

Minute of Meeting held in the
Town House Chambers, High
Street, Inverness on Friday 16
November 2018 at 11.00am.

PRESENT

Cllr Allan Henderson, The Highland Council Member (Chair)
Cllr John Cowe, Moray Council Member (Vice Chair)
Cllr Roderick McCuish, Argyll and Bute Council Member
Cllr Uisdean Robertson, Comhairle nan Eilean Siar Member
Cllr Graham Sinclair, Orkney Islands Council Member

IN ATTENDANCE

Mr Ranald Robertson, Partnership Director
Mr Frank Roach, Partnership Manager
Mr Neil MacRae, Partnership Manager
Mr Mike Mitchell, Partnership Treasurer
Mr Derek Mackay, Partnership Secretary
Mrs Naomi Bremner, Orkney Islands Council
Mrs Nicola Moss, Moray Council
Mr Iain Mackinnon, Comhairle nan Eilean Siar
Mrs. Moya Ingram, Argyll and Bute Council
Mr Nicky Sobey, HIE

APOLOGIES

Ms Pip Farman, NHS Highland

MINUTES

Minute of Meeting of 14 September 2018

1. The Minute of Meeting of 14 September 2018 was **approved**.

Matters Arising

2. Mr Ranald Robertson provided an update in respect of the following:

Item 7 – HITRANS would seek to feed into the UK Governments discussions surrounding post Brexit funding streams.

Item 10 – It was hoped that Inglis Lyon would attend the HITRANS Meeting on 8 February 2019.

It was agreed to note the updates

FINANCE

Revenue Budget Monitoring Report 1 April to 31 October 2018

3. Mr Mike Mitchell, Partnership Treasurer, presented the Revenue Budget Monitoring Report 1 April to 31 October 2018 and year end projection. The Report stated that the annual budget had been approved at the Board Meeting of 2 February 2018 and had subsequently been amended for the inclusion of the 2017/18 underspend of £24,458. The budget also included grants received from the Scottish Government's Green Bus Fund, as part of the G-PaTRA project, Press'N'Ride, a Network Rail Joint Project and the Inverness Station Project. The Report indicated that there were no major issues or variances to highlight. The summary statement was attached as an Appendix to the Report and showed the financial position to 31 October 2018 which indicated that the total income and expenditure was broadly in line with the budget out-turn target.

It was agreed to approve the revenue monitoring position for the period to 31 October 2018.

Statement of Internal Control 2017/18

4. Mr Mike Mitchell, Partnership Treasurer, submitted a Report detailing an assessment of the adequacy, reliability and effectiveness of the Partnership's system of internal control and provided information for the Partnership's Governance Assurance Statement. The Report stated that all internal audit service providers must produce a Statement on Internal Control. The HITRANS Internal Audit Annual Report 2017/18 was provided as an Appendix to the Report.

It was agreed to note the content of the Statement of Internal Control and the audit option provided.

PARTNERSHIP

Risk Management: Risk Register Update – November 2018

5. Mr Ranald Robertson, Partnership Director, submitted a Report providing an update on the Risk Management: Risk Register. The Report detailed how the Strategic, Management/Operational and Financial Risks faced by the Partnership would be identified, evaluated and controlled. The Report stated that the risks reflected in the Risk Register continued to be monitored by HITRANS Officers and Advisors, and subsequently presented to the Partnership for monitoring and approval on at least annual basis.

It was agreed:

- (1) to note the Report; and**
- (2) to approve adoption of the HITRANS Risk Register November 2018 as detailed in the Appendix to the Report.**

Non Council Board Member Appointments

6. Mr Ranald Robertson, Partnership Director, provided an update on the process to appoint three Non Council Board Members. Interviews with the applicants had taken place and a recommendation to appoint three of the candidates had been submitted to Scottish Ministers.

It was agreed to note the update.

Programme of Meetings 2019

7. Mr Ranald Robertson, Partnership Director, submitted a Report detailing proposed dates for the Partnership Board and Permanent Advisors meetings in 2019. The Report stated that the Partnership Board had approved, on a trial basis, that all meetings within The Highland Council Area would become single day meetings to allow Members to travel to the meeting and return within a single day. Whilst this had delivered savings of £700 - £1000 per Inverness meeting it had also reduced the ability to have workshops and external input at meetings. The Report proposed to retain one of the two single day meetings in Inverness for the scheduled 2019 meetings to achieve a best value balance.

It was agree that the HITRANS Partnership and Advisors would meet in 2019 on the following dates and locations:

Date	Partnership Meetings	Location
8 February 2019	Partnership Board Meeting only	Inverness
25 & 26 April 2019	Evening Meeting followed by full Partnership Meeting on Friday morning	Orkney
12 & 13 September 2019	Evening Meeting followed by full Partnership Meeting on Friday morning	Moray
14 & 15 November 2019	Evening Meeting followed by full Partnership Meeting on Friday morning	Highland

RESEARCH AND STRATEGY DELIVERY

Research/Strategy/
Development
Programme
2017/18

8. Mr Ranald Robertson, Partnership Director, submitted a Report which provided a progress update on delivering the Research and Strategy Development Programme and sought approval of amendments to the Programme to reflect commitments made, changing priorities and funding opportunities identified since the approval of the 2018/19 Business Plan in April 2018. The amendments to the Programme were detailed in the Appendix to the Report. The Report provided a summary of the key Programme changes:

- Reduce the budget for the MOVE project from an anticipated spend of £40,000 to £30,000.
- Reallocate budget of £8,000 from ERDF / INTERREG / SG External Project Bid Project Support budget to the KTP project partnership with Robert Gordon University. This would cover HITRANS year 1 contribution to the 3-year partnership that carried a total project value of £149,466. The other funders were Robert Gordon University and the Knowledge Transfer Partnership Network which in the case of this project was funded by the Scottish Funding Council.
- Reduced budget for ERDF / INTERREG / SG External Project Bid Project Support of £12,000 following KTP being established as a distinct budget line.
- Reduce the anticipated spend on the INCLUSION project from £60,000 to £40,000.

In respect of the Regionally Significant Developments discussions would be held with the Highland Council in respect of Corran Narrows Options and work was underway in respect of the Orkney Internal Ferry Network.

It was agreed to approve the amendments to the Research and Strategy Development Programme 2018/19.

ADT – Highlands
and Islands
Exemption

9. Mr Neil Macrae, Partnership Manager, submitted a Report providing an update on the Scottish Government Working Group which had been set up to assist Government in resolving issues relating to the introduction of the Air Departure Tax within Scotland. The Report stated that Reference Economic Consultants had been commissioned to undertake research to help quantify the socio-economic evidence base supporting the current Highlands and Islands exemption. A copy of the Consultant's Report had been submitted to the Scottish Government's Highlands and Islands Working Group in advance of their October meeting and was provided as the Appendix to the Report.

It was agreed to note the Report.

- Local Rail Development Fund
10. Mr Frank Roach, Partnership Manager, submitted a Report providing an update on the Local Rail Development Fund (LRDF) bid process. The Report stated that HITRANS had submitted eleven projects for the £2m LRDF pre-pipeline pot in June and Fastline Faslane had been awarded £50k. The Report further stated that £681k out of the £2m budget had been allocated and an announcement of a second round was anticipated. Following discussion with Partnership advisors it was intimated in the Report that the following projects were being considered for re-submission:
- Evanton – reopening investigation
 - Skyefall – multimodal solution for Stromeferry
 - Oban Hub – benefits of integration
 - Branchliner – development of a timber rail network
- Consideration would also be given to submitting a consolidated project investigating the feasibility of virtual branch line rail to bus connections drawing on the proposals set out in Get Lossie and Orkabus.
- It was agreed:**
- (1) to note the Report; and
 - (2) to authorise the Partnership Manager to determine which Bids to resubmit based on evaluation of the chance of success.
- Scottish Islands Passport
11. Mr Neil Macrae, Partnership Manager, submitted a Report providing an update on progress made on the development of a Scottish Islands Passport as a marketing initiative which had the potential to develop sustainable tourism opportunities in remote islands and support lifeline ferry and air services. The Report stated that the Passport Scheme had been included within the Scottish Government's Programme for Scotland 2018/19. HITRANS officers had agreed to provide a detailed Project Plan outlining the potential scope of the proposal, its intended market and how it might be delivered. HITRANS had also agreed to lead on submitting a cooperative application to the EU LEADER funding stream for the Passport proposal. The draft scoping document was detailed in the Appendix to the Report.
- It was agreed to note the Report.**
- Fish and Trips
12. Mr Frank Roach, Partnership Manager, submitted a Report providing details on research HITRANS had undertaken in respect of the logistic issues faced by the Scottish aquaculture industry. The Report highlighted the Strategic Plan for farming Scotland's Seas and the identified strategic priority areas for effective collaboration, namely
- industry leadership and ambition
 - enabling and proportionate regulation
 - accelerating innovation
 - skills development
 - finance
 - infrastructure.
- The Working Group's key recommendations within these six areas of strategic focus were detailed in the Report. The Report stated that HITRANS had embarked on an exercise to understand the sector by meeting key players and harvesting the available literature. The draft Report would be revised to take account of the closure of Skrettings Fish Feed Factory in Invergorden. The completed draft Report would inform NTS policy development in 2018, the draft NTS in 2019, with STPR2 appearing in 2021 and would be aligned with NPF4.
- It was indicated that ferry capacity and pier information presented significant constraints to the industry and there were a number of potential fish farms programmed for Orkney.
- It was agreed to note the Report.**

Air Policy / Service Update

13. Mr Neil Macrae, Partnership Manager, submitted a Report providing an update on current issues relating to Air Policy and Air Service in the HITRANS area. The Report stated that in respect of the Air Discount Scheme HITRANS and local partners had made new representations to the Scottish Government in support of reintroducing the Scheme for business users and extending the Scheme for individuals studying in the eligible area. The current review of the Scheme was scheduled to expire in March 2019 and there had been consideration given to extend the geographical extent of the area to include Caithness. There would be public consultation and engagement with key stakeholders following the internal review.

The Report provided an update in relation to the termination of the Eastern Airways Stornoway – Aberdeen Air service as from 29 October 2018. Eastern Airways cited that it had become unviable to sustain the service due to increasing costs of operating the route. The absence of a direct link between Stornoway and Aberdeen highlighted the importance of improving the alternative connections between the two destinations.

It was intimated in the Report that there would be a joint meeting of the Aviation Stakeholder Group and the Inverness City Regions Deal HITRANS on 26 November 2018 and that Scottish and UK Government had committed to developing Aviation Strategies.

It was agreed:

- (1) to note the Report; and**
- (2) that Partnership Advisors would update the Air Service Scoping Document which was presented at the recent Islands Transport Forum.**

Public Sector ScotRail Franchise Bidder

14. Mr Frank Roach, Partnership Manager, presented a Report providing an update on proposals for a public Sector ScotRail Franchise Bidder. The Report stated that the proposal to allow a Public Sector Bidder to compete for the ScotRail franchise had been announced in the 2017-18 Programme for Government. The Report further stated that the franchise was due to end in 2022 with either party able to give notice of termination in 2020 and could be extended at Scottish Ministers discretion. It was intimated in the Report that David McBrayne Limited remained the preferred vehicle for the bid although other organisations were not excluded.

It was agreed to note the Report.

Shared Services Update

15. Mr Ranald Robertson, Partnership Director, presented a Report providing an update on the shared service approach for co-ordinating the provision of public transport information across the HITRANS area. The Report stated that four out of five local authorities were using the new public transport data base, Norvus FX with the last local authority currently in the test phase. The Report further stated that work to improve the source information was ongoing, an electronic bus scheduling module which would bolt onto the existing Norvus FX database was currently being developed and development work was being carried out to allow maps to be produced from the system. The contributions from HITRANS core budget and each partner local authority for the provision of the shared service approach in respect of public transport information was detailed in the Report. The Report recommended a review of the current Memorandum of Understanding with each local authority to include further detailed specifics of the provision.

The Report intimated that the partnership approach to improving passenger transport information had brought benefits beyond the direct project itself and had enabled partners to benefit from additional funding.

It was agreed to note the Report.

Inverness Rail East – IRE 16. Mr Frank Roach, Partnership Manager, submitted a Report providing an update on the proposals for a new rail station to the east of Inverness. The Report stated that the east of Inverness had developed rapidly in recent years and that access to rail was limited to the city centre. The Report further stated that the Inverness Rail East project sought to test the feasibility of rail access through the provision of rail stations at Seafield, Beachwood UHI or Stratton Farm and had been included in Highland Council's Inverness East Development Brief. The Report detailed the aims of the project, the high level objectives, the key strategic outcomes and the strategic fit with RECIS and RTS. The Report intimated that the next steps would be to draw up a Brief and consideration of Local Rail Development Fund (LRDF) 2 submission

It was agreed to note the Report.

Active Travel Update 17. Mr Neil Macrae, Partnership Manager, submitted a Report providing an update on Active Travel Projects and the recruitment of a Project Officer on an initial two year fixed term contract. The Report intimated that Highland Council had received a grant offer for the Inverness Low Carbon and Active Travel Hub at Rose Street car park and HITRANS as local partner would contribute £30,000 towards the project. The Report provided updates on progress of the following Sustrans Community Link Projects:

- Active Aviemore
- Accessing Inverness
- EST Ebike Grant

The Report stated that following the secondment of HITRANS Travel Officer to Highland Council members had approved the recruitment of an officer to cover the active travel role for a two year term appointment. The job description and duties for the post were included as an Appendix to the Report and interviews were scheduled to take place in November.

It was agreed to note the Report.

SCDI Rural Commission Presentation 18. **It was agreed to defer the presentation to a future meeting and to invite Mr Chris Gaffney, Chair of the Rural Commission to attend.**

Wood You Use Rail 19. Mr Frank Roach, Partnership Manager, submitted a Report intimating that the research undertaken by HITRANS designed to measure the Scottish timber industry's enthusiasm for rail had been completed and would be followed up by site visits to potential timber hubs and terminals and meetings with prospective rail freight consignees and operators. The Report stated that a number of key figures in the forest harvesting, haulage and processing sectors had been contacted to explore if there was any potential interest.

The Report further stated that HITRANS had begun the process of meeting with rail freight operators to discuss the findings and further work was planned to catalogue existing and dormant facilities that could be used for timber and identifying new terminal opportunities. This piece of work and a presentation to the Timber Transport Conference in May 2018 had resulted in two live schemes to move timber from the North East and the West Highlands.

It was agreed to note the Report.

EUROPEAN

EU Funding – Brexit Update 20. Mr Ranald Robertson, Partnership Director, submitted a Report providing an update on the impact of the Brexit process on EU funding. The Report stated that the UK Government had extended its guarantee for UK beneficiaries participating in EU Programmes and would be valid for projects approved before the end of 2020, applicants would also be able to continue to develop projects beyond the point that the UK leaves the EU. The Report highlighted that the UK Government guarantee confirmed that the Partnership was right to continue to focus on securing EU funding where available.

It was agreed to note the Report.

G-PaTRA

21. Mr Ranald Robertson, Partnership Director, presented a Report providing an update on G-PaTRA (Green Passenger Transport in Rural Areas) which sought to deliver a number of Green Passenger Transport solutions in rural areas. The Report gave background information and an overview of the G-PaTRA Project and stated that the HITRANS element of the overall project amounted to €466,000 over the next three years with the primary project involving the deployment of an electric bus on a local service within the Moray area of the Cairngorms National Park. The Report further stated that, following the Aviemore Partner Conference/Workshop, HITRANS were seeking to undertake a feasibility study into how alternative fuel cells in trains and trams may be applied on some of the rural lines.

The Report intimated that the Smarter Choices Smarter Places funding application had been granted with a total of £35,000 secured and a further £35,000 match funded from the G-PaTRA project. A specification had been drawn up for the PCS tender to engage a marketing consultant and this would be circulated for comment prior to posting to PCS in the next week.

A project meeting was held with Moray Council and HITRANS on the 16 October and a further meeting will be held on 20 November to finalise the Project Plan going forward to facilitate the introduction of the service early 2019.

It was agreed to note the Report.

AOCB

22. Cllr Roderick McCuish provided an update on the meeting between the A83 Taskforce and Mr Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity. The Cabinet Secretary had given a commitment to a permanent solution to end disruption on the A83 at the Rest and Be Thankful although no commitment in respect of timescales was given.

Cllr Uisdean Robertson provided an update on the recent Uist Ferry Summit which was attended by Mr Paul Wheelhouse, Minister for Energy and Connectivity; Mr Robbie Drummond, Calmac and Mr Kevin Hobbs, CMAL. The Summit was well attended with a number of key stakeholders present and a number of issues, including the booking system, communication, the relocation of jobs to island communities, fleet reliability and capacity were discussed.

Mr Neil Macrae, Partnership Manager provided an update on the Fort William Traffic Congestion Working Group and indicated that Transport Scotland had agreed to undertake assessments of potential short term interventions. Mr Macrae further indicated that Transport Scotland would set up regional groups to prioritise projects within their area as part of the Strategic Transport Projects Review.

It was agreed to note the updates.