

Zetland Transport Partnership

Council Chamber, Town Hall, Lerwick
Thursday 14 December 2017 at 10am

Present:

R McGregor
R Roberts
R Thomson

Advisers:

S Mathieson
S Laurenson

Apologies:

R Hunter, HIE
A Priest, SIC
D Sandison, SIC

In attendance (Officers):

M Craigie, Lead Officer
J Belford, Proper Officer for Finance
P Wishart, Solicitor
C Anderson, Senior Communications Officer
L Adamson, Committee Officer

Chair

Mr Thomson, Chairperson of the Partnership, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

Minutes

Subject to the following, the minutes of the meeting held on 2 November 2017 were confirmed on the motion of Mr McGregor, seconded by Mr Thomson.

Min. Ref.: 28/17 – Lead Officer's Report

- North Isles Ferry Service - The fourth sentence to be amended to read, "He said that this announcement had been met with a negative reaction as it was inconsistent in terms of the introduction of the fare rise with the rest of the Scottish network and will increase the cost of products coming in and out of Shetland".

32/17 Management Accounts 2017/18 – Projected Outturn Position at Quarter 2

The Partnership considered a report by the Partnership Proper Officer for Finance (ZTP-30-17-F) which presented the projected outturn position for 2017/18 as at the end of the second quarter.

In introducing the report, the Proper Officer for Finance advised on the positive position and in terms of requiring lesser contribution from the Council.

Decision:

The Partnership NOTED the Management Accounts showing the projected outturn position for 2017/18 as at the end of the second quarter.

33/17

Audit Scotland Report on Transport Scotland's Ferry Services

The Partnership considered a report by the Lead Officer, ZetTrans (ZTP-33-17-F) which presented the Auditor General's report on Transport Scotland's Ferry Services.

In introducing the report, the Lead Officer advised that a recommendation of the report is that a planned long-term strategy should be developed on the future of Scotland's Ferry Services, and reported on the importance that the Strategy includes the Northern Isles and should also look at inter island ferry services. He advised on the need for ZetTrans and the Council to be involved in the process to ensure external and internal ferry links are fully understood and accommodated into the Ferry Strategy.

In responding to a question, the Lead Officer advised that there could be opportunities within the Northern Isles Service to reduce costs with no detrimental impact on service levels also if the appropriate agencies are fully involved in identifying and agreeing potential trade-offs. He added that Transport Scotland and the Scottish Government need to be involved in the detail and efforts to develop the Northern Isles priorities and outcomes.

During the discussion, reference was made to the west coast services in terms of its costs of operation and unit costs, which, when compared to Shetland Islands Council operated services shows Shetland Islands Council services are operated at lower costs. A suggestion was made for a comparator exercise to be undertaken on Orkney and Shetland's internal ferry services and the west coast service. The Lead Officer advised that various explorations of ferry services and comparisons with others have been undertaken, where Orkney and Shetland are favourable in terms of costs of providing services. He advised that to bring the inter-island ferry service into the same context as other ferry services would change how the service is maintained in the medium term and in terms of engagement with Scottish Government to then inform investment decisions in a more widely understood manner.

In referring to section 4.3 of the report, clarity was sought on the significant difference between subsidies paid by Orkney Islands Council and Shetland Islands Councils for inter-island ferry services. The Lead Officer reported that in terms of contributions approximately 50% is paid for by Shetland Islands Council, and 33% paid for by Orkney Islands Council. He added that the cost of services in both Councils are rising, which reflects the effects of the deteriorating condition of the fleet. The Proper Officer for Finance added that while there are differences in the scale and operation of the services, Shetland Islands Council is working with Orkney Islands Council to develop comparable and similar cost elements to provide a consistent approach to Transport Scotland.

During the discussion, the Lead Officer advised that Transport Scotland are developing a response to the Audit recommendations, and Audit Scotland will be

revisiting the Audit within 18 months with the aim to reflect on progress on the recommendations.

In response to comments relating to the introduction of RET on the North Isles Service and the anticipated capacity issues into the summer season, the Chair advised on discussions with Transport Scotland in terms of the uncertainty on the application of RET for Shetland, businesses and tourism. The Lead Officer advised that a report would be published before Christmas on the North Isles STAG. He added that the scope of the review has been extended to take into account the likely issues around RET and other demands on ferry services.

In taking note of the comment from Mr Roberts for the response to make reference to the role of the Shetland Partnership, Mr Thomson moved that the Partnership approve the recommendation in the report. Mr McGregor seconded.

Decision:

The Partnership NOTED the contents of the report and appendix.

The Partnership RESOLVED to: -

- Instruct the Lead Officer to write to Audit Scotland welcoming the publication of the report and discuss further how the implementation of the recommendations of the report can be supported to include the input of ZetTrans and Shetland Islands Council as well as wider stakeholders in Shetland.
- Instruct the Lead Officer to write to Transport Scotland expressing that ZetTrans views the development of a long term strategy for Scotland's Ferry Services as a priority and that it is crucial to involve ZetTrans and local stakeholders in the process.

34/17

Northern Isles Consultative Forum

The Partnership considered a report by the Lead Officer, ZetTrans (ZTP-34-17-F) which covered the issues discussed at the last meeting of the Forum on 20 November 2017.

The Lead Officer introduced the report, and provided the following updates:

Aberdeen Harbour – The Lead Officer advised that the new harbour development is under construction to be completed by 2020. Omitted from the development at this stage is a Roll On-Roll Off (Ro-Ro) facility, however assurance has been given by Aberdeen Harbour Management that the design means that ferry services can be accommodated in the future, if required. He reported that there are a number of opportunities to reconfigure the North Isles Ferry service in terms of capacity and frequency so there is no immediate need to accommodate larger vessels subject to successful alternatives being implemented. The Lead Officer advised however on the need to include the North Isles Ferry Service, and the infrastructure required to accommodate the service, in the development of the long-term ferry Strategy.

RET and the Northern Isles – The Northern Isles Ferry Services STAG report from Transport Scotland to be published later this month will confirm issues in terms of capacity and possible supply side solutions.

During the discussion, reference was made to the recent announcement by Flybe to pull out of the Sumburgh route, combined with an anticipated increase in air fares which could increase capacity issues for passenger and tourist travel on the North Isles ferry service next year. Comment was also made that passengers who had been travelling by air due to the cheaper fares, may now opt to travel by ferry. The Lead Officer referred to the presentation by Loganair at the recent External Transport Forum, where it had been advised that detail on fares and service provision would be produced within the next few weeks.

In referring to RET, the Chair commented that any distance-based policy would need to be challenged from a Shetland point of view.

Freight Fares Review – The Lead Officer advised on his intention to write to the Scottish Government regarding the 2.9% inflationary increase on freight fares.

A comment was made that the entire population of Shetland will be affected by an increase in freight rates, and therefore this was an important issue going forward.

Ferry Services Procurement and Northern Isles Ferry Services (NIFS) Contract Extension – An announcement on the contract extension is anticipated within the next few weeks.

Vessels – The current freighters have been secured for a further five years, with an option to extend for a further two years. There are however concerns in terms of times of services and capacity.

Decision:

The Partnership NOTED the contents of the report.

35/17

Mandatory Annual Reporting of Climate Change Duties

The Partnership considered the Partnership's Climate Change Duties Report 2017 by the Transport Policy and Projects Officer (ZTP-36-17-F).

The Lead Officer introduced the report.

Comments were made on the comprehensive work undertaken on the climate change report during 2016, and that the update report accords with legislative requirements.

Decision:

The Partnership NOTED the Partnership's Climate Change Duties Report 2017, submitted to the Scottish Government by 30 November 2017.

36/17

ZetTrans Response to Transport Scotland's Consultation on Concessionary Travel for Older and Disabled People and Modern Apprentices

The Partnership considered a report by the Transport Policy and Projects Officer (ZTP-35-17-F) that contained a proposed response to the consultation.

In introducing the report, the Lead Officer advised on the three main areas of the consultation, and outlined the terms of the response at Appendix 1.

Reference was made to the changes in the eligibility age for women to receive their State Pension, and concern expressed on any proposal to further disadvantage, particularly single women, in terms of the proposal to set the age of eligibility for free bus travel at the female State Pension age of 65 from November 2018. During the discussion, the Partnership agreed that any change to the eligibility criteria for free bus travel would have to be a phased approach.

Decision:

The Partnership NOTED the proposed ZetTrans response to Transport Scotland's Consultation on Concessionary Travel for Older and Disabled People and Modern Apprentices.

37/17

ZetTrans Response to Transport Scotland's Consultation on: Local Bus Services in Scotland – Improving the Framework for Delivery

The Partnership considered a report by the Transport Policy and Projects Officer (ZTP-37-17-F) which contained the proposed response to the consultation.

In introducing the report, the Lead Officer advised that ZetTrans can only adopt a light touch to this consultation, as most issues of focus do not apply in a Shetland context. The Lead Officer went on to outline the terms of the response at Appendix 1.

Decision:

The Partnership NOTED the ZetTrans Response to Transport Scotland's Consultation on Local Bus Services in Scotland – Improving the Framework for Delivery, and instructed the Lead Officer (or his nominee), taking account of comments from the Partnership, to issue a response in consultation with the Chair.

38/17

ZetTrans Response to Transport Scotland's Consultation on: The Future of Smart Ticketing

The Partnership considered a report by the Lead Officer, ZetTrans (ZTP-38-17-F) which contained the proposed response to the consultation for comment.

In introducing the report, the Lead Officer outlined the terms of the response.

In response to questions, the Lead Officer advised that in much of Scotland transport operators would install their own infrastructure for smart ticketing. However, in Shetland ZetTrans manages the ticketing estate. If this was not the case, he acknowledged costs could have a big impact on the viability of smaller businesses. He advised on the approximate costs for hardware, ongoing revenue costs in licensing of support services. He confirmed that grant funding was being pursued.

During the discussion, a comment was made that while smart ticketing would be desirable, it was however an extremely expensive system.

Decision:

The Partnership NOTED the ZetTrans Response to Transport Scotland's Consultation on the Future of Smart Ticketing and instructed the Lead Officer (or his nominee), taking account of the comments from the Partnership, to issue the response in consultation with the Chair.

39/17

Business Programme 2017/18

The Partnership considered a report by the Executive Manager – Governance and Law (ZTP-31-17-F) which presented an updated Business Programme for ZetTrans for the period ending March 2018.

After hearing the Lead Officer introduce the report, the Partnership approved the recommendation contained therein on the motion of Mr Thomson, seconded by Mr Roberts.

Decision:

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

40/17

Business Programme and Meeting Dates 2018/19

The Partnership considered a report by the Executive Manager – Governance and Law (ZTP-32-17-F) which presented meeting dates for ZetTrans and the Shetland External Transport Forum (SETF) together with the Business Programme for ZetTrans for the period between 1 April 2018 and 31 March 2019.

After hearing the Committee Officer introduce the report, and advise on the change of time for the meeting of ZetTrans on 8 November 2018, to start at 10am, instead of 2pm, Mr Thomson moved that the Partnership approve the recommendation in the report. Mr McGregor seconded.

Decision:

The Partnership RESOLVED to approve the meeting dates for ZetTrans and the Shetland External Transport Forum, and the Business Programme for ZetTrans for 2018/19.

The meeting concluded at 11.40am.

CHAIRPERSON