

MINUTE

“PUBLIC”

**Special Development Committee
Council Chamber, Town Hall, Lerwick
Wednesday 10 October 2012 at 3.00 p.m.**

Present:

A Cooper	T Smith
M Burgess	S Coutts
B Fox	A Manson
F Robertson	G Robinson
M Stout	A Westlake

Also Present:

R Henderson
P Campbell
G Smith

Apologies

None

In Attendance (Officers):

N Grant, Director of Development Services
P Crossland, Director of Infrastructure
M Craigie, Executive Manager – Transport Planning
C Anderson, Senior Communications Officer
A Cogle, Team Leader – Administration
L Gair, Committee Officer

Chair:

Mr A Cooper, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

None.

66/12 Specification for Inter Island Air Service

The Committee considered a report by the Executive Manager – Transport Planning (TP-09-12-F), which sought approval of the specification, time-table and fare structure to be included in the Tender for the Inter Island Air Services.

The Executive Manager – Transport Planning took Members through the report in detail and explained that the improvements made to the specification would allow better pilot rosters and allow more planned maintenance system. He also advised that the option to remove Papa Stour and Foula flights had been introduced at the last minute, to allow this to be priced within the Tendering process currently under way. He said that the level of accuracy would not be possible otherwise as it was difficult for staff to estimate the costs involved.

The Executive Manager – Transport Planning explained that, through consultation with the Island communities, the option to base the inter island air service at

Sumburgh had been considered fully. He explained the financial position and cost of both options, which had identified Tingwall Airport as the most cost effective option. Tingwall Airport had also been identified as the preferred airport for social economic reasons because of its central location and proximity to Lerwick. Sumburgh had been considered too far away with travel time on public transport restricting the length of time that could be spent in Lerwick. He added that there had been considerable investment by the Council in the Tingwall Airport as well as bulk buying fuel reducing that cost by £10,000. The Executive Manager – Transport Planning concluded by advising that final refinement to the timetable would be done in consultation with communities.

In considering the report, Members had a number of questions, which were answered by Members as follows:

- Timetable
 - Over 60's fares – Members were advised that the Council has no legal obligation to reduce fares, but it has always been a feature of the fare structure. He explained that the rationale behind the fare was to align it with the youth fare. He confirmed that the Skerries over 60's fare was a typographical error.
 - The timetable will include the travel needs of Fair Isle Children travelling to the Anderson High School.
- Weather Cancellations – Members were assured that the Saturday or Sunday flights to clear the backlog created by weather disruption would remain a feature of the specification. It was acknowledged that such backlogs can incur additional cost to visitors on accommodation and missed connections. Statistics show however that Sunday flights are a rare occurrence and would not add significantly to the contract.
- Air Ambulance Service – Members were advised that this was a separate contract set up with the operator independent from the Council. He said that the next contract would look at the relationship with the operator and NHS to ensure a clause is added that states the Council's assets will be paid for provision of an emergency/NHS service.
- Other Emergencies – The Executive Manager – Transport Planning advised that a pragmatic approach is taken to the need for anyone that requires to get off Island as a matter of urgency. He said that these instances are considered on an individual basis.
- Papa Stour and Skerries Airstrip – The Executive Manager – Transport confirmed that these strips would continue to be operational in the event of an emergency.
- Fares – The Executive Manager – Transport Planning explained how the fares had been set at a flat rate as opposed to being based on distance. He said that the proposal to increase fares based on 20% derived from the objective last year to waive income to non-island travellers. He said that this would generate income without threatening the desire of tourists to travel. The Executive Manager – Transport Planning also explained that he had put forward fares set at double for European PSO approval to allow scope for fares to be manipulated. He explained that during the last process fares had been set at a level that did not allow them to be raised. Feedback from communities was non-committal to increases in fares. It was noted that compared to Orkney our islander fares are higher but non-islander fares are the same.

- Pilot flying hours – the Executive Manager – Transport Planning confirmed that pilot flying hours and landings had to remain current and that applied to Papa Stour and Skerries. The Executive Manager – Transport Planning explained that there were relaxations are applied when in emergency circumstances.

During discussions Members agreed that additional unscheduled flights should incur a premium fare as this constrains pilot hours and operations and fares should be set higher than the going rate. It was suggested that wording similar to that used on the Harbour Boards Fees and Charges be used to ensure that a non standard fee may be applied to unscheduled flights.

Members expressed their disappointment that Papa Stour and Skerries Communities had not had prior notice of the inclusion of the additional recommendation relating to the air services in their areas. Officers noted the need to contact Community Councils before the media are advised.

Members complemented staff for the work undertaken to set out what is needed to ensure community needs are considered.

Mr Robinson moved that the Committee approve the recommendations contained in the report, and noted that an early review of the fare structure would be undertaken. Mr Stout seconded.

Decision

The Development Committee **RESOLVED** to:

- Approve the Specification, Timetable and Fare Structure to be included in the tender for Inter Island Air Services;
- Approve a proposal to seek two prices from tenderers for Inter Island Air Services covering the current islands served and a second price for just serving the islands of Fair Isle and Foula, i.e. cutting the Papa Stour and Skerries services;
- Endorse the conclusion that the base for Inter Island Air services should remain as Tingwall.
- Noted that an early review of the fare structure would be undertaken.

The meeting closed at 4pm.

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Chair