

# MINUTE

“A&B”

**Zetland Transport Partnership  
Council Chamber, Town Hall, Lerwick  
Monday 22 September 2008 at 10am**

**Present:**

A S Wishart                      I J Hawkins  
F A Robertson

**Observer/Adviser:**

S Laurenson, Chief Executive, Lerwick Port Authority  
J G Simpson, Chairman, Development Committee  
A Steven, VisitScotland

**Also:**

R S Henderson, Substitute

**Apologies:**

Councillor C H J Miller  
Dr A Black, HIE Shetland  
Dr S Taylor, NHS Shetland

**In attendance (Officers):**

M Craigie, Lead Officer  
K Duerden, Transport Operations Manager  
E Perring, Transport Strategy Officer  
R Reynolds, Graduate Placement  
B Robb, Management Accountant, Finance  
L Geddes, Committee Officer

**Chairperson**

Mr A S Wishart, Chairperson of ZetTrans, presided.

**Circular**

The circular calling the meeting was held as read.

**Declarations of Interest**

None

**Minutes**

The note of the meeting held on 18 August 2008 was confirmed on the motion of Mr F A Robertson, seconded by Mr A S Wishart.

**Members' Attendance at External Meetings**

The Chairperson advised that, along with the Lead Officer, he had recently attended a meeting of the Regional Transport Chairs' and a meeting with the HITRANS, and that both were covered today's agenda.

30/08      **Lead Officer's Report**

The Partnership considered a report by the Lead Officer (Appendix 1).

Meeting of RTP Chairs – 27 August 2008:

The Lead Officer advised that it had been agreed that the minutes of the meeting would not be circulated until they had been approved at the subsequent meeting. However he gave a verbal update on the following agenda items:

**STPR and National Delivery Plan:**

Some concern had been expressed by RTPs that Transport Scotland was not doing an effective job in engaging with RTPs. He understood that Transport Scotland would be considering this issue and he would report back to a future meeting.

**National Transport Strategy Stakeholder Group:**

A key group had been formed to take the national transport strategy ahead. The Chair of the Strathclyde Partnership for Transport had been nominated to represent RTPs, with a caveat that he would report back at each meeting in order to give RTP Chairs the opportunity to feed into the discussion.

**Funding Forum:**

A group had been established to look at the issue of funding for transport in Scotland – the main issue being how to fund bigger projects. There was a gap in funding for larger projects that local authorities wished to carry out, but were unable to fund themselves without external support. Other ways of delivering these larger projects would be considered.

In response to a query, the Lead Officer said that this was a problem common to all Partnerships, and that it was intended to raise it with the Transport Minister. There may be an opportunity for the Scottish Government to fund capital projects through the Futures Trust. The Chairperson added that he would be attending a conference in November when John Swinney, Cabinet Secretary for Finance and Sustainable Growth, would be speaking about the Futures Trust, and it was anticipated that there would be an important announcement.

**Meeting with Minister:**

This meeting was scheduled to take place on 29 September and the agenda had not yet been set. The Lead Officer asked the Partnership to let him know if there were any issues they wished to raise at this meeting.

**Audit Scotland Programme:**

The Lead Officer pointed out that Audit Scotland carried out a programme of audits each year, and that RTP Chairs wanted to ensure that they got involved in any significant audits relating to transport such as concessionary fares, managing reduced EU grants, and the role of boards.

**Engagement with Other Organisations:**

RTPs were keen to ensure that they were not isolated and to look at integration with others.

Joint Working with HITRANS

The Lead Officer outlined proposals for joint working with HITRANS on issues with cross boundary significance, such as those referred to in paragraph 3.3.

He went on to say that in relation to Piers and Harbours Grants, the Scottish Government had ring-fenced funding available to be divided up between the five authorities that had piers and harbours for lifeline ferry services in their area, and Caledonian Maritime Assets Limited (CMAL). The model of distribution had yet to be agreed. There was a need to ensure a shared view on the Fuel Study that was

being carried out by Highlands and Islands Enterprise. There were still some questions to be answered but it was already showing some interesting conclusions.

The Chairperson said that there were a number of common interests with HITRANS, although there were also significant differences between the two areas in relation to population, geography, trunk roads and railways. Therefore it was important that ZetTrans maintained its own identity, but there were a number of areas where it would be appropriate to work together, and that this may strengthen discussions with the Scottish Government. It was proposed that the Chairman and Director of HITRANS were invited to future meetings of ZetTrans when there were appropriate agenda items for discussion.

The Partnership felt that it would be useful for joint working to take place with HITRANS on issues with a cross boundary significance, but said that caution would have to be exercised in order to ensure that a balance was maintained so that ZetTrans did not become lost as part of a bigger group.

#### Launch of Ferries Review

The Transport Operations Manager advised that he would be representing ZetTrans on the Steering Group, and that there were two meetings planned in the near future. He asked the Partnership to let him know if there were any issues they would like to put forward. In response to a query, he advised that the Review took account of all subsidised ferries in Scotland, but that part of the study would also be looking at the interaction with unsubsidised ferries. He was hopeful that the issue of fares would also be included, although there had been a suggestion from the Scottish Government that the RET Study had carried out sufficient work on fares.

#### Collaboration with Orkney Islands Council on the Procurement of Internal Air Services

The Lead Officer advised that discussions had been taking place with Orkney Islands Council regarding collaborating on the procurement of inter island air services. It was the case that the cost of operating air services had been a lot less in the past. Whilst the EC would not allow the extension of existing contracts to allow enough time to establish the feasibility of joint tendering, it was proposed to align the tenders for the two separate contracts in the hope that the air industry would see this as a more attractive opportunity. There were currently a number of legal barriers that would inhibit joint tendering at the moment, but it was hoped to resolve these issues in time for the next round of contracts in 2012 or 2013.

On the motion of Mrs I J Hawkins, the Partnership otherwise noted the report, and agreed to the proposal referred to in paragraph 7.2, whilst exercising caution in order to ensure that a balance was maintained so that ZetTrans did not become lost as part of a bigger group.

Mr F A Robertson seconded.

31/08

#### **Zetland Transport Partnership – Audit Report 2007/08**

The Partnership noted a report by the Lead Officer (Appendix 2).

32/08

#### **Bluemull STAG Appraisal – Summary and Findings**

The Partnership considered a report by the Lead Officer (Appendix 3).

The Transport Strategy Officer summarised the main terms of the report, advising the Partnership of the key findings of the appraisal. She pointed out that as time

went on, there was an increased risk of disruption on the route, and that Option 2 – the replacement of the Gutcher and Belmont terminals, MV Bigga and MV Geira, and the development of a Fetlar breakwater – had emerged as the most favourable option considered within the appraisal. She went on to say that the public had a strong expectation of a fixed link as the best long-term option and, in recognition of this, the development of a single lane tunnel had been included at a late stage in the appraisal. This option had appraised very well financially as the capital costs are significantly less than for a two-lane tunnel. However it had not yet been subject to community consultation, risk assessment or engineering feasibility work.

The Board noted that the local media had reported that the community had stated a preference for a single lane tunnel, but that this was not the case and the public had yet to be consulted at this stage.

Some discussion took place in relation to funding, and it was suggested that the funding available would determine which option would be agreed, although it was felt that the Government may see that it would be more economic in the long-term to spend a large sum of money in the first instance.

The Chairperson said that he had spoken to the Transport Minister earlier in the year, and that he expected the Council to come forward with clear proposals in the first instance before funding could be considered. It would therefore be necessary to develop the most appropriate option against the best solution for the community and seek funding on this basis. The final decision would be included in an overall implementation plan which would also include Bressay and Whalsay.

The Lead Officer said that there was still a lot of work to be done to bring everything together, and that he intended to present a report by the end of the year which pulled everything together and tried to make sense of the way ahead by combining the STAG appraisals and common-sense priorities.

Concern was expressed that it would take time to pull everything together into a single transport strategy and that this would be against a background of deteriorating ferry terminals and ferries. Therefore it would probably be necessary to carry out short-term work to enable services to continue.

The Chairperson agreed that this would have to be taken into account, but said that it was important not to rush the good work that had been done so far.

Some discussion took place in relation to the Piers and Harbours Grant Scheme, and whether it would be possible to persuade the Scottish Government to hold the money centrally as it was too thinly spread when divided across each local authority area. It was noted that CMAL did not have to spend its allocation by 31 March, and had the ability to set it aside. In response to a query, Ms S Laurensen confirmed that Lerwick Port Authority was in contact with CMAL and was pleased at how it was managing funds.

The Partnership approved the recommendations in the report, on the motion of Mr A S Wishart, seconded by Mr F A Robertson.

33/08

### **Implementation of Shetland Transport Strategy**

The Partnership noted a report by the Transport Development Manager (Appendix 4).

In response to a query, the Transport Operations Manager confirmed that the bid for EU Marco Polo funding for the proposed Norwegian Ferry Service had been unsuccessful on this occasion due to a technicality. The EU had encouraged resubmission in the next round, expected to be in January 2009, and there was optimism that it would be looked at favourably. The delay would also give the operator a chance to set up the service using a more suitable vessel, and the next bid would take into account that there would be an operator in Rosyth by that time.

With regard to a query relating to area transport forums, the Transport Strategy Officer confirmed that the information is currently being used to inform potential improvements in services. The next step would be to involve operators and other service providers in this before consideration of whether to consult more widely on specific changes.

Mr J G Simpson advised that he had recently attended the first meeting of the working group set up to look at the Fetlar Breakwater. It would be meeting again in a few weeks, and he felt that it had been very successful.

34/08

**Prioritisation of Links**

The Partnership noted that this report had been withdrawn.

35/08

**Note of Shetland External Transport Forum Meetings – 21 May & 2 September 2008**

Except as undernoted, the Partnership noted the above (Appendix 5).

**Sederunt – 21 May 2008**

It was noted that R Henderson was representing “Seafood Shetland”.

The Partnership expressed disappointment at the decision of Atlantic Airways to withdraw from the Sumburgh-Stansted route.

Mr A Steven advised that the announcement was not unexpected, and the decision related to a number of factors including the type of aircraft, fuel prices, and the low numbers of inbound and business passengers, which meant that the service was not sustainable. The General Manager had also indicated that the Air Discount Scheme had been a factor, but the Chairperson pointed out that it had not been possible to apply the Scheme to this route even though efforts had been made to include it.

The meeting concluded at 11.00am.

A S Wishart  
CHAIRPERSON