

## Environment and Transport Committee

Auditorium, Shetland Museum and Archives, Hay's Dock, Lerwick

Tuesday 6 December 2016 at 10am

### **Present:**

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

### **Apologies:**

None.

### **In Attendance (Officers):**

M Sandison, Director of Infrastructure Services  
J Belford, Executive Manager – Finance  
M Craigie, Executive Manager – Transport Planning  
C Robertson, Executive Manager – Ferry Operations  
J Macleod,  
A Tait, Solicitor  
B Kerr, Communications Officer  
L Gair, Committee Officer

### **Also:**

A Cooper

### **Chair:**

Mr Stout, Chair of the Committee, presided.

### **Circular:**

The circular calling the meeting was held as read.

### **Declarations of Interests**

None

#### 27/16 **Management Accounts for Environment & Transport Committee: 2016/17 - Projected Outturn at Quarter 2**

The Committee noted a report by the Executive Manager – Finance (F-063-F), which enabled monitoring of the financial performance of services within its remit to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

The Executive Manager – Finance introduced the report and commented on the positive position on revenue and capital, referring to the main variances described in the Appendices.

During discussions in regard to the savings identified at paragraphs 1.3, 1.4 and 1.9 of Appendix 1, comment was made on the change in recruitment profile with better qualified applicants coming forward. The Director of Infrastructure Services advised that if there is not staff available in house to carry out maintenance work, it has to be

tendered which takes longer to process. She explained that a decision was taken by Education and Families Committee not to maintain the Anderson High School in light of the new build but progress was made with Bells Brae Primary Schools. Concern was expressed that the report, taken at face value, does not give a true picture as these savings are due to a lack of staff, which is a false economy and not real savings. Officers were urged to spend the budget allocated and carry out maintenance as this would be a spend that would save the Council money later.

The Director of Infrastructure Services confirmed that increase in fare income on the Yell ferry was due to more activity with the new Yell salmon factory and work in Yell on the windfarm, both of which had not been seen in previous years.

Reference was again made to the need for ongoing maintenance the Executive Manager – Finance advised that he is working with Capital Programme Services and Corporate Management Team to resolve matters to a point of making choices for the future. The Director of Infrastructure Services advised that her services had provided information regarding the condition of the current assets and priorities that need to be addressed. She said that each service has a maintenance programme to identify when capital works will be required. It was noted that at the last Environment and Transport Committee meeting a report, on a plan for future investment in infrastructure replacement, repairs and maintenance, had been indicated for 13 February 2017. The Director of Infrastructure Services confirmed that the report would include road and ferry infrastructure. A list of assets that can be disposed of was also sought.

During further discussion, the Director of Infrastructure Services informed the Committee that the Kergord Road design works, noted at paragraph 1.5 of Appendix 1, had been programmed this financial year but as yet there was no instruction to do this work. She said that contact had been made to identify the projected timescale and to identify what the fee income may be but the changes to the programme was outwith the Council's control.

#### **Decision:**

The Environment and Transport Committee **RESOLVED** to review the Management Accounts showing the projected outturn position at Quarter 2.

#### **28/16 Infrastructure Services Directorate Performance Reports 6 Month/2nd Quarter 2016/17**

The Committee noted a report by the Director of Infrastructure Services (ISD-12-16-F), which summarised the activity and performance of the Infrastructure Directorate for the second quarter of 2016/17, the six months up to September 2016.

The Director of Infrastructure Services introduced the report and reminded the Committee of the priorities in delivering the day to day services. She provided a summary of each indicator and advised that they do not just show how expensive the services are but provides a comparison of where the department stands in relation to the best performers in the UK.

In response to questions the Director of Infrastructure Services advised that Officers were in discussions on how the Council can access fire training locally to enable Manila refresher training to be delivered at NAFC. In terms of carbon reduction, she confirmed that the Scord quarry uses a steam/oil burner system but having electric heating elements are more effective. Concern was expressed that switching to

electric heating elements and electric vehicles would mean that it is Scottish and Southern Energy (SSE) that burn oil instead of the Council. The Director of Infrastructure Services said that the Council is looking at other sources for example the fleet could be driven by wind power however changes to wind subsidies make the solution less viable. She said that many vehicles are being moved to electricity from diesel engines which has health benefits due to the reduction in particulate matter which improves air quality reducing respiratory diseases, and deaths from lung and heart conditions .

The Director of Infrastructure Services advised that a Members update would be provided , in the new year, once a response has been received from Ofgem and SSE on the bid process for the future solution for Shetland's energy supply.

The Director of Infrastructure Services responded to a question relating to Harbour Board activity and explained that the Scalloway Harbour Business Plan was progressing and Officers were looking for consultants to take forward the project to submit a bid for EU funding. She said that the project was being assessed by Marine Scotland and confirmed that the application could still be submitted whilst the UK remains in the EU.

The issue of links to island communities was raised and in response to a question the Director of Infrastructure Services said that she was not best placed to answer questions on the effects of Brexit on the funding of transport infrastructure as it was still unclear. The point was made however that it is important to work closely with Community Partners and work together to pull out what issues will affect Shetland with a view to developing a strong position for ongoing support and funding making best use of the knowledge available.

In terms of the waste strategy, concern was expressed in regard to there being a reduction in refuse collection and assurance was sought that there would be proper recycling points made available, as in the rest of Europe. The Director of Infrastructure Services said that all options were being considered in terms of waste and recycling collections. She said that there will be regular collections but she could not confirm what might be recommended by Zero Waste Scotland to maximise the capture of recyclates. She said that there would be more opportunity in rural areas for those who want to recycle. The Chair added that Zero Waste Scotland have a clear understanding of Shetland's issues and he was confident that the solution would be what is best for Shetland.

Attention was drawn to page 17 of the Appendix B and the continued pressure on the Environmental Health Service and despite the introduction of a trainee position, the Director of Infrastructure Services was asked what mitigation would be used to reduce risk. The Director of Infrastructure Services advised that there are 3 qualified environmental health officers and one food standards officer, she commented on the reduction in wind turbine planning applications due to the change in subsidy will help but advised that the trainee post will take 4 years training before being able to carrying out food hygiene inspections and 6 years to carry out inspections on high risk premises. She said that the Council has to be prepared to lengthen response times and be realistic about how quickly officers can respond. She explained that every landlord has to be licenced and that is a large paper exercise, but it does not deliver any improvements in Housing Standards. We therefore have to prioritise where officers can make most impact rather than worry about process driven legislation that makes no impact. The Director of Infrastructure Services said that

the work is very reactive but she expected to see change in the next 12 months but she was keeping a watchful eye on the situation.

In response to a question the Director of Infrastructure Services confirmed that the work at Scord quarry would not be funded by spend to save as it would take 7 years to follow that process, but underspends had been used as it will improve the safety of the working environment more quickly and delivering efficiency savings.

In highlighting that the carbon management plan is reported to the Environment and Transport Committee it was acknowledged that it is a Council wide issue. The Director of Environmental Health was asked if there were constraints within other departments of the Council. The Director of Infrastructure Services advised that there is good involvement on the carbon management board with a number of directorates being heavily involved. She advised that carbon champions were also being recruited and it was important to get across that this is a behaviour change that is needed across the whole Council.

During discussion regarding the Yell windfarm and the importance of being able to export energy, the Chair confirmed that after some perseverance, a seminar was held with SSE representatives but there also needs to be formal communication to ensure that questions are answered. The Director of Infrastructure Services added that as part of the carbon management plan officers had looked at the largest users of electricity to reduce demand and the introduction of electric vehicles will allow SSE to make more space on the energy network for renewable and balance the grid out.

*(Mr Cooper attended the meeting)*

Members commended the Director of Infrastructure Services for the report and her control and understanding of what is going well and what needs more work.

#### **Decision:**

The Environment and Transport Committee discussed the contents of the report and made relevant comments on progress against the priorities set out in the Directorate Plan, and contributed to the planning process for future years.

#### **24/16 Development Services Directorate Performance Report 6 Month/2nd Quarter 2016/17**

The Committee noted a report by the Director of Development Services (DV-54-16-F), which highlighted progress against Council priorities from the Council's Corporate Plan by the Development Services Directorate.

The Executive Manager – Transport Planning introduced the report and provided an overview of the areas covered by the Environment and Transport Committee remit.

#### **Smart Card Ticketing**

The Executive Manager – Transport Planning explained that the ferry booking system was being well used and gives a solid base for increasing income. He advised that integrated travel between modes of transport is important but he advise of a frustrating lack of progress due to Transport Scotland, he said however that there was a clear direction from the Minister for Transport and the Islands but there are barriers to this moving smoothly. He advised that the pilot project had been taken over by Transport Scotland and CALMAC who are piloting the hardware with additional money and resources for developing the hardware which has to be

approved by ITSO (Integrated Smartcard Organisation). Transport Scotland also agreed to establish a smart card working group across ferries and bus services to advise on smart card ticketing across Scotland. Directors of Smart ticketing were present at the seminar and it was made clear to them that it is not only big operators, but others that have different needs in terms of smart ticketing. The Executive Manager – Transport Planning advised that there is also a feasibility study on travel hubs, with involvement from the carbon team in Infrastructure Services, where there is discussion on smart technology; how Shetland can influence its development; and how it can gain access to local carbon opportunities and build a good case to lever in as much funding support as possible.

The Chair commented on how frustrating the speed of progress was but with direct political and practical input and active engagement of the Scottish Minister it would now be possible to push ahead. He said that this is an area of work where there is little to update but work is going on in the background. He said that Shetland is a small place but there was potential for smart card ticketing not just for buses but all forms of transport.

During consideration of smart card ticketing further frustration was expressed that other areas have achieved smart ticketing and the question was asked why it is still difficult when there are bespoke examples in Dundee for example. The Committee were advised that he and Officers have spoken with other RTPs and share experience in other areas. The Executive Manager – Transport Planning explained that Dundee do have a system which cost Dundee and the STP (Strathclyde Transport Partnership) £8m to develop. He said that the system would be transferrable but at a significant cost. He said that there are tried and tested systems, but they cost £'000s. The Executive Manager – Transport Planning explained that there is a less costly pilot was undertaken but it was not ITSO approved. He said that there needs to be a national approach and a solution for CALMAC that can be affordable for Council ferry services. He stated that the Council and ZetTrans does not have the money to develop a solution therefore they have to work with other partners. Having heard from the Committee that there are systems in place whereby different swipe cards access different modes of transport, the Executive Manager – Transport Planning said that the essence of the problem is that none of the cards mentioned link to each other and that is the challenge being set by the government.

The Chair acknowledged the comments made and said that he had indicated the level of frustration expressed among individual Members at a recent meeting and said that the Minister for Transport and the Islands had agreed. It was noted that it is not just the Council and ZetTrans who hope Shetland will benefit from this project but the Scottish Government and others hope to benefit too.

The question of smart card technology was challenged and an example was given whereby in China everyone is using smart phones and it was suggested that cards may be superseded. The Chair agreed that the Council would not want to buy into something that won't last and indicated that SPT are using smart phones already. He said that it was important that there is national responsibility to push forward. The Chair reiterated that Transport Scotland have set up working groups and he believed that matters had moved on from where they were a year ago.

Comment was made that reassurance had been given that the Council will not accept a system at any cost and that there had been a useful discussion and there

was confidence that the Executive Manager – Transport Planning and the Chair were doing what was needed to end up with the best solution for Shetland.

The Chair offered further assurance that smart card ticketing was a standing item on the RTP Chair's agenda and that the Scottish Government were actively engaged with the RTP's. He agreed to convey the Committee's frustration on progress.

External Transport – The Committee were updated on progress in terms of the North Isles Ferry Contract 2018 and advised that the fares study had directed resources to feed into the specification. The Executive Manager – Transport Planning advised that the 2018 date for a new contract needs a 1 year tender process therefore there are three months to resolve the issue of fares. He indicated that this was a challenge but the main point to Transport Scotland was that there needs to be significant effort made in 2017 to ensure meaningful opportunity is given for the industry to respond to the tendering process.

Reference was made to Europe and the effects of Brexit. The Executive Manager – Transport Planning advised that the current EU regulations remain in their entirety for the duration of the 2018 contract.

Transport Study - The Committee were advised that the Transport Study was complete and would be reported to the Council on 14 December 2016 and to ZetTrans on 15 December 2016.

The Executive Manager – Transport Planning commented on the key challenges in terms of operational planning and vessel and infrastructure maintenance and replacement. In response to a question the Executive Manager – Transport Planning gave assurance that fixed links would be included in the options considered for long term outcomes. He said that fixed links had been successfully embedded into the process and the Minister for Transport and the Islands took on board recommendations that he had presented in a recent report to the Islands Transport Forum. The Executive Manager – Transport Planning added that at a meeting he had with the Minister for Transport and the Islands fixed links were mentioned twice in the Minister's narrative. The Executive Manager – Transport Planning went on to explain that the Transport Strategy needs a more inclusive approach so that islands are included in a clearer and higher profile way to extend the Scottish Ferries plan which is weighted to the west coast. He said that there is more awareness of the challenges faced by the Shetland and Orkney Councils and the Minister for Transport and the Islands is aware that the National Transport Strategy needs to take account of the wider investment across all Scottish Ferries and Infrastructure.

The Committee welcomed this reassurance and it was noted that although there was a degree of frustration, each piece of work requires negotiation and Members valued the Chair and Officer's work in taking this matter forward. It was pointed out however that it is important to use whatever levers are available and to lobby political contacts in an appropriate manner. Although the Chair said that he did not think there was a need for additional levers and that he was content that the principle and practice of fair ferry fares and North Isles Ferry Service is happening, reference was made to the Islands Bill and that the Council's Leader found it important to write to all MSP's. The Leader had found a clear lack of knowledge across parties and believed it had been worth making contact to ensure every opportunity was taken to drive the message home.

**Decision:**

The Environment and Transport Committee discussed the contents of the report as appropriate to their remit and made relevant comments on progress against to inform further activity within the remainder of this year, and the planning process for next and future years.

25/16 **Committee Business Programme 2016/17**

The Committee considered a report by the Team Leader – Administration (GL-53-16-F), which informed of the planned business to be presented to the Committee for the remaining quarters of the financial year 1 April 2016 to 31 March 2017, and sought discussion with Officers regarding any changes or additions required to that Programme.

In addition to the reports listed, a request was made that an update on A970 Levenwick Road Improvement be provided to the Committee in February 2017. It was also agreed that information to will be provided to Members, on the cycle to work scheme, before the end of this Council term.

**Decision:**

The Environment and Transport Committee considered its business planned for the remaining quarters of the financial year (1 April 2016 to 31 March 2017), and **RESOLVED** to approve any changes or additions to the business programme.

The meeting concluded at 11.35am.

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Chair