



Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
Executive Director: Douglas Hendry

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20 February 2019

NOTICE OF MEETING

A meeting of the **ARGYLL ISLANDS STRATEGIC GROUP** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **WEDNESDAY, 27 FEBRUARY 2019** 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 OF THE ARGYLL ISLANDS STRATEGIC GROUP HELD ON FRIDAY, 30 NOVEMBER 2018** (Pages 3 - 8)
- 4. SCOTTISH GOVERNMENT ISLAND LIAISON DIRECTORS UPDATE**
Verbal update by Scottish Government Liaison Directors
- 5. REVIEW OF KEY PRIORITIES OF ARGYLL ISLANDS STRATEGIC GROUP**
(Pages 9 - 14)
Report by Executive Director of Development and Infrastructure Services
- 6. ISLANDS (SCOTLAND) ACT** (Pages 15 - 18)
Briefing Note by Executive Director of Development and Infrastructure Services
- 7. NATIONAL TRANSPORT STRATEGY - TO FOLLOW**
Report by Executive Director of Development and Infrastructure Services
- 8. FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL**
(Pages 19 - 26)
Report by Executive Director of Customer Services
- 9. ARGYLL AIR SERVICES PSO TENDER**
(a) Executive Summary (Pages 27 - 28)

E1 (b) Report by Executive Director of Development and Infrastructure Services
(Pages 29 - 36)

The Committee will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an “E” on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraphs are:-

E1 Paragraph 8 The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Paragraph 9 Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

Argyll Islands Strategic Group

Councillor Robin Currie (Chair)	Councillor Mary-Jean Devon
Councillor Anne Horn	Councillor Sir Jamie McGrigor
Councillor Jean Moffat	Councillor Aileen Morton
Councillor Elaine Robertson	Councillor Len Scoullar (Vice-Chair)
Councillor Jim Lynch	Councillor Alastair Redman

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 COMMITTEE ROOM 1, KILMORY, LOCHGILPHEAD on FRIDAY, 30 NOVEMBER 2018

Present: Councillor Robin Currie (Chair)

Councillor Mary-Jean Devon
Councillor Jean Moffat
Councillor Elaine Robertson

Councillor Jim Lynch
Councillor Alastair Redman

Attending: Pippa Milne, Executive Director of Development and Infrastructure Services
Fergus Murray, Head of Economic Development and Strategic Transformation
Shirley MacLeod, Area Governance Manager
Stuart Green, Corporate Support Manager
Colin Young, Senior Transportation Delivery Officer
Bill Halliday, Team Leader – West
Dannie Onn, Island Liaison Partner, Scottish Government
Ralph Throp, Island Liaison Partner, Scottish Government
Richard Hadfield, Transport Scotland
Brian Gordon, Transport Scotland

1. APOLOGIES

The Chair welcomed everyone to the meeting and general introductions were made.

Apologies for absence were intimated on behalf of:-

Councillor Anne Horn
Councillor Sir Jamie McGrigor
Councillor Aileen Morton
Councillor Len Scoullar
Cleland Sneddon, Chief Executive

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTE OF PREVIOUS MEETING OF THE ARGYLL ISLANDS STRATEGIC GROUP HELD ON TUESDAY, 28 AUGUST 2018

The Minute of the previous meeting of the Argyll Islands Strategic Group held on 28 August 2018, was approved as a true record.

4. NATIONAL ISLANDS GROUP MEETING INCLUDING UPDATE FROM HSCP REGARDING SELF-DIRECTED SUPPORT ON THE ISLANDS

The Chair provided an update in relation to the National Islands Group Meeting held on 4 October 2018, which was Chaired by the Minister for Energy, Connectivity and the Islands Paul Wheelhouse, MSP. Councillor Currie advised that the Islands (Scotland) Act 2018 requires that the Scottish Government make a provision for a National Islands Plan; to impose duties in relation to island communities on certain public authorities; to make provision about the electoral representation of island communities and to establish a

licensing scheme in respect of marine development adjacent to the islands. Councillor Currie also advised of the Shetland Mapping requirement; the development of a mechanism for Island Communities Impact Assessments (ICIAs) and guidance; the possibility that waste regulations may need to be reviewed in respect of island communities and ferry services.

General discussion took place in respect of the Island Community Impact Assessments, with the group noting that the mechanism was not yet in place, however, that this provided an opportunity for Argyll and Bute to be at the forefront of driving forward the implications of the 2018 Act. Both Island Liaison Directors, Dannie Onn and Ralph Throp agreed to look to establish a contact within the Policy group at the Scottish Government and provide feedback in this regard to the Area Governance Manager.

Decision

The Argyll Islands Strategic Group agreed to note the contents of the report.

(Ref: Reports from National Islands Group Meeting, dated 4 October 2018, submitted.)

5. ISLANDS TRANSPORT GROUP

The group gave consideration to a verbal update from the Executive Director of Development and Infrastructure Services, who advised that the latest meeting of the Islands Transport Group had taken place on Thursday, 25 October 2018. She advised that both the Leader of the Council, Councillor Aileen Morton and the Head of Roads and Amenity Services, Jim Smith had attended the meeting by audio link. Ms Milne provided a brief outline of the issues discussed, which included additional funding for improvements to the CalMac fleet; block booking issues on CalMac ferries; the regionisation of transport governance; the implications of Brexit, which included passport and border checks and the discount scheme for air fares. She advised that Councillor Morton had raised the issue of the need for a replacement ferry for Islay. Discussion took place in respect of the tourism industry and the need for transport infrastructure to be improved within the West Coast. The Head of Economic Development and Strategic Transformation advised that work on the Rural Growth Deal had highlighted that transport connectivity was a top priority for Argyll and Bute. Mr Murray advised that the Council had submitted their Rural Growth Deal proposal to both the Scottish and the UK Governments.

Ms Milne advised that further information on the meeting of the Islands Transport Group, held on 25 October 2018 could be found at :-

<https://www.transport.gov.scot/publication/meeting-papers-25-october-2018-islands-transport-forum/>

Decision

The Argyll Islands Strategic Group agreed to note the information provided.

6. ISLANDS (SCOTLAND) ACT

The Argyll Islands Strategic Group noted that information on the Islands (Scotland) Act 2018 had been covered during discussions at agenda item 4 (National Islands Group Meeting including update from HSCP regarding self-directed support in the Islands).

The Chair enquired as to whether there was an update from the Island Liaison Directors.

Dannie Onn advised that he was one of the civil servants appointed to the Mid Argyll, Kintyre and the Islands area. He advised of meetings he had had with the Community Council and Community Development Company on the Isle of Colonsay and was in the process of setting up meetings with the communities on both Islay and Jura. He advised that he was hoping to visit the Isle of Gigha in the New Year.

Ralph Throp advised that he had been appointed as Island Liaison Director for the Bute and Cowal area, and was keen to improve links and get information that will add value to the work of others. Mr Throp advised that he was happy to take guidance from local Members on the best way forward.

The Chair advised that the Group appreciated the attendance of Mr Onn and Mr Throp at the meeting and thanked them for their input.

7. REVIEW OF THE NATIONAL TRANSPORT STRATEGY UPDATE

The group gave consideration to a report which outlined the main aims and objectives of the National Transport Strategy Review and set out a timeline for producing a draft Strategy for a full public consultation with the revised National Transport Strategy being delivered in July 2019. Appendix 1 of the report outlined the top transport priorities for Argyll and Bute.

Discussion took place in respect of the short timescales involved in the consultation phase of the review; green travel and the possibility of increasing the winter timetable from Oban to Craignure to ensure that local people can effectively travel for employment purposes.

Decision

The Argyll Islands Strategic Group agreed:

1. to note Appendix 1 as top transport priorities for Argyll and Bute to support inclusive economic growth and social inclusion;
2. that Appendix 1 be used and referred to in pursuing support from the Minister of Transport and to feed into the response to the consultation on National Transport Strategy ; and
3. that a report outlining the consultation response on the National Transport Strategy be brought to the next Meeting of the Group in February 2019 for agreement.

(Ref: Report by Executive Director of Development and Infrastructure Services, dated 30 November 2018, submitted.)

8. TRANSPORT SCOTLAND'S VESSEL REPLACEMENT AND DEPLOYMENT PLAN

The group gave consideration to a presentation by the Head of Ferries Policy and Planning at Transport Scotland outlining the current Vessel Replacement and Deployment Plan, which sits beneath and supports the implementation of the current Ferries Plan. Mr Hadfield advised on the plans to move forward; the current governance arrangements; the

roles of Transport Scotland, CMAL, CalMac, Harbour Authorities and Stakeholders and outlined the relationship with Argyll and Bute through the Argyll Ferry Infrastructure Group. Mr Hadfield provided information on the Network Strategy Steering Group and the new Vessel Programming Plan, and explained that the Ferries Plan is a one-off ten year plan, which is different from the Vessel Replacement and Deployment Plan. Brian Gordon, also of Transport Scotland explained the changes brought about by the Ferries Plan 2012, which included the implementation of the Campbeltown to Ardrossan crossing in 2013. Mr Hadfield explained that the annual Vessel Replacement and Deployment Plan is based on the carriage figures of the previous year.

Further discussion took place in respect of the resilience within the fleet; the pressure on routes that lose a vessel to another route; other possible solutions for port and harbour facilities, particularly on the Isle of Mull; the fare structure since the introduction of RET and the difficulties faced in linking timetables with other forms of public transport.

Mr Hadfield advised that the next Vessel Replacement and Deployment Plan was currently in development and outlined the timeline leading up to the publication in March 2019.

The Chair thanked both Mr Hadfield and Mr Gordon for the information provided.

Decision

The Argyll Islands Strategic Group agreed:-

1. to note the contents of the presentation; and
2. to invite Transport Scotland to attend a future meeting to provide an update on the Vessel Replacement and Deployment Plan for 2019.

(Ref: Presentation by Transport Scotland, dated 30 November 2018, submitted.)

Councillor Mary-Jean Devon left the meeting at 12.35pm.

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9. AIR SERVICES CONSULTATION

The group gave consideration to a report which presented the findings of the Argyll Air Services Public Services Obligation (PSO) Review, which was commissioned by Derek Halden Consultancy (DGC) in June 2018. Discussion took place in respect of the possibility of opening channels with the Scottish Government to progress PSO discussions.

The current issues faced by HIAL fire services was also discussed. The Head of Economic Development and Strategic Transformation agreed to provide a briefing note in this regard.

Decision

The Argyll Islands Strategic Group agreed to note:

1. the commitment of Argyll and Bute Council to ensure the views of the residents, businesses and visitors influence the continued development of Argyll Air Services;

2. the growth in reliance on the Argyll Air Services by island residents and businesses since the introduction of the service in 2008;
3. the savings accrued by the public sector through use of the Argyll Air Services to deliver essential services to the islands;
4. the opportunities to grow the use of Argyll Air Services, with a commensurate reduction in per passenger subsidy; and
5. the recognised need to amend the service schedule to ensure it serves island needs and remains financially sustainable.

(Ref: Report by Executive Director of Development and Infrastructure Services, dated 30 November 2018, submitted)

10. ARGYLL ISLANDS HOUSING NEEDS

The group gave consideration to a report detailing the delivery of affordable housing and proposed housing delivery on the islands of Argyll through the Strategic Housing Investment Plan (SHIP) in the current Local Housing Strategy (LHS) period 2016-2021. The report outlined the Housing Needs and Demands Assessment (HNDA) process and provided detail on when the work on the next HNDA would begin.

Decision

The Argyll and the Islands Strategic Group agreed to note the content of the report.

(Ref: Report by Executive Director of Development and Infrastructure Services, dated 30 November 2018, submitted.)

11. ADDITIONAL BRIEFING ON THE FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL

The group gave consideration to a briefing note providing information on the Fuel Poverty (Target, Definition and Strategy (Scotland)) Bill. It outlined the four key aims of the Bill; the proposed changes to the definition of fuel poverty; how the change rates of fuel poverty affects local authority areas; how the needs of rural, remote rural and island communities are taken into account in the measurement of Fuel Poverty and how the UK minimum income standard is calculated.

Decision

The group agreed to note the contents of the briefing note and welcomed the fact that both Bill Halliday, Team Leader – West and Alasdair Calder, Housing Officer would be giving evidence to the Committee considering the Bill.

(Ref: Scottish Government Briefing Note, submitted)

12. DATE OF NEXT MEETING

To accommodate the diary commitments of some Members, the Argyll Islands Strategic Group agreed that the next meeting would take place on Wednesday, 27 February 2019 at 10.00am within the Council Chambers, Kilmory, Lochgilphead.

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ARGYLL AND BUTE COUNCIL

ARGYLL ISLANDS
STRATEGIC GROUP

DEVELOPMENT AND INFRASTRUCTURE
SERVICES

27th FEBRUARY 2019

Review of key priorities of Argyll Islands Strategic Group

1.0 EXECUTIVE SUMMARY

1.1 On the 23 January 2014, the Council agreed to the setting up of a short life working group to investigate the issues affecting our islands and to develop a vision statement as well as key actions necessary to address the issues. Following on from the working group it was agreed to set up the Argyll Islands Strategic Group (AISG). This report details the key issues/priorities for the Group.

1.2 Since the establishment of the Taskforce and then the AISG activities have focused on a number of priorities which were identified and agreed in conjunction with North Ayrshire and The Highland Councils, see Appendix 1.

1.3 In June 2015, Council approved the following vision for the islands:

It is recognised that our islands play a vital role in delivering economic growth across our area. We want to see our islands prosper and grow, providing education and employment for our young people, supporting and growing our businesses and communities and benefiting from the communication and transportation infrastructure and services necessary for them to be sustainable and prosper.

1.4 Argyll and Bute Council is a member of the Scottish Government's Strategic Islands Group (a successor to the Island Area Ministerial Working Group) and as a consequence we have been able to engage directly with the Scottish Government during the preparation of the Islands (Scotland) Act 2018.

1.5 It is recommended that the Argyll Island Strategic Group re consider the priorities and identify any changes to be made to these going forward.

ARGYLL AND BUTE COUNCIL

ARGYLL ISLANDS
STRATEGIC GROUP

DEVELOPMENT AND INFRASTRUCTURE
SERVICES

27th FEBRUARY 2019

Review of key priorities of Argyll Islands Strategic Group

2.0 INTRODUCTION

- 2.1 On the 23 January 2014, the Council agreed to the setting up of a short life working group to investigate the issues affecting our islands and to develop a vision statement as well as key actions necessary to address the issues. This was against a background of falling populations on many of our islands and awareness of the need to promote and lobby at a strategic level for the issues affecting our islands. The council then subsequently agreed to set up the Argyll Islands Strategic Group (AISG) to further progress the work undertaken.
- 2.2 This report provides an update on the key actions identified as being critical to our island.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Argyll Island Strategic Group re consider the priorities and identify any changes to be made to these going forward.

4.0 DETAIL

- 4.1 In June 2015, in recognition of the importance of our islands, the Council approved the following vision for our islands:

“It is recognised that our islands play a vital role in delivering economic growth across our area. We want to see our islands prosper and grow, providing education and employment for our young people, supporting and growing our businesses and communities and benefiting from the communication and transportation infrastructure and services necessary for them to be sustainable and prosper.”

- 4.2 The existence of the Argyll Islands Taskforce, which was then replaced by the Argyll Islands Strategic Group (AISG), coincided with Scottish Government work focusing on islands including the publication of the Scottish Governments Empowering Scotland's Island Communities (the Islands Prospectus) in June 2014 and Consultation on Provisions for a Future Islands Bill in September 2015. An Argyll and Bute Council response to this document was submitted to the Scottish Government following approval by Council on 26 November 2015. In addition the Council was also invited to sit on the Scottish Government's Strategic Islands Group (a successor to the Island Area Ministerial Working Group) and as a consequence was able to engage directly with the Scottish Government whilst it prepared the Islands Bill which resulted in the Islands (Scotland) Act 2018 and will allow input to continue as the different elements of the Act are taken forward.
- 4.3 In addition to the above the Council also sought to work in partnership with North Ayrshire and Highland Councils to ensure that representatives of the west of Scotland islands were able to contribute to the discussions at a strategic level. As a result of the discussions with North Ayrshire Council and The Highland Council a number of priorities were identified and agreed as being the key areas of focus for the work of the Taskforce and then the AISG. These priorities are detailed within Appendix 1. It seems appropriate to now review these priorities and determine if they still remain relevant and valid. They should also be reviewed in the context of issues that will be considered as part of the National Islands Plan.

5.0 CONCLUSION

- 5.1 The AISG, previously the Argyll Islands Taskforce, has provided a focus on island communities within Argyll and Bute and through the work of the Group key issues and priorities have been highlighted which affect our island communities and their opportunities for growth and development.

6.0 IMPLICATIONS

- 6.1 Policy – lobbying for positive policy and resource support for our islands fits with the objectives of the Single Outcome Agreement, Economic Strategy and Local Development Plan which seek to deliver sustainable island communities.
- 6.2 Financial –staff resources.
- 6.3 Legal – none.

- 6.4 HR – staff resource from the Economic Development and Strategic Transportation Service as well other Council services and Community Planning Partners.
- 6.5 Equalities/Fairer Scotland Duty – none.
- 6.6 Risk – To do nothing could have left our island communities at a disadvantage as they would sit out with the Our Islands Our Future initiative and potentially any benefit that comes from this campaign.
- 6.7 Customer Service – none.

Executive Director of Development and Infrastructure Services – Pippa Milne
Policy Lead – Councillor Currie

February 2019

For further information contact: Audrey Martin, Transformation Projects and Regeneration manager

APPENDICES

Appendix 1 - Priorities and Actions

Appendix 1 - PRIORITIES AND ACTIONS – APPROVED

At its meeting on 25 June 2015, Council noted the following priorities (1-10) which were agreed with North Ayrshire Council and The Highland Council. The table below sets out initial actions required to progress these priorities

To continue to progress the work streams shown below will continue to require support from across the Council, and will require the necessary available resources to support this activity and should the AISG support this approach we will need to obtain agreement from the relevant services and Policy Leads.

The blue highlighted rows indicate the current priorities and the white rows are the tasks identified to help to progress the issue. The tasks set out below will evolve and change as more specific actions associated with moving forward each issue are identified.

Ref	Priority	SOA Outcome	AISG Meeting
1	To ensure that the future disbursement of powers and income, including income from The Crown Estate, to our island communities is equal to the three island communities.	1	TBC
1a	Maintain a watching brief on the interim and long term arrangements in relation to the Crown Estate in Scotland		
<i>Action</i>	<i>Argyll and Bute Council response to relevant consultations</i>		
2	To obtain Scottish Government capital investment in key island infrastructure such as ports, ferry terminals and vessels in order to facilitate the needs of RET and secure the future economic prosperity of our island and isolated rural communities.	2	
2a	Identify island infrastructure currently available		
2b	Highlight any current or likely future issues		
2c	Work with SG ferries unit		
2d	Determine strategy for seeking capital investment where required		
<i>Action</i>			
3	To secure the integration of essential transport networks including ferries, buses, air and rail connections to minimise journey times to and from our island and isolated rural communities.	2	
3a	Identify public transport routes and how they integrate		
3b	Highlight any current or likely future issues		
2c	Invite public transport providers, SPT and HI Trans (as appropriate) to speak to Taskforce		
2d	Determine strategy for lobbying for changes where required		
<i>Action</i>			
4	To lobby for parity for our island and isolated rural communities with regard to mail order delivery surcharges.		
4a	Consider action required within Argyll and Bute		
4b	Determine strategy for additional lobbying if required		
5	To lobby for maximum investment in our digital connectivity for our island and isolated rural communities, including superfast broadband, modern	2	

	mobile phone signal and exploring the possibility of opening up public digital networks to the wider community.		
5a	Lobby SG and providers		
Action			
6	To lobby for the removal of water and waste water constraints from our island and isolated rural communities to facilitate economic growth.	2	
6a	Liaise with Scottish Water		
6b	Determine strategy for lobbying for additional investment		
7	To lobby for innovative approaches to recruit and retain adequate GP coverage for our island and isolated rural communities.	5	
7a	Work with NHS Highland		
7b	Determine strategy for lobbying for alternative approaches		
Action			
8	To seek innovative and cost effective affordable housing for our island and isolated rural communities.	2	
8a	Identify island housing needs		
8b	Work with housing associations		
8c	Determine strategy for lobbying for affordable housing to meet identified need		
Action			
9	To address fuel poverty for our island and isolated communities.	4	
9a	Identify issues		
9b	Determine strategy for lobbying for additional support if required		
10	To work with the three island authorities to identify common economic challenges across our islands and opportunities for joint working to address these.	1	
10a	Determine strategy for joint working/lobbying		
Action			

ARGYLL AND BUTE COUNCIL**ARGYLL ISLANDS
STRATEGIC GROUP****DEVELOPMENT AND INFRASTRUCTURE
SERVICES****27th FEBRUARY 2019**

Update on the Islands (Scotland) Act 2018

1.0 EXECUTIVE SUMMARY

- 1.1 As members will be aware The Bill for the Islands (Scotland) Act was passed by Parliament on 30 May 2018 and received Royal Assent on 6 July 2018.
- 1.2 Argyll and Bute Council is a member of the Scottish Government's Strategic Islands Group (a successor to the Island Area Ministerial Working Group) which is chaired by Paul Wheelhouse MSP, Minister for Energy. Connectivity and the Islands and as a consequence we have been able to engage directly with the Scottish Government in regard to the delivery of the Islands (Scotland) Act 2018.
- 1.3 It is recommended that the Argyll Island Strategic Group note the update on the Islands (Scotland) Act 2018.

ARGYLL AND BUTE COUNCIL

ARGYLL ISLANDS
STRATEGIC GROUP

DEVELOPMENT AND INFRASTRUCTURE
SERVICES

27th FEBRUARY 2019

Update on the Islands (Scotland) Act 2018

2.0 INTRODUCTION

- 2.1 The Bill for the Islands (Scotland) Act was passed by Parliament on 30 May 2018 and received Royal Assent on 6 July 2018. The Act makes provision for a national islands plan: to impose duties in relation to island communities on certain public authorities; to make provision about the electoral representation of island communities; and to establish a licensing scheme in respect of marine development adjacent to islands.
- 2.2 This report provides an update on the Act with specific focus on the National Islands Plan.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Argyll Island Strategic Group note the update on the Islands (Scotland) Act 2018.

4.0 DETAIL

Islands (Scotland) Act 2018 Update

- 4.1 In regard to the Islands (Scotland) Act 2018, Part 2 requires Scottish Ministers to prepare a national islands plan. Part 2, Section 3 of the Act (link below) sets out some of the main areas that will be considered in the preparation of the Plan.
<http://www.legislation.gov.uk/asp/2018/12/enacted>

These relate to:

- a) Increasing population levels,
- b) Improving and promoting:-

- i) Sustainable economic development,
 - ii) Environmental wellbeing,
 - iii) Health and wellbeing, and
 - iv) Community empowerment,
- c) Improving transport services,
- d) Improving digital connectivity,
- e) Reducing fuel poverty,
- f) Ensuring effective management of the Crown Estate,
- g) Enhancing biosecurity.

4.2 In addition in the preparation and scrutiny of the plan it is stated that the Scottish Ministers must—

(a) consult—

- (i) each local authority listed in the schedule,
- (ii) such other persons as they consider represent the interests of island communities, and
- (iii) such persons (including members of island communities and other persons) as they consider likely to be affected by or have an interest in the proposals contained in the plan, and

(b) have regard to the distinctive geographical, natural heritage and cultural characteristics (including the linguistic heritage) of each of the areas inhabited by island communities.

4.3 Initial contact has been made to the council by officials within the Rural Economies and Economic Division of the Scottish Government to advise that the development of the Plan is due to be taken forward this year.

4.4 The Group may wish to consider at this stage if, in addition to those stated in 4.1 above, there are other issues that they would wish to raise that should be considered as part of the development of the Plan. These may link to the priorities of the AISG.

4.5 The Group may also wish to consider who should be consulted as part of the development of the Plan, the best way for the Scottish Government to reach communities to gather views on the national islands plan and any barriers that there may be to wider engagement.

5.0 CONCLUSION

- 5.1 It is important that our island communities are fully engaged as part of the development of The National Island Plan and that their key priorities are reflected in the Plan.

6.0 IMPLICATIONS

- 6.1 Policy – lobbying for positive policy and resource support for our islands fits with the objectives of the Single Outcome Agreement, Economic Strategy and Local Development Plan which seek to deliver sustainable island communities.
- 6.2 Financial –staff resources.
- 6.3 Legal – none.
- 6.4 HR – staff resource
- 6.5 Equalities/Fairer Scotland Duty – none.
- 6.6 Risk – Important to ensure that our communities are actively engaged through the preparation of the Plan.
- 6.7 Customer Service – none.

Executive Director of Development and Infrastructure Services – Pippa Milne
Policy Lead – Councillor Currie

February 2019

For further information contact: Audrey Martin, Transformation Projects and Regeneration Manager

ARGYLL & BUTE COUNCIL**ARGYLL STRATEGIC ISLAND
GROUP****DEVELOPMENT AND INFRASTRUCTURE
SERVICES****27TH FEBRUARY 2019**

FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL

1. EXECUTIVE SUMMARY

- 1.1 The Warm Homes Bill has been a long standing commitment of the Scottish Government– however at this point in time the Scottish Government have committed only to a Fuel Poverty Bill as opposed to a holistic Warm Homes Bill. The Scottish Government are currently in the process of putting forward to Scottish Parliament the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill which will outline a target of 5% fuel poverty across Scotland by 2040. This report will provide an update regarding the Bill's progress through Parliament.

2.0 RECOMMENDATION

- 2.1 It is recommended that:
- The group notes the response to the consultation submitted by officers and consider what further policy steps they may wish to take.

ARGYLL & BUTE COUNCIL
ARGYLL ISLAND STRATEGIC GROUP
DEVELOPMENT AND INFRASTRUCTURE SERVICES
27TH FEBRUARY 2019

FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL

3. INTRODUCTION

- 3.1 The Warm Homes Bill has been a long standing commitment of the Scottish Government— however at this point in time the Scottish Government have committed only to a Fuel Poverty Bill as opposed to a holistic Warm Homes Bill. The Scottish Government are currently in the process of putting forward to Scottish Parliament the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill which will outline a target of 5% fuel poverty across Scotland by 2040. This report will provide an update regarding the Bill's progress through Parliament.

4. RECOMMENDATION

- 4.1 It is recommended that:
- The group notes the response to the consultation submitted by officers and consider what further policy steps they may wish to take.

5. DETAIL
5.1 Background

The Fuel Poverty (Target, Definition and Strategy) Bill was announced on 26th June 2018; and is currently undergoing Stage 1 of the Parliamentary process and scrutiny. The Scottish Government have proposed the following definition for a household being in fuel poverty:

“a household is in fuel poverty if—

(a) the fuel costs necessary for the home in which members of the household live to meet the conditions set out in subsection (2) are more than 10% of the household's adjusted net income, and

(b) After deducting such fuel costs and the household's childcare costs (if any), the household's remaining adjusted net income is insufficient to maintain an acceptable standard of living for members of the household.”

In addition, the Government have proposed a target of no more than 5% fuel poor households in Scotland by 2040.

5.2 Progress

The Local Government and Communities Committee requested a written call for evidence which was announced on the 17th September 2018; allowing key stakeholders an opportunity to provide evidence for and against the proposals outlined in the Fuel Poverty Bill. The Housing Services evidence submission is

provided in Annex 1 of this report. Following this, Housing Services were invited to provide oral evidence to the committee on the 5th of December which provided the opportunity to advise of the following issues:

- The potential impact of the 5% target being disproportionately represented in rural and island communities
- No allowance/acknowledgement of the additional costs and challenges which rural/island areas pose
- The use of the Minimum Income Standard (MIS) in calculating fuel poor households (which doesn't acknowledge rural/island costs)
- The new definition is extremely difficult to convey to householders
- To change the reporting timescales from five years to three years for fuel poverty.

Following the call for written and oral evidence, the Stage 1 report on the Fuel Poverty Bill was published on the 29th January 2019. The report outlined the following key points:

- Agreeing the target of reducing fuel poverty in Scotland to 5% by 2040
- An acknowledgement that extreme fuel poverty had been omitted from the Bill
- The Scottish Government to consider placing statutory targets for each Local Authority to reduce fuel poverty to 5%
- The Scottish Government to commit to an additional Minimum Income Standard to reflect the higher costs experienced by rural and island households.
- A commitment to undertake an Island Communities Impact Assessment for the Bill
- Reporting on fuel poverty to be reduced from every five years to every three years
- A commitment to provide a potential costings and funding sources for the Bill as it progresses.

On the 15th of February, the Scottish Government responded to the report, with the following key points outlined:

- Proposals will be brought forward on the definition of extreme fuel poverty ; as well as a separate target for this
- The recommendation for Local Authority targets for fuel poverty does not seem realistic or achievable
- Options are being investigated around introducing an additional MIS to reflect island and rural areas
- Multi-year funding is being investigated to ensure continuity for tackling fuel poverty.
- The Scottish Government will update the financial memorandum to provide updated costs on for the Bill as it progresses.

5.3 Next Steps

The Scottish Government has committed to undertake an Island Communities Impact Assessment (ICIA) for the Fuel Poverty Bill. Housing Services have been approached by the Fuel Poverty Bill team to host a consultation session with

relevant key stakeholders in order to assist with the ICIA – anticipated to be in March.

In addition to this, the Fuel Poverty Bill will be debated in Parliament on the 20th of February as it approaches Stage 2 of the Parliamentary process.

6.0 CONCLUSION

This report has highlighted progress with the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill which is currently in the first stage of the parliamentary process. The report illustrates the key issues associated with the Bill; and indicates the next steps in the Parliamentary process.

7.0 IMPLICATIONS

- 6.1 Legal: A new statutory fuel poverty target for 2040 is being proposed.
- 6.2 Financial: None.
- 6.3 HR: None
- 6.4 Policy: The proposal identifies a new fuel poverty target of 5% of homes across Scotland not being in fuel poverty by 2040. The proposals contribute towards the Scottish Governments target of reducing fuel poverty and reducing greenhouse gas emissions by 80% by 2050. It assists in achieving the Local Housing Strategy's aim to improve the quality and condition of housing.
- 6.5 Equalities / Fairer Scotland Duty: The scheme is consistent with the aims and objectives set out in the Local Housing Strategy. The fuel poverty rate in Argyll and Bute should fall due to the proposed new definition.
- 6.6 Risk: None.
- 6.7 Customer Service: Increased opportunities for householders to access funding for energy efficiency improvements.

Executive Director of Development and Infrastructure: Pippa Milne

Policy Lead for Communities, Housing, Islands and Gaelic: Cllr Robin Currie

19th February 2019

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ANNEX 1

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL CALL FOR VIEWS SUBMISSION FROM

Please do not add any organisation logos

Please insert your response below

Section 1 sets out the Scottish Government's target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040.

1. Do you agree with the Scottish Government's proposal to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040.

In principle, yes. However, given that this is a blanket target which is Scotland wide; there is the potential that householders in remote and rural areas will be disproportionately represented in the residual 5%; and will still be in fuel poverty even if this target is met. Given the older, pre 1919 housing stock; reliance on either full electric or oil based heating systems; and issues with supply chain – remote and rural areas are disadvantaged by this. Despite the known additional costs associated with remote and rural areas, there is still no allowance for this in the fuel poverty bill – which is disappointing. In the recent Energy Efficient Scotland consultation, it was proposed that fuel poor households would have to reach an EPC (Energy Performance Certificate) band C by 2030 and B by 2040 (where cost effective and technically feasible). As identified above; rural properties may be disadvantaged due to cost effectiveness and feasibility of raising the EPC – therefore raises concerns over the 5% target.

Section 2 makes provision for a proposed definition of fuel poverty which calculates the proportion of household income required to maintain a satisfactory level of heating and assesses the extent to which households can then maintain an “acceptable standard of living” once housing and fuel costs are deducted.

2. Do you agree with the Scottish Government's proposals for a revised definition of fuel poverty?

No. The use of MIS (Minimum Income Standard) is acceptable for urban areas from which the MIS has been calculated for. However, the MIS does not take into account the additional household costs for remote and rural areas; and it is difficult to understand why this hasn't been taken into account. In 2010, the JRF (Joseph Rowntree Foundation) acknowledged that there are different incomes required for living in a rural area. Furthermore, HIE published a report in 2016 indicating the increased costs for remote and rural areas. The use of the current MIS for calculating fuel poverty is to the detriment of fuel poor households in remote and rural areas. It would be beneficial for the Scottish Government to develop its own MIS which would take into account factors more prevalent to remote and rural locations – ensuring that fair representation in rural and island households is accounted for in the definition.

There are also concerns over the increase in age from 60 to 75 for the increased heating regime – as this is a large increase and would advise that pensionable age (i.e. when

there's a significant lifestyle change) would be more applicable. In addition, households with children under 5 will have a higher energy use; and should be factored into the increased heating regime.

In addition, the new definition is extremely difficult to explain to householders; and this will make it difficult for advisors on the front line. A lot of what the new calculation method is looking for is personal information related to finances – which will be difficult to get from householders as it's invasive.

It is disappointing that the proposed Bill hasn't acknowledged the additional issues related to the remote and rural properties; and would urge that this is factored into the way in which fuel poverty is defined.

Sections 3-5 requires the Scottish Government to publish a fuel poverty strategy within a year of Section 3 of the Bill coming into force. It requires them to consult on the strategy, which must include individuals who are living, or have lived, in fuel poverty.

3. *Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in relation to the strategy?*

In principle, yes. It is a good idea to move towards discussing a strategy with individuals and families that are living in fuel poverty. It needs to be clear whether the consultation takes into account the current fuel poverty definition or the proposed fuel poverty definition. If the new fuel poverty definition is used, then we would urge the rural/island impact to be reviewed.

4. *A [draft fuel poverty strategy](#) was published alongside the Bill on 27 June. Do you have any views on the extent to which the measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will contribute to meeting the Government's new target? Have lessons been learned from previous initiatives?*

It is clear that to meet the new target, additional funding will be required in order to deliver. In terms of initiatives; although it is difficult to state whether lessons have been learned yet, the current initiatives appear to be working well in Argyll and Bute. The HEEPS: Area Based Scheme (HEEPS: ABS) utilises a criteria of Council Tax Band A-C properties (and D and above on islands where the EPC of the property is E or below) – and this has proved to be effective in terms of upgrading homes throughout Argyll and Bute; with the programme proving to be popular. In addition, programmes that provide grant assistance like HEEPS: ABS allow householders to undergo vital energy efficiency improvements to assist not only with improving EPC ratings; but also providing higher levels of comfort in homes and assisting with any repair issues as well. This therefore allows for the current housing stock to benefit greatly from this assistance; and ensures that properties are in a good condition. The HEEPS: ABS programme also utilises Home Energy Scotland; which is beneficial for providing energy advice and support; along with ensuring households are directed to any programme that is the best fit for them (which allows for a more person/household focussed approach).

However, HEEPS: ABS cannot guarantee to reduce fuel poverty as home energy efficiency is only one of three factors to take into account. The fuel poverty strategy appears to continue to focus on energy efficiency improvements; there needs to be more of an emphasis on lowering energy costs and increasing overall income.

Sections 6-9 require the Scottish Government to report to Parliament every five years on: the measures taken to tackle fuel poverty over the previous five years; progress made towards the 2040 target; and the steps Scottish Ministers propose to take over the next five years to meet the 2040 target.

5. Do you have any views on the Scottish Government's reporting requirements to the Scottish Parliament, as set out in the Bill?

Reporting every five years appears to be too long a timescale – and would propose that reporting every three years will allow better monitoring of the target; and allow for any programmes or initiatives to be amended as necessary.

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ARGYLL AND BUTE COUNCIL**ARGYLL ISLANDS STRATEGIC
GROUP****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****27 FEBRUARY 2019**

Argyll Air Services PSO Tender

1.0 EXECUTIVE SUMMARY

- 1.1 The current contract for the provision of Air Services between Oban and the Islands of Coll, Colonsay and Tiree is operated by Hebridean Air Services Ltd (HASL) on behalf of the Council at a cost of £720,756 per annum. This contract will expire on 15 May 2019 and flights cannot currently be booked beyond this date.
- 1.2 Following a non-compliant single tender submission for the next Argyll Air Services Public Service Obligation (PSO) contract, the procurement had to be abandoned. Given the delay in securing a new operator there is now a risk of a break in service from one contract finishing to the next starting.
- 1.3 It is proposed to retender the Argyll Air Services PSO contract applying the minimum timescale possible, within the rules under the European Commission (EC) which apply to PSO air services. The timetable for the retender of the PSO contract has been programmed with invitation to tender now planned for the end of Feb 2019 and contract award proposed 28th June 2019.
- 1.4 The Council have been advised by Transport Scotland that permission by the European Commission (EC) will not be granted to extend the current contract temporarily as there is no legal authority to do so. If the Council is found to have breached state aid rules the operator would have to repay any subsidy with interest.

Strategic Transportation have made the operator aware of the above EC implication and the operator has advised that they would require an indemnity ensuring that they are not liable for this penalty.

- 1.5 It is not possible to provide the indemnity sought as to do so would fail to give effect to any direction by the EC and would itself constitute state aid. Given that the operator will not take on the legal risk of breaching EC regulations and would seek to transfer this risk to the Council it is considered impossible for the Council to extend the current PSO contract.

- 1.6 It should be noted it is proposed to retender the Argyll Air Services PSO contract applying the minimum timescale possible, within the rules under the EC which apply to PSO air services.
- 1.7 The Group is asked to note that it is not legally possible to extend the existing air services contract.

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of Schedule 7A of the Local Government(Scotland) Act 1973

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