

MINUTE

B - Public

Environment and Transport Committee
Council Chamber, Town Hall, Lerwick
Monday 5 October 2015 at 2.00pm

Present:

M Stout	S Coutts
R Henderson	D Ratter
G Smith	T Smith
J Wills	

Apologies:

M Bell	D Sandison
G Robinson	

In Attendance (Officers):

M Sandison, Director of Infrastructure Services
D Coupe, Executive Manager - Roads
M Craigie, Executive Manager - Transport Planning
C Symons, Executive Manager – Estate Operations
M Lisk, Team Leader – Carbon Management
B Robb, Management Accountant
J Simpson, Energy Manager
P Wishart, Solicitor
B Kerr, Communications Officer
L Adamson, Committee Officer

Chair:

Mr M Stout, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interests

Mr T Smith declared an interest in Item 6 “Supply of Energy to Foula School – Update Report” as a Trustee of Foula Electricity Trust. Mr Smith confirmed that he would leave the Chamber during consideration of that item.

Minutes

The minutes of the meeting held on 15 June 2015 were confirmed on the motion of Mr G Smith, seconded by Mr T Smith. The minutes of the meeting held on 17 August 2015 were confirmed on the motion of Mr Henderson, seconded by Mr G Smith.

34/15 **Strategic Case for Upgrading Streetlighting with LED Lanterns**

The Committee considered a report by the Executive Manager - Roads (RD-10-15-F), which informed of an investigation into the proposed replacement of the “conventional” lanterns on Shetland’s streetlights with more energy efficient Light Emitting Diode (LED) lanterns.

(Dr Wills attended the meeting).

In introducing the report, the Executive Manager – Roads advised on the benefits by changing to LED street lighting which included cost savings, a reduction in energy use and a reduction on the Council's carbon footprint in line with Council Policy and the Carbon Management Plan. In that regard, Members were advised that currently LEDs use almost 50% less energy than standard street lights.

The Executive Manager - Roads informed Members on the proposed financial based model that would be used to assess the impact of investing in energy efficient measures within their street lighting assets, which will be used to assist in the initial feasibility assessment to develop a Service Need Case. In referring to Appendix 1, the Executive Manager – Roads outlined the scenarios in regard to potential financial and carbon savings from replacing the Council's street lighting with LED technology.

In response to questions regarding any impact on the Council's Street Lighting Savings Policy, the Executive Manager – Roads confirmed that the existing policy on removal of columns would still stand, and that the proposed LED replacements would achieve additional savings.

In response to a question from a Member, the Executive Manager – Roads advised that should the Council agree for the LED replacement to proceed, the programme could start as soon as the funding is in place, and works would be carried out in line with the findings from the recent electrical and structural survey.

In referring to the financial implications section of the report, a Member noted the proposal for funding from the roads budgets which he advised were already under pressure. In that regard, he questioned whether funding for the project could be considered from the Council's Spend to Save scheme. The Director of Infrastructure Services explained that, in conjunction with the Finance Service, all options would be considered to find the best model to finance the project, which would include spend to save and borrowing. In response to a comment from the Chair in regard to the commitment given for a review of the Spend to Save criteria, the Director of Infrastructure Services questioned whether the forecast payback period of 13 years for the LED replacement programme would meet an updated criteria for the Spend to Save scheme.

On the motion of Mr Stout, seconded by Dr Wills, the Committee approved the recommendation in the report.

Decision:

The Environment and Transport Committee **RESOLVED** to approve the development of a Service Need Case for consideration under the Council's Gateway process for capital project prioritisation, for an LED streetlighting replacement programme, to deliver energy savings, replace failing infrastructure and reduce carbon emissions.

35/15 Shetland's Hydrogen Potential: Update Report

The Committee considered a report by the Executive Manager – Estate Operations (EO-07-15-F), which updated and informed of the development potential for low carbon fuels, specifically hydrogen, to offset the current consumption of fossil fuels and to confirm the political support for a hydrogen production facility project at the Council's Gremista depot.

The Executive Manager – Estate Operations summarised the main terms of the report. He advised on the proposed deliverables during the 2 main phases of the project, and that the external funding bid would be submitted by late October with a view to commencing production by early 2017.

In response to questions from Members, the Executive Manager – Estate Operations confirmed that all alternative energy sources and methodologies will be considered to reduce carbon emissions, where he advised that battery technology, micro combined heat and power and fuel cells were all viable options going forward.

In responding to a question, the Executive Manager – Estates Operations confirmed that for the current project, there is no cost to the Council apart from staff resources.

In response to a question, the Director of Infrastructure Services informed on the recent interest from the Scottish Government to explore alternative fuels for marine transport in the Western Isles ferry procurement.

Mr T Smith made reference to a separate report informing on potential opportunities for hydrogen projects being presented to the next Development Committee, which although he acknowledged was from a different perspective, he sought assurance that there had been consultation between the authors of the two reports. The Executive Manager – Estate Operations advised that in line with the Carbon Management Plan, consultation takes place throughout the Council on proposals to reduce carbon emissions, which he confirmed included discussion with the author of the report to Development Committee.

A Member sought clarity in regard to the proposal to develop an education and training programme to develop the skill base to support a move to hydrogen production as part of Phase 1 of the project. The Executive Manager – Estate Operations advised on the intention to link with colleagues in Orkney, and run training through Train Shetland and the University of the Highlands and Islands. He advised also on the proposal to develop an apprenticeship programme.

Mr Coutts said that although he had some scepticism as to the applicability of hydrogen technology, the project as proposed will establish the feasibility, practicalities, costs and carbon reduction perspective at no cost to the Council. Mr Coutts moved that the Committee approve the recommendation in the report. Mr G Smith seconded.

Decision:

The Environment and Transport Committee **RESOLVED** to confirm their support to develop a Hydrogen project facility in Shetland to enable the evaluation of the feasibility of Hydrogen Production and its wider market potential.

36/15

SIC Energy Efficiency Action Plan 2015/2020

The Committee considered a report by the Executive Manager – Estate Operations (EO-08-15-F), which details how Estate Operations will progress Energy Efficiency work by implementing an Energy Efficiency Action Plan for the period 2015-2020.

The Executive Manager – Estate Operations summarised the main terms of the report.

The Energy Manager explained how the Energy Efficiency Action Plan, at Appendix 1, covers all energy consumption of the Council's estate (excluding fuel used for transport) where the delivery of the Plan will seek to reduce emissions. The Scottish Government's requirement for ongoing monitoring of energy consumption is set against a 3 year average baseline, and the Plan includes the target of 24.57% reduction in emissions to be achieved by 2020. The Plan includes detail on the performance by the Council to date to reduce carbon emissions by 17.43%, and the target projects to be taken forward from the Carbon Project Register and potential energy efficiency measures that will be reviewed as part of the ongoing efficiency surveys.

A Member enquired on the proposals going forward, in practical terms, to ensure a wider understanding of the technology and aims of the Plan. The Director of Infrastructure Services advised on the proposal to develop "energy champions" to relay their knowledge and enthusiasm to encourage and inform others on good practice to reduce energy consumption. In response to a question, the Director of Infrastructure Services informed on the commitment from across the Council at the first meeting of the Carbon Management Plan Board meeting held at the end of September, and that these meetings will continue be held on a quarterly basis.

On the motion of Mr Stout, seconded by Mr Coutts, the Committee approved the recommendations in the report.

Decision:

The Environment and Transport Committee:

- **RECOMMENDED** that the Policy and Resources Committee resolve to adopt the Energy Efficiency Action Plan 2015-2020.
- **RESOLVED** to instruct officers to progress the projects set out in the Plan to help achieve the Council's carbon reduction targets as a matter of priority.

37/15 Repair Work on Ferries

The Committee considered a report by the Director of Infrastructure Services (ISD-24-15-F) which requests noting of the emergency works undertaken on ferries in this last Committee Cycle.

The Director of Infrastructure Services summarised the main terms of the report.

Dr Wills made comment that the speed in which the works were carried out on the 'Fivla' resulted in minimal interruption to the service, and this had been very much appreciated.

Decision:

The Environment and Transport Committee noted the exceptions applied in accordance with the Contract Standing Orders for emergency repair work carried out on Shetland Islands Council ferries.

38/15 Shetland Inter Island Transport Study and the 2018 North Isles Ferry Services Contact

The Committee considered a report by the Executive Manager – Transport Planning (TP-14-15-F) which informed on the work to date on both projects and sought the

Committee's views on matters to be addressed in the Shetland Inter-Island Transport Study.

The Executive Manager – Transport Planning summarised the main terms of the report.

In response to comments from a Member, the Executive Manager – Transport Planning confirmed the importance for the Inter Island Transport Study to follow a detailed and thorough process. In that regard, he reported from the initial findings from the Routes and Services Methodology exercise confirmed that the current ferry service provision in Shetland is essentially at the correct level.

A Member advised on his concerns that reduced budgets going forward and any change in the operator of the ferry service could result in the need to reduce services and increase fares. The Executive Manager – Transport Planning reported on the commitment from Transport Scotland and the Minister for Transport and the Islands that an open-minded approach would be undertaken during the Study, and he advised on a realisation that there will be a need to rebalance budgets in Scottish Government to address the funding required to deliver inter island transport.

In referring to the table on page 16, a Member sought assurance in regard to the ability to deliver on the list of tasks within the relatively short timescales. The Executive Manager – Transport Planning commented that at the outset the challenging timescales had been acknowledged, however he could confirm that the study was currently progressing on target and he gave assurance to Members that the deadlines would be met.

In response to a request, the Executive Manager – Transport Planning undertook to source for Mr Henderson the details on the level of support to subsidise the Western Isles ferry service.

In response to a question, the Executive Manager – Transport Planning provided Members with an overview of the experience within the project team in regard to worldwide and UK tunnelling expertise, techniques and industry reputation.

During the debate, Mr Coutts commended the Executive Manager – Transport Planning and the Chair of Environment and Transport Committee on the work done so far, during a process that will provide sound evidence to make the case for Shetland.

Decision:

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

- Note the progress on the work associated with Transport Scotland's Routes and Services Methodology (RSM);
- Note the methodology required to conclude the work associated with Transport Scotland's Routes and Services Methodology; and
- Note the progress on the 2018 Northern Isles Ferry Services Contract.

(Mr T Smith and Dr Wills left the Chamber).

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 item of business. Mr G Smith seconded.

39/15 Supply of Energy to Foula School – Update Report

The Committee considered a report by the Executive Manager – Estate Operations.

The Director of Infrastructure Services introduced the report.

A Member advised of his concern regarding the ongoing issues that have been associated with FET over many years, and on the high cost being charged to the Council to supply electricity to the school, where he suggested that a diesel generator would be a cheaper option. The Director of Infrastructure Services advised that a number of alternative options had been considered, where she reported that dialogue has taken place with FET to secure a reasonable rate in an annual agreement.

The Chair advised that in his opinion, the proposal is a reasonable and pragmatic solution to supply electricity to the school at a limited cost to the Council. Mr Stout moved that the Committee approve the recommendations in the report. During the discussion, and in response to a question from a Member, the Director of Infrastructure Services undertook to verify FET’s financial position. Mr Stout agreed to include the requirement to review FET’s financial position into his motion. Mr Henderson seconded. Mr Ratter abstained.

Decision:

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

The meeting concluded at 3.40pm.

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Chair