

# MINUTE

# A&B - PUBLIC

**Special Environment and Transport Committee**  
**Main Hall, Town Hall, Lerwick**  
**Monday 25 February 2019 at 2.30pm**

**Present:**

P Campbell	S Coutts
C Hughson	S Leask
R McGregor	A Priest
G Smith	R Thomson

Apologies:

A Manson  
D Sandison

In Attendance (Officers):

C Ferguson, Director of Corporate Services  
N Grant, Director of Development Services  
J Smith, Director of Infrastructure Services  
J Manson, Executive Manager - Finance  
B Robb, Management Accountant  
C Anderson, Senior Communications Officer  
L Malcolmson, Committee Officer

Also:

T Smith  
E Macdonald

Chair:

Mr Thomson, Chair of the Committee, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interests

Mr Thomson declared an interest in item 1 "2019/20 Budget and Charging Proposals - Environment and Transport Committee" advising that should discussion be held on Petroleum Regulation 2014 fees he would consider leaving the meeting. He also advised that he holds a taxi driver's licence, therefore should there be any discussion in that regard he would take no part and leave the meeting.

04/19      **2019/20 Budget and Charging Proposals - Environment and Transport Committee**

The Committee considered a report by the Executive Manager – Finance (F-001-19-F) outlining the budget and charging proposals for 2019/20.

The Executive Manager – Finance introduced the main terms of the report and drew attention to the key issues set out in section 4 of the report.

During questions, the Executive Manager – Finance explained that the Red/Amber/Green risks relate to the change in budgets at paragraph 3.4 which pushed the “Fair Funding for Ferries” risk into Amber. He accepted the significant financial pressure in regard to the Fair Funding for Ferries and agreed that the risk would be changed to Red.

There followed a number of questions in regard to specific charges and these were responded to by Officers. There was agreement that the inflationary increases should be checked in regard to both “10” and “20” journey tickets, as this was showing as an increase of 16.36%.

During the discussion, the Executive Manager – Finance was asked if the Reserve Fund would be used to get the Council out of financial trouble, whether that would be unsustainable next year. The Executive Manager – Finance said that there would be more detail at Policy and Resources Committee and the Council regarding the Reserve Fund. He said that the Reserve Fund would be used to fund the shortfall which was not sustainable and it would be necessary to consider what would not be funded into the future. He said that it was important not to exceed the sustainable draw but in the absence of a fair funding decision it was proving difficult.

The suggestion was made that that the Council should be looking to the Scottish Government for fixed links to ultimately sort the problem and Officers were asked if the Council would drive that position to the Scottish Government. The Director of Development Services advised that work on outline business cases for each route was to be done but at the moment the Scottish Government was being asked to look at the current level of service.

A further suggestion was made that a more forceful approach should be taken with the Scottish Government. The Chair advised that the National Transport Strategy was to be concluded in November 2019. Transport Scotland had consulted with the Council and ZetTrans and would set out the internal network strategy for the next 20 years based on the National Transport Strategy. He said it was important to push the point during that process.

In responding to a question in regard to the increased costs for the waste stream, the Director of Infrastructure Services advised that the increases in waste recycling were beyond expectation but the benefits would offset the costs once the new waste and disposal income is generated. He advised that once completed the sorting shed would see additional benefits but it was still in process. In response to a request for an update on the progress of the sorting shed the Chair advised that the Team Leader – Waste Management would provide an update as part of the next performance report.

During further consideration of the report, the Director of Infrastructure Services explained the changes to staff provision Tingwall Airport and advised that since taking on his role as Director he had reviewed the use of staff from other services to cover the airport. In that regard, he considered that the statutory requirement to meet the arrangement for safe and secure operation justified the need to have the correct dedicated staff provision in place. He added that the operation had previously met all the safe operational requirements but had implications for the other service and staff had struggled to do two jobs.

Reference was made to the bus service and the reduction of income expected. The Director of Development Services advised that the bus service would be considered soon and it was important to meet the needs of those using the service. He said that work would be done to establish who uses the services, when and why and why people are not using the bus service. In considering the total bus income the Director of Development Services explained that usage had dropped nationally and at a local level more understanding was needed. He said that there was double counting of figures that added to this issue. He advised that establishing an effective network there are a number of options to be considered and the Chief Executive had reset this service as a corporate project. During further consideration of this matter, it was agreed that more could be done to empower Community Councils to do work to understand what bus routes are used.

The Chair thanked Officers for the work undertaken, given the uncertainty in regard to the Scottish Government settlement and noted that Shetland continued to wait for a decision on ring fenced ferry funding. He said that Officers and Members had done all that they can with Transport Scotland to secure a satisfactory position and it was hoped that the Scottish Government would take a decision soon on the internal ferry funding issue. During comment on the Scottish Ministers position on this matter it was acknowledged that the outcome was at the mercy of the Government and it was hoped that the Government would provide the necessary funding required. It was noted that the continued unsustainable draw on reserves was an issue for the whole Council but concern was raised that the work put in by officers was falling on deaf ears. The Chair referred to paragraphs 4.8 and 4.9 of the report, and said that this had to be a one off draw on reserves or there would be considerations given to reductions across all Council Services. The Leader commented that the Medium Term Financial Plan (MTFP) was based on what the Scottish Government said at the time and therefore the Scottish Government had to accept that the principle of fair funding is to fair fund but the alternative is unsustainable. In terms of service redesign he said that there was no alternative to future service changes as directly affected the sustainability of our island communities.

Mr R Thomson moved that the Committee approve the recommendations contained in the report, Mr Leask seconded.

#### **Decision:**

The Environment & Transport Committee:

- **RECOMMENDED** to Policy and Resources Committee and Council that it approves the budget proposals for 2019/20 included in this report and set out in detail in the Budget Activity Summary (Appendix 2) and Schedule of Charges (Appendix 3) to be included in the Overall SIC Budget Book; and
- **NOTED** the content of the Service Redesign Briefing (Appendix 4).

The meeting concluded at 3.10pm.

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Chair

