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Environment and Transport Committee
Council Chamber, Town Hall, Lerwick
Monday 15 June 2015 at 2.00pm

Present:

M Stout	M Bell
S Coutts	R Henderson
G Smith	T Smith

Apologies:

D Ratter	G Robinson
D Sandison	J Wills

In Attendance (Officers):

M Sandison, Director of Infrastructure Services
D Coupe, Executive Manager - Roads
M Craigie, Executive Manager - Transport Planning
N Hutcheson, Team Leader – Asset and Network
M Lisk, Team Leader – Carbon Management
B Robb, Management Accountant
P Wishart, Solicitor
B Kerr, Communications Officer
L Gair, Committee Officer

Also:

B Fox

Chair:

Mr M Stout, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interests

None.

Minutes

The minutes of the Environment and Transport Committee meetings held on (i) 22 April 2015, was confirmed on the motion of Mr G Smith seconded by Mr Bell and (ii) 25 May 2015 was confirmed on the motion of Mr Bell seconded by Mr G Smith.

23/15 Inter Island Ferry Fares Review

The Committee considered a report by the Executive Manager – Transport Planning (TP-10-15-F), which presented the consultant's report and summarised the main conclusions reached and described the measures that are being undertaken to enable the Council to consider alternative fare structures in the future.

The Executive Manager – Transport Planning introduced the report and advised that following the review it has become clear that it is not possible to meaningfully reduce fares for island residents, by increasing fares for other users. He said that the key priority raised by communities was very clear and that is for the Council to ensure

every fare is collected. He also commented on the inequities in fare structures for motor cycle users and the disparity in terms of Fair Isle fares.

The Chair commented that the consultation was extensive and got to grips with issues clearly for the first time that will provide evidence that can be used when in discussion with Transport Scotland on funding for ferries. He said that Shetland is underfunded for ferry provision and this information would form part of the ongoing process.

At the request of a Member, the Executive Manager – Transport Planning advised that the cost of the consultancy fee for this piece of work was £17k. In referring to the development of a pilot project to look at a smartcard based system in Shetland, a Member suggested that this be extended to include Bressay to allow a season ticket to be made available. The Executive Manager – Transport Planning explained that the Pilot was about identifying what resources were required in terms of structure and products it could offer. He also explained that the system on the Bressay service could not be rolled out across Shetland as information was extracted manually at the end of each month and would be labour intensive and unmanageable if applied to all routes.

A Member questioned if any work had been done on allowing Island residents to pay once for a ticket on any route, in the same way as a visitor would pay once to travel to Unst. The Executive Manager – Transport Planning advised that this had not been considered as part of the review but was a simple approach to consider, however until negotiations with Transport Scotland are complete on funding for ferries the Council should avoid introducing further fare reductions at this time because this would be part of the work with Transport Scotland. The Member said that his suggestion could be addressed in the current system. The Executive Manager – Transport Planning noted the Member's suggestion.

During further discussions Members acknowledged the findings of the review and, although it did not provide the answers hoped, it supported the need to ensure revenue security and collection of fares. Members also supported the changes to the fares in Fair Isle, Foula and Papa Stour and agreed that the new charges for motorcycles was fair. In addition, a Member said that detailed discussions were taking place with Transport Scotland but he stressed the need to move from a position of implementing holding measures and hoped that Transport Scotland would recognise the responsibilities they have for funding internal ferries on the same basis as most of the ferries on the West Coast of Scotland. The efforts of the Chair and Officers was also noted by Members and it was hoped that the best solution would be achieved before too long.

A Member referred specifically to the fares for Bressay stating that the flat rate structure was not the right way to proceed due to the characteristics of the Islands and the different socio economics meant that equal costs was not a clever enough system and there needs to be equity in accessing the same opportunities. The Chair agreed and stated that a system is required that can provide the public with an understanding that what they pay is fundamentally fair.

A Member asked whether it was possible for Officers to provide figures on a scenario where Bressay, Fetlar and Unst are charged 50% fares instead of full fare and do away with 10-ticket fares. The Executive Manager – Transport Planning said that this would be straight forward and would provide a briefing to Members.

Mr S Coutts moved that the Committee approve the recommendations contained in the report, seconded by Mr G Smith.

Decision:

The Environment and Transport Committee **RECOMMENDED** that the Policy and Resources Committee resolve to:

- Note that it is not possible to introduce widespread fare reductions for commuters or island residents, without negatively impacting income generation;
- Note that as a means of ensuring that ferry fares can be maintained at current levels an immediate priority is to address revenue security and revenue management to ensure that all income due to the Council is collected;
- Note that steps have already been taken to modify ticket collection methods on ferries to improve revenue recovery;
- Note that a pilot project is being developed to establish processes and systems to enable smart and integrated ticketing capabilities on buses and ferries. This will significantly improve revenue security and management as well as providing opportunities for different fare structures to be developed and introduced in the future;
- Recommend to Council that the fare for a standard vehicle journey to Fair Isle or Foula is reduced from £25.30 each way to £6.80 each way, in line with prices in Skerries and Papa Stour;
- Recommend to Council that the fare for a commercial vehicle journey to Fair Isle or Foula is reduced from £100 each way to £13.80 each way, in line with prices in Skerries and Papa Stour; and
- Recommend to Council that a multi-journey motorcycle ticket is introduced at £67.80 for 10 return journeys.

24/15 **Carriageway Condition of Shetland's Roads**

The Committee considered a report by the Executive Manager – Roads (RD-07-15-F), which provided an update on the current condition of Shetland's roads.

The Executive Manager – Roads introduced the report.

A Member referred to Shetland's single track roads and stressed how vital some are to the Shetland economy, in particular Walls and Cullivoe. He reported that in 2014 £60k short of £1m went out of Cullivoe in harvested salmon and said that the road improvements were important to the economy of Shetland.

In response to a query the Executive Manager – Roads advised that Shetlands A Class roads do not fall into the category of a trunk road and never will.

At paragraph 3.5, a Member sought an understanding of why the condition of the B and C class roads improved in 2006/09. The Executive Manager – Roads explained that there was a combination of factor that could have resulted in this improvement particularly if the section of road tested was different from that tested 4 years earlier.

Another reason could be that resurfacing may have taken place since the earlier survey. He said that the measures taken are only on a percentage of the network each time. He said that it was more important to look over the long term data. The Chair added that the quality of the survey was now better than it used to be.

A Member queried what the lead in time for a significant resurfacing project would be, should money become available through under spends at the end of Q3 or 4. Members were advised that maintenance is done on a yearly basis and it does not take long to carry out the design but lead in timescales depend on the size of the project and accordingly there could be capacity issues at Scord Quarry to consider. It was also pointed out that resurfacing is seasonal work as it depends on fair weather. It was noted however that it is possible to carry forwards schemes into another year that would allow the work to be carried out as the weather improves.

Decision:

The Environment and Transport Committee noted:

- The contents of the report; and
- The slight deterioration in the overall RCI figure shown in the 2013-15 results and the consideration of possible reasons for this deterioration as detailed in section 3.1 of the report.

25/15 **Roads Collaboration Report**

The Committee considered a report by the Executive Manager – Roads (RD-06-15-F) which informed of the Council involvement to date with the Road Collaboration Programme.

The Executive Manager – Roads introduced the report.

Mr Henderson moved that the Committee approve the recommendations contained in the report. Mr Stout seconded.

Decision:

The Environment and Transport Committee **RESOLVED** to approve that the Council should no longer participate in the Road Collaboration Programme and should instead seek to enter into “memoranda of agreement” with other Councils or public bodies for specific collaborations.

26/15 **A970 Sumburgh to Lerwick Road at Levenwick: Possible Safety Improvements**

The Committee considered a report by the Executive Manager – Roads (RD-09-15-F) which informed of the findings of an investigation of the A970 at Levenwick that was undertaken following the traffic accident, on 20 January 2015, when an articulated low loader hauling an excavator left the carriageway and toppled down the roadside embankment.

The Executive Manager – Roads introduced the report and advised that it is the Roads Service opinion that the only way forward, that would address all issues, would involve a full capital scheme.

During discussions Members considered the use of a width restriction with an agricultural vehicle exemption on this stretch of road and agreed that this was

needed too and that the restriction should be specific in terms of the area encompassed by the restriction, which had been identified as Robins Brae to Channerwick Junction.

In considering the condition of the road and the options available it was noted that it was intended that the road would be surface dressed next year and 8-10 years after that. Members discussed what options would be considered best value. Officers advised that this section of road was not the only section of carriage way that had width issues and Members were reminded that the prioritisation list had identified the Levenwick Road as third on that priority list but at a cost of £3m it was recognised that this sum would go a long way to addressing a number of other smaller schemes.

In responding to a question, the Executive Manager – Roads advised that the speeds travelled on this section indicated that 15% of drivers were travelling in excess of 64 mph. He advised that he was not aware of any additional Police enforcement above their normal campaign.

The Chair said that the first two options cannot be justified leaving the capital scheme as the only option. In response to the Chair's question on the STAG process, the Executive Manager – Roads explained that the information provided in the report is based on safety accident statistics but that STAG process would include the social and economic factors and that would be necessary if proceeding with a business case.

During debate Mr G Smith said that he welcomed the report and commented that there was a lack of visibility on this road and the width of the carriage way was a contributing factor to the incident. He said that this stretch of road is very important, as it links Sumburgh airport with Lerwick and the North and was the first stretch of road for tourists to travel on coming by air. Mr Smith also commented on the excessive speeds reported where there are 3 blind summits, and he agreed that an exemption should be put on the proposed with restriction for agricultural vehicles. Having attended the Dunrossness Community Council meeting Mr Smith said that they recognise that the capital scheme is the only way forward but that £3m is not available at this stage. However he considered it important to take the first steps towards this capital scheme and moved that in addition to the safety improvements listed at paragraph 7.1 that a service needs case, taking account of the STAG process, be prepared and submitted for the funding required to design the major capital scheme, as described at the third bullet point of paragraph 7.2, to tender ready stage, and that the outcome be reported to Environment and Transport Committee in the future.

In response to the motion Members highlighted other roads in different ward areas that equally had width and accident issues, including the Haggersta to Cova Road and the Cullivoe to Gutcher Road. The Chair advised that the Committee had moved away from Members championing schemes in their own areas with the introduction of a prioritisation list and Levenwick was the third scheme on that list. He added that Officers could not recommend a scheme that does not rank highly on safety grounds and he believed that a spend to save project was not possible as there was not enough evidence to warrant moving to the next stage, but suggested that it could be possible to instruct officers to undertake the STAG process to better inform a business case process.

The Director of Infrastructure Services responded to a question from the Chair and explained that it would be a challenge to develop a business case purely on safety

information but the STAG information would in any case be necessary to build a business case.

Mr Henderson seconded Mr G Smith's motion.

Decision:

The Environment and Transport Committee **RESOLVED** to:

- Approve the safety improvement recommendations listed in section 7.1 of the report; and
- That a service needs case, taking account of the STAG process, be prepared and submitted for the funding required to design the major capital scheme, as described at the third bullet point of paragraph 7.2, to tender ready stage, and that the outcome be reported to Environment and Transport Committee in the future.

27/15 **Exceptions to Contract Standing Orders for Work on Ferries**

The Committee noted a report by the Director of Infrastructure Services (ISD-17-15-F) which concerned the Single Sourcing of work without it being tendered.

The Director of Infrastructure Services introduced the report.

Decision:

The Environment and Transport Committee noted an exception from Contract Standing Orders for the planned overhaul of an Aquamaster Thruster.

Mr Stout moved that in order to avoid the disclosure of exempt information, the Committee resolve to exclude the public in terms of the relevant legislation during consideration of the following items of business. Mr Coutts seconded.

28/15 **Installation of Small Scale Renewables at Council Properties**

The Committee considered a report by the Director of Infrastructure Services which sought approval for proceeding with the trial scheme of investor backed wind turbines.

The Director of Infrastructure Services introduced the report and responded to questions.

Mr Coutts moved that the Committee approve the recommendations contained in the report. Mr Henderson seconded.

Decision:

The Environment and Transport Committee noted the options detailed in Section 3 of the report and **RESOLVED** to delegate authority to the Executive Manager – Estate Operations to proceed with the preferred option.

A Member referred to Item 7 and questioned whether there was potentially a conflict of interest for Shetland Charitable Trust Trustees. After receiving legal advice from the Solicitor, Mr Henderson and Mr Bell declared an interest in item 7 as Trustees of the Shetland Charitable Trust and left the Chamber.

29/15 **Energy Recovery Plant/SHEAP Agreement**

The Committee considered a report by the Director of Infrastructure Services which provided the COWI report which considered the current operational and management arrangements for the Energy Recovery Plant (ERP) and District Heating Scheme.

The Director of Infrastructure Services introduced and responded to questions.

Mr T Smith moved that the Committee approve the recommendation contained in the report. Mr Coutts seconded.

Decision:

The Environment and Transport Committee RESOLVED to approve the recommendations contained in the report.

The meeting concluded at 3.50pm

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Chair