

# MINUTES

A&B

**Special Shetland Islands Council  
Council Chamber, Town Hall, Lerwick  
Thursday 12 January 2012 at 2p.m.**

**Present:**

L Angus	J Budge
A T J Cooper	A T Doull
F B Grains	R S Henderson
A J Hughson	R C Nickerson
F A Robertson	G Robinson
D Sandison	J G Simpson
C L Smith	J W G Wills
A S Wishart	

**Apologies:**

L F Baisley	A J Cluness
A G L Duncan	E L Fullerton
J H Henry	C H J Miller

**In attendance (Officers):**

N Grant, Director of Development  
P Crossland, Director - Infrastructure Services  
M Craigie, Executive Manager - Transport Planning  
J Riise, Executive Manager – Governance and Law  
P Peterson, Executive Manager  
L Gair, Committee Officer

**Chair**

Mr J Simpson, Leader of the Council, presided.

**Circular**

The circular calling the meeting was held as read.

**Declarations of Interest**

Mr Sandison declared a non-financial interest as an employee of Shetland Aquaculture.

**01/12 Northern Isles Ferry Docking Period – Service Proposals**

The Council considered a report by the Executive Manager – Transport Planning (Report No: DV012-F), which presented for consideration, the Scottish Government's request that the Council contribute towards the costs of deploying the MV Hebridean Isle onto the Pentland Firth route to reduce the disruption of 2012 North Isles Passenger Ferries Docking period from nine weeks to six weeks.

During consideration of the report, Member were strongly opposed to making any contribution to the lifeline service for which the Scottish Government has responsibility to provide.

It was confirmed to Members that Legal advice on this matter would include state aid implications, in the event that the Council wished to make a contribution.

During deliberations, points were raised and discussed by members which included:

- The possibility that this proposal, if approved, would not be the last time that the Council would be expected to contribute.
- The annual dry-docking problems have been raised many times at the Shetland External Transport Forum. This needs to be resolved and a requirement imposed to separate the dry-docking times for each vessel which should be achievable by negotiating with the shipyards.
- It is paramount that there are daily passenger vessel sailings to ensure that perishable produce and particularly time sensitive seafood products exported on the day they are harvested in ships that will arrive in Aberdeen in time for transporting to Glasgow for onward distribution to markets.
- To provide less than a daily services could be compared to the closure of the A9 on alternate days.
- NorthLink are coping with a huge increase in trade that was not anticipated in 2006. Future contracts need to be flexible enough to cope with variable economic demands examples of which are decommissioning and renewables work that is expected in the future.
- The Scottish Government should consider separating out the needs of both Orkney and Shetland and provide services that work for both individually, even if that means reducing the number of diversions to Orkney.
- The current vessels are not fit for purpose and their fuel consumption means that the costs are high. The vessels burn 4 tonnes of fuel per hour to meet current deadlines. This can be compared to a modern example in Orkney which also meets the 80% carbon reduction. These should be significant criteria in the letting of a new contract.
- Freight Boat Schedules were changed to improve the delivery of Shetland produce, however the vessels in place have limited speed.
- The initial contract specification had two diversions to Orkney but this got changed to three. In order to reduce costs the Scottish Government could consider reverting to the original two diversion
- The Scottish Government understand Shetland's needs more now, with the lobbying that has taken place over a number of years, but solutions to the dry-docking period must be written into the contract.
- The Scottish Government clawed back £7.5m from NorthLink, which means that NorthLink achieved the maximum profit that they could keep. Where was that money used?
- There should be alternative dates, acceptable to the seafood industry and tourism, that would separate the dry-docking periods, or the instruction of double sailings would help.
- The Council should not provide funding. The Scottish Government should maintain normal daily service on the Lerwick/Aberdeen route regardless of the dry-docking period.
- Delegated authority should be given to officers to consult with industries and come up with a satisfactory answer for Shetland for this year.
- Given the importance of the 2012 contract, Dr A Baird's 2006 report "Future Options for Northern Isles Ferry Services" could be a negotiating starting point. As a marine expert he recommended two off the shelf vessels.

Following lengthy discussion on the motion of Mr Smith, seconded by Dr Wills, the Council unanimously **RESOLVED** to:

- decline to contribute funding for the provision of the lifeline services which is the Scottish Government's responsibility; and,
- given that the responsibility rests with the Scottish Government the Council requires that the Scottish Government maintain the full normal daily passenger and freight service, irrespective of any surveying or dry-dock requirements, throughout the term of this and future contracts.

The Council further **RESOLVED** to:

- delegate authority to Officers, in consultation with the industry, to seek to ensure that the Scottish Government meets the above stated requirement with an alternative solution that fully meets the passenger and freight requirements, for Shetland, for this year; and
- that a sounding board, comprising the Leader, Chair of Development Committee and Chair of Environment and Transport Committee be set up to oversee and support the Officers in discharging this objective.

The Council acknowledged the work of the Director of Development and the Executive Manager - Transport Planning who were called upon to arrange the Ministerial Visit at short notice, during the Christmas leave period.

The meeting concluded at 2.50 p.m.

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Chair