

Minute of Meeting held in the  
Travel Centre, Kirkwall,  
Orkney on Friday 4 April 2008  
at 9.30am.

PRESENT	Mr Duncan Macintyre (Chairman) – Argyll and Bute Council Mr John Laing (Vice-Chairman) – Highland Council Mr Jim Foubister – Orkney Islands Council Mr George McIntyre – Moray Council Mr Donald Manford – Comhairle nan Eilean Siar Mr Donald MacNeill Mr Wilson Metcalfe
IN ATTENDANCE	Mr Dave Duthie – HITRANS Mr Ranald Robertson - HITRANS Mr Frank Roach – HITRANS Mr Sam MacNaughton – Highland Council Mr Mike Mitchell – Highland Council Ms Naomi Coleman – Orkney Islands Council Mr Murdo Gray – Comhairle nan Eilean Siar Mr Donald John MacSween – Comhairle nan Eilean Siar Mr Gordon Holland – Moray Council Mr Blair Fletcher – Argyll and Bute Council Mr Douglas Forson – Scottish Government Mr Tony Jarvis – Highlands and Islands Enterprise Mr David Summers – Highland Transport Forum
APOLOGIES	Ms Louise Smith Mr Iain Duff - SCDI

The Chairman congratulated Mr Murdo Gray on his recent appointment as Director of Technical Services of Comhairle nan Eilean Siar and indicated that he hoped Mr Gray would be able to continue to visit HITRANS on occasion.

He also formally welcomed Frank Roach as an employee of HITRANS from 1 April 2008.

#### MINUTES

HITRANS	1	The Minute of Meeting of 1 February 2008 was <b>approved</b> subject to the sederunt being amended to reflect that Mr David Summers had been in attendance at the meeting.
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Matters Arising 2 With reference to item 2 of the Minute the Partnership Director indicated that it was proving very difficult to arrange a meeting of the Clyde and Hebrides Tier 2 group and it was felt to be important that all members of the group were in attendance at that meeting. Once it had been arranged he was keen to have the joint meeting of the Tier 2 groups referred to in the Minute. It was clarified that the attendees would require to be the chairs of the Tier 1 Committees, Caledonian MacBrayne and Government.

It was hoped that it could be timed to fit in with when Government was formalising the terms of reference for the ferry study.

With reference to Item 8 Mr Manford asked for an update on the research being carried out into fuel prices. It was indicated that it was anticipated that the study would be complete by August 2008 and would consider the impact of closure of rural petrol stations; how the pricing structure had been developed across the highlands and islands and whether there were any issues where HITRANS could assist. Experion have been engaged as consultants and are currently collecting base information. Mr Foubister indicated that variations in fuel costs within Orkney could be in the region of 6-8 pence per litre.

Mr Manford indicated that the Western Isles had previously carried out an investigation into potential profiteering in retail outlets. This investigation had concluded that this was not the case.

There followed a discussion in relation to the high cost of fuel on islands and the merits of raising the issue with the Chancellor in relation to the possibility of differential tax regimes.

**It was agreed that the Chairman would write to the Chancellor advising him of the Boards concerns and subsequently should seek a meeting at the conclusion of the study.**

**It was further agreed that the Partnership Director would pass a copy of the Consultants brief to Members of HITRANS.**

#### **FINANCE**

Revenue Budget 2007/08 3 The Partnership Treasurer submitted a Report setting out the revenue monitoring position for the period to 29 February 2008 and the projected year end provision. He indicated that HITRANS was not able to carry forward money so officers were making every effort to ensure all commitments in 2007/08 were met from the current year budget. To maximise use of the existing funding several 2008/09 project starts had been brought forward to assist in reaching the expenditure targets.

**It was agreed to note the terms of the update.**

Finance Capital Budget 2007/08 4 The Programme Manager submitted a Report providing details of the position in terms of delivery of the HITRANS Capital Programme.

The Programme Manager advised that since the writing of the Report that HITRANS had now spent its full capital allocation. He also indicated that the Government had agreed that a "bed and breakfasting" arrangement with Strathclyde Passenger Transport be facilitated and this had therefore allowed the moneys to fund delayed PTF projects to be continued for the Council's concerned, for the Lochmaddy Ferry Terminal and Cuan Sound Crossings.

**It was agreed to note the terms of the update and record HITRANS' thanks to Douglas Forson and his colleagues for assisting in this process.**

## ROADS

Locally Significant Roads 5 The Partnership Director submitted a Report in relation to Locally Significant Roads and circulated the Study to Members at the Meeting. It identified thirty three routes from the significant local road network identified in the Regional Transport Strategy and these had been prioritised in terms of investment benefits adopting a common methodology to inform the submission of bids for ERDF grant aid. The Report indicated that the ERDF programme review group was keen to use this methodology for a £3million programme for grant aid to support the development of communities served by locally significant roads.

It was indicated at the meeting that the Study output circulated had been prepared by Tribal Consultants and identified a prioritised system on the basis of economic and social scoring criteria.

There followed a discussion as to whether authorities would be able to find the 80% funding required to match anticipated ERDF funding of 20% and the Chairman indicated that he understood discussions were ongoing with Highlands and Islands Partnership Programme in relation to the 20% cap.

Mr Manford indicated that he could understand an intervention rate being restricted where demand outstripped supply, but did not understand the reasoning behind the proposed financial cap in monetary terms alone.

It was noted that Arran and Shetland were also eligible for funding within the programme and it was agreed that HITRANS would establish with the authorities how best to work with them and establish their level of interest. Mr Gray confirmed that Comhairle nan Eilean Siar had approved its capital programme for 2008-12 and would provide details of what match funding it had available

Mr Fletcher indicated that Argyll and Bute had made provision of £2.5 million for transportation capital in this financial year and it was predicted would make slightly more provision in future years, but specific commitments to projects were yet to be made .

### **It was agreed that:**

- (a) **HITRANS would work with member Councils to bring forward the projects in the priority list for ERDF assistance;**
- (b) **HITRANS would liaise with ZETRANS and North Ayrshire to extend the methodology to Shetland and Arran; and**
- (c) **that Mr Dennis Malone of HIPP would be invited to the next meeting of HITRANS.**

## STRATEGY DEVELOPMENT

Regional Transport Strategy 6 The Partnership Director submitted a Report seeking approval from the Partnership to submit to Scottish Ministers the revised Regional Transport Strategy and associated delivery plan. It was stated in the Report that the Strategy supported Government's key objectives and the Single Outcome Agreements of the constituent councils and reflected the level of funding potentially available from within Government and Councils to improve transportation as a means of enhancing the region's viability and enabling the Highlands and Islands to compete and support growth as part of the national strategy for the Scottish Economy.

**It was agreed to approve the submission to Government of the revised Regional Transport Strategy taking account of input from constituent authorities that had not already been addressed in the delivery plan as circulated to the meeting and that the constituent authorities would be provided with a copy of the final submission.**

The Partnership Director submitted a Report setting out some of the key elements contained in the draft National Planning Framework (NPF) recently published by the Scottish Government. The Report stated that the NPF would be scrutinised and approved by the Scottish Parliament in Autumn 2008. It would provide the national policy context for future plans and strategies prepared by Councils and Regional Authorities in special planning terms. The NPF aimed to identify the key economic development corridors and strategic transport routes where investment would be targeted. It also identified the main international gateways and deep water maritime facilities. Nine infrastructure developments were listed as potentially national projects which would be fast tracked through the planning system. The deadline for responses on the content of the draft Framework was 15 April 2008.

There was discussion on the apparent central belt focus of the proposals, and given the potential advantages within the planning system for projects included in the NPF, it was considered to be important it reflected the needs of the whole country. There was comment made that the priority projects listed appeared to be very short term focus for a document that was scheduled to subsist for the period up to 2030.

**It was agreed that the Partnership should respond to the Consultation Document by requesting:**

- (a) **that the west coast route from Glasgow to Western Isles (A82/A87 and ferry connections) was included as a Strategic Transport Route;**
- (b) **that the air service from Inverness to Heathrow and Gatwick be included as a Strategic External Link;**
- (c) **that the Inverness to Aberdeen and Perth transport corridors and the A82 Loch Lomond to Fort William Road be added to the National Projects for priority treatment;**
- (d) **that a meeting be sought with Highlands and Islands MSPs to raise these concerns before the NPF was scrutinised by Parliament.**

The Partnership Director submitted a Report detailing the proposed response from HITRANS to Her Majesty's Treasury Consultation on the replacement for air passenger duty in the UK. A draft response was appended to the Report and it was indicated that response to the consultation were invited by 24 April 2008.

It was explained that the proposal was that the tax would be on the size of the aircraft rather than passenger numbers and that HITRANS was suggesting that it would be better for the tax to be based on the CO2 emissions. It was also proposed in the Consultation that the duty would be extended to freight. There was discussion that there was a need to ensure that small planes were not disproportionately penalised. In relation to the current exemptions enjoyed by the Highlands and Islands it was understood that Treasury would look at the case for continuation of the case for exemption. It was considered that the case should be put that air services were in effect the Highlands and Islands equivalent of rail services for our remote and peripheral communities.

**It was agreed to approve the draft response to Her Majesty's Treasury Consultation into Future Aviation Taxation annexed to the Report subject to the response being prefaced by an Executive Summary and reference being made to the PSO routes and ADS both being supported at a European level for the Highlands and Islands and that the finalisation of the response be delegated to the Partnership Director in discussion with Tony Jarvis.**

- 9 The Programme Manager submitted a Report in relation to a potential continuation of the Partner II Project aimed at promoting better public transport being put forward by Mersey travel, the passenger transport authority for the Merseyside region. The Manager indicated that he and the Partnership Director had attended a meeting in London to establish if there would be value to the highlands and islands for HITRANS to participate in the latest phase of the scheme. It was suggested that the bid for funding might be around £3million but there may be a possibility to extend this to £5million depending on the level of partner interest. It was understood that 11 bodies (including HITRANS) may commit to going forward and there appeared to be value in participation in the project as it met a number of our aims and the required European criteria. Any funding contribution required from HITRANS could be funded through the Partnership and the development of the 'Jet Bus' Rural Bus Development Fund project. As the bid sponsor authority, Mersey travel would meet all the bid costs. It was considered that there were potential benefits in the bid, if successful for each partner authority in improving access through their strategic transport hubs. Mersey travel was experienced in bidding for this type of project and had been successful in managing the previous Interreg II project.

**It was agreed that the Partnership would wish to take part in the project, and the Partnership Director was instructed to proceed on this basis with a view to committing HITRANS as a Bid Partner.**

#### **PARTNERSHIP**

- 10 The Partnership Director submitted a Report seeking approval from the Partnership for the HITRANS Business Plan for 2008/09. The Report indicated that this was the first business plan to be prepared by the Highlands and Islands Transport Partnership and it set out what the Partnership intended to do during 2008/09 in working with its constituent councils and stakeholders to improve the delivery of transport services across the Highlands and Islands. It defined how the Partnership would move forward in promoting and implementing its Regional Transport Strategy.

There was some discussion around the emphasis in the first part of the plan focussing on what the Partnership was doing, with arrangements for governance and audit being in the Appendix and it was agreed to take this approach forward in future years.

There was some discussion around an additional task of reviewing ferry routes which was referred to in the National Transport Strategy. Ms Coleman explained that this would be an item on the Joint Tier 2 meeting which had been discussed at the Minute when the terms of reference for the study that the Government was taking forward were known.

There was also discussion around having a better 'catch phase' than "on board" and that integration between modes of transport should be addressed.

**It was agreed to approve the one year business plan for 2008/09 with a view to developing a longer term business plan from 2009/10 once the views of Scottish Ministers on the Regional Transport Strategy and delivery plan were clear, the Strategic Review findings were available, and local authorities and their community planning partners had had a reasonable time to develop their Single Outcome Agreements with Government.**

Partnership  
Members Observer  
and Permanent  
Advisor  
Appointments

- 11 The Partnership Director submitted a Report explaining the basis of the case for HITRANS to seek approval from Government to extend the tenure of the current non councillor members of the Board to consider inviting greater input from the health sector in the development of the Partnership. The Report also proposed the appointment of a revised permanent advisor from HIE.

The Report proposed that following Mr Donald MacNeill's resignation from HIE that he be replaced by Tony Jarvis as a Permanent Advisor to HITRANS. It was indicated that Mr Jarvis had a wide knowledge of transportation issues and the economic benefits of transport investment in particular and his appointment as a permanent adviser was therefore recommended to the Partnership.

It was indicated that the health sector was an important stakeholder in the work of the Partnership and it was recommended that a suitably experienced permanent adviser be sought to represent the sector.

**It was agreed to:**

- (a) **agree to recommend to Scottish Ministers that the current term of appointment of the other (non councillor) members be extended to May 2009;**
- (b) **to appoint an observer to the Partnership representing health interests following an advertising and selection process; and**
- (c) **to appoint Tony Jarvis of HIE as a permanent adviser and to seek the nomination of a permanent adviser from the health sector.**

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- 12 There being no other competent business it was noted that the next meeting of the Partnership would take place on 6 June 2008 at the HITRANS office, Inverness.