



Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
Executive Director: Douglas Hendry

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20 December 2017

NOTICE OF MEETING

A meeting of the **ARGYLL ISLANDS STRATEGIC GROUP** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **TUESDAY, 9 JANUARY 2018** at **10:00 AM**, which you are requested to attend.

Douglas Hendry
Executive Director of Customer Services

BUSINESS

- 1. WELCOME AND APOLOGIES**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTE OF PREVIOUS MEETING HELD ON 31 OCTOBER 2017** (Pages 3 - 6)
- 4. SCOTTISH GOVERNMENT ISLAND LIAISON DIRECTORS** (Pages 7 - 16)
Report by Chief Executive
- 5. FERRY FREIGHT FARES - POLICY REVIEW BY SCOTTISH GOVERNMENT**
(Pages 17 - 22)
Report by Executive Director of Development and Infrastructure Services
- 6. RURAL TOURIST INFRASTRUCTURE FUND**
Update by Head of Economic Development and Strategic Transformation
- 7. ISLAND INFRASTRUCTURE LEVY**
Update by Head of Economic Development and Strategic Transformation
- 8. PROGRESS OF THE ISLANDS BILL**
Update by Head of Economic Development and Strategic Transformation
- 9. UPDATE ON AGENDA FOR JANUARY MEETING OF THE NATIONAL ISLANDS GROUP**

Update by Head of Economic Development and Strategic Transformation

Argyll Islands Strategic Group

Councillor Robin Currie (Chair)
Councillor Anne Horn
Councillor Julie McKenzie
Councillor Jean Moffat
Councillor Elaine Robertson
Councillor Jim Findlay

Councillor Mary-Jean Devon
Councillor Sir Jamie McGrigor
Councillor Yvonne McNeilly
Councillor Aileen Morton
Councillor Len Scoullar (Vice-Chair)

Shirley MacLeod, Area Governance Manager

Contact: Lynsey Innis, Senior Committee Assistant; Tel: 01546 604338

MINUTES of MEETING of ARGYLL ISLANDS STRATEGIC GROUP held in the EAGLESHAM HOUSE, ROTHESAY on TUESDAY, 31 OCTOBER 2017

Present:

Councillor Robin Currie (Chair)

Councillor Anne Horn (by lync)
Councillor Sir Jamie McGrigor
Councillor Jean Moffat

Councillor Aileen Morton
Councillor Elaine Robertson

Attending:

Shirley MacLeod, Area Governance Manager
Cleland Sneddon, Chief Executive
Pippa Milne, Executive Director of Development and Infrastructure Services
Fergus Murray, Head of Economic Development and Strategic Transformation

1. WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies for absence were intimated on behalf of Councillors Devon; McKenzie; McNeilly and Scoullar.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTE OF PREVIOUS MEETING HELD ON 12 SEPTEMBER 2017

The Minute of the meeting of the Argyll Islands Strategic Group held on 12 September 2017, was approved as a true record.

4. PRESENTATION BY CABINET SECRETARY FOR THE ECONOMY, JOBS AND FAIR WORK

The Area Governance Manager advised that an invitation had been extended to the Cabinet Secretary for the Economy, Jobs and Fair Work as he had been on the island for other business. Mrs MacLeod advised that due to other commitments the Cabinet Secretary had been unable to attend and offered his apologies to the Group. Members noted their disappointment that the Cabinet Secretary had not been able to attend.

At 12.15pm, the Chair ruled, and the Committee agreed, to adjourn the meeting to await the arrival of the Head of Economic Development and Strategic Transformation, and other Members of the Group, who were attending a visit to Rothesay Pavilion with the Cabinet Secretary. The meeting reconvened at 12.25pm.

Councillors Jean Murray Moffat and Aileen Morton joined the meeting at 12.25pm.

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5. FEEDBACK FROM PRESENTATION OF INFORMATION TO THE RURAL ECONOMY AND CONNECTIVITY COMMITTEE

The group gave consideration to a verbal update from the Head of Economic Development and Strategic Transformation. Mr Murray advised that he had attended a meeting of the Rural Economy and Connectivity Committee on 20 September 2017 and provided evidence in relation to the first stage of the Islands Bill. Mr Murray advised that the information provided reflected the written submission from Argyll and Bute Council, and the comments of the Group in correlation with the views expressed during consultation with Community Council's and Community Trusts.

Mr Murray outlined discussions which included concerns over top down decisions; the possibility of delegated powers closer to communities; the differing needs of island and peninsula communities together with the concern of inequalities in the sense that one size fits all, doesn't always apply; the need to empower communities to give them the skills and experience to take full advantage of the Bill; the strength of support for a National Islands Strategy that comes down to Argyll and Bute, if not island level and that Island Communities want to be involved in the framing of the plan. Mr Murray advised that he also provided information in relation to key issues which would be listed in the Bill; the consultation stage of the process; island proofing; representation of island communities and the timetable for the implementation of the Bill.

Discussion took place in respect of the need to know more about the powers afforded by the Bill and the resources available to enable it, noting that these were complex issues which must be progressed in such a way that there is a positive impact on island communities. Councillor A Morton noted the need to ensure that the expectations of islands, especially the smaller ones, are carefully managed. The Head of Economic Development and Strategic Transformation agreed to forward the link to the submissions made to the Rural Economy and Connectivity Committee on 20 September 2017 to the group, including the one made by Stephen Whiston, Head of Strategic Planning and Performance NHS Highland.

Decision:

The group agreed to note the contents of the update and liaise with the National Islands Group via attendance by Councillor Currie and the Chief Executive to ensure strong representation through Stage 2 of the development of the Bill.

6. THE RURAL DEAL

The group gave consideration to a presentation by the Head of Economic Development and Strategic Transformation on the Rural Growth Deal. Mr Murray advised that work had been ongoing for a number of years on the Rural Growth Deal, which is a deal with both the Scottish and UK Government to provide funding based on a business case supported by both the public and private sector to identify critical infrastructure projects to support key economic goals for Argyll and Bute. Mr Murray outlined the Single Investment Plan; the opportunities to build upon the already committed investments by both the private and public sectors; the key economic goals and the opportunities for growth in the numerous natural economic assets from which the Argyll and Bute region already benefits. Mr Murray advised that the Rural Growth Deal is a partnership which provides high rates of return to Scottish and UK Governments and as such it was important to show how projects

align and directly support Scotland's Economic Strategy and unlock economic potential by identifying opportunities for growth in some of Scotland's fastest growing sectors such as marine, tourism, aquaculture and ambitious space industry.

Discussion took place in respect of the process for achieving Government funding; the growth within the public sector; and the projects which are under consideration. The Area Governance Manager agreed to liaise with the Strategic Transformation and Infrastructure Manager in relation to the inclusive growth model and forward information to the group by email. Mrs MacLeod also agreed to forward the draft business case which was agreed by the Policy and Resources Committee in 2016.

Decision:

The group:-

1. agreed to note the contents of the presentation; and
2. requested that a progress report be brought to a future meeting of the group.

(Ref: Presentation by Executive Director of Development and Infrastructure Services, dated 31 October 2017, submitted.)

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ARGYLL AND BUTE COUNCIL**Islands Strategic Group****Chief Executive****09 January 2018**

Scottish Government Island Liaison Directors – A Pilot in Argyll and Bute

1.0 EXECUTIVE SUMMARY

- 1.1 The current national discussion on Scottish islands has resulted in a focus not seen before and presents an opportunity for a natural next step for the Scottish civil service to extend their network of liaison directors to our islands with an outcome that national plans and strategies are better informed by our islands.
- 1.2 This report puts forward a proposal for an eighteen month pilot in Argyll and Bute and the civil service should give consideration to using existing and well established local government structures to take this forward. If successful, further consideration could be given to the model being rolled out across all island authorities.
- 1.3 Members are asked to agree to the following recommendations;
 - 1.3.1 To agree with the principles of this paper for a pilot for Scottish Government Island Liaison Directors in Argyll and Bute.
 - 1.3.2 To delegate to the Chief Executive permission to approach the Scottish Government's Permanent Secretary to take forward this pilot including the establishment of a steering group.
 - 1.3.3 Agree for the pilot to run for eighteen months followed by an evaluation.
- 1.4 It is assumed that costs will be met from existing resources.

ARGYLL AND BUTE COUNCIL

Islands Strategic Group

Chief Executive

09 January 2018

Scottish Government Island Liaison Directors – A Pilot in Argyll and Bute

2.0 INTRODUCTION

- 2.1 The current national discussion on Scottish islands has resulted in a focus not seen before and presents an opportunity for a natural next step for the Scottish civil service to extend their network of liaison directors to our islands with an outcome that national plans and strategies are better informed by our islands.
- 2.2 This report puts forward a proposal for an eighteen month pilot in Argyll and Bute and the civil service should give consideration to using existing and well established local government structures to take this forward. If successful, further consideration could be given to the model being rolled out across all island authorities.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to agree with the principles of this paper for a pilot for Scottish Government Island Liaison Directors in Argyll and Bute.
- 3.2 Members agree to delegate to the Chief Executive permission to approach the Scottish Government's Permanent Secretary to take forward this pilot including the establishment of a steering group.
- 3.3 Members agree for the pilot to run for eighteen months followed by an evaluation.

4.0 DETAIL

- 4.1 Since 2014 there has been a new national conversation regarding Scottish islands and key activities are listed follows.
- 4.2 Our Islands our Future – following the Independence Referendum in 2014, the 3 island authorities launched a campaign for improved

autonomy and issued a joint statement seeking delegated powers in relation to the following;

- 1) Control of the sea bed around the islands, allowing revenues currently paid to the Crown Estate to be channeled into local needs.
- 2) New grid connections to the Scottish mainland to allow world class wave, tidal and wind energy resources to generate maximum benefits for the islands.
- 3) New fiscal arrangements to allow the islands to benefit more directly from the harvesting of local resources, including renewable energy and fisheries.
- 4) Clear recognition of the status of the three island groups in the new Scottish Constitutional Settlement and within the European Governance Framework.

4.3 In August 2016, a new Islands Strategic Group was established to build on the work of the previous Islands Areas Ministerial Working Group and the Empowering Scotland's Island Communities prospectus. The remit of the group is to consider strategic issues affecting the inhabited island communities of Scotland and to ensure greater involvement of the relevant Councils in helping identify and design solutions to the unique needs and challenges these communities face.

4.4 The Islands (Scotland) Bill was introduced to the Scottish Parliament on 9 June 2017 and introduces a number of measures to underpin the Government's objective of ensuring that there is a sustained focus across Government and the public sector to meet the needs of island communities both now and in the future. Following the submission of oral and written evidence the Bill is intended to move to stage 2 in April 2018 and stage 3 in May 2018. Key provisions include the following.

- 1) The development of a National Islands Plan, which would set out the main objectives and strategy of the Scottish Government in relation to improving outcomes for island communities. Rather than set out a proposed plan, the Bill provides that, following further consultation, the first National Island Plan would be laid before the Scottish Parliament within 12 months from the date on which the Act comes into force.
- 2) The introduction of duties, placed upon Scottish Ministers and other relevant public bodies, to have regard to island communities in exercising their functions. Under the Bill public

authorities, when introducing a new or revised policy, strategy or service, would have to prepare an island communities impact assessment when the impact on island communities is likely to be different from the effect on other communities.

- 3) The protection of the Scottish parliamentary constituency boundary of Na h-Eileanan an Siar from variation.
 - 4) The allowance of exceptions, for inhabited islands, to the standard three or four member ward rule for local government electoral wards.
 - 5) The introduction of a regulation-making power for the Scottish Government to create a licensing scheme, following a request from a local authority, in relation to works in or under the sea in the coastal waters surrounding islands for up to 12 nautical miles.
- 4.5 The Islands Transport Forum facilitated by Transport Scotland and chaired by the Minister for Transport and Islands to consider strategic transport issues affecting the islands and to ensure a greater involvement of the Islands Councils and those other local authorities with inhabited islands in the design, commissioning and where appropriate properly funded delivery of Transport Services to, from and within the Islands.
- 4.6 Locally for Argyll and Bute, the Council reformed the Argyll Islands Strategic Group to take forward island related initiatives and to work together with other island councils. Argyll and Bute's 'Island Connections' conference was held October 2016.
- 4.7 Never before has there been such a national focus on our islands and there is a new suggestion of the Scottish Government appointing Liaison Directors for our islands.
- 4.8 Argyll and Bute has more inhabited islands than any other Scottish Local Authority. According to the 2001 Census, 23 islands within Argyll and Bute were inhabited. This compares to 14 islands in Eilean Siar, 19 inhabited Orkney Islands, and 16 inhabited Shetland Islands. Highland has 15 inhabited islands. Approximately 17.4% of Argyll and Bute's population live on islands (Census 2001).
- 4.9 Currently there are Liaison Directors (LDs) appointed for each of the Local Authorities. LDs are senior civil servants within the Scottish

Government who act not only as a liaison between the respective organisations but also tend to take an active part in the area's Community Planning Partnership.

- 4.10 In light of the national conversation regarding our islands, there is a suggestion that the LDs will support the Scottish Government in developing relationship with island communities and more importantly to improve their understanding of the uniqueness of these islands.

4.11 Island Liaison Directors - A Pilot in Argyll and Bute

- 4.12 As mentioned above, Argyll and Bute has more inhabited islands than any other Scottish Local Authority and this brief sets out a suggested approach to support the Scottish Government in this respect with a pilot and suggests that 3 LDs are appointed with one for each of the following island groups;

1. Bute (Bute and Cowal)
2. Lorn Isles (Oban, Lorn and the Isles)
3. Mid Argyll, Kintyre and the Islands (Mid Argyll, Kintyre and the Islands)

- 4.13 The grouping is fully aligned with the Council's current sub regional administrative arrangements including Community Planning Groups (CPGs).

4.14 Approach

- 4.15 If this approach is taken forward, further consideration will be given to how these LDs engage with the islands and it is assumed that existing governance structures will be used. The role of LDs will require clarification and ensure that as public sector agents, their activity provides added value and/or is complementary to existing activity.

- 4.16 It is assumed that the approach will be fully aligned with the localism agenda including community led action planning. Many of our communities either have an up to date community action plan or are in the process of updating plans. Where no up to date plan is available, all encouragement will continue be given to communities to use the Council's [Community Led Action Planning Toolkit](#) (or other tool kit) to create a relevant plan.

- 4.17 Whilst the stated desire of communities will influence strategic investments, community-led action planning involves the community

leading the actions that are detailed in the plan. In the model of East Ayrshire's 'Vibrant Communities', it is assumed at the outset that there are no 'bags of cash' readily available for new initiatives.

- 4.18 Where agreed priorities are out with the control of community groups, these matters can be escalated via the Community Planning Groups who can in turn subsequently escalate to the Community Planning Partnership.
- 4.19 Where there are matters out with local government control (i.e. digital connectivity, and elements of infrastructure and transportation), there is an opportunity for Island Liaison Directors to capture these matters for the benefit of the dedicated Argyll and Bute LD to inform and influence future national plans and strategies.
- 4.20 It is further proposed that a steering group is established to take forward an eighteen month pilot thereafter subject to an evaluation and consideration to a revised model rolled out across all island authorities.
- 4.21 It is recommended that to develop this further that the next steps are as follows;
 - 1) Agree brief with Scottish Civil Service and establish informal steering group.
 - 2) Agree number of Island Liaison Directors and area coverage within Argyll and Bute
 - 3) The steering group to scope the purpose, role and governance/ reporting arrangements of Island Liaison Directors. Consideration will include relationship with Community Planning Groups and local authority community development officers.
 - 4) The pilot will run for eighteen months followed by an evaluation and consideration to rolling out a revised model to other island authorities.
- 4.22 **Risks**
- 4.23 This initiative can only be viewed as a progressive step and one key risk is managing island community expectations. It is critically important that the expected outcomes are agreed and clearly articulated. Failure to do so may have a disproportionate adverse

negative impact on relations between island communities and central and local government and this can be easily avoided via clear messages and suitable communication plans.

4.24 It is assumed that costs will be met from existing resources.

5.0 CONCLUSION

5.1 The national discussion on Scottish islands has resulted in a focus not seen before and presents an opportunity for a natural next step for the Scottish civil service to extend their network of liaison directors to our islands with an outcome that national plans and strategies are better informed by our islands.

5.2 This report puts forward a proposal for an eighteen month pilot in Argyll and Bute and the civil service should give consideration to using existing and well established local government structures to take this forward. If successful, further consideration could be given to the model being rolled out across all island authorities.

5.3 It is assumed that costs will be met from existing resources and that risks can be mitigated.

6.0 IMPLICATIONS

- 6.1 Policy; this paper sets out a minor policy proposal for the consideration of the Scottish Civil Service.
- 6.2 Financial; costs to be met from existing resources and predominantly will be officer time.
- 6.3 Legal; none
- 6.4 HR; none
- 6.5 Equalities; none
- 6.6 Risk; reputation of public sector at risk if expectations are not managed.
- 6.7 Customer Service; none.

Chief Executive of Argyll and Bute Council; Cleland Sneddon

Policy Lead for Islands Councillor Robin Currie

Date of Report 05 December 2017

For further information contact: Stuart Green

Appendix 1 Argyll and Bute Islands; List and Population

Appendix 2 Island Cluster and Combined Populations

Appendix 1 – Argyll and Bute Islands; List and Population

No	Island	Population – Census 2011
1	Bute	6,498
2	Coll	195
3	Colonsay	132 including Oronsay
4	Danna	N/a
5	Easdale	59
6	Eiean da Mheinn	N/a
7	Erraid	N/a
8	Gigha	163
9	Gometra	N/a
10	Inchtavannach	N/a
11	Innischonnan	N/a
12	Iona	177
13	Islay	3,228
14	Jura	196
15	Kerrera	N/a
16	Lismore	192
17	Luing	198 including Shuna
18	Mull	2,8719 inclduing Erraid, Ulva and Gometra
19	Oronsay	N/a
20	Seil	551
21	Shuna	N/a
22	Tiree	653
23	Ulva	N/a

Appendix 2 – Island Cluster and Combined Populations

Cluster 1; Bute and Cowal – 6,948

1. Bute

Cluster 2; Oban, Lorn and the Isles – 4,844

2. Coll
3. Easdale
4. Kerrera
5. Lismore
6. Luìng
7. Shuna
8. Mull, Erraid, Ulva and Gometra
9. Iona
10. Seil
11. Tiree
12. Ulva.

Cluster 3; Mid Argyll, Kintyre and the Islands – 3,719

13. Islay
14. Colonsay
15. Gigha
16. Jura
17. Oronsay

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ARGYLL AND BUTE COUNCIL**ARGYLL ISLANDS STRATEGIC GROUP****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****9TH JANUARY 2018**

FERRY FREIGHT FARES – POLICY REVIEW BY SCOTTISH GOVERNMENT

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Ferries Plan (2013 – 2022) was published by The Scottish Government in December 2012. With regards to Freight Fares, the Plan and Review had several commitments and principles, including: To deliver a new freight fares structure for all Scottish Government subsidised ferry services.
- 1.2 Transport Scotland established a Working Group in 2014 to oversee the strategic direction of the Freight Fares Review. The group has met several times since it was established.
- 1.3 In the main, with the proposed new freight fares formula, most medium length routes would benefit, for example, Oban – Craginure, Oban – Lismore, Oban – Colonsay, Tainloan – Gigha, Claonaig – Lochranza, Kennacraig – Islay, while longer distance routes, e.g. Campbeltown – Ardrossan and Oban - Coll/Tiree would have freight fare increases.
- 1.4 Of the Argyll and Bute communities which would be negatively impacted, the most significantly affected island communities would be Coll and Tiree. The Campbeltown – Ardrossan route would be less affected as this route is seasonal and has few freight journeys.
- 1.5 Should a new freight fares methodology and formula be implemented, Transport Scotland are aware of potential impacts on communities negatively affected (e.g. Coll and Tiree).
- 1.6 Findings have been presented to the Minister and further analysis on the potential impact is being carried out by Transport Scotland. This is clearly a very complex issue and officers in Transport Scotland have advised that, to date, much work has been done, in particular, investigating both legal and technical implications.
- 1.7 It is recommended that Members a) note this report and b) if they are so minded, provide views on the potential effects an increase in ferry freight fares might have on some of our more remote communities.

ARGYLL AND BUTE COUNCIL

ARGYLL ISLANDS STRATEGIC GROUP

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

9TH JANUARY 2018

FERRY FREIGHT FARES – POLICY REVIEW BY SCOTTISH GOVERNMENT

2.0 INTRODUCTION

- 2.1 The Scottish Ferries Plan 2013-2022 was published by the Scottish Government in December 2012. The Ferries Plan gave a commitment to, “*develop an overarching policy for freight fares*” with the aim of a subsequent review, “*to deliver a new freight fares structure for all Scottish Government subsidised ferry services*”. This report provides Members with the latest update on the review.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members a) note this report and b) if they are so minded, provide views on the potential effects an increase in ferry freight fares might have on some of our more remote communities.

4.0 BACKGROUND

- 4.1 Transport Scotland established a Working Group in 2014 to oversee the strategic direction of the Freight Fares Review. The Working Group is chaired by Transport Scotland and includes representatives from Transport Scotland and various Councils including Argyll and Bute. The group has met several times since it was established. Minutes of previous meetings are available on the Transport Scotland website:-

<https://www.transport.gov.scot/public-transport/ferries/freight-fares-review/>

- 4.2 Argyll and Bute Council are currently members of the Freight Fares Review Working Group which is chaired by Transport Scotland. Membership of the group includes:

- Transport Scotland
- Argyll and Bute Council
- Comhairle nan Eilean Siar
- Orkney Islands Council
- Shetland Islands Council

- Highland Council
- North Ayrshire Council
- HTRANS
- ZetTrans
- Strathclyde Partnership for Transport
- Highlands and Islands Enterprise
- Freight Transport Association
- Road Haulage Association

4.3 The Scottish Ferries Plan (2013 – 2022) was published by The Scottish Government in December 2012. With regards to Freight Fares, the Plan and Review had several commitments and principles, including:

- To undertake a comprehensive review of large commercial vehicle fares, to develop an overarching policy for freight fares across the entire ferry network.
- To deliver a new freight fares structure for all Scottish Government subsidised ferry services.
- To use established fare principles including simplicity, transparency, comparability, consistency and affordability vs. community sustainability.

5.0 DETAIL

5.1 Several meetings have taken place and items of work carried out since the Working Group was established by Transport Scotland in 2014. Work carried out by Transport Scotland included identifying 15 potential freight fares options which were reduced to 3 options considered by the Working Group with overall revenue neutrality to be assumed. Subsequent agreement was reached to proceed with “Option 1”, however fine-tuning and further analysis work would be required.

5.2 Transport Scotland engaged Transport Analytical Services to carry out this work. The findings were reported by Transport Scotland to the Working Group at a meeting on 27th March 2017. The findings can be summarised as follows:

- The freight fares formula would consist of a fixed charge element plus a rate per lane-metre per mile (LMM) with miles discounted beyond a distance threshold e.g. 50 miles.
- The new formula when compared with original formulas would lead to freight fare changes whereby rates would reduce on some routes but increase on others.
- In the main with the proposed new freight fares formula, most medium length routes would benefit, for example, Oban – Craignure, Oban – Lismore, Oban – Colonsay, Tainloan – Gigha, Claonaig – Lochranza,

- Kennacraig – Islay, while longer distance routes, e.g. Campbeltown – Ardrossan and Oban - Coll/Tiree would have freight fare increases.
 - Other Scottish network routes potentially benefitting include, Berneray - Leverburgh, Scrabster - Stromness, Ardmhor - Eriskay and Ardrossan - Brodick while other routes negatively impacted would include Ullapool - Stornoway, Mallaig - Lochboisdale, Aberdeen - Kirkwall and Kirkwall – Lerwick.
 - Of the Argyll and Bute communities which would be negatively impacted, the most significantly affected island communities would be Coll and Tiree. The Campbeltown – Ardrossan route would be less affected as this route is seasonal and has few freight journeys.
- 5.3 Should a new freight fares methodology and formula be implemented, Transport Scotland are aware of potential impacts on communities negatively affected (e.g. Coll, Tiree, Shetland, Lewis, Harris and Orkney). This was recognised at the March meeting with the minutes stating -

“...any increase in freight fares for an island would be poorly received with challenges likely due to concerns raised over the impact on specific islands. The chair explained that the Minister will be aware of the likely reaction and will make a decision once Transport Scotland have provided him with final advice. The intention would then be to consult more widely with further engagement with councils and stakeholders on the approach. This was welcomed by the Working Group, and the fact that the review was not presented as ‘complete’ at this stage was seen as positive.”
- 5.4 Transport Scotland committed to further actions from the meeting, including to undertake further analysis and to consider sectoral impacts .Once various actions had been carried out, as stated in the minutes, *“the next step would be for Transport Scotland to provide the Minister with advice. This would reflect sensitivities identified at the meeting.”*
- 5.5 Of late, findings have been presented to the Minister and further analysis on the potential impact is being carried out by Transport Scotland. This is clearly a very complex issue and officers in Transport Scotland have advised that, to date, much work has been done, in particular, investigating both legal and technical implications.
- 5.6 Members should be aware that the Council has received a letter from NFU Scotland outlining their ‘significant concerns’ with regard to a proposal, contained within the review, that any existing ferry-related discounts should come, in future, directly as support from the Scottish Government Department with policy responsibility for that sector i.e. not through ferry freight fares.
- 5.7 It is likely that a further meeting of the Review Group will take place in the future to discuss the further analysis work carried out by Transportation Scotland.

6.0 CONCLUSION

- 6.1 This report updates Members on the review of ferry fares, including potential implications on freight fares for several islands/communities should the Scottish Government decide, in the future, to implement a proposed new freight fares structure.

7.0 IMPLICATIONS

- | | |
|------------------------------|--|
| 7.1 Policy | None for the Council. |
| 7.2 Financial | Increased ferry fares could, foreseeably, place a greater strain on Council budgets as a result of related effects on local economies. |
| 7.3 Legal | None for the Council. |
| 7.4 HR | None for the Council. |
| 7.5 Equalities | None for the Council. |
| 7.6 Risk | Increased ferry fares to some of our more remote communities could affect population growth in those areas affected. |
| 7.7 Customer Services | None for the Council. |

Executive Director of Development and Infrastructure: Pippa Milne

Head of Roads and Amenity Services: Jim Smith

Policy Lead: Councillor Roddy McCuish

20 October 2017

For further information contact: Stewart Clark, Marine Operations Manager

Tel: 01546 604893

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