

BUSINESS PLAN

2025/2026

FOREWORD

As we look ahead to the year 2025-2026, HITRANS remains committed to its core values of partnership, sustainability, and progress. The challenges that we face are significant, notably the ongoing pressure on public finances, but we are resolute in our belief that through effective collaboration, we can continue to deliver the best transport services for the Highlands and Islands.

The past year has seen substantial achievements, but we are acutely aware of the challenges that lie ahead. HITRANS has always been an organisation rooted in partnership, and as we face fiscal constraints, it is now more crucial than ever that we continue to work closely with our partner Councils, Transport Scotland, and other stakeholders. This collaborative approach has been key to our success in delivering transportation projects that support both the social and economic wellbeing of our region.

We are encouraged by the recognition of this partnership model by the Scottish Government, particularly through the enhanced role Regional Transport Partnerships (RTPs) have been given in the new People and Place programme. This presents a significant opportunity for HITRANS to continue its work in supporting active travel and promoting behavioural change, aligning with Scotland's ambitious climate goals. Furthermore, the refreshed "Develop to Deliver" report, created in collaboration with other RTPs, outlines how we can better support public service reform and ensure greater accountability in the delivery of transport services across Scotland, all within the positive framework established by the Verity House Agreement.

As we move towards net-zero, HITRANS will continue to focus on driving forward initiatives in active travel, public transport, and the transition to low carbon fuels. A key part of this work will be the expansion of our multi-award-winning GO-HI platform, a flexible fare and travel planning tool that encourages people to choose public transport for essential longer trips. In 2025-2026, we aim to grow the user base of this app and explore its potential as a business travel planning tool that supports more sustainable and active workplaces across the region.

Our Business Plan for 2025-2026 is a roadmap for how we will continue to prioritize the implementation of the Regional Transport Strategy, aligning our activities with its goals to support sustainable economic growth in the Highlands and Islands. Despite the continued funding challenges, we are making tangible progress in developing efficient working practices, and our partnership approach remains central to delivering the results our communities need.

As always, we remain focused on securing external funding, and though EU funding is no longer the option it was, we have successfully secured funding through the Horizon Europe programme for the RURALITIES project.

We continue to build on our early success in accessing UK Government funding post Brexit and will have a keen focus on UKRI funding opportunities and working through Connected Places Catapult and Knowledge Transfer Partnership processes. The links we have forged both internationally and across the UK will help drive forward new initiatives, ensuring that our region stays at the forefront of innovation in sustainable transport.

In 2024, HITRANS assumed the lead partner role in the SATE project, and we are excited about the potential this transformation holds. This responsibility allows us to more effectively integrate the lessons learned from the project into the Regional Transport Strategy and promote the opportunities that net-zero aviation can bring to the Highlands and Islands. With the current round of Future Flight Challenge funding coming to an end we are looking at Future Flight Challenge 3.5 to continue our work in the short term as the funding stream itself moves on to a medium term focus. We are also exploring opportunities for funding through Growth Deal processes and EU funding. UKRI funding has also been secured to continue our work on Connected Vehicles this time with an Airport focus.

The year ahead will no doubt bring its challenges, but we are confident that by continuing to work closely with our partners and stakeholders, we will continue to make great strides towards delivering a modern, sustainable transport system that meets the needs of the Highlands and Islands. Together, we can ensure that the region remains a vibrant, thriving place where economic growth, environmental sustainability, and high-quality transport services go hand in hand.

Our Business Plan for 2025/26 sets out how we intend to achieve the objectives detailed above as well as moving forward several other actions. It sets out how the Partnership will work throughout the year underlining the need to be nimble at times. We are committed at all levels to focus on a strong partnership approach to delivery to ensure scarce resources are targeted in the most efficient manner to achieve the best result for the Highlands and Islands.

We look forward to working with you all in the year ahead to make these ambitions a reality.



Uisdean Robertson
Chair



Randal Robertson
Partnership Director

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

HITRANS have produced this Business Plan identifying our intentions in 2025/26. The Business Plan again includes a two-year Research and Strategy Delivery Programme that will include an indicative programme of projects for 2026/27 and a medium term financial plan forecasting ahead for the three years to 31 March 2029. This Business Plan is intended to fulfill our statutory duty and, after approval by the HITRANS Board, will be submitted to Scottish Ministers.

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



THE HITRANS BOARD

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

Membership

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

The current Chair, Councillor Uisdean Robertson, and Vice Chair, Councillor Amber Dunbar were appointed on 24 June 2022.

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

To ensure that quorate decisions are achieved an annual calendar of meetings was agreed in September 2024 to provide notice for Members to include the meetings in their diaries. Four full Partnership meetings are scheduled for the calendar year. Meetings are being held in February, April, September and November. Should a situation arise that requires the call of additional meetings these can be called in accordance with the Standing Orders. Details of all Board Meetings, Agendas and Minutes are available on the HITRANS website.

Performance and Audit

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

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

Contract Standing Orders

The Contract Standing Orders were reviewed and revised by the Partnership at their meeting on 15 September 2023. The Scottish Government had, in its provisions in the Establishment Order, set out certain minimum parameters for Standing Orders and these have been incorporated wholesale into our Standing Orders. The Standing Orders have used best practice from those of other organisations and are designed to meet the needs of the Partnership. They comprise not only procedural rules regarding meetings but also financial rules which dovetail with the financial regulations as well as the tendering and contractual rules which require to be followed for all contracts entered into by HITRANS. The contract standing orders may in future additionally require adapting to any new functional changes, as well as the normal requirement for periodic review.

Scheme of Delegation

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

The Scheme of Delegation was reviewed and revised at the Board meeting of 10 November 2023 and represents a set of powers tailored specifically for the workings of HITRANS as they currently stand.

Financial Regulations

As part of the Partnership's commitment to the development of its corporate governance arrangements the Partnership has adopted the Financial Procedures of the Highland Council with adjustment to reflect our organizational needs and structure. The financial rules were adopted by the Partnership at their meeting on 12 November 2021 and provide the basis under which all actions overseen by staff that have financial responsibilities and interests are undertaken. The Partnership is committed to reviewing the Financial Regulations and adopted the latest version of the Highland Council Financial Regulations in 2021/22.

Human Resources policies / procedures

Comhairle nan Eilean Siar provide the function of HR advisor for HITRANS.

Equalities

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

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

The HITRANS Board approved an update of HITRANS Equality Duty in April 2025 and this was then presented to the Equalities Commission. The report is set out in two documents, these are:

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

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

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

Interaction with Stakeholders

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

Powers and Functions

Services should be delivered in the most efficient way and with appropriate democratic accountability in promoting a viable and sustainable region into the future. This is particularly important given the challenges being faced in funding across the public sector. HITRANS looks forward during 2025/26 to working with the Scottish Government and its agencies to help deliver better transport services. HITRANS are focused on how the Partnership, Member Councils and other public and voluntary sector bodies can best contribute to improving outcomes for the people of Scotland: by driving up the quality and accessibility of services.

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

Ethical Standards in Public Life, etc. (Scotland) Act 2000; Freedom of Information (Scotland) Act 2002; Scottish Public Services Ombudsman Act 2002).

HITRANS' Powers

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

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

HITRANS Functions

The legislative framework setting up HITRANS recognises that transport functions are currently carried out by other bodies and makes provision for transfer of some or all of these functions in certain circumstances should HITRANS, its constituent Councils and Scottish Ministers consider this is appropriate and adds value to the delivery of transport services in the area. Section 10 of the 2005 Act provides that transport partnerships such as HITRANS can carry out transport functions either instead of the previous function provider (usually the constituent council or a Government Agency); or concurrently with that person. To exercise further transportation functions, HITRANS would have two options. The first would be for HITRANS to reach agreement with all the constituent councils and/or the Scottish Ministers that it carries out or supports certain of the transport functions which the councils are currently providing. This route is provided by section 14 of the 2005 Act. The second, as outlined above, is to apply to the Scottish Government under section 10 for additional functions.

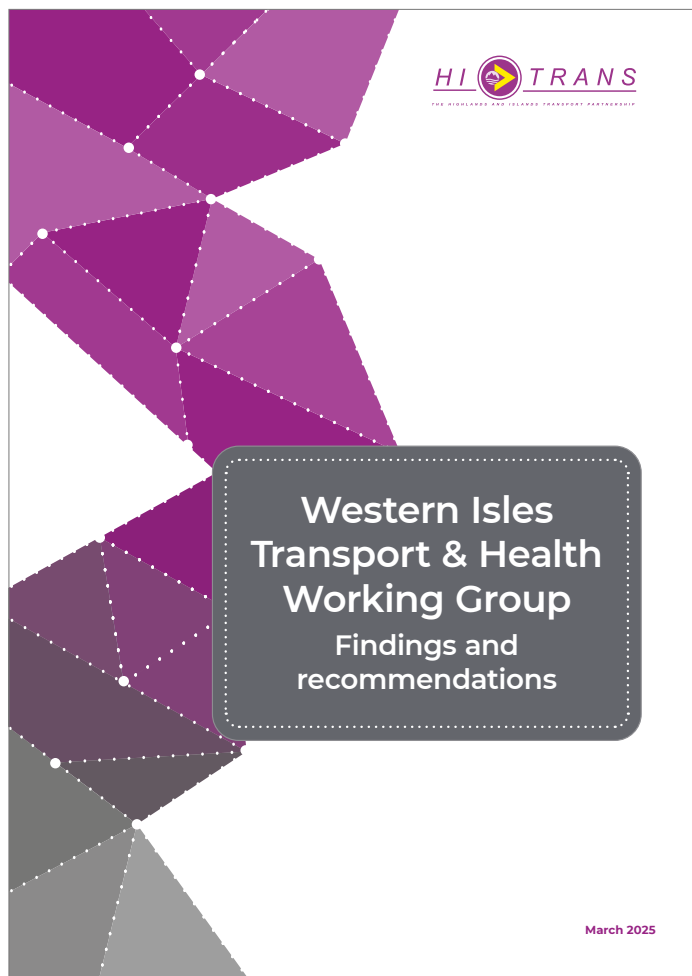
Application for Additional Functions

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

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

- **Ticketing** -Transport (Scotland) Act 2001: S28, 29. This area presents the strongest case for HITRANS to seek powers for direct delivery, as integrated ticketing is an area where the public and stakeholders would see the greatest benefit.
- **Supporting Constituent Authorities** - Where constituent councils may not have the capacity and resources to deliver local authority measures, the RTP could consider providing support to the local authority to provide optimum delivery of services, implement projects and initiatives relevant to the RTS, with agreement from the relevant authority. This could be the case in developing real time information systems and management, and management of demand responsive transport services.

For HITRANS to implement the regional transport strategy, projects, and initiatives, there is no need to transfer any powers from local authorities or central government to HITRANS, but there may be benefits in taking on additional powers to ensure that the strategy is delivered in accordance with the associated delivery plan should this be agreed as a future direction of regional transport governance.



Scottish Government / Transport Scotland

Our Business Plan should be based upon a realistic estimate of the funding which is likely to be available to HITRANS. HITRANS 2025/26 Grant-in-aid from Scottish Government/Transport Scotland has been confirmed at £496,612.50 which is the same as the previous year. This is to support revenue expenditure relating to core costs and the implementation of the Regional Transport Strategy.

Transport Scotland have not confirmed what level of funding – if any – HITRANS have secured through our application to the Active Travel Infrastructure Fund. Officers submitted proposals for a programme of projects valued at £2,800,000. Transport Scotland have indicated the next update on this application will be later in June 2025.

Transport Scotland have confirmed that HITRANS will receive a grant of £2,431,884 to support the delivery of the Active Travel Behaviour Change People and Place programme in the region. This is a significant increase on past funding for Active Travel and the reduced Grant in Aid for core costs is offset by this funding which includes the opportunity to cover staff costs for all Active Travel in house delivery from this dedicated funding.

An Integrated Transport Plan for Fort William will be progressed led by HITRANS in partnership with Transport Scotland and Highland Council. Transport Scotland will provide a contribution amounting to 75% of the total costs for this programme of activity.

Constituent Authority Requisitions

The Transport (Scotland) Act 2005 requires the constituent councils of each Regional Transport Partnership to fund its net expenses, after allowing for any income, including any grants from the Scottish Government. In 2024/25 HITRANS constituent Councils contributed £200,000 towards the Partnership's net expenses. This represents match funding to complement the Scottish Government's revenue Grant-in-aid contribution towards nominal Core Funding. For the purposes of development of the business plan, HITRANS has intimated to the partner authorities a proposed requisition of £200,000 as core revenue funding for 2025/26.

The detailed Revenue Budget for 2024/25 is shown in Appendix 2.

HITRANS five partner Councils will also contribute £35,000 to the Shared Service for the production of public transport information to be delivered by HITRANS. In addition to this Highland Council and the bus operators in Inverness and Inner Moray Firth and Fort William areas will also provide £40,000 to support the costs of employing a Public Transport Information and Infrastructure Support Officer.

Argyll and Bute Council, Comhairle nan Eilean Siar, Orkney Islands Council and Shetland Islands Council each support HITRANS on developing a EV infrastructure strategy and programme under the EV Infrastructure Fund supporting the costs of programme management.

Revenue: Other sources of funding

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

- RURALITIES is a Horizon Europe project which commenced in October 2022. HITRANS budget for this project will be £311,111
- UKRI SATE project – HITRANS revised budget in our role of lead partner of the SATE project is £545,220.
- UKRI have granted funding to a consortium led by Urban Foresight for desktop analysis of the practicality of deploying CCAM vehicles on bus services to Kirkwall Airport. HITRANS will £21,500 to cover our costs within this partnership.
- HITRANS have bid to the Inverness and Highland City Region Deal for £200,000 to support activities building on the SATE project at Wick John O'Groats Airport.
- HITRANS have submitted a proposal to the Island Centre for Net Zero for £1.5M to develop a drone hub and UAV test facility at Benbecula Airport.

Borrowing

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

Reserves

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

Under the Transport (Scotland) Act 2005, constituent authorities are required to meet the net expenses of the Partnership. Section 122 of the Transport (Scotland) Act 2019 amended previous provision in respect to RTP Financial Arrangements to permit carrying a reserve across financial years. This is anticipated to be not more than 15% of the revenue budget.



THE REGIONAL TRANSPORT STRATEGY (RTS)

The HITRANS Regional Transport Strategy is at an advanced stage of refresh with the draft Strategy now published and out for consultation. Comments are invited from partners, stakeholders and the wider public. Once the consultation process completed an analysis of responses will be undertaken and these will inform drafting of the final Strategy which will first be approved by the Partnership Board before submission to Scottish Ministers for their consideration.

Monitoring and Evaluation

It is important that HITRANS demonstrates that it is achieving its aims and objectives. The RTS provides a basis for monitoring and. Updates on performance against targets will be reported to the Board on a regular basis and included in the Partnership's Annual Report using the Framework that has been developed.

Delivery Mechanisms

The Programme of Research and Strategy Development proposed to be undertaken by HITRANS during 2025-2027 to support delivery of the Regional Transport Strategy is detailed in Appendix 3 to this Plan.



Risk

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

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

Consequently, HITRANS needs to be pro-active and prepared in the way we manage our risk portfolio. Incorporating a more formal approach to risk management in our day to day operations will enable us to deliver our responsibilities and work towards achieving our objectives. In fact, management of risks is fundamental to ensuring that we fulfil our objectives. The Partnership operates a Risk Management Plan with a Risk Register which is reviewed regularly. This strategy is firmly embedded in the work of the Partnership and is subject to annual review through the Partnership board meeting process.

REVENUE

The Research/Strategy Development Programme for 2025/27 and the programme for delivery are as detailed in Appendix 3.

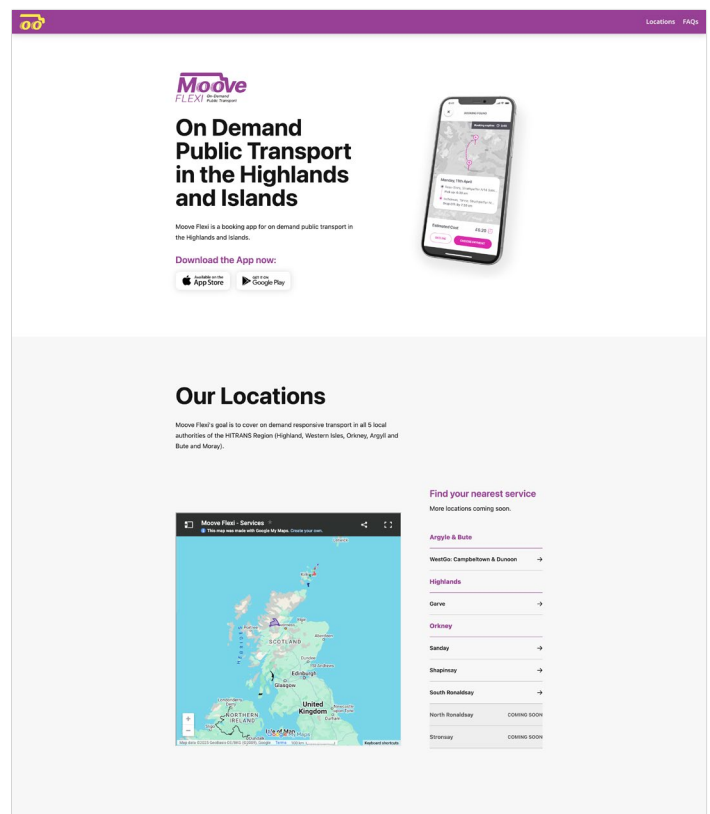
MARKETING & COMMUNICATIONS

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

Our communications objectives through 2025/26 will be to:

- Provide Newsletters following Partnership Meetings to publicise the decisions taken at the Meeting and the actions currently being taken by HITRANS to promote delivery of the RTS.
- Maintain an up to date website.
- Continue to make people aware of what we are doing and why, explained in terms of the high level aims of the RTS, what HITRANS aims to deliver as described in the RTS and the benefits that will accrue to business and the population of the region.
- Hold a regional transport event at the Scottish Parliament in September 2025.
- Encourage behavioural change among the public in line with the objectives laid out in the RTS – e.g. making “smart travel choices” including: greater use of public transport, car sharing, personal travel plans, alternative and active transport options, etc, through highlighting the advantages, practical benefits and needs which these address.

- Promotion and marketing of the MOOVE Flexi Digital DRT Platform.
- Delivery of the Regional People and Places Behaviour Change programme.



Establishment

With effect of 1st April 2025, HITRANS will employ 23 staff:

Ranald Robertson	Partnership Director
Neil MacRae	Senior Partnership Manager
Frank Roach	Partnership Manager (0.6 FTE)
Vikki Trelfer	Active Travel Team Leader
Clare Harper	Business Support Assistant
Leah Mackay	Project Officer – People and Place (Western Isles)
Robert Wilson	Project Officer (Public Transport Information)
Donald Morris	Public Transport Information and Infrastructure Support Officer
Jayne Golding	SATE Manager
Jayne Groundwater	SATE Project Coordinator
Lukas Princ	SATE Business Manager
Katy Beasley	Scottish Islands Passport Project Manager (part time)
Sheena Corcoran	Smart Travel Choices Promotion and Marketing Officer (Job Share)
Sheila Wickens	Smart Travel Choices Promotion and Marketing Officer (Job Share)
Sara Hawley	Project Officer – People and Place (Cowal)
Rachael Fraser	Project Officer (Finance)
Gemma Robinson	Project Manager (EVIF)
Murray Stewart	Project Officer – People and Place (Orkney)
Simon Erhardt	Operations Manager (HI-Bike)
Rebecca Purvis	Transport Integration Manager
Henry Batty	eBike Technician (HI-Bike)
Graham MacIver	eBike Technician (HI-Bike)
Vacant	Project Manager (People and Place Programme)

The specific areas of engagement and activities of each employee in 2024/25 are detailed in HITRANS Partnership Approach to Delivery in Appendix 1.

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

Permanent Advisors

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

- Highland and Islands Enterprise
- Scottish Council for Development and Industry

Accommodation

The Partnership employees are located in 4 offices, at Kirkwall, Inverness, Jura and Lairg. One staff member has a work base provided by Comhairle nan Eilean Siar in Stornoway.

Equipment / IT Resources

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

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

HITRANS RESPONSE TO THE CLIMATE EMERGENCY – WHAT WE CAN / ARE DOING

The Committee on Climate Change has reported that the Scottish Parliament's target to reduce emissions by 75% by 2030 will be extremely challenging to meet, and must immediately be backed up by steps to drive meaningful reductions in emissions. Transport accounts for 37% of all carbon emissions in Scotland, and emissions from transport are now at the highest level since the Climate Change (Scotland) Act was passed in 2009. Cars, vans and heavy goods vehicles (HGVs) account for 65% of total transport emissions.

Addressing the climate emergency demands urgent action; a change of mode and mindset, not just fuel, is required. Huge benefits will result from a transport revolution which allows us all to shift to active and sustainable options, and improves all modes of transport. People using public transport are more likely to be active, which in turn improves physical and mental health and well-being. Affordability of passenger transport should also be a feature of this focus and it is important that a price competitive alternative to the private car is available to everyone.

Scottish Government have updated the Climate Change Plan to provide clear targets to ensure a coordinated approach is taken and set Scotland on the path to a Green Recovery from COVID-19. The Plan emphasises bold action to be taken now before the next full update of the Plan in 2025. The update commits to reduce average car kilometres in Scotland by 20% by 2030 and phase out new petrol and diesel cars and vans by the same year.

The changes to working practice during the Coronavirus / COVID-19 lockdown have demonstrated the potential to increase agile working and a more flexible approach to working time and travel to and for work. HITRANS will continue to support officers to work flexibly and engage with partners on supporting a reduction in the need to travel.

HITRANS works to improve transport services and infrastructure in the north of Scotland and on routes to the Highlands and Islands, and has a role to play in delivering the urgent action required to respond to the climate emergency.

Active Travel

Walking and cycling, particularly for everyday journeys, have a wide range of benefits; walking is the most accessible form of travel, and both walking and cycling

can be quick, low-cost, convenient and enjoyable ways to travel.

The Scottish Government's Active Travel Framework brings together key policy approaches to improve the uptake of walking and cycling: "More people choosing to walk and cycle will reduce pollution and emissions from motorised travel and so help tackle climate change."

HITRANS' work in active travel can help reduce transport emissions by encouraging modal shift to replace short car journeys with walking or cycling, and linking active travel with sustainable modes for longer journeys.

Encouraging and enabling more people to travel through active modes; this will contribute to reducing emissions:

- Work with bus companies to enable carriage of cycles on buses
- Provision of cycle parking at bus stops / transport interchanges to integrate cycling with other transport modes for 1st/last mile of journeys
- Develop a series of active travel maps highlighting safe walking and cycling routes within and between communities
- Work with partners to develop walking and cycling friendly roads in rural areas
- Promote Traveline Scotland as a planning tool for sustainable travel

Ensure high quality active travel infrastructure is available to all; this can accelerate the desired shift in travel behavior for shorter journeys:

- Updating active travel audits for key towns in the HITRANS area into deliverable masterplans
- Funding for design of high quality active travel infrastructure and small interventions to remove barriers to active travel

Ensure that walking, cycling and wheeling is available to all:

- Pilot project to make ebikes available in Cairngorms National Park and Fort William
- Implement a public bike share scheme in Inverness

Promote and support active travel through a broad range of partners, to foster a culture that enables and encourages walking and cycling:

- Working with 5 Local Authorities, CNPA, local community groups and Development Trusts, and businesses

HITRANS also host and promote Hltravel Liftshare, a platform which connects people offering a lift with those wanting a lift across the Highlands and Islands, with the aim of reducing single occupancy car journeys and therefore reducing carbon emissions.

Bus

While bus accounts for the large majority of all trips made by public transport, bus kilometres and passenger numbers continue to decline. Figure 6 below from the National Transport Strategy highlights the factors which result in the decline of bus and the interventions required to reverse this cycle.

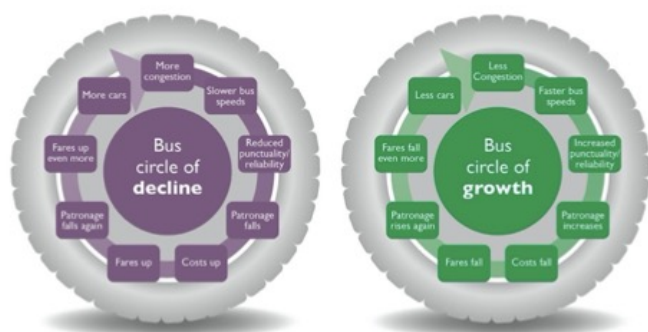


Figure 6: The bus circles of decline and growth

Whatever the causes of the decline in bus use, reducing passenger numbers risks driving down revenues and making some services unviable, resulting in their cancellations and, in some cases, communities becoming isolated⁶¹.

Much of the Highlands and Islands, like other parts of rural Scotland, need increased support for operating basic levels of bus services that enable people to access employment, education and social opportunities in their local area as well as high quality supporting infrastructure (park and ride, high quality information and waiting shelters). With the right infrastructure and support, local bus services also offer an excellent focus to help communities transition to Electric Vehicles.

Things HITRANS could do / are doing:

- Support transition from diesel to electric buses
- Manage the real-time public transport Information system and on-street displays across HITRANS area with the roll out of an enhanced service.
- Continue to manage the public transport information database on behalf of HITRANS partner Local Authorities and produce at stop information displays for over 2000 bus stops in our region.
- Deliver the Highlands and Islands regional People and Places Programme to support increased active and sustainable travel across the region.
- Use funding from HITRANS participation in EU, UK and SC funding programmes to pilot innovative public transport solutions across the HITRANS area such as Digital Demand Responsive Transport.
- Lead implementation of MaaS pilot in Highlands and Islands.
- Established the Bus Taskforce Regional Steering Group to help initiate Bus Service Improvement Partnerships in each area that can be a focus for delivering measures to deliver the 'Circle for growth' and work towards Regional Transport Strategy aspiration of a minimum 3 daily public transport journeys in each area to / from the nearest regional centre.

HITRANS RESPONSE TO THE CLIMATE EMERGENCY – WHAT WE CAN / ARE DOING

Rail

Scottish Government plans to decarbonise rail by 2035. HITRANS is keen to support this objective, and we already have a track record in promoting electrification (Inversparkie) and alternatively powered trains (Wick-Thurso Feasibility Battery Trains).

HITRANS has made the case for continued improvements on the Highland Main Line, through pre STPR1 Room for Growth in 2007. Later reports Pre-ten O Clock and Inversparkie demonstrated the need for the railway to be available for longer periods and electrified to reduce emissions, noting through HML Unfazed that STPR1 outputs have not significantly reduced journey time or enhanced capacity and capability. The aged, thirsty diesel HST fleet has a limited shelf life. An early decision is required on electrification for Inverness-Perth-Dunblane, and for proposals to be considered for Inverness-Aberdeen, in order for procurement to begin; delays will result in a suboptimal bi-mode fleet being deployed.

We have developed proposals (Platform4Change) for our largest station, Inverness, based on research into passengers' experiences and an understanding of the impact on operations of growth to 2043, noted in Network Rail's Scotland Route Study(2016). We began a masterplanning exercise on the creation of an integrated transport interchange in 2020, with co-located bus, taxi and active travel facilities alongside a maintenance depot that can fuel hydrogen trains, buses and trucks.

On our rural routes we seek alternatively powered trains that are lightweight, comfortable, with large windows for scenic viewing. We have examined battery trains for Wick-Thurso, using renewable energy in Caithness that is often constrained from going into the grid, and considered tram-train technology for the Kyle line.

All services must have full accessibility matched by accessible stations, recognising that this can be a challenge with island platforms, while cycle facilities on and off the trains must be enhanced for regular commuters and visitors alike.

Having pioneered low-cost stations (Beauly, Conon Bridge) we will support further new stations where the emphasis will be on carless access to places of employment and education.

Rural stations should receive derogations from mainline standards on platform length, height, illumination etc, while developments in signalling capability will allow

more functions to be delivered electronically, including remote monitoring of structures, and control of points and level crossings- all areas that have arisen from the Points North work undertaken by us since 2015.

Freight transfer to rail will be encouraged by rail electrification, and the possibility of last mile delivery by electric cart, and the payload gain of rail over higher tare-weighted hydrogen/battery HGVs.

Through Branchliner we will continue to develop the case for state involvement in freight wagon procurement as an alternative to funding expensive and potentially speculative infrastructure enhancement.

Ferries

Ferry services will have an important contribution to make to decarbonising the Scottish transport system. The introduction of the hybrid diesel electric Loch Class ferries (Hallaig, Lochinvar and Catriona) represented a significant step towards reducing the emissions from ferry services. However, these vessels still require a fossil fuel source and create emissions albeit on a reduced basis from earlier Loch Class vessels. Similarly the progress made towards reducing emissions from large ferries has seen a move towards a dual fossil fuel approach that supplements MDO (Marine Diesel) with LNG (Liquid Natural Gas).

The short term need to invest in modernizing the Scottish ferry fleet following decades of underinvestment is such an imperative that island areas cannot wait for technology to catch up and allow new major ferries on long routes to our islands to be zero carbon. The Small Vessels Replacement Project is an important step towards more battery electric ferries on shorter crossings. Also, consideration can be given to investing in reduced carbon emission ferries that could at a later stage be retrofitted with new engine technology as Hydrogen (and other sources) become a practical option.

HITRANS will continue to support efforts to decarbonise our ferry services by:

- Support R&D of hydrogen ferries.
- Continue to look at the development of fixed links to replace short ferry crossings which will support transport system decarbonization.
- Potential for Scotland / Highlands to become world leader on hydrogen fuel (lots of water resource & renewable energy potential)

Roads

In working with partners to deliver a Low Carbon Region, HITRANS continues to highlight that the Highlands and Islands still requires significant investment in our trunk road network and other locally significant Local Authority managed routes. This investment is primarily not required to increase the capacity of the network as in other areas but rather to bring our strategic road network up to basic design standards for the traffic which they currently cater for. This includes our continued support for the upgrade of the A82, in particular the section between Tarbert and Inverarnan and through Fort William and sustainable solutions on the A83 at the Rest and Be Thankful and at Stromeferry on the A890. We also continue to support the transformational A9 and A96 upgrades for which design and now delivery of initial sections is underway. Targeted safety improvements are also required on other key routes including several junctions on the A9 north of Inverness and on other key routes including the A95 and the main routes through Mull and the Western Isles.

Investment in this strategic network will: improve the regions competitiveness by reducing journey times, improving journey reliability and road safety and tackling perceptions of remoteness and peripherality.

There is also a major opportunity to ensure that the investment in committed road improvements to the A9, A96 and A82 can act as a catalyst to transitioning both freight and private traffic to electric, hydrogen and Connected and Autonomous Vehicle (CAV) alternatives.

In updating our Regional Transport Strategy and developing the first regional EV Strategy, we have set out how HITRANS will support the transition to ultra low carbon / carbon neutral road transport.

- Support improvement of existing road infrastructure, and addition of active travel routes, particularly where trunk road presents a barrier to active travel between communities.
- Ensure non motorised user needs are fully addressed in new road building programmes.
- Recognise the sustainable travel hierarchy at the heart of NTS2



Aviation

The First Minister set out Government's ambitions on reducing the carbon impact of aviation in the 2019 Programme for Government which set a path towards decarbonise flights within Scotland by 2040. This could see the Highlands and Islands become Europe's first net zero aviation region. HITRANS were already engaged with partners in support of reducing the carbon impact of aviation through our work on SPARA 2020 and working with HIAL, OIC and others to support projects that will see a move to the electrification of planes operating our internal aviation network. As lead partner in the Sustainable Aviation Test Environment (SATE) project we are now on the second successful round of UKRI Future Flight funding. Through our business plan HITRANS will work with partners to:

- Support R&D of fleet conversion to electric for short-distance flights (eg. inter-island, island – mainland and Highland mainland to national centres)
- Seek funds to decarbonize airports and airside surface activity,
- Support low carbon surface access strategies for travel to and from airports.
- Deliver real change in the journey to sustainable aviation through SATE.

APPENDIX 1:

THE PARTNERSHIP APPROACH TO DELIVERY

Summary

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

Involvement in each area of policy development and delivery

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

Objectives

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

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

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

Engagement with Stakeholders and Operators

The following are the HITRANS proposed arrangements for engagement and consultation in 2024/25.

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



APPENDIX 1: THE PARTNERSHIP APPROACH TO DELIVERY

Delivery Areas – Lead officer

Area	Administration	Development	Stakeholder Engagement
Rail	KC	FR	KC/FR
Bus, Community and Health Transport	CH	FR	KC/FR
Active Travel	PTI / RP	PTI / RP	PTI/RP/NM
Air	VT/SE	VT/SE	VT/SE
Ferry	CH	JG	JG/NM
Electric Vehicle Infrastructure	CH	RR/NM	CH/NM/RR
Mobility as a Service / DRT	PTI / RP / RF	PTI / RP /RF/ RR	PTI / RP / RF / RR
Transport Infrastructure	CF	RR/NM/FR/VT/CF	RR/NM/FR/VT/CF
Equalities	SE	RR/NM/VT/SE	RR/NM/VT/
Integration of Services	SE / RP	SE/RP/VT/NM/FR	SE/RP
Public Transport Information and Coordination	PTI	PTI/NM/LC	PTI



Other Areas of Partnership Activity

Area	Lead	Comment
RTS Development -	RR, NM	RTS approved by Government. Framework and targets produced to assess success in achieving outcomes linked to governments objectives
Community Planning – engagement in CPPs	RR, Council Advisors and Board member for each CPP areal	Critical that the development and implementation of SOAs and cross sector agreement of priorities reflects the importance of transport in all public and private sector delivery areas
Learning from European Best Practice – Working with partners in EU	JG	Intention to identify opportunities for working with partners to develop best practice, and investigating opportunities for engagement
RTPs – joint working	Chair and RR	Joint working to support government in achieving its Purpose and key national outcomes
Working to support Councils	Individual Council Board Members and Council Permanent Advisors	Engage with Councils to support the development of their SOAs and to support optimum development of best practice throughout the H+I
Joint Working between Councils	RR / NM / FR	Delivery of working arrangements between the 5 Councils to encourage sharing of resources and expertise and to support Government in delivering IIP and Regional priorities.
Horizon Europe Projects	JG / KB / NM / RR	HITRANS input to the three Horizon Europe projects and submissions made by HITRANS.
Travel Planning	NM / VT / SE / PTI	KC supporting in promoting sustainable transport arrangements by public and private sector employers and employees
Development Planning	NM	Inputting into the development of Council's Development Plans, and engaging in pre-consultation during development of large scale projects within and across Council areas

APPENDIX 1: THE PARTNERSHIP APPROACH TO DELIVERY

HITRANS General and Support Activities

In meeting its aims and objectives the Partnership is involved in a wide area of general and support activities. These are identified below with details of the roles of both employees and support service providers during 2023/24

Function	Sub function/description	Lead Officer
Revenue budget management	Overall budget management THC Internal systems plus inputting to THC Individual budget line management	CM KC RR/FR/NM/VT/JG
Equalities issues management	Implementation of HITRANS approach to Equalities	JG
Board administration	Overall administration by WI Distribution of papers and local admin	DM KC
HR and Legal support	Overall administration by WI	HR/RR AM/RR
Travel Planning	HR – CNES support	VT/CF with external support
Press Relations/ Promotion	Establish delivery mechanisms to best meet the Partnership's needs, including Newsletters	RR/FR/NM/JG/PTI with external support
Integration of Public Transport	Improve linkages between transport modes and service providers	FR/NM/CF/PTI/RP/VT
Community Planning	Improve linkages between transport modes and service providers	FR/NM/PTI/RP/VT
Study Management	Engage in Community Planning across the Highlands and Islands	RR supported by NM with external support
IT and Website Management	Support by external supplier	RR/FR/NM/VT/JG
Meetings, Events and Diary Management	Organisation/management of events and Board Meetings	CH
Member/ Officer/ Advisor Travel arrangements	Organisation, management and arrangements for payment	CH
Employee Development	Complete Personal Development Reviews for each employee	RR / NM

Key		
A+C	Advisory and Consultative	
RR	Ranald Robertson	Partnership Director
NM	Neil MacRae	Senior Partnership Manager
FR	Frank Roach	Partnership Manager
VT	Vikki Trelfer	Active Travel Team Leader
PTI	Robert Wilson	Public Transport Information Officer
JG	Jayne Golding	SATE Manager Manager
SE	Simon Erhardt	Operations Manager (HI-Bike)
GR	Gemma Robinson	Project Manager EVIF
RP	Rebecca Purvis	Project Manager – Transport Integration
RF	Rachael Fraser	Project Officer (Finance)
SIP	Katy Beasley	Project Manager, Scottish Islands Passport
CH	Clare Harper	Business Support Officer
CM	Carolyn Maxwell	Finance Manager (THC)
DM	Derek Mackay	Partnership Secretary (CNES)
LC	Laura Cromarty	HITCOG Chair
HR	Gillian Morrison	HR support (CNES)
AM	Allan MacDonald	Legal (CNES)
AM	Allan MacDonald	Legal (CNES)

APPENDIX 2: REVENUE BUDGET FOR 2025/26 AND MEDIUM TERM FINANCIAL PLAN

Part 1 – Revenue Budget for 2025/26

Budget Heading	Budget 2024/25	Budget 2025/26 Recommendation
INCOME		
Argyll and Bute	26,200	26,200
CnES	18,600	18,600
Highland	90,900	90,900
Moray	46,800	46,800
Orkney	17,500	17,500
Scottish Government - Core	200,000	200,000
Scottish Government - Non-Core	322,750	296,612
Hi Travel PTI	0	100,000
Grants - Regional Active Travel	1,736,000	2,431,884
European and Other Project Grants	1,117,000	1,343,000
Total Income	3,575,750	4,571,496
RUNNING COSTS		
Staff Salary Costs	400,750	377,662
Staff/Member/Advisors Travel/Subsistence	14,000	15,000
Partnership/Consultation Meetings	11,000	11,000
Office Costs - Property	17,000	17,000
Office Costs - Administration	25,000	25,000
	467,750	445,662
PROGRAMME COSTS		
Publicity	10,000	15,000
Research and Strategy Development	185,000	175,950
Specific Ring-fenced Project Costs	1,736,000	2,431,884
European and Other Project Salary Costs	1,117,000	1,443,000
	3,048,000	4,065,834

Budget Heading	Budget 2024/25	Budget 2025/26 Recommendation
FINANCE/HR/LEGAL/ADMIN		
	60,000	60,000
	60,000	60,000
TOTAL COSTS	3,575,750	4,571,496
(Under)/Overspend	0	0
<i>Reserves at the start of the year</i>	71,000	71,000

APPENDIX 2:

REVENUE BUDGET FOR 2025/26 AND MEDIUM TERM FINANCIAL PLAN

Part 2 – Medium Term Financial Plan

INTRODUCTION TO MEDIUM TERM FINANCIAL PLAN

Within the wider scope of the 2022/23 Annual Audit Report, it was noted that:

‘Local authorities are facing continuing funding pressures and HITRANS will find it increasingly challenging to secure sufficient funding to deliver on its priorities and outcomes.

To date, the Partnership has prepared financial plans on an annual basis due to partner bodies providing annual funding on a consistent basis. In these fiscally challenging times, planning over the medium term is essential for HITRANS to understand its financial prospects and manage any risks or threats to financial sustainability.’

The report went on to recommend:

‘The Partnership needs to prepare a medium-term financial plan to enable a strategic approach to planning.’

The 2024/25 Business Plan was developed with consideration of this Recommendation and following discussion with other RTPs on how they forecast medium term financial planning officers included an income forecast for the subsequent 3 financial years within the Revenue Budget for 2024/25. This sought to capture anticipated income from constituent Councils, Transport Scotland Section 70 Grant to support core costs separately non-core costs such as Research and Strategy, Transport Scotland People and Place Programme and forecast income from bidding to the Active Travel Infrastructure Fund (ATIF). The table also included forecast income for bids being made for EU and UKRI funding including projects with funding in place. The table is reproduced below for information:

Budget Heading	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
INCOME		Recommendation	Forecast	Forecast	Forecast
Argyll and Bute	26,200	26,200	26,200	26,200	26,200
CnES	18,600	18,600	18,600	18,600	18,600
Highland	90,900	90,900	90,900	90,900	90,900
Moray	46,800	46,800	46,800	46,800	46,800
Orkney	17,500	17,500	17,500	17,500	17,500
Scottish Government - Core	200,000	200,000	200,000	200,000	200,000
Scottish Government - Non-Core	322,750	322,750	322,750	322,750	322,750
SUSTRANS - Active Travel	100,000	0	0	0	0
Regional People and Place Programme		1,736,000	1,736,000	1,736,000	1,736,000
Active Travel Infrastructure Fund	1,055,000	500000	700000	800000	900000
European and Other Project Grants	188,000	1,117,000	1,000,000	1,000,000	1,000,000
Total Income	2,065,750	3,965,918	4,222,750	4,322,750	4,422,750

Looking towards the development of a more detailed MTFP it should be noted that People and Place Programme was reduced to £1,626,186 in 2025/26 due to a reduction in the overall budget although this reduction was offset by additional income secured through the Smarter Choices Smarter Places Programme to support MaaS and Behaviour Change Activities. The ATIF funding bid for has not been allocated due to Scottish Government spending controls but remain live bids.

While Scottish Government Core funding was maintained at a match to the combined Local Authority Contributions (£200,000) 2024-25 also saw a reduction in Scottish Government support for Non-Core Activities from £322,750 to £296,612.50. This amounted to a 5% cut to the overall Scottish Government Grant offer for Core and Non-Core Activities from the annual grant award that has been in place since 2011/12. For Planning purposes Scottish Government has indicated this is the level of award they expect to make for the 2025/26 Financial Year. Officers are also engaging with Transport Scotland on the procurement of an Integrated Transport Plan for Fort William that is expected to see a Grant top up of between £250,000 and £300,000 to HITRANS to support delivery of this important commission. When the Medium Term Financial Plan is presented within the 2025/26 Business Plan (to the April Partnership Board meeting) the final Grant in Aid to HITRANS will be confirmed and this will be reflected in an updated Plan forecast.

While People and Place Programme Funding was forecast at the expected award for 2025/26 for subsequent years the indicative budget, we have agreed with Transport Scotland to work to for 2025/26 planning is a substantial increase to £2,431,884. An increase of 50% (£805,698).

Core and RTS Revenue Budget

In 2011/12, Scottish Government Grant-in-Aid funding provided £522,750 to HITRANS, a level of funding that remained unchanged until 2024/25, when it was decreased by 5%. The combined partner Council contributions to HITRANS have remained at £200,000 since 2006/07, with this funding being matched by £200,000 from the Scottish Government grant.

However, despite the stable funding levels from both Central and Local Government, there has been a significant rise in inflation between 2013/14 and 2024/25. Over this period, inflation has led to a substantial increase in operational costs, with the Bank of England Consumer Price Index indicating a 34.2% rise between 2013 and 2023. Unfortunately, there has been no corresponding increase in funding to meet these rising costs, particularly for staff salaries and other core operational expenses. This static funding level has led to growing challenges in maintaining service delivery and meeting the demands of an increasingly complex transport and economic landscape.

HITRANS has been successful in attracting third-party income to supplement its operational and delivery funding, through various sources such as the Bus Route Development Grant, Bus Investment Fund, MaaS Investment Fund, Islands Team Funding, multiple EU funds, and UKRI / Innovate UK. While these efforts have helped to secure additional financial support, they are not a sustainable or reliable solution to the funding gap. The ongoing uncertainty surrounding the availability of such funding makes long-term planning and the successful delivery of HITRANS' objectives increasingly difficult.

As detailed in the five-year forecast of income and expenditure, prepared by the Treasurer and included in the Appendix, a more refined consideration of salary inflation and income forecasts has been undertaken. This forecast highlights the growing gap between available resources and the funding required to meet HITRANS' operational and strategic needs.

APPENDIX 2:

REVENUE BUDGET FOR 2025/26 AND MEDIUM TERM FINANCIAL PLAN

Risk to Delivery of KPIs, Behaviour Change, and Economic/Social Wellbeing

If HITRANS is not adequately resourced in the coming years, there are significant risks to the delivery of key performance indicators (KPIs), the ability to drive the required behaviour change, and the potential to impact economic and social wellbeing across the Highlands and Islands.

1. Risk to KPI Achievement:

Without sufficient resources, HITRANS will face challenges in meeting the ambitious targets outlined in the Regional Transport Strategy (RTS) and National Transport Strategy (NTS). The ability to deliver planned improvements in public transport infrastructure, services, and integration is contingent on adequate funding. Without this, the ability to make progress on key metrics such as reduced carbon emissions, improved access to transport services, and enhanced connectivity between communities will be compromised.

2. Impact on Behaviour Change:

A core objective of HITRANS' strategy is to encourage a shift towards more sustainable travel modes, including public transport, active travel, and electric vehicles. However, without the necessary resources to implement the required infrastructure and initiatives, such as more frequent services, better-integrated networks, and improved travel options for rural and island communities, the desired behavioural shift may not occur. Public awareness campaigns, community engagement, and the implementation of new technologies to support MaaS (Mobility as a Service) will also be at risk, undermining efforts to drive long-term change.



3. Economic and Social Wellbeing:

The Highlands and Islands rely heavily on an effective transport network to support economic growth, social inclusion, and access to services. Inadequate resourcing of HITRANS risks exacerbating regional inequalities, particularly for rural and island communities that are already disadvantaged by limited access to affordable and reliable transport. This could lead to greater social isolation, hinder economic opportunities, and perpetuate cycles of deprivation. Inadequate transport links also impact critical sectors such as tourism, healthcare access, and education, all of which rely on robust transport systems.

4. The Case for Retaining and Increasing Budget Support:

It is important to recognise that addressing the funding challenges faced by HITRANS is a key plank in making the argument for retaining existing budgets, as well as advocating for an increase in budget support. The risks outlined above—namely the inability to deliver on KPIs, create behaviour change, and foster economic and social wellbeing—are not merely hypothetical but are tangible threats to the long-term success and sustainability of the transport and economic strategies for the Highlands and Islands. The funding shortfall puts in jeopardy the achievement of regional and national transport objectives, undermining not only transport policy goals but also broader efforts related to climate change, social inclusion, and economic development.

Ensuring that HITRANS is adequately funded is not only about maintaining the status quo but about enabling the delivery of transformative, strategic objectives that will benefit communities across the region. The case for securing a higher, more flexible, and inflation-adjusted funding arrangement is therefore critical to mitigate the risks to transport infrastructure, service provision, and long-term regional development.

In summary, if HITRANS is not adequately resourced, it risks failing to meet its strategic objectives, undermining the delivery of critical KPIs, hindering behaviour change towards sustainable transport, and damaging the economic and social fabric of the Highlands and Islands. The impacts of this would be felt not only in terms of transport outcomes but also across the broader social and economic wellbeing of communities in the region.

Hence, securing appropriate and sustainable funding for HITRANS is essential to ensure the success of both existing and future transport strategies.

In 2011/12 Scottish Government Grant in Aid funding provided £522,750 and this annual Scottish Government Grant in Aid remained at £522,750 through to 2024/25, when it was decreased by 5%. The combined partner Council contributions to HITRANS have remained at 2006/07 levels of £200,000 throughout with this matched by £200,000 of the Scottish Government grant.

RTS Delivery Plan Funding

As reported to the Partnership at its meeting in September 2024, HITRANS is in the process of developing our RTS Delivery Plan and a draft of this is included as a separate item at this meeting.

One of the key outcomes will be to determine what resources are required to fulfil the Scottish Government NTS, HITRANS RTS and partner organisations objectives and targets within the Highlands and Islands. It is intended that an update on resources required will be provided within the Business Plan when this is considered by the Partnership in April

MTFP Management Commentary

RTP annual funding has been provided on an annual basis since before the inception of the statutory regional transport partnerships through the Transport (Scotland) Act 2005. A degree of single year funding allocations is inevitable with our main funding being provided through the annual Scottish Government and Local Government budget setting processes. For HITRANS it should be noted though that there has been a degree of stability within this and for that as an organisation we are particularly grateful to our partners Councils and Transport Scotland who have maintained a broadly consistent level of support since the establishment of the statutory HITRANS.

While 2024/25 saw a drop in non-core Scottish Government budget this was more than offset with the significant increase in Scottish Government funding overall as a result of the establishment of the People and Place Programme with delivery through Regional Transport Partnerships.

HITRANS partner Councils have maintained their Core contributions of £200,000 from the outset of the statutory HITRANS which has provided consistency and confidence for the organisation to succeed.

Costs including staffing, inflation, travel and office costs have continued to increase for HITRANS and this has meant that in order to stand still it has been essential for the organisation to seek additional funding from external sources.

Within the region HITRANS have developed two shared service projects where local delivery areas are managed regionally to improve efficiency in the delivery of local public services through a small specialist resource that is available to the partner Councils involved. These are:

- Public Transport Information Shared Service – this collaboration involved the five HITRANS partner Councils and has seen resources shared to enable HITRANS to employ a dedicated public transport information officer to deliver roadside information (at 2,500 bus stops), manage a regional real time information contract, fund a single database / software costs for management of public transport timetable data and the annual costs of managing / delivering / maintaining the Real Time Information System. This project has recently extended with support from bus operators towards the costs of maintaining bus stop infrastructure in Highland Council area.
- Electric Vehicle Infrastructure Fund Shared Service – initially covering Comhairle nan Eilean Siar, Moray Council, Orkney Islands Council and Shetland Islands Council this shared service is evolving with Moray moving into the Highland Council led EVIF and Argyll and Bute Council joining the HITRANS supported programme. The project has allowed HITRANS to lead a request for ambitious funding for EV infrastructure across the Northern and Western Isles. Balancing this with the requests from other Scottish LAs, Transport Scotland have recently indicated that we can apply for £2m of capital expenditure, which needs to deliver some private investment as well, likely a Charge Point Operator (CPO) who would oversee the charging network. This necessitates a long-term partnership to secure a return on investment for the private sector. It is therefore critical for the Councils that the EVIF programme delivers an EV charging network that is self-sustaining financially.

APPENDIX 2:

REVENUE BUDGET FOR 2025/26 AND MEDIUM TERM FINANCIAL PLAN

The principles that have allowed HITRANS regional shared services to succeed have been applied to the Regional People and Place Programme. Placing collaboration with local authorities and other partners such as Cairngorms National Park Authority at its heart the Regional People and Place Programme saw Transport Scotland allocate over £1.6m to HITRANS in 2024/25. The budget for 2025/26 is to increase to nearly £2.5m and will expand the programme focus beyond Active Travel Behaviour Change to encompass a number of wider sustainable travel objectives. RTP Lead Officers and Transport Scotland Active Travel Leads have also discussed the viability of including an element of longer-term funding to be identified within the People and Place Programme allocation to provide longer term security particularly relating to staff costs. This is expected to initially be for a 3-year horizon rather than the 5-year horizon covered within the MTFP but reflects a very welcome recognition of the need to move towards multiyear financial security.

In the past EU funding has been an area of significant success for HITRANS. EU Exit has reduced the availability funding with the loss of access to European Territorial Cooperation Funding being a significant loss for HITRANS. We will continue to advocate for a new approach in this regard in future ETC programmes but recognise this is a matter reserved to UK Government. HITRANS has continued to seek opportunities within available programmes and have secured Horizon Europe funding through the RURALITIES project. We have also participated in a further five Horizon Europe consortium bids and will continue to look to utilise our extensive network of EU Member State contacts to seek new opportunities to bid for Horizon Europe funding. The high intervention rate (100% funded) makes Horizon Europe an extremely competitive funding stream. Officers have also explored EUROGIA funding and will be preparing a bid to this programme in 2025.

HITRANS has successfully bid for a range of domestic funds through competitive bidding programmes including success in recent years in the following sources:

- Smarter Choices Smarter Places
- UKRI – Future Flight Challenge
- UKRI – Centre for Connected and Autonomous Vehicles
- Bus Partnership Fund
- MaaS Investment Fund

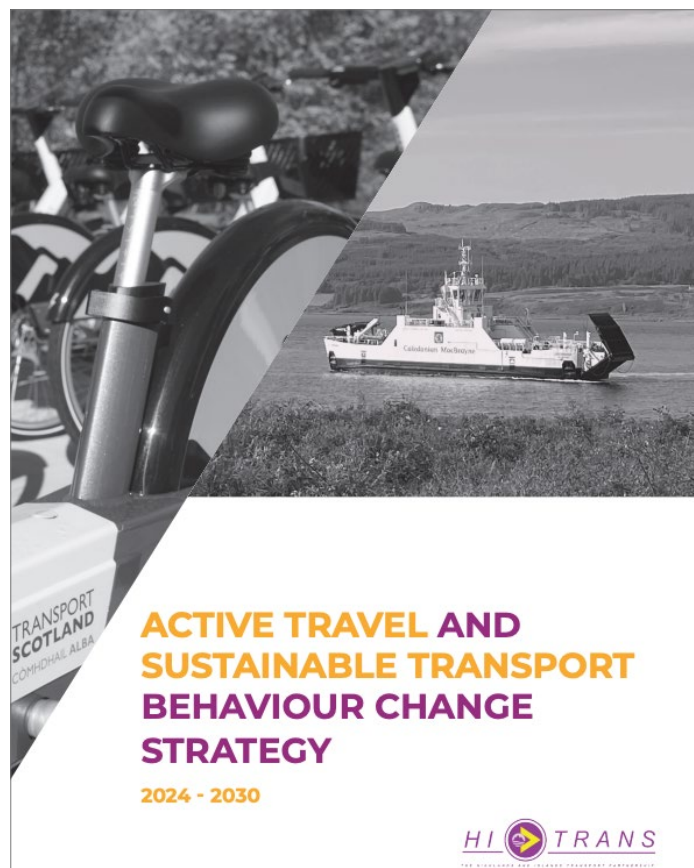
Smarter Choices Smarter Places has essentially now been absorbed into the People and Place Programme. The same programme directly funded through the RTP can now be utilised for activity previously taken forward by HITRANS through the MaaS Investment Fund enabling digital transport solutions to be secured including to support Demand Responsive Transport. As the success of this programme is captured through monitoring and evaluation HITRANS will make the case that it represents a model that supports the delivery of the National Performance Framework and key Government priorities in a way that works best within the Highlands and Islands with real collaboration with key local partners. We believe that this model would work well for other areas of transport currently managed at a national level or where funding is not being provided to meet the needs of rural or island areas as fairly or equitably as we believe should be the case. Our 2021 Rural Bus Funding and Support Report set out areas for improvement in the way we support bus services in Scotland and the recommendations of this report would represent a good opportunity to improve Bus Futures in the Highlands and Islands with support to both partner Councils and HITRANS.

HITRANS have actively supported the public service reform agenda and contributed a proposal under the Democracy Matters workstream within the Local Governance Review setting out how HITRANS and our partner Councils could assume additional transport responsibilities. A number of the areas proposed by HITRANS in this work have featured in the new approach taken to Active Travel following the Transformation Project undertaken by Transport Scotland on behalf of Ministers.

HITRANS new Regional Transport Partnership includes recommendations on transport governance that align well with the work of Audit Scotland on Fiscal Sustainability and Public Service Reform. Collectively RTPs have refreshed the Develop to Deliver report that helps set out a framework on how and where RTPs can be more engaged in a new delivery approach on supporting transport in Scotland. Opportunities for this are also reflected in the commitment to re-start work on the Review of Transport Governance which Scottish Government / Transport Scotland include as a commitment within the Fair Fares Review to re-start the Review of Transport Governance.

A major demand driver for transport is Health. In the Highlands and Islands Health Travel both for patients, companions and staff can be particularly challenging. HITRANS has commenced work on developing the potential for a Health and Transport Action Plan for the Highlands and Islands. This work has been recognised as a key commitment within the Scottish Government's Transport to Health Delivery Plan. This Plan also recognises HITRANS work on developing a report to recommend improvements for patient travel from Uist and Barra to Stornoway to improve outcomes for patients within its recommendations. These are two examples where HITRANS is working in line with the National Performance Audit of NHS in Scotland 2024 underlining our potential and an enabler of improvement and change in public service delivery.

Audit Scotland have recently completed a Sustainable Transport Audit which is expected to be published in late January / early February 2025. This will help clarify delivery of a range of national commitments including the ambition to reduce car kms by 20% by 2030. RTPs and local authorities will be important partners to Scottish Government in delivering this ambition and it offers an opportunity for further collaboration and a focus on the best range of measures to support reduced car use and increased active and sustainable travel to and within the Highlands and Islands. These targets will be set with a focussed horizon of delivering real change in the period to 2030. Building this on a foundation of a commitment to secure funding and resourcing in the next five-year period is going to be critical to meeting this shared ambition and underlines the importance of HITRANS establishing a clear Medium Term Financial Plan.



	Staff pay assumption				2%	2%	2%	2%	
2023/24		2024/25			2025/26	2026/27	2027/28	2028/29	2029/30
ACTUAL	“BUDGET HEADINGS”	“ANNUAL BUDGET”	“PROJECTED OUTTURN”	“ANNUAL BUDGET”	“FORECAST BUDGET”	“FORECAST BUDGET”	“FORECAST BUDGET”	“FORECAST BUDGET”	“FORECAST BUDGET”
	INCOME								
(£200,000)	Councils	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)
(£200,000)	Scottish Government - Match Funding	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)	(£200,000)
(£322,750)	Scottish Government - Regional Transport Strategy	(£322,750)	(£322,750)	(£322,750)	(£296,612)	(£296,612)	(£296,612)	(£296,612)	(£296,612)
(£1,050,843)	Grants - Scottish Government People & Place	(£1,736,000)	(£806,186)	(£2,431,884)	(£2,504,841)	(£2,579,986)	(£2,657,385)	(£2,737,107)	
(£95,699)	Grants - Scottish Islands Passport	£0	(£27,515)	£0	£0	£0	£0	£0	£0
(£293,681)	Other Misc Income	£0	£0	£0	£0	£0	£0	£0	£0
(£1,564,000)	Cuan Sound / Jura Ferry	£0	£0	£0	£0	£0	£0	£0	£0
£0	Community Links Projects				£0	£0	£0	£0	£0
(£95,640)	Hi Travel PTI	£0	£0	(£100,000)	(£100,000)	(£100,000)	(£100,000)	(£100,000)	(£100,000)
(£36,042)	Bus Investment Fund	£0	£0	£0	£0	£0	£0	£0	£0
£0	European Projects				£0	£0	£0	£0	£0
£0	European and Other Project Grants	£0	£0	(£188,000)	(£188,000)	(£188,000)	(£188,000)	(£188,000)	(£188,000)
(£23,676)	ERDF	£0	£0	£0	£0	£0	£0	£0	£0
(£78,049)	G-Patra	(£50,000)	£0	(£50,000)	£0	£0	£0	£0	£0
(£100,000)	CnES	(£50,000)	(£50,000)	(£50,000)	(£50,000)	(£50,000)	(£50,000)	(£50,000)	(£50,000)
£0	Inclusion	£0	£0	£0	£0	£0	£0	£0	£0
£9,874	Stronger Combined	£0	£0	£0	£0	£0	£0	£0	£0
(£209,782)	PAVe	£0	£0	£0	£0	£0	£0	£0	£0
(£330,627)	Maas	(£87,000)	(£87,000)	(£87,000)	£0	£0	£0	£0	£0
(£968,206)	FASTER	£0	(£131,413)	£0	£0	£0	£0	£0	£0
£26,904	Ride 2Automyony	£0	£0	£0	£0	£0	£0	£0	£0
(£80,276)	EHUBS	£0	£0	£0	£0	£0	£0	£0	£0
£0	People & Places	£0	(£620,000)	£0	£0	£0	£0	£0	£0
(£207,907)	SATE	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)

2023/24		2024/25		2025/26	2026/27	2027/28	2028/29	2029/30
ACTUAL	"BUDGET HEADINGS"	"ANNUAL BUDGET"	"PROJECTED OUTTURN"	"ANNUAL BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"
	INCOME (continued)							
(£103,669)	EVIF	(£145,000)	(£145,000)	(£145,000)	(£145,000)	(£145,000)	(£145,000)	(£145,000)
(£29,256)	Ruralities	(£150,000)	(£150,000)	(£188,000)	(£188,000)	(£188,000)	£0	£0
(£48,157)	Hi-Bike	£0	(£200,000)	£0	£0	£0	£0	£0
£0	DRT APP	(£35,000)	(£35,000)	(£35,000)	(£35,000)	(£35,000)	(£35,000)	(£35,000)
£0	CAV	£0	(£19,139)	£0	£0	£0	£0	£0
£0	2023/24 Surplus	£0	£0	£0	£0	£0	£0	£0
(£6,001,482)		(£3,575,750)	(£3,594,003)	(£4,571,496)	(£4,507,453)	(£4,582,598)	(£4,471,997)	(£4,551,719)
	DIRECT RUNNING COSTS							
£402,343	Staff Salary Costs	£400,750	£400,750	£377,662	£385,215	£392,920	£400,778	£408,793
£19,866	Staff & Members/Advisers Travel and Subsistence	£14,000	£14,000	£15,000	£15,000	£15,000	£15,000	£15,000
£13,488	Partnership/Consultation Meetings	£11,000	£11,000	£11,000	£11,000	£11,000	£11,000	£11,000
£17,846	Office Costs - Property	£17,000	£17,000	£17,000	£17,000	£17,000	£17,000	£17,000
£26,048	Office Costs - Admin	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000
£479,591		£467,750	£467,750	£445,662	£453,215	£460,920	£468,778	£476,793

APPENDIX 2: REVENUE BUDGET FOR 2025/26 AND MEDIUM TERM FINANCIAL PLAN

2023/24		2024/25		2025/26	2026/27	2027/28	2028/29	2029/30
ACTUAL	"BUDGET HEADINGS"	"ANNUAL BUDGET"	"PROJECTED OUTTURN"	"ANNUAL BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"
	PROGRAMME COSTS							
£9,359	Publicity/Training	£10,000	£16,000	£15,000	£15,000	£15,000	£15,000	£15,000
£271,896	Research & Strategy Development	£185,000	£185,000	£175,950	£168,397	£160,692	£109,834	£101,819
£668,936	People and Place	£1,736,000	£783,523	£2,431,884	£2,504,841	£2,579,986	£2,657,385	£2,737,107
£172,188	Scottish Islands Passport	£0	£27,515	£0	£0	£0	£0	£0
£0	Community Links Projects	£0	£0	£0	£0	£0	£0	£0
£169,040	Hi Travel PTI	£0	£66,663	£100,000	£100,000	£100,000	£100,000	£100,000
£22,058	Bus Investment Fund	£0	£0	£0	£0	£0	£0	£0
£1,564,000	Cuan Sound/Jura Ferry	£0	£0	£0	£0	£0	£0	£0
£0	European Projects	£0	£0	£0	£0	£0	£0	£0
£0	European and Other Project Costs	£0	£0	£188,000	£188,000	£188,000	£188,000	£188,000
£33,823	ERDF	£0	£0	£0	£0	£0	£0	£0
£53,280	G-PaTRA	£50,000	£0	£50,000	£0	£0	£0	£0
£0	Stronger Combined	£0	£0	£0	£0	£0	£0	£0
£0	MOVE Project	£0	£0	£0	£0	£0	£0	£0
£243,458	PAVe Project	£0	£0	£0	£0	£0	£0	£0
£234,023	MaaS	£87,000	£0	£87,000	£0	£0	£0	£0
£44,846	CnES SCSP	£50,000	£87,000	£50,000	£50,000	£50,000	£50,000	£50,000
£283,717	Hi-Bike SCSP		£200,000	£0	£0	£0	£0	£0
£1,179,194	FASTER	£0	£131,413	£0	£0	£0	£0	£0
£0	Ride2Autonomy	£0	£0	£0	£0	£0	£0	£0
£45,015	DRT APP	£35,000	£35,000	£35,000	£35,000	£35,000	£35,000	£35,000
£163,571	eHUBS	£0	£0	£0	£0	£0	£0	£0
£0	People and Places	£0	£620,000	£0	£0	£0	£0	£0
£172,476	SATE	£600,000	£600,000	£600,000	£600,000	£600,000	£600,000	£600,000
£5,489	RURALITIES	£150,000	£150,000	£188,000	£188,000	£188,000	£188,000	£188,000
£0	CAV	£0	£19,139	£0	£0	£0	£0	£0
£121,443	EVIF	£145,000	£145,000	£145,000	£145,000	£145,000	£0	£0
£5,457,812		£3,048,000	£3,066,253	£4,065,834	£3,994,237	£4,061,678	£3,943,219	£4,014,925
£56,969	Finance and Administrative Services	£60,000	£60,000	£60,000	£60,000	£60,000	£60,000	£60,000
£5,994,372	TOTAL COSTS	£3,575,750	£3,594,003	£4,571,496	£4,507,453	£4,582,598	£4,471,997	£4,551,719
(£7,109)	(UNDER) / OVERSPEND	£0	£0	£0	£0	£0	(£0)	£0

APPENDIX 2: REVENUE BUDGET FOR 2025/26 AND MEDIUM TERM FINANCIAL PLAN

2023/24		2024/25		2025/26	2026/27	2027/28	2028/29	2029/30
ACTUAL	"BUDGET HEADINGS"	"ANNUAL BUDGET"	"PROJECTED OUTTURN"	"ANNUAL BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"	"FORECAST BUDGET"
	Estimated Reserves for 24/25			(£71,000)	(£71,000)	(£71,000)	(£71,000)	(£71,000)
	Estimated Reserves for 25/26			(£71,000)	(£71,000)	(£71,000)	(£71,000)	(£71,000)
	Staff pay assumption - 1%							
	Impact if staff pay assumption was 1%			£381,439	£385,253	£389,106	£392,997	
				(£3,777)	(£7,667)	(£11,672)	(£15,797) Saving	
	Staff pay assumption - 3%							
	Impact if staff pay assumption was 3%			£388,992	£400,662	£412,681	£425,062	
				£3,777	£7,742	£11,904	£16,268 Cost	



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