

**Zetland Transport Partnership
Room 10, Islesburgh Community Centre, Lerwick
Thursday 29 June 2017 at 10.00 a.m.**

Present:

R Hunter
R McGregor
A Priest
D Sandison
R Thomson

Advisers:

S Mathieson

Apologies:

S Laurenson

In attendance (Officers):

M Craigie, Lead Officer
P Mogridge, Transport Policy and Projects Officer
J Thomason, Management Accountant
C McCourt, Financial Accountant
L Malcolmson, Committee Officer

Circular

The Committee Officer advised that she would preside over the meeting until the Chairperson is appointed.

The circular calling the meeting was held as read.

15/17 Appointment of a Chairperson and Vice-Chairperson

The Partnership considered a report by the Executive Manager – Governance and Law/Secretary to ZetTrans (ZTP-14-17-F), which sought nominations for the appointment of the Chairperson and Vice-Chairperson for ZetTrans.

In a call for nominations, the Committee Officer drew attention to paragraph 4.5 and advised the Partnership that, although it had been custom and practice for the Partnership to appoint the Chair and Vice-Chair of the Shetland Islands Council Environment and Transport Committee, it was for the Partnership to nominate a Chair from the six substantive Members.

Mr Thomson was nominated as Chairperson for the Partnership. Mr Thomson accepted and took the Chair.

Mr McGregor was nominated as Vice-Chairperson for the Partnership. Mr McGregor indicated his acceptance.

Declarations of Interest

None

Minutes

The minutes of the meeting held on 10 March 2017 were confirmed on the motion of Mr Sandison and accepted by the Partnership.

16/17 Management Accounts 2016/17 - Draft Outturn Position at Quarter 4

The Partnership considered a report by the Partnership Proper Officer for Finance (ZTP-15-17-F) which presented the financial performance of ZetTrans for the 2016/17 financial year that will be subject to final accounting and audit adjustments as part of the year-end accounts process.

The Management Accountant introduced the report.

The Lead Officer commented that this was the first Unaudited Accounts that showed an underspend position and thanked the Finance staff and the Transport Planning Staff for their effort in achieving this position that he said he hoped would be maintained into the future.

In responding to a question, the Lead Officer explained that the savings had come from less onerous bus maintenance together with a number of smaller items that created the positive position. He went on to explain how ZetTrans is funded, predominantly by the Council with a grant from the Scottish Government that he said would not even cover the administration of the bus contracts.

The Partnership noted the Management Accounts showing the draft outturn position for ZetTrans at Quarter 4.

Decision:

The Partnership NOTED the Management Accounts showing the draft outturn position for ZetTrans at Quarter 4.

17/17 Unaudited Annual Accounts 2016/17

The Partnership considered a report by the Partnership Proper Officer for Finance (ZTP-17-17-F) which presented the 2016/17 Unaudited Accounts for Zetland Transport Partnership and sought approval for the Annual Governance Statement that forms part of the accounts.

The Financial Accountant introduced the report and advised that the new Chairperson would sign off the audited accounts, which would be passed to external auditors, Deloitte before reporting again in September.

In response to a question on whether there was any opportunity for other external funding from the Scottish Government or other external agencies, the Lead Officer explained that ZetTrans was in a position whereby any additional expenditure would have to come from the Council. He explained that some years ago the government redistributed the £3.5m funding for Regional Transport Partnerships and ZetTrans saw a reduction in funding from £300k to £132k that it is today. He said that the current funding position limits ZetTrans in being able to develop and influence projects in Shetland. He said that additional funds could be used to pump prime projects but this was an issue that had not been pursued before. He said that a modest redistribution of the total £3.5 allocation would not have a significant impact on other RTPs but would be useful to ZetTrans.

During discussions it was suggested that ZetTrans should identify additional work required and scope it out, putting forward a proposal to Government. The Lead Officer explained that spontaneously throughout the year the Scottish Government may seek input from RTPs and this is work that other RTP's are funded to do, with no definition other than the funding should be used for projects as part of their routine work. The Partnership recognised that this type of work would need to be supported by the Scottish Government.

Members noted the content of the report and on the motion of Mr McGregor, seconded by Mr Sandison, approved the Annual Governance Statement.

Decision:

The Partnership noted the 2016/17 Unaudited Accounts for the Zetland Transport Partnership and APPROVED the 2016/17 Annual Governance Statement that forms part of the accounts.

18/17

ZetTrans FINAL Main Issues Report for the Transport Strategy Refresh

The Partnership considered a report by the Transport Policy and Projects Officer (ZTP-16-17) that presented the Final Main Issues Report for consideration by the Partnership.

The Transport Policy and Projects Officer introduced the report and explained the process that had been followed to date and provided a summary of work to be undertaken before reporting to Members again in September 2017.

In referring to the previous agenda item and the discussion around pump priming projects the Transport Policy and Projects Officer gave an example of when support is required for initial funding for projects, and said that this is not possible as there is currently a gap in funding. During further discussion, smart ticketing was given as an example where a project had been held back and where a business case had to be made to the Council on a matter that is not its responsibility and provide no benefit to them. The Lead Officer commented that without ZetTrans the Council would be part of another RTP.

Ms Hunter referred to smart ticketing and commented that this was a groundbreaking project in Shetland and there are other sources of funding available for specific projects. She said that having clear knowledge of the priorities is essential so that HIE and other organisation can tap into funding to bring projects forward. She said that having a "loose pot of funding" would be useful but it was important to also be firm on the additional initiatives that require funding, going forward. Ms Hunter advised that she would provide information to the Transport Policy and Projects Officer on the Scotland Cando Innovation Fund.

The Partnership acknowledged the importance of seeking to establish a development fund and in addition to establish identified projects that need to be funded.

During further discussion on the Main Issues Report the need to report on visitor economy was emphasised and it was suggested that this should be acknowledged separately. The Transport Policy and Projects Officer advised that this had been included within another paragraph in the report but agreed that this could be presented separately. Reference was also made to the Yell ferries and the wider economic benefit to Shetland that there is from transporting £30m fish and this

should be kept in the public's awareness. As Shetland is the largest exporter of fish in Scotland and is vital for the Shetland Economy it was recognised that ZetTrans and the Council Members have to keep this at the forefront of discussion as it is critical from an economic development point of view.

The Partnership unanimously noted the report.

Decision:

The Partnership NOTED the content of the report and the timescale contained in Section 4 for the production of the Shetland Transport Strategy Refresh.

19/17

Lead Officer's Report

The Partnership considered a report by the Lead Officer (ZTP-19-17-F) which presented an overview of current and upcoming issues and events relating to the business of the Partnership but which do not, at this time, warrant a full report.

Scottish Ferries Procurement Policy Review – The Lead Officer advised that this review does not include Shetland's internal ferries. In terms of the Northern Isles Ferry Services, the Government has indicated that its preferred approach is to provide the services in-house. He said that the Government has deferred the tendering of the Gourock – Dunoon Service and the Northern Isles Ferry Services to seek stakeholder views on whether to tender or undertake direct provision in-house. He reported on the outcome of a meeting held between the Government Ministers and stakeholders on 18 May and said that although no preference was specified on how the service should be delivered, there was an unmistakeable message that the Government must demonstrate value for money and deliver what the Islands require.

Following discussion the Lead Officer referring to paragraph 2.11 and said that he would include reference to the procurement of vessels and the method by which this will be dealt with, taking account of the 15-20 year future needs, and how assurance will be given on infrastructure replacement.

The Lead Officer advised that the response would be issued in consultation with the Chair.

(Mr Thomson left the meeting)

(Mr McGregor took the Chair)

In response to a question regarding the Inter Island Ferry Services the Lead Officer explained that in Shetland these services are delivered by the Council and studies show that the Council has delivered them more efficiently. He said that the Government is aware of that and do not want to rush to take them over as it is perhaps currently a cheaper model of service to run. He said that Shetland is small and compact which means the Council delivers services in an efficient and economic way.

Westside Mainline Bus Service – The Lead Officer provided a overview of the Westside Mainline Bus service history and the steps taken to deliver the service more efficiently and effectively. He said that all services are now contracted by private sector providers and although that is the preferred position moving forward, it was still possible to provide a bus service in house, as an option of last resort.

The Partnership noted the content of the report.

In addition to the items noted in the report the Lead Officer also informed the Partnership of more recent events advising that there had been an announcement from Ministers that the Air Discount Scheme for Businesses would not be reinstated, at this time, on the grounds of affordability. He advised that he would circulate the letter to ZetTrans Members later today. Members commented on this announcement stating that it was shortsighted in terms of developing other services and for the difficulties faced by small business in particular who are trying to develop their own businesses outwith Shetland.

The Lead Officer also provided a brief update on the North Isles Ferry Service advising that the fair fares announcement was expected soon in terms of the firm position reached on the approach to fair fares and he anticipated that the announcement would be around the time of a Ministerial visit to the Islands in late August.

The Lead Officer informed the Partnership that he had issued a letter to four Ministers setting out what was expected from the fair funding for Inter Island Ferries resolution namely: immediate funding for inter island ferry services; and long term responsibility and funding.

20/17 **ZetTrans Business Programme 2017/18**

The Partnership noted a report by the Secretary to ZetTrans (ZTP-17-17-F) that presented the Business programme for the period ending March 2018.

The Committee Officer introduced the report and advised that this document would be updated regularly by the Lead Officer as the business of the Partnership developed during the year. The Lead Officer added that the programme would remain fluid as the Transport Strategy Refresh progressed to completion.

Decision:

The Partnership NOTED the content of the report and approved the Business Programme for 2017/18.

21/17 **Shetland External Transport Forum Minutes – 2 March 2017**

The Partnership noted the minutes of the Shetland External Transport Forum meeting held on 2 March 2017.

Decision:

The Partnership noted the minutes of the Shetland External Transport Forum meeting held on 2 March 2017.

The meeting concluded at 11.10am.

CHAIRPERSON