggest issues highlighted by Highland communities was cost and reliability of transportation. Lack of transport is also identified as a barrier for the achievement of two other LOIP outcomes: poverty reduction and Mental Health & Well-being. Communities recognised that the transport issues highlighted are difficult to resolve, they did not seek a particular action or output but highlighted that it is important that CPP partners consider what they can do in relation to alleviating the current negative impact with transportation locally. Seeking better information and more accessibility of information, requesting more public consultation, engagement and design with communities of timetabling and getting different modes to be better integrated. Cost of transport was also highlighted as prohibitive in work as well as leisure context. There were suggestions about exploring further opportunities for working with private companies and larger traders to fund sustained improvements to community-led transport options.

Without a doubt access to, the cost and reliability of transportation in Highland is one of the biggest issues our communities have highlighted. Lack of transport is also identified as a barrier within two other HOIP outcomes; Poverty Reduction and Mental Health and Wellbeing. Communities openly acknowledged that the difficulty with transport is the complexity of resolving these issues. It is appreciated that there can be no one solution, however, it is important that the CPP considers what it can do in relation to alleviating the negative impacts which arrive from problems associated with Transport. Also, as well as a clear recognition of the essential role community transport provides to communities but that there is not universal access to community transport and that there are opportunities to review the current investment and support structures for community transport.

4.3.2 Moray LOIP

The LOIP for Moray^{xxii} was published in 2016 and outlines a Vision for Moray of Raising Aspirations through expanded choices, improved livelihoods and well-being.

As a Partnership they have identified four main priority areas to guide this work and deliver our vision:

1. Growing, diverse and sustainable economy;
2. Building a better future for our children and young people in Moray;
3. Empowering and connecting communities;
4. Changing our relationship with alcohol.

The main issues identified in the development of the LOIP are to have a clear transport, mobility or accessibility context. Notably, above average percentages of older people, particularly in the more rural and coastal areas which creates challenges in relation to service delivery and access and social isolation; and our geography / rurality and subsequent access issues such as delivery of and access to services and social isolation explicitly, albeit other issues identified are also a function of the impact of the transport geography of the area.

There is a clear recognition in the LOIP that access to services is vital for our rural communities, particularly with declining resources, and partners will work to ensure creative solutions are available across Moray. However, the LOIP states that the development of transport and digital infrastructure will be progressed through the Moray Growth Bid and Moray Economic Strategy. The focus for the Community Planning Partnership in the LOIP will be the development of more resilient and self-reliant, empowered communities so perhaps it is slightly surprising that at least community transport or community-led services are mentioned, However, whilst there is little in LOIP on transport there is a stated desire for infrastructure for transport in the Moray Economic Strategy^{xxiii} and a recognition that the RTS represents an agreed expression of priorities for strategic transport in Moray.

The vision of the Moray Growth Deal is focused on four key pillars. The third pillar is Connectivity; which includes transport (particularly rural transport within Moray). The Strategy also highlights a key barrier to growth is that the access to key services, public spaces and retail centres is poorer than Scotland generally, possibly due to uneven public transport connections across Moray. Continuing on to highlight that limited public transport restricts access to employment and to opportunities to spend on retail and leisure. The Strategy calls for major investments in transport infrastructure in order to continue to meet the needs of Moray's economy. Local public transport is highlighted as a significant issue for people living in rural parts of Moray, and the cost-effective provision is seen as an essential part of enabling people to travel to work across the area.

In common with the discursive text around other documents the LOIP recognises that all partners are operating in challenging times with diminishing resources and increasing service pressures but makes a commitment to coordinating our resources to tackle the challenges facing our communities and provide services that meet our needs as efficiently and effectively as possible.

4.3.3 Argyll & Bute LOIP

The overall outcome for LOIP^{xxiv} is "Argyll and Bute's economic success is built on a growing population" and in order to achieve this objective the CPP set 6 longer term outcomes:

- The economy is diverse and thriving.
- We have infrastructure that supports sustainable growth.
- Education, skills and training maximises opportunities for all.
- Children and young people have the best possible start.
- People live active, healthier and independent lives.
- People live in safer and stronger communities.

The LOIP outlines several specific transport and infrastructure interventions and highlights the clear perception from communities that infrastructure in Argyll and Bute is a barrier to growth. The LOIP highlights that CPP partners have developed and strengthened working relationships across the public and private sector through HITRANS, (albeit they are not identified as a partner) and greater partnership working with Transport Scotland. There is also reference in other outcomes to Road Safety and active travel for children and healthier lifestyles.

There is also in the context of local governance and subsidiarity a strong commitment to community engagement and co-design of communities in actions to address the identified outcomes. Strong statements of support about partnership working but less statements on the possibility of shared services and aggregation of services.

4.3.4 Outer Hebrides LOIP

The overall version for the LOIP^{xxv} is to promote and realise the full potential of the Outer Hebrides as a prosperous, well-educated and healthy community enjoying a good quality of life, fully realising the benefits of our natural environment and cultural values. The CPP goes on to identify 3 priorities for the Outer Hebrides to achieve this vision:

- The Outer Hebrides retains and attracts people to ensure a sustainable population;
- The Outer Hebrides has sustainable economic growth and all our people have access to appropriate employment opportunities; and
- The islands offer attractive opportunities that improves the quality of life, wellbeing and health for all our people.

Transport mobility and accessibility are identified as key factors to facilitate the achievement of the vision and key priorities. high quality, affordable and reliable transport connections are vital for a sustainable population as well as fundamental to access employment training and education. The CPP, in the context of quality of life, also proposes to focus on addressing factors contributing to social isolation and committing to provide access to a range of innovative transport solutions which reduce isolation and increase access to services.

The LOIP is clear on the twin facets of this report: local democracy and potential for an empowered HITRANS, that for CPP partners there is an opportunity to work together crucially across boundaries to create significant added value and improve outcomes for communities alongside involving people in decisions and empowering communities to be a vital part in the delivery process.

The LOIP is less clear on the current role of HITRANS, within the action plan to identify the key priorities both CNES and HIE are identified as lead partners but there is not a role for HITRANS. However, in a positive light, the involvement of HIE perhaps points to an openness and recognition of the need to take a regional approach to the improvement of transport outcomes for the Outer Hebrides within a wider context.

4.3.5 Orkney LOIP

The Orkney Partnership Community Plan 2018-2021 incorporates the LOIP^{xxvi} and outlines an ambition “to strengthen and support Orkney’s communities by enabling those developments which will have a positive and sustainable socio-economic impact, and utilise locally-available resources, whilst striving to preserve and enhance the rich natural and cultural heritage assets upon which Orkney’s economy and society depends.”

The LOIP 3 key priorities:

- Strong Communities; vibrant, sustainable and inclusive populations; trusting relationships with understanding of responsibilities, accountability and capacity; development and innovation; access to services, facilities and resources to allow innovation;
- Living Well Living in safe, warm, homely settings; support to adopt healthy lifestyles; and
- Vibrant Economy Location of choice; innovation and experimental thinking; broad range of employment opportunities in all localities.

The LOIP identifies several key issues around transport and living a sustainable and inclusive lifestyle.

4.4 Other Strategy documents

4.4.1 Inverness City Region Deal

The City Deal Heads of Agreement^{xxvii} outlined that Transport investment is needed to promote growth and improve connectivity, as well as detailing several investments in transport infrastructure investment. A key aim is improving access to and within communities. The identified improvements will increase accessibility to jobs, education and healthcare alongside existing initiatives. The Heads of Agreement also outlines a few governance groupings, led by Highland Council comprising a Programme Board and representatives from across the wider stakeholder community. However, there is not a direct role for HITRANS, albeit quite a lot of their wider strategy work will be vital for the achievement of the outcomes desired by the City Deal.

4.4.2 National Islands Plan

The Royal Assent of the Islands Scotland Act 2018 places a duty on Scottish Ministers. The purpose of preparing a National Islands plan is to set out the main objectives and strategy of the Scottish Ministers in relation to improving outcomes for island communities that result from, or are contributed to by, the carrying out of functions of a public nature. The Act specifies that the outcomes for improvement for islands communities include increasing population levels; as well as improving and

promoting sustainable economic development, (ii) environmental wellbeing, (iii) health and wellbeing, and (iv) community empowerment and separately improving transport services alongside others. The specific requirement for transport whilst relating to services, the improvement of other outcomes will also require the continual improvement of all transport outcomes for island communities, which cover 4 of the 5 HITRANS authorities in totality or compromise significant areas of partner local authority geographies. The Act also places a duty to have regard to island communities on HITRANS and undertake impact assessments for relevant policies and processes. The legislation also in the context of the local governance and subsidiarity aspects of this report, provides enabling legislation around the transfer of functions to local authorities. outlines the legislative basis for a scheme for requests by local authorities for devolution of functions. The Act states that the Scottish Ministers must by regulations establish a scheme for the making by a local authority listed in the schedule of a request to Scottish Ministers to promote legislation devolving a function to the authority and give them additional powers.

4.4.3 Rural Economic Framework

In addition to a focus on Islands, the Scottish Ministers have recently received (September 2018^{xxviii}) a new blueprint for Scotland's rural economy, containing recommendations from the National Council of Rural Advisers (NCRA). A significant proposal was the creation of a Rural Economy Framework (REF) and that the REF will be aligned to the National Performance Framework, ensuring Scotland's rural economy is well-positioned to make a strong contribution to, and benefit from Scotland's economic growth. The proposal was that there should be 10 outcomes-based approaches to addressing the development needs of the rural economy and tenth outcome proposed centres on connectivity, with the NCRA proposing an overall outcome of "having a robust infrastructure, with improved and inclusive access to services, mobility and connectivity", with the following identified specific actions:

10A. Improve broadband services and digital connectivity

10B. Improve transport links and public transport

10C. Prioritisation of R100 in rural areas, and focus on enhancing and improving digital skills within rural communities

10D. City and Region deals must consider and reflect REF outcomes

10E. Align rural low carbon infrastructure opportunities to National Planning Framework 3 (NPF3) targets and UN sustainable goals

10F. Demonstrate broader economic benefits of rural infrastructure investment (such as transport and harbours), for example through tourism

10G. Ensure local communities' benefit from investment in tourist attractions, for example through improved transport links

10H. Increase usage of the Growth Accelerator model for rural infrastructure investment

10I. Launch the rural electrical charging plan, based on a social enterprise model where spend is retained in community

10J. Replicate the Scottish Cities Alliance model for rural economy, to bring together rural interests to grow, promote and encourage investment in Scotland's rural economy

10K. Extend and support the currently embryonic automated rural filling station network, centred on community hubs servicing local demand and seasonal tourist influxes. E.g. Gairloch, Birnam

NCRA suggests a robust governance structure should be in place to provide accountability and drive progress. However, it will be critical that the proposals do not duplicate or cut across existing joint working, especially within transport and its established governance landscape.

4.4.4 HIE Strategy

Another key strategy and regional partner are Highlands and Islands Enterprise, who are the Scottish Government's economic and community development agency for the Highlands and Islands of Scotland. HIE's purpose is to generate sustainable and inclusive economic growth across the region. Their vision for the area is "We want the Highlands and Islands to be a highly successful and competitive region in which increasing numbers of people choose to live, work, study and invest". Their 2018-19 Operating Plan^{xxix} outlines a key element of achieving this vision is a well-connected region with fit-for-purpose transport links.

The 2018-19 Plan helpfully states that effective and efficient transport is a fundamental enabler of socio-economic development and HIE will continue to work with the regional transport partnerships HITRANS and ZETTRANS, policy makers and providers to enhance transport connectivity within and beyond the Highlands and Islands.

Looking ahead, HIE will take a leading role in the identification and resolution of transport challenges, for example being part of a multi-agency approach to transport planning in Fort William to address current challenges and support future business growth in the area.

4.4.5 Health Boards and Integration Authorities

There are 4 Health Boards and 5 integration authorities covering the HITRANS area. The role of Health Boards is to protect and improve the health and the health services in local areas they cover. Integration authorities were created in 2016 and charged with bringing together health and social care services. Given the impact patient travel has on communities and NHS Boards across the HITRANS area, it would seem that accessibility and mobility in terms of service users will be a clear strategic issue and given the strong theme of health and well-being across all LOIPs reviewed, it would seem that as well as integration between Health Board and Integration Authorities, there is wider potential for joint working and aggregation across a wider regional geography to address some of the accessibility aspects of health and social care policy, as well as the stated ambition for greater early intervention and prevention of negative health outcomes and the clear role that transport can play on combatting a whole range of physical and mental health challenges for public authorities involved.

4.5 Highland Commission on Local Democracy

In common with the National Commission on Strengthening Local Democracy, Highland Council in 2016 commissioned a process to examine the state of democracy in the Highlands, most particularly what people living here think about it, and how in their view it could be improved. The final report was delivered in December 2017^{xxx}

Crucial for the discussion within this report of transport and subsidiarity is a number of the report's findings. When asked the direct question of how healthy the Highlands democracy is, the answer appears to be that it could be better. The report observes that overall, there was a feeling that the democratic process in the Highlands was not working as well as many citizens and communities felt that it should. Indeed, one of its key findings is that many people believe that those in power in the Highlands' public agencies did not want to share the power they have with anyone else and do not want to make policy and decision making open to greater democratic involvement. This would be a key issue to address for any enhanced regional HITRANS model.

The Communities and individuals involved in the Commission wanted involvement, not consultation and they are acutely aware of the difference between these two approaches. Crucially for a regional approach like HITRANS for them centralisation or decentralisation was not primarily a geographical issue, their focus was on making processes more inclusive in terms of decision making so that community inputs are balanced with professional views of officials. They were keen that participative democracy should be balanced with representative democracy through elected members of all spheres of governance.

Key in the context of the RTS and LTS joint working and integration was a view expressed in the Commission's findings that as part of strategy development, communities and citizens expect that the broad thrust of the community planning and community empowerment legislation should be fully embraced. They therefore expect that at a very local level some form of community profiling and planning should be done by all agencies jointly. This is what is done in terms of RTS strategy development and points to the existing opportunities afforded to HITRANS by their founding legislation that could be utilised to address multiple community concerns over the H&I area in an efficient and effective manner whilst enhancing local democratic participation.

Unlike the national commission the report was largely silent on the issue of aggregation of service, other than for the observation that communities wanted to focus on participation in the process and the locus of geography for the body/organisation in question did not come to the surface in terms of key findings.

Summary

A great deal of synergies of issues and objectives across the relevant local and regional documents are reviewed. It points to clear and consistent themes around transport across the HITRANS areas. As expected, reflected up into RTS there is a consistent theme through relevant plans and strategies around transport in the HITRANS area. This helps with the articulation of priorities to a wider audience as

age and availability of LTS's does not help with local democracy and awareness of communities, quite wordy and policy/technical references, not engaging for readers. There would seem from a strategic policy and plan review to be clear opportunities for local outcomes to be improved and discussions to be had about efficiencies which could be generated whilst ensuring local accountability of services and working with communities in line with the principle of subsidiarity. This could help with achieving a balance of emerging evidence versus political/community concern about loss of control which seems to emerge from some historical documents. Clear from LTS's and more recent communications of a long history in H&I of working with HITRANS, the part of the debate now is to move onto how given the challenges for local authorities, could there be a next stage of more working through HITRANS to deliver shared objectives on issues shared across all authority areas.

5 Challenges, Previous Efforts and Key Considerations for Sharing

The brief asked the consultants to examine not only the strategic and local policy contexts for HITRANS but also the current challenges facing the public sector, investigate previous efforts at integrated transport authorities in Scotland and also discuss the potential benefits and risks of greater collaboration as a response to efficiency whilst retaining local democratic participation. The following section looks at leadership and resourcing challenges for the public sector, some examples of previous integration projects and key considerations for aggregating capacity of existing public services.

5.1 Key Current Challenges for Public Sector in Scotland

So, in terms of challenges facing local government presently and also wider public sector partners. There are in the context of the local governance review for me, some key challenges albeit no means an exhaustive list. Some of the key inter-related challenges currently facing councils and their partners/customers:

- rapidly changing workforce,
- leaner management structures,
- a focus more on outcomes and partnership,
- continued funding pressures on public services; and
- a real pressure to translate national priorities into local policies.

There has been a large decline in recent years in terms of the size of local government workforce but no similar decline in delivery of quality services targets. So that is a clear expectation versus capacity challenge for officers to continue delivering the same results. There is a clear disruptive effect of years of voluntary severance; means a clear workforce planning challenge with a gap in the “normal” distribution of skills and experience in councils. This is a challenge but also a potential opportunity for councils and other partners. This means less time to be hands on, and less focus on a small portfolio of service delivery areas and a more generalist management leadership across a number of portfolios. Alongside this a culture change of empowering and devolved responsibility for delivery to self-managed teams and frontline workforce, whilst remaining accountable for performance management scrutiny. This means re-learning of wider skillsets for remaining employees, lifelong learning on the job and a willingness from all to take on further responsibilities for the council mid-career. This priority is crucial to enabling an agile workforce able to respond to fluctuating demand across the whole range of council services. However, it might also be an opportunity to look at how existing local skills can be shared around a wider organisational structure of sharing and enable a real strategic and impact focus on transport across a specific geographical area.

There is a much greater emphasis in terms of policy but also resourcing on delivering local outcomes through partnership. These can mean a greater focus on partnership working and greater community involvement in the co-design of services

and delivery of outcomes, with decisions made closer and quicker to the customer. This means there is a challenge to the mindset of communicating decisions, to actively involving communities in processes, moving towards collaborative design of services and a clear cultural shift in how work is undertaken and who can make decisions. This can mean the need to get all stakeholders used to a larger appetite for risk that comes with such models of delivery, as more collaboration teams with leaner management structures can mean with clear strategic planning a greater risk for non-positive outcomes despite the best efforts of all involved. As control of resources are not solely within the grasp of the councils, but people's expectations or perspective still see the council as the lead agency or responsible. It does highlight potential for risk offsetting by aggregating capacity and skills into a larger single service able to mitigate risks whilst also ensuring clear citizen participation. Another challenge to Scottish public services is continuing to deliver quality outcomes within a declining expenditure environment. In terms of Roads and transport spending across Scottish Local Government it has decreased by 10-30%, according to Improvement Service figures over the last 10 years in these areas. However, there has not been a corresponding decrease in expectations from elected members and the electorate who expect officials to continue to find ways to maintain or improve outcome indicators for these services.

This situation coupled with freezing of council tax which even at 18-20% of council budgets was still a significant impact on funding; it means there are resource issues locally. The recent planning review has raised the issue of infrastructure levy collected nationally, regionally or locally. Given the clear transport impacts of development this also highlights the need to consider how services or infrastructure can be funded from other external sources.

In their lobbying on funding local services COSLA have highlighted that Local taxation has not changed for decades, it is time to empower local authorities to deliver choice for local communities. They have called for innovation in funding public services, highlighting the opportunities for taxes to be introduced locally if the circumstances are right and that this is an additional measure to address outcomes locally over and above existing funding streams. The example COSLA have mostly highlighted in their lobbying is a transient visitor levy, a tourist tax^{xxxi}. They highlight two main reasons: The cost of maintaining the local environment and public services, which draw tourists, falls heavily on the public purse. Sustaining this is at significant risk without new ways to invest. Whilst recognising the cultural and economic benefits of tourism, the cost of tourism is borne by the local citizen. There is a case for this to be shared more widely and indeed in the Highlands and Islands area, in terms a wider Destination Management approach to the region there might be a rationale for a regional body to hold and distribute such funds, especially as TVLs in other countries have tended to focus investment on transport or mobility infrastructure.

Also, in terms of subsidiarity, these challenges of changing workforce and models of service delivery, less resources and more flatter management structures, also add to the challenge that is the need for councils particularly to be the local delivery agent

of an ever-increasing list of statutory commitments, combined with funding and demand pressures leading the need to consider innovation and transformation in terms of service delivery.

Local Government officers are key leaders for community delivery of services. To be successful, the delivery of national policies translated into a local context, this means innovation with tight financial constraints to deliver outcomes which are consistent with the desires of another sphere of government, but not necessarily delivered in the way they envisaged. That is a clear challenge of selling local diversity but also an opportunity to consider if a wider regional type of service delivery might strengthen local outcomes and resilience of a wider number of public partners.

These new leaner operating models not only require greater risk management and scrutiny of decisions but also greater community involvement and co-design of services to ensure not only are they appropriate statutorily but politically acceptable locally. This involves a different more customer focussed skillset for the Council's workforce, more tailored to clear involvement of communities in decisions rather than consultation or simply communicating decisions, moving towards collaborative redesign and taking strategic designs away from service managers and a capacity issue for this type of engagement and the skill set needed. This may be; given the voluntary severance issues and recruitment processes facing the public sector presently might mean an uneven distribution of such skills across the HITRANS areas within partner councils. This type of economies of skill may be an area of further investigation which would be beneficial to all involved. There is also the ability through the use of non-councillor members and observers allowed on RTP Boards to address the issue of community involvement in decisions and the fostering of community participation in decisions. Maintaining local democracy linkages through a model of governance that allows a mixture of elected and non-elected representation.

These and other terms of changes to service delivery can also mean a wholesale change in terms of how people deliver services to citizens and stakeholders. An ever-increasing amount of services are being subject of digital transformation. This can be a challenging change for transport services but one which can save resources for the delivery of other services, it can be seen as taking away people's jobs and by service users as a more impersonal service and not a method of service delivery which promotes inclusion and engagement of people in council services. Even in non-customer facing digital transformation of services there still could be significant unrest at the aggregation of back office or administrative support services across the council or between councils. Good industrial and community relations are key priorities for the delivery not only of greater innovation and e-service delivery but all the mentioned priorities for council services and especially the potential for shared services. However, if this is framed as per roads collaboration programmes, as doing more with less and not principally about saving money this might address some of the workforce concerns for change and aggregation of service, an example in terms of transport could be the regional approach to demand responsive transport and other Mobility as a Service (MasS) projects.

Community empowerment and involvement in local decision making is a key people-based priority for local government, but it is vital to get every person involved in the council whether as an employee, citizen or stakeholder, to recognise community empowerment is not just about local service delivery. It's about leading and advocating associated change to those people to demonstrate in the current and future likely financial and political scenarios that there is no contradiction between the people priority of community empowerment and the other people based priority of small local councils delivering less services themselves and commissioning other more strategic services through larger shared/joint services with other councils or public partners or even the private or voluntary sector. This means a further challenge of selling an end state to employees of change and greater collaboration still being about local jobs and services but seeking to protect and improve outcomes for all involved. The challenge of selling change even in a challenging fiscal environment should not be under-estimated.

Local authorities in other countries can operate efficiently and effectively by sharing or aggregating services where that type of service model is right for local needs. However, that is not to say that it will be easy to set up and maintain such relationships, but the basis in place within the HITRANS area historically and the architecture and actions already in the place and from my knowledge is continuing to explore the possibilities for further joint arrangements for roads and transport services by the way of such two services. Both these services tend to have a normally high proportion of unionised labour, so good relations and early engagements with their representatives will be a crucial part of the people portfolio aspects of any review of local governance in H&I area.

There is also a challenge of a change of corporate mindset and also recognition that regional services locally accountable are part of the solution. In terms of issues of local governance and aggregation of service there needs to be a greater focus from people involved in the councils on delivering not only services but inclusive growth of the economy of Highlands and Islands. Using people and public resources differently to leverage greater resource and investment as seen through your involvement in the City Deal process. Ensuring and promoting how people in public service make a clear contribution to reducing inequalities and driving inclusive growth nationally but also crucially locally by promoting local supply chains and workforce development. Also there is an ever-increasing focus on how councils can generate income or reduce costs by new types of partnerships across agencies, with other public sector partners or third sector or private enterprise, working collectively on transport may highlight the efficiency opportunities for councils which can be reinvested in front line resource.

In this context the General Power of Competence is a power available to local authorities in England to do "anything that individuals generally may do" and was provided by the Localism Act 2011 and replaced the well-being powers in the Local Government Act 2000. The power only extends to English local authorities but aimed to enhance the local democratic decision making and service delivery possibilities for councils. Scottish local authorities have a power to advance well-being under the

Local Government (Scotland) Act 2003, but it is more limited in scope than the General Power of Competence. The intention was for the power to be used in innovative ways, that is, in doing things that are unlike anything that a local authority - or any other public body - has done before or may currently do. There could be clear potential uses for Scottish local authorities if the current well-being power could be updated in any subsequent Local Democracy Bill and that power could be exercised through say an RTP to address transport outcomes.

5.2 Previous Joint Working or Governance Review

As discussed previously, the majority of RTP's in Scotland are Model 1 RTP's – with a primary focus on delivering and developing the regional transport strategy. SPT are a multi-council RTP and there are “model 3” single authorities across Dumfries and Galloway (SWESTrans) and Shetland Islands (ZETRANS). Otherwise, HITRANS, NESTRANS, SESTRan and TACTRAN conform more or less to the Model 1 RTP.

There have been examples in HITRANS area previously of discussions around aggregation of strategy and functions around transport, preceding the 2005 Act and establishment formally of HITRANS. In 2001, there were proposals developed for a Highlands and Islands Integrated Transport Authority by Deloitte and Touche. The report was subject to wide consultation with stakeholders across the region, including the Shetland Islands Council at that point. The report considered potential organisational models, the then current scope and management of transport services and the legislative and policy environment for transport in the Highlands and Islands. The principal aim of the study had been to consider whether there is a case - and support - for the establishment of a Highlands and Islands Integrated Transport Authority (HIITA), and, if so, what should be the scope and shape of a new Authority. Ultimately this led to the formation of HITRANS but also the separate single authority ZETRANS RTP.

The main findings of the 2001 report demonstrated that there was a consistent and strongly felt view across those consulted that the then existing transport arrangements in the Highlands and Islands were not adequate and that service delivery arrangements and governance needed to be improved. However, at that point in time there was not a clear consensus within the H&I area to responses in the consultation programme consistently and strongly argued that existing transport arrangements in the Highlands and Islands were not adequate and that improvements both to services and to decision-making structures were needed. However, in 2001 there was not a clear consensus on a particular model that could address these required outcomes to the satisfaction of all parties. There seemed to be an argument propagated that the diversity of needs and circumstances within the H&I area limited the common outcomes that could be delivered through an aggregated service model of delivery. However, there is general agreement that an integrated authority of some form could offer many potential benefits to the Highlands and Islands in terms of transport integration and achieving the best

possible services from available resources in future, if the basis of collaborative working could be strengthened

However, as can be seen from the RTS, LTS and LOIPs alongside other strategic documents, after nearly two decades, there continues to be a consensus around the issues of transport in the HITRANS area, the need for innovation and partnership working to deliver outcomes in the face of resourcing challenges. There is also clear recognition of the benefits delivered by HITRANS and that they in their current Model 1 structure are a consistent and engaging partner in seeking to address these challenges within their current limitations of scope, form and formations as a Model 1 RTP.

The main recommendations on legislation of the report were ultimately addressed in the 2005 Act creating RTPs. There was also a series of recommendations for increased co-ordination of local transport strategies, increasing resourcing for the integrated forum and reviewing Scottish Executive policy for the H&I area. The issue of co-ordination was partly addressed by the duty to produce an RTS, albeit LTS's have continued to be produced as separate rather than sibling documents to the RTS, and the HITRANS core team has in some roles/functions addressed the integrated resourcing aspects of the report. Albeit given the focussed role and function of the team, there still seems scope to progress this further. There were also proposals for the devolution of lifeline services to local authorities and better tending of trunk and local road maintenance.

However, there was at the time a significant element of concern expressed about the potential of the proposals to undermine the principle of subsidiarity as they interpreted it. The Local Authorities in this consultation were to varying degrees apprehensive about the potential loss of autonomous decision-making powers which would result from the pooling of decisions required to make a success of cross-modal and cross-programme integration. This seems to have a very linear perspective on the nature of subsidiarity which seems to have evolved in the proceeding years in the terms of the Our Islands, Our Future work; engagement with the statutory RTP, the Commission on Strengthening Local Democracy and the subsequent work on the Roads Collaboration Programme, itself an expression of intelligent centralisation of service delivery but retention of local decision-making and governance to deliver improved local outcomes. This seems to have demonstrated a clear recognition and evolution of thinking by local authorities around subsidiarity not being about devolution to the lowest level, a linear downward view but a multi-directional view of subsidiarity being about finding the lowest most appropriate level and the balancing aspects of findings at the most appropriate level and form to exercise functions to deliver local outcomes which are accountable and transparent to communities of geography, interest and use.

Other examples are as SEStran has in recent years as part of the Edinburgh City Region Deal considered the potential of moving from a Model 1 to Model 3 as part of the then unsigned City Region Deal in Summer 2016^{xxxii}. The context being the Planning Review and emerging Programme for Government and the City Deal being used as a vehicle to facilitate the transition. SEStran and its member authorities had

previously highlighted the increasing disaggregation of strategic transport planning across Scotland and identified that with the expected growth of Edinburgh City Region up to 2050 that there should be active consideration and evaluation of some form of strategic integrated authority for all forms of transport for the SEStran area to ensure prosperity and accessibility into the wider North of England labour market. The proposals recognised a multiple faceted approach to subsidiarity, with the 8 Council member board recognising that collaboration in the design and delivery of services moving forward will be critical to tackling these challenges successfully, including an acceptance that in some forms of public services, intelligent centralisation of services through joined up approaches are the only way forward if we are to continue to deliver best value public services in Scotland. This may involve service aggregation from more local tiers of governance currently. Crucially required is an acceptance of the need for further devolution from nationally held and delivered services to deliver responsive outcomes vital for future economic, social and environmental prosperity.

SEStran then engaged Professor Tom Rye of Edinburgh Napier University for a short piece of research^{xxxiii} to test at a high-level all potential impacts/risks such a change on the following issues, alongside any further criteria agreed at the Board meeting, for the SEStran area:

- Planning and delivering transport solutions for all modes of transport across the region;
- the short, medium and long-term impacts and benefits of a change to a Model 3 Regional Transport Partnership and within this a high level analysis of the prioritisation of actions to address current constraints on regional transport outcomes;
- Impact on positive pricing, multi-modal journey integration and economies of scale through regional travel planning, procurement and asset management;
- Improved cross-regional mobility for regional labour, training and employability;
- Improved community connectivity where there are no commercial services presently or services are under pressure;
- provision of transport for people with disabilities and intersectionality across groups; and contribution to the health, employability and welfare reform agendas.

The conclusion of Professor Rye's research described the current landscape of integrated transport authorities within the UK and abroad. The report first described the form, governance, functions and financing of different forms of passenger transport authority, before trying to analyse their relative ability to deliver on the outcomes for public transport that are required by the authorities within the SEStran region and the Edinburgh City Deal. There was evidence presented that integrated transport authorities, do deliver more transport improvements than their unitary authority and Model 1 RTP equivalents. However, the report cautions that there is a lack of evidence to be able to demonstrate unequivocally that they exercise their

functions more efficiently and effectively, and that those functions are delivering more on outcomes, than in non-PTA areas. Albeit, it recognises that this may of course be more a function of the lack of evidence than actual proof that PTA's are no more efficient/effective.

The report did see a link between having a more integrated transport authority and attracting greater public investment in accessibility and mobility measures. Prof Rye highlights that of the nine City Deals to be brokered by the UK Government in the first wave of the initiative, seven are in areas with a passenger transport authority. He highlights that having an integrated authority and being able to “speak with one voice” is a clear benefit albeit hard to quantify but it seems to enable a greater clarity and volume of lobbying to governments on the needs for transport; and to show to funders an assurance that the region has the expertise required to deliver on these large spending commitments. Prof Rye concludes that taking a regional approach to transport planning is also more likely; than a more fragmented approach; to be able to deliver cross-regional improvements in public transport connectivity, which in the context of HTRANS area and its stated local outcomes across several CPPs is a key further point of discussions. An integrated authority of some form he also observes also offers organisational resilience in public transport coordination and planning that a number of smaller authorities with very small numbers of staff would find difficult to provide.

The proposal promoted by Edinburgh and Fife Senior Officers was parked in early 2017 ahead of the 2017 elections. The proposal for a PTA was not included in the Edinburgh City Region deal, several authorities rejected the idea of elevating powers and functions to a PTA/SEStran and several other councils did not determine or provide a decision to the formal consultation undertaken by SEStran. SEStran in 2017 withdrew the proposal to seek a Ministerial Order and attention shifted to focus on a continuing consideration of intelligent centralisation or aggregation opportunities through the RTP without any associated formal governance changes. Basically, moving in an informal way closer to a Model 2 RTP by looking at efficiencies around modelling or mapping of infrastructure and joint procurement of services and greater sharing of capacity and expertise from the RTP to wider partner authorities.

Demonstrating potentially a key issue, the recognition of the benefits of aggregating services or resources for local outcome improvement but the need to carefully design and consult on the “how” that happens and is governed, as the corporate relevance to pool decision making because of a clear concern about a dilution of local control over local outcomes. A clear paradox of recognising aggregation could be beneficial to local outcomes but that such a change would impact on local decision makers perception of control of local outcomes.

5.3 Key Considerations for Designing Aggregated Services

Shared Services has been seen as a dirty word in some Local Governance circles in previous years. The phrase has become associated in some parts of the debate with outsourcing of services and loss of public sector jobs. However, whilst outsourcing is a form of shared service, there are also other forms that enable the in-house

provision of quality aggregated public services by democratically accountable public bodies allowing them to achieve economies of scale and scope without a loss of democratic accountability of communities.

The Public Policy Institute for Wales (PPIW) when reviewing in 2017^{xxxiv} the available evidence on why public bodies choose to share services, highlights that the most common motive is reduction in costs. However, in the HITRANS context as mentioned elsewhere in the report, the key could be about resilience of service, achievement of more with pooled resource in terms of cost efficiency. That is not to say that tracking progress on key indicators is not important but it cannot be solely cost, it would have to be about delivery of outcomes and also issues of community satisfaction or staff turnover or skills.

There are a number of key risks that also need to be considered when discussing aggregated services. Firstly, you need to be clear that costs do not increase, as it might take significant effort to replace deeply embedded practices across a number of authorities. Secondly, monitoring of progress is important but you need to be aware of transaction costs not escalating in terms of too much monitoring and not enough delivery. There is also the clear risk of service quality decreasing as changes are made. Collaboration needs to avoid duplicating existing services or embedding bad practices and also all will need to be aware of the opportunity costs invested in sharing services could have been spent on reducing costs in other ways. These are not reasons for not sharing but they are clear rationale for making sure you have a clear project plan to realise the benefits without incurring too many costs. The PPIW report also highlights evidence that shared services can be less successful in more remote geographical areas, as the costs of establishing and running shared service entities were higher and could erode any savings made. Albeit in the HITRANS context the existence of the RTP and governance infrastructure might enable much lower set up costs for any service aggregation.

In terms of local democracy and subsidiarity contexts of this report, there is also a clear opportunity for sharing services to make local governance more efficient, more collaborative, whilst retaining local accountability and reducing reliance on national centres of skills. This can help councils maintain regional skills specialisms in certain services and also in terms of empowerment may enable a greater ability for local authorities to shape their service responses to local needs rather than activity being defined by national government funding for certain outputs or projects.

There has been a view put across by various interests that central government should exert pressure on councils to share services or mandate collaboration, which was the starting position of the Roads Collaboration Programme. However, in the context of the current Local Governance review that is not an approach being taken at present in Scotland, albeit there is a review of roles and responsibilities as part of the NTS2. However, research in the UK and internationally shows that it is often when organisations recognise a problem and voluntarily want to share or aggregate services that best value outcomes are delivered. Incentives and support through Transport Scotland might enable this type of activity being undertaken but enforcing change could have implications for local democracy and be seen as mandated

centralisation, rather than a local response to external factors and a desire for empowerment of local services and improvement of local outcomes.

That is not to say there should not be a formality or governance scheme for shared or aggregated services. Strong clear governance rules are vital for accountability but also the locking in of long-term best value of sharing. There needs to be clear articulation of what will be involved in advance and a clear plan of governance even for voluntary sharing. HITRANS existing governance architecture will keep with the design of such requirements. Consistency and continuation of sharing is a key part of the journey of aggregation. Looking around at the wider literature the IPPW report highlights that there are other examples of voluntary shared services that have led to significant increases in service quality but in doing so created problems for the continuity of sharing, as staff support has reduced amidst concerns of the separate services disappearing and lead to collapse of the voluntary endeavours. This points to the need of clear and continuing buy-in for a long-term arrangement, to avoid collapse or multiple services being shared in a sub-optimal manner as services are forced to remain in a form that could “stand-alone” if voluntarily sharing ended at some point in the future.

6. Main Findings of Desk Based Research

Reviewing a variety of research and policy over the last 25 years has highlighted a number of key issues. Firstly, subsidiarity either by national or local government nationally has been considered fully in terms of the service delivery aspects at a regional level. Only in recent years, with pressure from Scottish Government have local authorities again started to look at the service delivery opportunities of a regional geography and in fairness Scottish Government's rhetoric has not matched its actions, in terms of trunk road contracts there has been limited active consideration of mixing the spheres of responsibility to clearly consider the most appropriate level/levels for exercising functions. In the transport sphere: roads collaboration is a clear example of this form of intelligent centralisation in response to a continuing issue of negative outcomes in terms of road conditions but also a sustainability of service provision argument around economies of skills and resilience levels of staffing to continue to deliver statutory duties. There has not been a similar reinvention of RTP's despite the same potential for improving outcomes across a wider regional geography.

RTP's as corporate bodies rather than local government joint communities also have potentially an advantage for partner authorities in addressing some of the concerns of communities which emerged from the Community Empowerment and previous Local Democracy discussions around the accountability and representative aspects of policy design and service monitoring. Communities were more concerned with the participative aspects of governance of services, rather than the scale of their delivery. The Transport (Scotland) Act 2005 and subordinate legislation specification of the ability for RTP's to have non-councillor members and observers does potentially help with the ability of RTP's to aggregate service whilst giving assurance and direct oversight roles to wider community representatives to actively participate in the governance of transport at a regional level within the membership of Regional Transport Partnerships. The original guidance on membership published in 2005 highlighted the potential of community representatives in either role to give a different perspective. The 2005 guidance also highlights the role of a regional consultative forum like HITRANS operating several forums to fulfil the good practice suggestion for it to keep in touch with the wider community. A consultative forum offers one means of engagement. The RTP's statutory role in Community Planning will also ensure that it is engaged with its key local stakeholders but the proposals for perhaps greater diversity of community based non-councillor members and observers/advisers highlights a key aspect of RTP's governance that could be beneficial to the aggregation of services whilst retaining local participative democracy.

There has also been a tendency for government to deliver funds outwith the regional or local strategic context via delivery agents such as Sustrans. Whilst, recognising community empowerment is important, it is vital to not conflate empowerment and local democratic representation. If the charities and NGOs are not representative of wider communities, it is tough to argue that they contribute positively to the pursuit of

local democracy or represent an appropriate level of subsidiarity unlike RTP's and their clear strategic vision for the region.

The regional aspects of collaboration have also increased given the increasing amount of City/Regional Growth Deals. However, at present these have tended mostly to concentrate on an urban geography. This funding stream coupled with the renewed purpose for the Scottish Government to focus on sustainable economic growth and reducing inequalities, in line with the ethos of inclusive growth does point towards a need for wider interventions in terms of geography to address issues of inclusivity outwith city regions. Indeed, the Joseph Foundation have highlighted in their submissions to the 2016 Royal Society of Arts Inclusive Growth Commission the tendency for the narrative of inclusive growth to focus on urban problems.

However, in the context of a Scottish approach to inclusive growth a significant amount of Scotland is rural or in the case of the HITRANS deep rural by the Scottish Government's own Urban-Rural classification.

One of the key messages of the Royal Society of Art's Inclusive Growth Commission was the need to invest in social as well as physical infrastructure. Specifically, in a transport context, this debate focussed on the need to prioritise connecting people to economic opportunities, through better skills planning and provision, through the provision of better local transport services as much if not more so than traditional physical road network infrastructure improvements. This would seem to chime clearly with the outcomes identified in most HITRANS area LOIPs. The report clearly highlights that simply building transport links is not enough to change patterns of economic mobility and cultures and there needs to be a service delivery aspect to delivering inclusive growth. This is clearly a function HITRANS could progress for the H&I area.

The report also stresses that whilst transport connectivity is important for realising the benefits of agglomeration, its effectiveness is predicated on connecting high skilled workers with high-skilled jobs and investment to drive up productivity and growth. However, the report highlights that there are numerous communities across the UK within a few miles of such improvements to transport opportunities that do not always benefit. These opportunities can be denied by an ingrained mindset the report observes against working in the city centre or the sheer cost of travel to a low paid or zero-hour contract role. Whilst some communities and people will clearly benefit from places becoming, in effect, commuter towns for bigger city centre focussed labour markets, other people and places typically low skilled or economically inactive, risk being further excluded. The report in these findings also implicitly outlined its focus on urban or peri-urban areas, as the vastly rural geography of HITRANS highlights that in the context of inclusive growth purpose of Scottish Government, any Strategic Transport Projects Review, will have to take a rural inclusive growth lens to strategic projects. It must reflect on what smaller infrastructure or service change projects could be strategic in the sense of the HITRANS area. There has been a tendency to focus on large road and rail projects previously, which are important for inclusion from main hubs or networks for rural areas. However, if the sustainable or accessible service does not exist in the wider

rural hinterland to main urban hubs, it could be argued that the national strategy for transport is not fully considering the strategic requirements in terms of projects for rural areas. It points to being able to take an Inclusive growth focus to transport investment.

Transport services and accessibility can be a preventative measure as part of a wider integrated economic strategy if actions go beyond traditional capital-based transport investment. It is this type of assessment that is vital if any future STPR is to fully embrace and deliver rural inclusive growth for the HITRANS area. The report highlights that prevention and early intervention, as espoused by the Christie Commission, is an elusive business, where investment generates returns that fall into someone else's budget, thereby discouraging the original investment. They suggest moving beyond a "cookie-cutter" approach to segmentation of policy responsibility and focussing on genuinely geographically inclusive place-based strategies tailored to the needs, ambitions and nuances of a place's economic geography. This would help address a key Commission finding that inequalities are driven partly by distance from public services and decision making and also address a number of common accessibility and mobility concerns across a variety of sectors, if there was further integration of investment through or via HITRANS by all parties, enabling retention of investment for further re-investment either from original investment or reduction in costs for other partners enabling them to provide further funding to continue to address original regional identified negative outcomes.

For STRP2 to deliver the greatest value it needs to clearly reflect the desire for national inclusive growth within a regional context, which will enable value to be added by a more granular focus on regionally specific issues, assets and inequalities present across the distinct regional economies of Scotland. This ensures that cross boundary issues such as transport networks, accessibility and labour market mobility can be actively implemented, monitored and governed within a devolved regional accountability context. It also enables the creativity and flexibility of planning to add value to the national growth aspirations. This would again point to the clear role and value derived from a Regional Transport Strategy approach to the identification of these issues in Scotland and a consistency with the Government's central purpose of inclusive growth.

Therefore, it would appear that the need to align, integrate and renew regional strategic transport planning across all policy spheres is a fundamental requirement for Inclusive Growth if we are to create shared binding multiple regional missions/visions across Scotland. At a sub-national level, the report proposes an approach based on: deep understanding of local assets; connecting people to quality jobs; resourcing place regeneration as well as business investment; and helping all sectors to stay ahead of the EU's Article 50 negotiation context. This would seem to again reflect the enhancement of the current work of HITRANS but also a clear challenge to national agencies such as Transport Scotland to allow relevant functions to subside to lower levels of delivery.

A key recurring message is that regional transport is important and in Highland and Islands HITRANS is an important delivery agent for the region. The respect is clear

from the references to HITRANS across the number of local and regional documents reviewed. There is a clear consistency of desired outcomes from the LTS's and LOIPs, this points to a clear opportunity to investigate whether further non-roads transport aggregation of service across the HITRANS would be helpful with the resolution of several required mobility and accessibility outcomes.

The Royal Town Planning Institute in 2016 highlighted in their 2016 "Poverty, Place and Inequality" policy paper^{xxxv} the significant severance effect of area-based disadvantage for individuals. Those living in certain less affluent areas are from evidence less mobile, more reliant on public transport and less able to commute to job opportunities given expensive and/or fragmented transport networks. Previous studies have highlighted that those who are least skilled or most remote from the labour market have the least locational flexibility in seeking new job or training opportunities and that this spatial deficiency rather than lack of skills or training has particularly afflicted some communities and individuals within them in terms of receipt of positive outcomes. This is true in urban areas, but the impact can be even more magnified in rural areas, where distances involved are significant. The report highlights the need for more regional planning to deliver and bridge the gap between national and local outcomes delivery especially concerning the sustained delivery of economic and employability outcomes. RTPs could be a key mechanism for addressing these gaps and delivering the connectivity, mobility and accessibility outcomes required across several Local Outcome Improvement Plans. The RTPI comment that in an era of localism and devolution, increasing equality and opportunity should be a core part of local, city and sub-regional plans and strategies. Rather than relying solely on national welfare reform, governments across the UK should also promote and incentivise a new era of place-based initiatives to combat poverty and inequality. There is strong support for planning between national and local levels

There are challenges going forward as outlined in previous paragraphs to greater subsidiarity discussions across the HITRANS not only in terms of the financial pressures on local authorities but also the resilience aspects of delivering services in the future. The clear advantage of concentrating staff, whether geographically or virtually, within one organisation is the retention of knowledge and specialisation in a regional function. There is no doubt that economies of skill and scale in Scotland could potentially be gained by integrating some currently separately managed and governed services under one roof, joining together with other areas to commission or share larger scale services and staff where appropriate, and aggregating functions into regional shared support services. HITRANS as an RTP and existing public body is excellently placed to provide this service to partner local authorities. As well as strengthening local democracy, this may be a necessity if, politically, local communities wish their representatives to protect services of public interest in the current fiscal context. As referenced earlier in the report, The Commission on Strengthening Local Democracy 2014 report concluded that intelligent collaboration and sharing was a necessary element of fundamental subsidiarity. It enables governance by local members but recognises that the most appropriate element of

service delivery in subsidiarity terms might be not the most local level possible for reasons of economies of skills, scale and resilience.

Another main finding is could a lack of regional or locally responsive powers or duties be a barrier to delivery of innovative approaches to addressing barriers or negative outcomes from occurring. There are a potential three-tier approach to models of RTPs in Scotland and whether that was formal transfer or informal further pooling of resources to deliver duties or with the forthcoming Local Democracy and Transport Bills could Scottish Ministers provide further regional or local based powers/duties that could enable and encourage greater aggregation of services. Whether this is for example extending the Fairer Scotland Duty derived from the devolution via the Smith Commission Part 1 of the Equality Act 2010 in Scotland, devolved by the Scotland Act 2016 to RTPs. Generally, in recent years it has been a struggle to have RTP's recognised directly in legislation in terms of duties, which does reduce their ability to mandate or drive regional delivery.

RTP's did jointly lobby for inclusion in the Fairer Scotland duty, as they felt it might encourage and enable greater aggregation of response to transport poverty across wider travel to work areas. Such a power/duty could be used collectively to readdress current regional transport and wider decision-making concerns, given how vital and inclusive accessible transportation infrastructure and place-based solutions are to community regeneration. This duty could be utilised alongside any enhancement to the existing power to advance well-being from the Local Government (Scotland) Act 2003 via any Local Democracy Bill to mirror the power of competence available to English authorities via amendments introduced by the UK Localism Act 2011. Such powers could be extended to other public bodies such as Regional Transport Partnerships to achieve innovative active travel strategies and schemes in new LOIPs. There could also be clear links here to participation requests from communities under the Community Empowerment Act in terms of overcoming or preventing barriers occurring, building upon the existing collective powers of CPPs to address socio-economic inequalities and enabling a wider regional approach to co-design and participation, as there seems to be a clear commonality of themes across the HITRANS area. Certainly, re-empowering RTP's considering the current debate and review of local governance would seem appropriate given the topics of discussion nationally but also commonality of transport outcomes identified across all HITRANS local areas.

There also needs to be a clear focus on governance and leadership if there is any appetite for a transition to a greater sharing of services or capacity within the HITRANS area. This would reflect the outcomes of previous attempts and the wider knowledge base around aggregation of service. Whether a formal change in functions or a voluntary sharing, for either to succeed they need to be accountable to their communities and have clear statements of what they are going to do and deliver; when and how; pointing to the need for a clear strategic plan. This could be a form of continuing consultation, a roadmap for the proposed journey: Setting out a Vision and proposals for how all partners could work together to generate better outcomes. This is a vital component, as probably the most common pitfall to greater sharing or

aggregation of local services is poor planning and communication. A lot of opposition to sharing can come from stakeholders and senior managers internally normally around an argument that local services are needed for local need. There would be a clear need to tackle that position and advocate positively why aggregation and enhancement in local democratically accountable outcomes are not mutually exhaustive possibilities.

The report seeks to make clear that there are clear challenges for the public sector currently. There have been attempts previously at sharing services for transport and that such an approach has had variable success but should not be seen as a panacea to the current and future challenges. There are opportunities from shared services but there is also a clear need for a strategic plan to avoid the risks of sharing around poor planning or a hope that good timing or good fortune/opportunities will enable results such as the retirement of a senior manager enabling management savings!

If HITRANS were to progress as part of the local governance review with a greater enabled centralisation of service for local authority partners, it will be vital to have significant pre-consultation discussions with those involved and to set out a clear strategic target and an associated detailed plan of how that will be delivered. This would create a sense of urgency, avoid key risks such as costs of sharing exceeding the benefits of aggregated services, the strategic vision would need to be articulated by a collation of leading members and officers, set clear achievable targets and build momentum so that change can be anchored into the fabric of the service delivery across the region.

7. Conclusion/Recommendations

From the desk-based literature review, it would appear that there is strong support for HITRANS across the region and also clear references in various documents to further partnership with and through HITRANS.

The evidence reviewed as part of this report, would seem to support previous research and policy on the subject of subsidiarity in Scotland, that there is no contradiction in terms of local democracy between the people focussed priority of greater community empowerment of local services and smaller local councils delivering less services solely themselves and commissioning other more strategic services through larger shared/joint services with other councils or partners in an intelligent multi-agency approach.

Local governance in other European countries can operate efficiently and transparently by sharing or aggregating certain services where the type of service model better responds to local needs and it would appear that there are the conditions and emerging strategic appetite for similar discussions in Scotland at present. However, there is a clear provision from local voices that any centralisation of service locally to regionally, is not specifically a problem, but that any new arrangement needs to enable community participation and involvement in scrutiny. RTPs given their community forums and non-elected members, have a clear legislative architectural advantage that could be useful to enabling this community desire to be delivered immediately.

The high standing of HITRANS in the regional context, makes it a clear mechanism for progressing such joint work in the H&I area around a series of consistent mobility and accessibility outcomes desired by all local/regional community planning partners. There is an opportunity for a variety of structures to be considered from further formal changes to empowering HITRANS to be a Regional Centre of Excellence and Skills clearly outlining and delivering for partners a plan for outcomes to be addressed, in a servant leadership role for the wider region, influencing relevant partners at all levels to play their part in delivering for the H&I area and coaching partners where they need to deliver results with support and capacity from a central resource, enabling greater knowledge and skill sharing regionally, enabling innovative responses and ensuring the right talent pipeline in terms of key transport skills is in place for the H&I region. Offering a wider more agile workforce for all partner authorities to respond to fluctuating demand pressures locally, and enable the greater use of in-house capacity to deliver services reducing reliance on outsourced service delivery for key tasks.

However, there would need to be a clear discussion with partner local authorities and wider stakeholders about the opportunities for aggregation and intelligent centralisation through/via HITRANS and what governance or service delivery models could be considered possible politically. There also needs to be a clear recognition of subsidiarity in the forthcoming National Transport Strategy and a recognition of the need for regionally identified transport issues to be the foundation of the emerging

STPR, if this infrastructure and service investment is going to drive inclusive growth as per Scottish Government's central purpose and reduce the inequalities locally felt by local communities and the wider Highlands and Islands region.

The report makes several recommendations/observations in the spirit of stimulating further debate and discussion about the governance of transport issues at each current level of responsibility in the HITRANS area.

There is clearly an opportunity in doing the Local Governance review for increased collaboration of transport services, whilst retaining locally empowered decision-making structures responsive to communities needs and furthering the delivery of inclusive growth and best value across the H&I area.

Recommendations

- This report is subject to presentation and discussion at a future HITRANS meeting and that there are subsequent individual engagements with conveners and senior officers in partner local authorities and focused engagement with key local partners.
- There would also seem to be a clear rationale for a Highlands and Islands Transport Workforce survey, to identify capacity and shortage skills across the region in relation to transport service delivery and associated skills such as funding bids or business cases, vital for ensuring the investment and continuation of resource into the HITRANS area. There could also be a clear rationale for a desk-based review of Citizens Panel or Local Authority surveys to identify key transport statistics or a stand-alone community engagement survey on transport delivery.
- Following such discussions and the identification of potential for greater aggregation of delivery, given the forthcoming Local Democracy Bill, local authorities within the HITRANS area should form a working group to consider the potential for intelligent aggregation/sharing of specialist transport services and functions through or via the RTP. This could enable a clear focus on prevention, reducing inequalities and promoting equality responses regionally co-designed with local communities but delivered with regional aggregated capacity.
- Transport Scotland as part of the NTS2 consultation should undertake a subsidiarity assessment of current roles and responsibilities, including the delivery of significant amounts of funds which seek to deliver local outcomes but are distributed from a non-representative body. For example, the significant Active Travel Funds channeled via non-democratically elected organisations. This would build upon one of the key recommendations of the Commission on Strengthening Local Democracy to "locally proof" strategic decisions on local areas.

- Scottish Ministers and Transport Scotland should also be a consideration as to whether TS should decentralize or co-locate certain functions or services which are delivered within a specific geographical area. In the HITRANS context this could be the delivery of ferry services on behalf of Scottish Ministers.
- If a working group is agreed and set up or existing forum utilised for this purpose, it is recommended that a Strategic Plan is agreed, a form of continuing consultation, a roadmap for where HITRANS and partner local authorities want to go. Setting out a vision for buy-in from all partners to working together better. Vital from previous research findings is the need to have a clear plan to avoid a common pitfall to sharing/joint-working or collaboration: that of poor planning or also exclusion of local communities in participative decision making.
- As part of the clear commonality of transport outcomes desired regionally, there may be clear merit in a discussion about ring-fencing certain parts of Community Planning Partnership (CPP) budgets or wider capital budgets to deliver common regional transport outcomes and to lobby for greater devolution of significant ring-fenced central funds such as Active Travel/Nation funding. There could also be discussion of the merits of local visitor taxes or regional levies to support transport services beneficial to the wider community and enabling legislation to allow innovative responses by groups of local authorities.
- Further research and discussions need to be undertaken with key stakeholders on the socio-economic benefits and inclusive growth contributions from smaller scale capital investments versus larger scale national projects ahead of the conclusion of the second Strategic Transport Projects Review.
- That there is also a commitment sought from Transport Scotland for a subsidiarity review of all its funding streams to local and regional transport authorities to ensure the greatest local representative and participative democratic input into funding delivery and project decisions to strengthen community empowerment and local democracy.
- Lobbying ahead of the STPR2 for a Transport Study/Studies for the Highlands and Islands Enterprise Agency area, to inform key projects for the region, like that which has been undertaken for SW Scotland and The Borders, ahead of the South of Scotland Enterprise Partnership formation. This could also inform the forthcoming transport aspects of the National Islands Plan, if commissioned in partnership with ZETRANS and HIE.

- HITRANS could consider succession planning of non-councillor and observer/adviser board roles linked to their existing community engagement and participation forums, to further embed community participation for partner councils in the governance of local and regionally shared transport services.
- HITRANS authorities may wish to consider lobbying for future local democratic legislation to give authorities individually but also collectively through HITRANS a power of competence like the Localism Act 2011 of England and Wales. Also, to continue previous lobbying for RTP's to be considered relevant authorities for the Fairer Scotland Duty.
- Looking further ahead, the transport outcomes identified across the suite of LOIPs across the HITRANS region should be conveyed to the Scottish Government robustly ahead of the next National Performance Framework (NPF) to ensure that the next set of national outcomes reflect more strongly the transport outcomes emerging from the 5 LOIPs locally.

Conclusion

There is a clear consensus of the value of HITRANS within the published documents of the area. There is a variety of formality or involvement with the RTP across the region from all CPP partners.

There are also clear local outcomes stated as required in each of the 5 partner local authority areas around the clear need for improvements in transport services, need for better accessibility to key services and increased sustainable mobility for health and general population well-being reasons.

There does not seem to be any explicit opposition to the current position. HITRANS is optimal for the future and several documents make references to a desire for greater joint working to produce strategies and projects with HITRANS. It would be clearly useful to test the parameters of possible further development of HITRANS co-produced powers or sole functions/joint capacity with all partners in the Highlands and Islands Area to see if further governance and sharing/aggregation arrangements could be beneficial in the delivery of local outcomes as well as increasing service resilience and sustainability locally of service but also local participative democracy.

There is a great deal of similarity and consistency of aspirations across the HITRANS area from a number of partners. This reinforces a clear opportunity that those with similar aspirations but containing constraints on resources may struggle without further informal or formal wider geographic or topic-based partnerships to realise those outcomes. This makes a clear case for discussions about whether a central unifying body and skilled staff could pull the delivery of outcomes all together and make quicker headway in influencing central government and regional/local partners than they could do individually within own geographical areas or continuing the same level/model of working through HITRANS.

This will require further work and engagement with and across partner councils and also critically for me with the local voices and communities, who have outlined a clear desire within the H&I area to be given the opportunity to influence the decision-making process. As stated in the original consultation that created HITRANS formally “local democracy is regarded by many as an essential component of transport provision”. That would appear from this study still to be true but as stated within the report, subsidiarity of decision making does not preclude service aggregation through bodies such as HITRANS as it is clear such centralisation of delivery can strengthen local democracy and improve outcomes.

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