

Service Priority Plan 2011/12 and Future Years: Transport Service

Service Statement:

The Transport Service carries out the following functions:

- Internal bus, ferry and air services, school and social work transport
- Fleet management and maintenance
- Taxi Licensing Scheme and Concessionary Travel Scheme
- Delivery of ZetTrans functions

Summary of Priorities for 2011/12:

- Deliver on 2011/12 savings and plan for 2012/13.
- Provide the current services whilst reviewing the service for Council priorities and financial constraints.
- Renewed Shetland wide and Council priorities (resulting from Scenario Planning process) should provide the context for renewing and redesigning services and levels of service, as part of the Regional Transport Strategy refresh.
- Demonstrate how ferries and bus services meet economic and social well-being.
- Explore different approaches to providing services through use of information gained from NPP pilot and stock-take of Council and voluntary sector assets.
- Exploring different ways of making use of staff.

In 2011/12 this Service is provided by:

- Staff Summary

Service	Staff
Transport Planning & Support	1 Service Manager, 1 Officer, 3 Business Support, 4 Booking Office Staff, multiple ASN Drivers & Escorts
Ferry Services	1 Service Manager, 1 Engineering Staff, 2 Shore Maintenance Teams, 2 Marine Staff, 118 Marine Sea Staff, 26 Engineering Sea Staff, 1 Resources Manager, 3 Resources Support
Air, Bus and Fleet	1 Service Manager, 4 Transport Staff, 5 Airport Staff, 1 Bus Station Attendant, 2 Bus Drivers, multiple Relief Bus Drivers

- Assets Summary:

Bus Station
2 Airports, 2 Airstrips
Bus Garage
15 Ferry Terminals, 13 Ferries
Booking Office, Ulsta
Workshops and Stores
72 Vehicles (Vans, Pick Ups, Buses, mini buses)

- Finance Summary: TOTAL BUDGET **£15,902,960**

1. Service Standard:

- Level of service provided is difficult to compare with other areas, due to Shetland's geography and the way in which services have been planned and delivered in the past:
 - There are broad comparisons made across ferry service through the Scottish Ferries Review: Shetland's model has been recognised as something others should aspire to be in terms of the low levels of staffing required to manage and operate services;
 - When comparisons have been made with Orkney, there is generally a lower cost per unit in Shetland.
- Salaries comparisons indicate that Shetland is average, across Scotland, but due to Single Status it is not known if this is still the case. The service is currently participating in a benchmarking exercise to compare current salaries with industry standards.

2. Strategic Service Risk Assessment


2.1 Legislation:

The new Equalities and Passenger Rights legislation, which comes into effect in 2012, will have an impact on service delivery but it is uncertain to what extent. For example, the

Transport Service may have to provide additional support to assist passengers to board a ferry. The provision of information about services provided is likely to require improvement.

Rising standards within the bus industry in terms of requirements for professional competence certificates are likely to result in higher salaries being paid with consequent impacts on contract costs when they are renewed.

2.2 Strategic Priorities: SOA/Corporate Plan and Others

Stronger 1: We will improve the availability, accessibility, affordability and usage of internal and external public transport				
Indicator	Source	Baseline	Target (2010-11)	Progress at October 2010
St.1.1 Percentage of journeys to work made by public or active transport	SIC Annual Travel Survey	In 2008, 10% of journeys were made by walking and 2% by cycling.	Walking 14% Cycling 2%	↗ Due to staff shortages, the annual survey of SIC staff was not carried out.
St. 1.2 Numbers and percentage of children walking or cycling to school	Schools "Hands Up" Survey	In 2008, 26% of primary pupils walked to school and 6% cycled. In 2008, 16% of secondary pupils walked to school and 2% cycled.	Walking 27%, Cycling 7% Walking 17%, Cycling 3%	↗ 2009: Walking – 25.3% /Cycling – 3.7% 2009: Walking – 14.6%/ Cycling – 0.9%
St.1.3 Usage of Public Transport	Transport Service (SIC)	2006-07: 420,035 2007-08: 426,740 2008-09: 430,967	435,000	↗ 404,127 Note: 2008-09 figure should read 402,736
St. 1.4 Coverage of Demand Responsive Transport (DRT)	Transport Service (SIC)	2007-08: 40% 2008-09: No change	45% coverage	↗ Towards the end of 2009/10, 2 new services came online, linking Scalloway to Burra and Whiteness/Weisdale

SINGLE OUTCOME AGREEMENT ACTIONS				
	Action	Responsibility	Timescale	Progress
	Deliver on NPP Project and use to review bus services	Head of Transport	2013	Pilot scheme prepared, scenario testing of private operators fleets, care vehicles, ambulances, community transport etc. (stock take of all assets operating in Shetland and their usage).
	Review of Ferries Service and Transport Service	Executive Director, Infrastructure	2011/12	Dependant upon the Infrastructure Services departmental review.
	Communication and Information Review	Head of Transport	2011/12	Underway.
CORPORATE PLAN ACTIONS				
	Outcome / Action	Responsibility	Timescale	Progress
St1.1	Maximise external transport opportunities for Shetland			GREEN
	<p>Target: Full involvement in the Scottish Ferries review</p> <p>Target: Work in partnership with the Scottish Government to ensure that external contracts are able to meet Shetland's economic and social objectives are met in the next generation of public service ferry</p>	<p>Head of Transport</p> <p>Head of Transport and Head of Economic</p>	<p>December 2011</p> <p>June 2011</p>	<p>Officers remain engaged in the Review process. The Government's timetable has slipped substantially and it is anticipated that this process will not now be complete until the last quarter of 2011.</p> <p>GREEN</p> <p>Officers remain engaged in the process of preparing a specification for the contract scheduled to commence in July 2012. Like the Scottish Ferries Review the Government's timetable has slipped and it is anticipated</p>

	contracts and air service contracts	Development		that this process will not now be complete until the June or July 2011.
St1.2	<p>Maintain high quality of Shetland's roads and transport infrastructure</p> <p>Target: Council approval of a fixed links and ferry/terminal maintenance programme.</p>	Head of Transport	March 2011	<p style="text-align: center;">GREEN</p> <p>The Socio Economic impact study is underway, expected to report in June 2011.</p> <p>The condition survey of Whalsay Terminals is underway, expected to report in June 2011.</p> <p>The Risk Management Plan is being developed, expected to report in June 2011.</p> <p>The tender process for the wider STAG study is underway and it is anticipated that a consultant will be appointed in June 2011. The work is anticipated to take 12 to 18 months, therefore reporting will take place in the second half of 2012.</p>
St1.3	<p>Increase levels of access and usage of public transport</p> <p>Target: Increase 5% back to 2008/09 levels</p> <p>45% coverage of population to Demand Responsive Transport</p>	Head of Transport	Ongoing to August 2016	<p style="text-align: center;">GREEN</p> <p>Continuing to work on the approach to packaging contracts.</p> <p>Northern Periphery Programme funded pilot project to be undertaken summer 2011 to explore scheduling software to support development of Demand Responsive services.</p>

Other Strategic Actions:

- Refresh of Regional Transport Strategy, taking into account the outputs from the Scenario Planning process, and the developing Local Development Plan and Local Housing Strategy. It will also be important that the conclusions from the Fixed-Link work is taken into account.

2.3 Financial:

- Revenue Budget for 2011/12: **£15,902,960**
- Estimated Outturn 2011/12: circa. **£16,500,000** if we can't find means of mitigating fuel price increases.
- External Funding Achieved / Proposed: **Achieved £257,959 / Proposed £10,000**
- Actions to deliver Savings and Assessment of Progress / Meeting Targets

All savings approved as part of the Budget Reduction Proposals for 2011/12 will be met, but not always using the original proposals:

Proposal Detail	Approved Savings	Actual Savings
Reduction in travel and consultants budgets - use technology such as video conferencing and Webex. Implementation 2011/12 - permanent saving.	5,000	5,000
Procure fuel more cheaply. Each 1 pence per litre reduction reduces fuel bill by £45,000 at current service levels. If we can find fuel at 2 pence per litre less* (CGCoPE framework agreement) then £90k saved. Implementation 2011/12 - permanent saving.	90,000	RED Currently abandoned due to unforeseen significant increase in fuel, but are looking into heating oil costs. Budget pressure of £620,000.
Reduce price of Foula Ferry Contract through negotiating a different specification and delivery method. Implementation 2011/12 - permanent saving.	115,000	Tenders have been received, but information checking still to be carried out.
Carry out more maintenance of aircraft in Shetland - requires approx £10k investment in equipment at Tingwall - Spend to Save scheme. Implementation 2011/12 - permanent saving dependent on availability of Spend to Save funding. <i>Transport Services have invested in a hanger so that more maintenance can be done in Shetland.</i>	7,000	Uncertain, seeking to revise contract to bring down costs.
Reduce the use of hired and contracted services.	17,000	17,000

Implementation 2011/12 - permanent saving.		
Ticket machine maintenance. Replace existing machines with products from different supplier resulting in reduction in annual servicing costs. This is a spend to save measure requiring capital investment. Implementation 2011/12 dependent on availability of Spend to Save funding - permanent saving.	45,000	Uncertain – departmental review
Increase income through selling advertising space on variable message signs and on ferries. Implementation 2011/12 - permanent saving.	10,000	10,000, savings will be made by another means.
Increase air fares for non-island residents - conservative estimate at this stage - more work required. Implementation 2011/12 - permanent saving.	20,000	Uncertain, Proposal does not comply with PSO definition and EU Legislation. Seeking to revise contract to bring down costs.
Increase charges to external customers for mots, servicing and checks. Implementation 2011/12 - permanent saving.	10,000	10,000
No out of hours service at Gremista Garage - reduced overtime. Implementation 2011/12 - permanent saving.	8,000	8,000 Reduction of overtime has been achieved through a different method.
Merge all booking services for ferries into one location - one less staff member required. Implementation 2011/12 - permanent saving.	25,000	Unable to achieve in 2011/12, although savings have been achieved by a different method.
Rationalisation of use of staff to cover operations at Tingwall Airport, Gremista Garage and Viking Bus Station (dependent on adjustment of operating hours at airport), Whalsay Garage. Implementation 2011/12 - permanent saving.	100,000	Red Significant HR input required as Terms and Conditions of contracts would need to be changed. However,

		alternative measures are being implemented within constraints and £100,000 will be achieved.
Whalsay Service - make Hendra the shift boat and Linga the day boat with resulting saving in fuel - Note this will require changes in terms and conditions for staff and will require appropriate time and resources to resolve. Implementation during 2011/12 - permanent saving.	50,000	One year saving
Increase fares by 5% over the 5% already agreed for 2011/12. Implementation 2011/12 - permanent saving.	73,000	Uncertainty. Monitoring to be carried out to establish whether travel has changed as a consequence of fare increases. If travel hasn't changed this will be realised. If less travel is taking place (e.g. due to car sharing or people leaving cars on mainland and travelling instead as foot passengers) then income may be lower than forecast.
Introduce a fuel surcharge of 5% on fares - if fuel prices come down again then the fuel surcharge can be removed. Implementation 2011/12 - permanent saving to offset fuel price increases.	73,000	Ditto
TOTAL	£648,000	£340,000

2.4 Capital Assets:

- Consequences of many years of little planned maintenance and refurbishment are now manifesting themselves in the form of deteriorating plant and infrastructure.
- Ferry terminals being used beyond their intended lifespan, so there are issues regarding reliability and may result in them being unserviceable or unusable. This is to be addressed as part of the Fixed Link Strategy.

2.5 Community Issues / Stakeholder Issues:

- The Transport Service has gathered a lot of knowledge: the STAG s and other means have highlighted a feeling of vulnerability in communities. There is recognition that it may be difficult for the Council to sustain transport links, and this is affecting people's decisions about where they choose to live as well as the overall confidence of communities in their future.

2.6 Staffing:

- The outcome of Single Status hearings, still ongoing, may affect recruitment and retention.
- A reduction in staffing will impact on the level of work the service is capable of doing (professional staff).
- Human Resources reviews of employee contracts associated with the rationalisation of staff to cover operations at Tingwall Airport, Gremista Garage and Viking Bus Station (dependent on adjustment of operating hours at airport), Whalsay Garage.
- Potential to deploy staff for temporary periods.

2.7 Systems / ICT:

- Development of Taxi database software, ongoing.
- Ferry and Bus Ticketing system.
- Lack of support outwith office hours.

2.7 Summary of Known Risks:

- Rising cost of fuel.
- Rising costs associated with transport becoming a professional area of work, for example, Certificate of Professional Competence (CPC) qualifications for bus drivers, which is likely to increase costs when re-tendering, as well as rising cost of fuel.

- Unable to plan for change without overall strategic direction and priorities in place, for Shetland.
- Previous under investment in assets is starting to have an impact on resilience of the services.
- Unable to meet all 2011/12 savings, due to insufficient lead in time (although service will look for other ways to make savings).

Summary of Priorities for Future Years:

- Internal Efficiencies: savings that have not been met this financial year could potentially be met in the next financial year.
 - Merge Booking Office Services (£25,000)
 - Rationalisation of staff covering Tingwall Airport, Gremista Garage and Viking Bus Station (dependent on adjustment of operating hours at airport) (£100,000)
 - Whalsay Service - make Hendra the shift boat and Linga the day boat with resulting saving in fuel - Note this will require changes in terms and conditions for staff and will require appropriate time and resources to resolve. (£50,000)
 - Merger of Fleet Management Unit and Sellaness Shore-Based Support Services
 - Completion of a robust and well developed Fixed Links strategy
 - Effective integration of transport planning and delivery aligned with overall ambitions and priorities for Shetland.
- An understanding that if all internal efficiencies are met, customers would be willing to accept that Transport Services need to change.