

**SHETLAND ISLANDS COUNCIL**

## **THE CASE FOR A TRANSPORT PARTNERSHIP FOR SHETLAND**

**SUBMISSION TO THE MINISTER ON  
PROPOSALS FOR STATUTORY REGIONAL  
TRANSPORT PARTNERSHIPS**

**24 June 2005**

*RE0107010/DW*

**Shetland Islands Council  
Town Hall  
LERWICK  
ZE1 0HB  
Tel: 01595 693535  
Fax: 01595 744509**

<b>1.</b>	<b>INTRODUCTION AND CONTEXT</b>	<b>1</b>
<b>1.1</b>	<b>Introduction: This Submission</b>	<b>1</b>
<b>1.2</b>	<b>The Role of RTPs in achieving Ministerial Objectives in Transport</b>	<b>2</b>
<b>1.3</b>	<b>The Consultation Process on RTPs</b>	<b>3</b>
<b>2.</b>	<b>SHETLAND TRANSPORT IN CONTEXT</b>	<b>5</b>
<b>2.1</b>	<b>Shetland’s Vision and Ambitions for Transport</b>	<b>5</b>
<b>2.2</b>	<b>The Expressed Transport Needs of Shetland’s Population</b>	<b>6</b>
<b>2.3</b>	<b>Transport Realities for Shetland</b>	<b>8</b>
2.3.1	Air Transport to and from Shetland	8
2.3.2	Air Transport within Shetland	10
2.3.3	Sea Transport to and from Shetland	11
2.3.4	Sea Transport within Shetland	13
2.3.5	Land Transport: Roads	15
2.3.6	Land Transport: Buses	16
<b>2.4</b>	<b>Previous Considerations of Transport Organisation and Governance</b>	<b>16</b>
<b>3.</b>	<b>A TRANSPORT PARTNERSHIP FOR SHETLAND</b>	<b>18</b>
<b>3.1</b>	<b>Form of RTP Best Able to Achieve Ministers’ Transport Objectives</b>	<b>18</b>
<b>3.2</b>	<b>Congruence with the ‘Efficient Government’ Initiative</b>	<b>18</b>
<b>3.3</b>	<b>Other Dimensions of RTPs</b>	<b>19</b>
<b>3.4</b>	<b>Strategic Assessment of Options</b>	<b>20</b>
<b>4.</b>	<b>SUMMARY: WHY A SHETLAND TRANSPORT PARTNERSHIP?</b>	<b>22</b>
<b>1.</b>	<b>APPENDIX 1: MAP OF KEY ACCESS ROUTES FOR SHETLAND</b>	<b>24</b>
<b>2.</b>	<b>APPENDIX 2: TRAVEL ISSUES FOR SHETLAND NHS BOARD</b>	<b>25</b>

# 1. INTRODUCTION AND CONTEXT

## 1.1 Introduction: This Submission

This is a submission to the Scottish Ministers by Shetland Islands Council, supported by its Community Planning Partners, on an issue which is vital for the future wellbeing of the islands and their communities: the shape of the regional partnership which will largely determine local policies and resourcing of transport for Shetland in future.

The inherent sensitivity and salience of transport issues for the Shetland economy and the quality of life of its inhabitants can hardly be over-stated. Shetland is the most distant island group from Scottish and UK centres of government, commerce and specialist services and it is the most expensive for its inhabitants or visitors to travel to or from. The cost of supporting relatively ‘thin’ but vital transport routes (irrespective of the level of fares charged) is an on-going concern for both the Scottish Executive and the Islands Council, requiring a constant three-way balance between fares imposed, support costs incurred and service levels provided to sustain viable communities. The range of incomes of its inhabitants is wide and the affordability of transport is, in consequence, a particularly sensitive factor in social inclusion.

Ministers wish to create statutory regional transport partnerships (RTPs) which together will encompass the whole of Scotland, allocate every part of Scotland to just one RTP, but allow local authority areas (where appropriate) to be split between two or more RTPs. They have proposed groupings and boundaries<sup>1</sup> on which *inter alia* they have invited responses. This submission reviews the proposed inclusion of Shetland in a Highlands and Islands RTP (HIRTP) in that document and argues that:

- Such a grouping would be inappropriate for Shetland’s objective circumstances and damaging to all parties in its consequences – it would detract from the ability of the other proposed partners to concentrate on key issues which they share with each other, but not with Shetland; and
- there are sound reasons for adopting instead one RTP for Shetland itself, focused on its very particular circumstances. That case is strong in its own right - Shetland’s key transport links are not with the 100-500 mile distant west and north of Scotland and also have operational characteristics quite different from those of the other authorities in HIRTP. The Bill allows single-authority RTPs in appropriate circumstances.<sup>2</sup>

Shetland has a long history of self-reliance in transport and other infrastructure – because its distance from potential sources of most forms of practical help dictates that need. It embraces co-determination wherever appropriate.

---

<sup>1</sup> Page 25 of the consultation paper ‘Scotland’s Transport Future: Proposals for Statutory Regional Transport Partnerships’ Scottish Executive, October 2004, ISBN: 0-7559-3841-0.

<sup>2</sup> SIC notes that Ministers have accepted the case for a single-authority RTP for Dumfries & Galloway, but Shetland does not wish to argue its case simply on (formal) precedent – it believes that it has a much stronger, factually-based case for a single-authority RTP than has any other part of Scotland.

## 1.2 The Role of RTPs in achieving Ministerial Objectives in Transport

The transport objectives of Scottish Ministers are clearly summarised in the White Paper<sup>3</sup> of June 2004 in the following terms. They are to:

- promote economic growth by building, enhancing, managing and maintaining transport services, infrastructure and networks to maximise their efficiency;
- promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network;
- protect our environment and improve health by building and investing in public transport and other types of efficient and sustainable transport which minimise emissions and consumption of resources and energy;
- improve safety of journeys by reducing accidents and enhancing the personal safety of pedestrians, drivers, passengers and staff;
- improve integration by making journey planning and ticketing easier and working to ensure smooth connection between different forms of transport.

As stated, Shetland Islands Council can subscribe enthusiastically to these overall objectives and can even see how multi-authority transport partnerships might aid their achievement - where there are:

1. contiguous transport networks;
2. common travel-to-work areas; and
3. shared transport issues affecting all partners;

such as is commonplace in and around mainland towns and cities.

The White Paper's underlying paradigm for RTPs<sup>4</sup> assumes rather than demonstrates that these characteristics apply and, in such circumstances, it would follow that aggregation of decision-making, staffing and resourcing would be helpful in addressing transport integration and efficiency, especially for co-terminous small land-based authorities.

It is not at all clear, however, that a multi-authority transport partnership is an appropriate organisational vehicle to assist in the achievement of ministerial objectives in efficiency and integration where the transport modes and issues differ very markedly between the proposed partners, there is no shared transport network nor contiguous areas. In such a context, which applies particularly strongly to SIC, shared decision-making and funding would serve only to lessen concentration on the key issues for each authority, confuse governance and reduce transparency in the decision-making process for local transport.

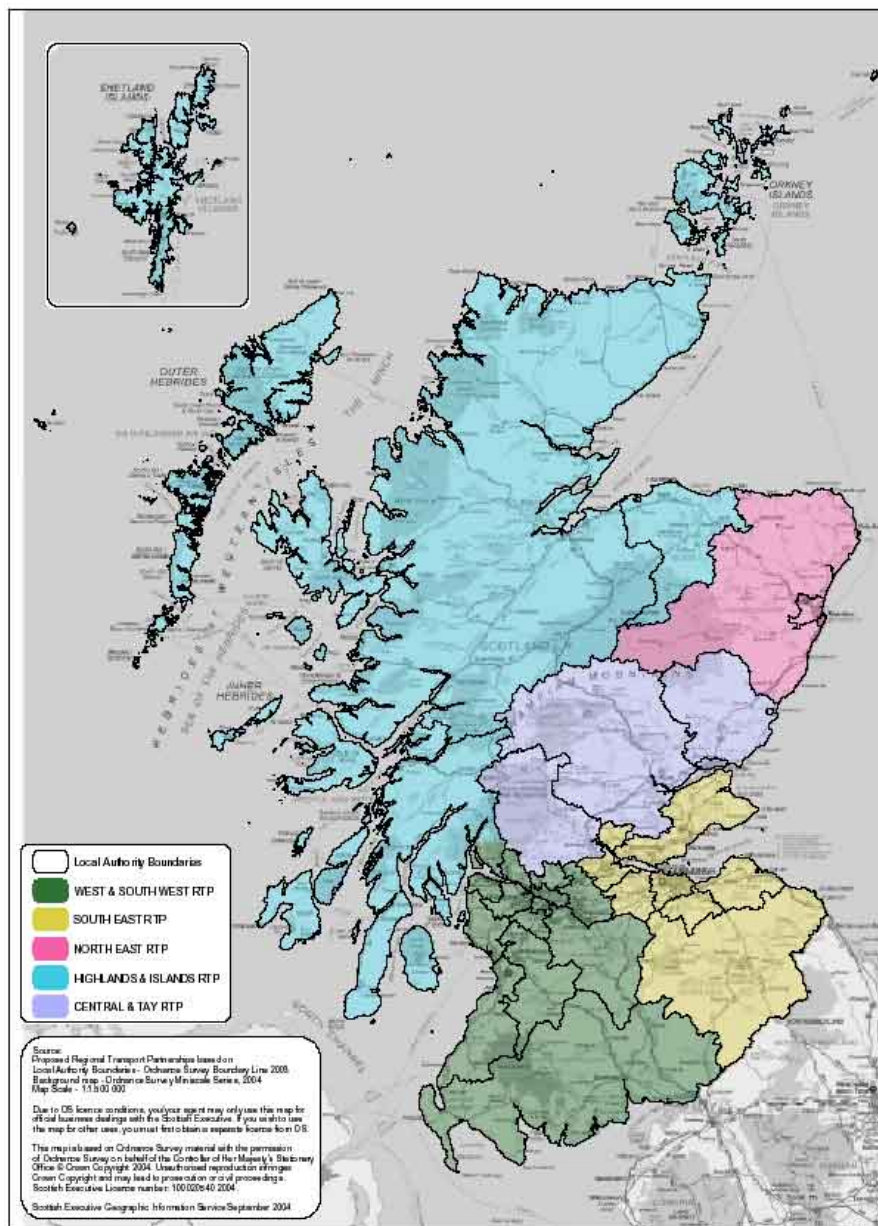
---

<sup>3</sup> Section 2 of 'Scotland's Transport Future' - at <http://www.scotland.gov.uk/library5/transport/stfwp-06.asp>.

<sup>4</sup> see paragraphs 5.12 to 5.24.

### 1.3 The Consultation Process on RTPs

Ministers made specific proposals for the pattern of RTPs across Scotland in the October 2004 consultation paper ‘Scotland’s Transport’ already referenced. Five groups of authorities<sup>5</sup> were proposed there, with Shetland shown within a Highlands and Islands RTP with (most of) Argyll and Bute, Comhairle nan Eilean Siar, Highland, Moray, Arran and the Cumbraes from North Ayrshire and Orkney. This suggested grouping would follow the existing boundaries of the Highlands and Islands (voluntary) transport forum and is substantively the same area (less Moray) which was the subject of a major study led by the Scottish Executive in 2001 to determine whether there was an evidence-based case for the creation of a regional transport authority.



**Figure 1.3: Map of Statutory Transport Partnerships proposed in October 2004.** (Shetland is shown [as ever] in a box, but in this case one rather unusually anchored off the Western Isles rather than in the Cromarty Firth. Either obscures Shetland’s locational issues.)

<sup>5</sup> and parts of authorities – Argyll & Bute and North Ayrshire Council areas are split between two RTP areas.

The current consultation addresses four issues in the establishment of RTPs:

- boundaries ('the map');
- constitution;
- functions; and
- funding.

It is notable that the consultation paper, like the White Paper on which it is based, omits any substantive explanation of how RTPs will actually assist in the achievement of the transport objectives of Ministers or of local authorities. The text of both documents simply asserts, as in the typical example below, that statutory RTPs with responsibility for strategic transport planning will strengthen the resourcing of the function, incorporate other agencies in community planning partnerships, allow planning over larger areas and generally improve the quality of decision making:

*"Building on the success of Strathclyde Passenger Transport (SPT) and the current voluntary regional partnerships, the new statutory bodies will be able to take a strategic view of the transport needs, and offer a consistent service, for the people and businesses in their region. Journeys increasingly cross the council boundaries created in 1996, due in part to many of the council areas being relatively small and to progressive increases in the distances people travel to work. RTPs will, through agreed regional transport strategies, identify and focus effort and investment on key improvements that might be beyond the reach of individual councils. .... The current voluntary partnerships have proved that this can be achieved and our proposals for legislation are intended to take this cooperation to the next level."*<sup>6</sup>

Shetland Islands Council does not assert that such assumptions are necessarily mistaken (though it would have preferred an evidence-based approach in changing structures for transport decision-making) simply that the paradigm of a multi-authority RTP is inappropriate for its geographical and logistical circumstances and the very particular transport issues it faces. It notes that the White Paper explicitly offers<sup>7</sup>:

*"a significant degree of flexibility to enable the arrangements to be tailored to meet the distinctive needs of different parts of the country. The geographic coverage and the powers and duties of each of these new regional partnerships will be the subject of further consultation with local government."*

Ministers describe three outline models of RTPs<sup>8</sup> ranging from the base case of responsibility for regional strategy and limited powers to a 'maximalist' model which would transfer significant public transport powers.

Shetland Islands Council asks that the form of RTP eventually applied to the islands should be sensitive to its circumstances and of genuine assistance in achieving mutually-agreed transport objectives. Boundaries, focus and powers are the concerns – the authority is already convinced of the value of collaboration with partner agencies and interests on the islands.

---

<sup>6</sup> Paragraph 4 of the introduction to the October 2004 Consultation Paper: 'Scotland's Transport'.

<sup>7</sup> at Sections 5.14 and 15.

<sup>8</sup> At Section C of the October 2004 consultation paper 'Proposals for Statutory Regional Transport Partnerships.'

## 2. SHETLAND TRANSPORT IN CONTEXT

### 2.1 Shetland's Vision and Ambitions for Transport

Shetlanders do not see themselves as peripheral to Scotland<sup>9</sup>. They see themselves as central to the North Atlantic and to economic activity in the region, in particular in fisheries and in oil exploration and extraction. The strategic interests of Scotland and the UK lie in facilitating a Shetland which is confident, outward-looking to the whole North Atlantic rim, and capable of acting as an effective logistical base for future economic activities, including support to the potential exploration and extraction of oil from Faroese waters.

Though much more distant from the Scottish mainland than the other main island groups, and with much longer sea and air access routes, Shetland has arguably succeeded better in retaining its population and economic viability against the general trend of movement to the central belt of Scotland and beyond<sup>10</sup>. Nevertheless, depopulation is a constant threat and effective, reliable and (relatively) affordable transport remains absolutely critical to the sustainability of the communities and the economy of Shetland, which means that the current proposals to change the context of transport decision-making have a particular resonance for these islands.

The geographical position of Shetland, one hundred miles north of its nearest neighbour, Orkney, unavoidably imposes severe constraints on the potential for collaboration and resource-sharing which is assumed throughout the current proposals for Regional Transport Partnerships. If Shetlanders have traditionally sought to solve their virtually-unique transport needs<sup>11</sup> by their own initiative – as they have, with welcome support from UK and Scottish Ministers – it has been for the sound reasons that these needs are great and that agencies operating remotely are unlikely to fully understand them or to be able to contribute practically and directly to solving them. Shetlanders must, therefore, critically assess the appropriateness of the current proposals for a RTP in the context of their strategic needs and the constraints of geography.

Shetland Islands Council (SIC) has demonstrated that it can operate effectively, through appropriate organisational vehicles such as Partnerships, Trusts and Companies, to develop its own economy and transport links. Unlike any other local authority it directly operates many ferry routes using its own large and modern ferry fleet – which is second only in Scotland to that of

---

<sup>9</sup> The mapping which places 'Shetland in a box' is misleading – it obscures Shetland's real locational issues.

<sup>10</sup> Shetland's population fell from nearly 30,000 in 1901 to 17,582 by the 1971 census but increased by 35% to 22,768 by 1981 due to the 'oil boom'. It is now relatively stable at just under 22,000 – but sustainability cannot be taken for granted.

<sup>11</sup> It needs to be stressed that Shetland's need for, and practice of, self-reliance in major infrastructure projects long pre-dates its receipt of oil revenues – the most substantial example of this is the Burra and Trondra Bridges project of the predecessor authority, Zetland County Council. The two bridges, with associated roads, connect Burra Isle to Trondra, and Trondra to the Shetland Mainland, at Scalloway. They were planned by ZCC, designed in association with Consultant Engineers and completed in 1971. They are each of 153 metres span and their construction costs at today's prices would be £3m to £4m each. The population of the linked islands has substantially increased since then.

Caledonian MacBrayne - and has (through a Trust) a significant stake in a major Scandinavian cruise and ferry company, the Smyril Line. Its directly-managed ferry services transport approximately three times as many passengers, four times as many cars and more commercial vehicles than do the 'access' ferry operators, albeit on shorter inter-island crossings. It has developed its own essential roads and transport infrastructure to address its inhabitants' needs and cope with difficult terrain and climate. It has long experience of operating local airports and works closely with Highlands and Islands Airports Limited (HIAL) the wholly-owned public operators of its main 'gateway' airport at Sumburgh, for example in achieving the extension of its main runway.

## **2.2 The Expressed Transport Needs of Shetland's Population**

Shetland Islands Council regularly consults its partner agencies in a Transport Forum for the islands and seeks the views of the general population on travel and transport through surveys and its own consultative panel 'Your Voice'.

The findings of the most recent independent transport survey by NOP, using a telephone quota survey of 520 adult residents, were published in November 2000 and were that, of the 75% of respondents who reported that they had travelled to the UK mainland in the preceding year:

- the final destination of all who reported that they had travelled out of Shetland in the previous year was reported as Aberdeen 31%, elsewhere in Scotland 29% elsewhere in the UK 23% and outside the UK 16%. The comparable figures for those who intended to travel to the mainland were 27%, 25%, 23% and 10% - the remainder did not know;
- about 75% took an average of two trips by plane. Only some 20% of flights were made for business purposes, with 80% of travellers using the plane for social, health, leisure or other reasons;
- the reason given for flying was disproportionately (59%) that it was faster than the ferry alternative, whilst reasons for preferring the ferry were in the same proportion that it was cheaper than flying;
- there was wide concern that fares were too expensive, even though 60% of the respondents who had recently flown obtained a reduction. about 75% of the sample had paid their own fare. In the 16-34 age group, 62% of those who had not travelled recently had been prevented from doing so by high fares.

Shetland's citizens' panel 'Your Voice' has 600 members chosen by stratified sampling to be representative of the overall population. Two reports per year are published on the panel's responses to the latest consultations, which are conducted and reported by an independent agency. Transport issues are constantly cited as the most important, or amongst the most important, of Shetland's concerns. Examples from the two most recent reports are:

**(from the June 2004 edition of ‘Your Voice’, section 2.1):**

*“The five main issues (about Shetland) which people liked least were:*

- 1. transport / delivery costs / cost of travel to mainland UK / airfares (17%);*
- 2. Inadequate public transport / too far to the shops and leisure etc. (10%);*
- 3. litter / rubbish / disregard for environment (9%);*
- 4. lack of good eating places / cinemas / good shops / post office (9%);*
- 5. Not enough facilities for young people / lack of entertainment (9%).*

*... Sixty one percent of respondents said that they found something difficult about living in Shetland. A variety of different issues were raised, however the dominating issue was the cost of travel to the mainland.*

(When asked to indicate the five most important service priorities to be addressed on behalf of the Shetland Community [section 2.3] responses were):

- 1. Creating jobs (33%);*
- 2. Developing external travel links (31%);*
- 3. Diversifying the Shetland economy (31%);*
- 4. Marketing Shetland (28%); and*
- 5. Treating people with ill health (25%).”*

**(from the February 2005 edition of ‘Your Voice’, section 2.1):**

*“When asked ‘if you had absolute authority over Shetland, what would you do to improve the quality of life for everyone who lives here?’ a variety of responses were given, a common theme was the reduction in the costs of transport both to and from the islands on planes and ferries and within the islands through cheaper petrol and road tax.*

*When asked ‘if (you) could change one thing, what would that be?’ a large proportion of respondents indicated that it would be cheaper travel costs both to and from the islands and within the islands.*

*Respondents indicated that in their view the biggest danger that Shetland faces in the next five years (is) depopulation of the islands.”*

The vital importance of maintaining effective transport provision for Shetland, if the population is to be sustained in the face of unusually severe logistical and financial difficulties, is evident in all public consultations in Shetland.

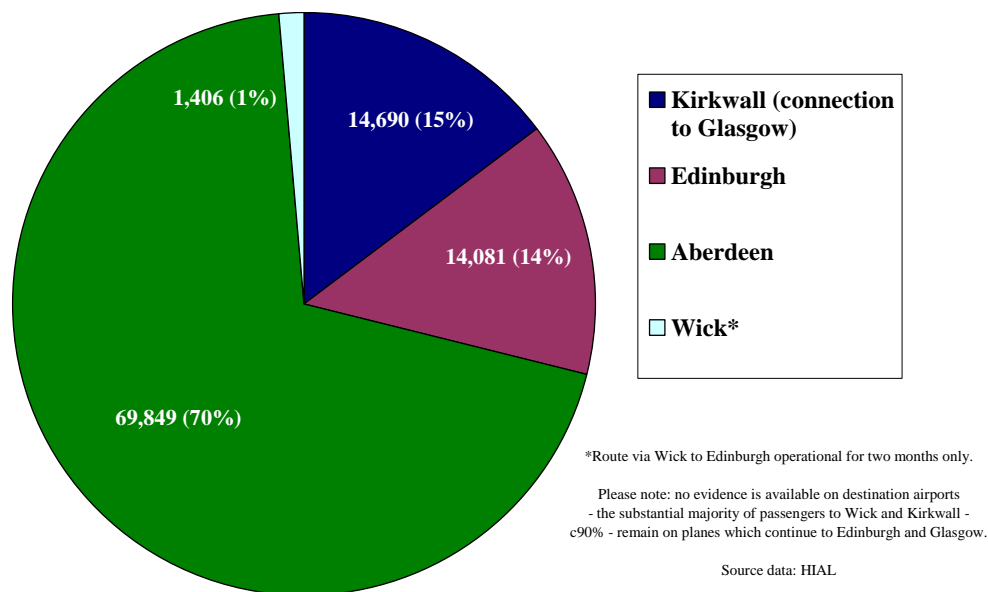
## 2.3 Transport Realities for Shetland

### 2.3.1 Air Transport to and from Shetland

**Sumburgh Airport<sup>12</sup> is Shetland's air 'gateway'** to the UK and Scandinavia and is vitally important, both in numbers of travellers and in speed of access compared to other modes. Air services are a lifeline for the islands, meeting a wide range of needs. For Shetland people these services cater for social, educational, leisure, health and business travel. Those visiting the islands depend on air transport whether they come as tourists, business travellers, oil workers or representatives of public or voluntary agencies. The summertime scheduled air service to Oslo (which operates at a frequency of two flights per week) is, like the direct Smyrl sea connections to Faroe and Scandinavia, important in strengthening the basis of Shetland tourism.

Passenger movements through Sumburgh have, in recent years, been just over one hundred thousand adults per annum. The airport typically also handles in excess of one thousand tonnes of urgent and premium freight per annum. 'Shetland in Statistics' gives the total for passenger traffic in 2003 as 127,865 and, for freight, 1,046,013 kilogrammes (equivalent to 1,050 metric tonnes).

**Figure 2.3.1: Routes flown by Passengers via Sumburgh in 2004.**



Direct scheduled passenger flights from Sumburgh currently go to:

- Aberdeen – five flights per day;
- Edinburgh – one flight per day;
- Glasgow – one flight per day;

<sup>12</sup> Base information for this and following sections was taken from 'Shetland in Statistics' Shetland Islands Council Development Department ISBN 0 904562 40 9, research for an earlier Report on HIITA, HIAL Annual Reports and operational data. See the earlier SIC 'Business Case for the Transfer of Sumburgh Airport to the Ownership and Operation of Shetland Islands Council.' September 2001.

- Kirkwall – one flight per day;
- Wick – one flight per day, most passengers continuing to Edinburgh.

The three cities are the destinations (either intermediate or final) of most (estimated at some 88%) of Shetland passengers whilst Glasgow and Inverness airports are the key destinations for businesses and people in Argyll, Highland and Western Isles.

Sumburgh Airport is located at the southern tip of the Shetland Mainland, immediately north of Sumburgh Head and some 25 miles by good road south of the main population centre at Lerwick. The location is the only part of Shetland capable of accommodating the length of runway required for current and future aircraft capable of maintaining a service to the mainland. The airport has been able to land BAE 146 and Boeing 737 aircraft in the past and the main instrument runway (09/27) is being extended to be able to handle new regional jet aircraft in all weather and payload conditions<sup>13</sup>.



**Figure 2.3.1b: Location of Sumburgh at Shetland’s southern point.**

The current works to extend the main (east-west) runway is a highly-relevant example of the need, and capability, of Shetland-based agencies to work together to achieve a cost-effective solution to Shetland’s infrastructure issues. Following the failure of internationally accredited consulting engineers engaged by HIAL to come up with a deliverable solution to create a longer runway at Sumburgh, the Islands Council produced several alternative technical solutions for consideration by the airport management and HIAL. Local expertise overcame the potentially problematic wave erosion to the west and water depths which limit extension to the east: the placement decisions and the rock armouring used in the eventual solution was based on the Islands Council’s infrastructure experience in marine engineering in the islands. Implementation relies on the Shetland-based earth moving equipment and

<sup>13</sup> It also has a Helicopter Runway (06/24) which was opened, together with the extended terminal, in 1977.

expertise of the Lerwick contracting firm which won the sub-contract for this, as for most such work in Shetland, in large part because of the disproportionate costs of importing heavy plant.

Sumburgh has excellent facilities in the terminal, workshops and other buildings. Because of its location, fog can be a problem at Sumburgh, though this is largely seasonal and can be addressed through improvements in its ground lighting and aircraft landing systems. The Shetland Islands Council proposals to lengthen the shorter fixed-wing runway beyond the 1199 metres minimum specified for CAA 'code 2' status, but incorporating combined starter strips, will provide the 1349m take-off run required to ensure full CAA compliance and accommodate jet aircraft.

The pattern of air transport to and from Shetland is unlike that for the Western Isles and Inner Hebrides in that it requires longer range operations and is exclusively concentrated on one receiving airport (Sumburgh). Shetland's key partner airports on the mainland lie in eastern and central Scotland, with few flights to airports within the proposed HIRTP (and these essentially transit flights with stop-overs for the convenience of locals). Though not at present subject to a PSO, the Shetland services will, for good operational reasons, be tendered separately as a PSO in future. It is difficult to see where further synergies or efficiencies could be found in access flights through a HIRTP.

The cost of flights, more than the frequency of service, is the key issue for Shetland: it typically costs much more to fly from Sumburgh to one of the central Scotland airports than from that airport onward to London or destinations in Europe. The level of fares on access flights is at least as important an issue for Shetland as for communities on the western seaboard.

### **2.3.2 Air Transport within Shetland**

Internal air operations in Shetland are based at Tingwall Airport, six miles north-west of Lerwick, which has handled about 4,000 passengers per annum from the mid-1990s on inter-island flights. Its location limits it to small planes as it is hemmed to the north by converging ridges and to the south by the Lerwick-Weisdale road, restricting its runway length to just 740 metres and so restricting the types and size of aircraft which can use it, and their payloads.

The cost to the Islands Council of operating Tingwall Airport in 2004/05 was £124,000 gross, less £66,000 of income generated – a net annual cost of £58,000. It spent £221,000 gross operating all its other airfields in Shetland, less £141,000 of income generated - a net cost of £80,000. These costs are considered to be moderate in terms of the social and economic benefits of maintaining internal air transport capability, and to be consistent with best value to the Council and to the population. Shetland Islands Council supports the air services themselves – the flights – by Public Service Obligation (PSO) payments to operators which totalled £335,000 in 2004/05.

Shetland Islands Council has rationalised its provision of airstrips and services over recent years in favour of more cost-effective ferry provision for travel between the main islands of the group, most recently in the 2002 closure of

Unst Airport when demand collapsed following closure of a military facility. It currently supports internal air services as shown below (2003 figures):

<b>Airfield</b>	<b>Passengers</b>	<b>Aircraft movements</b>	<b>Comment</b>
<b>Fair Isle</b>	2,248	635	Moderate growth trend (seasonal tourism)
<b>Fetlar</b>	n.a.	n.a.	Became unviable: closed late 1980s
<b>Foula</b>	1,720	542	Growth trend (seasonal tourism)
<b>Papa Stour</b>	448	219	Moderate growth from low base
<b>Skerries</b>	1,024	476	Growth trend.
<b>Whalsay</b>	n.a.	n.a.	Replaced by improved ferry service 1990s

**Figure 2.3.2: Internal air services procured by SIC through PSOs**

PSO contracts for Shetland’s internal air services are tendered separately, by SIC, and the Islands Council has always shown itself to be realistic in rationalising its own airport provision and support for services in favour of more cost-effective solutions (essentially a strategy of inter-modal shift towards ferries). This has not been achieved in other areas which are proposed as Shetland’s partners in a HIRTP: what few synergies in air tendering expertise there may be in a HIRTP appear minor and liable to be more than off-set by lesser rigour in pursuing efficiencies through a disparate grouping of interests.

### **2.3.3 Sea Transport to and from Shetland**

Shetland is unique within the proposed HIRTP in having direct external ferry links to Faroe (and on to Iceland), Denmark and Norway as well as to the UK. The non-UK links are operated as ‘loop’ services by the Smyril Line which is partly owned by a Shetland Trust. The services operate with a frequency of one ferry per week in October, November and December, two per week in late April, May and September and three per week for the three summer months. The service assists in business links with the continent but is particularly useful in providing a major boost to the tourism sector of the local economy. This service would be of little or no direct interest to Shetland’s proposed partners in a HIRTP.

The UK Northern Isles ferry service – currently operated by Northlink – is markedly different in its technical requirements from the Clyde, Western Seaboard or main short-sea crossings to Orkney, and is tendered separately from them. It requires deep-water capability and a longer, overnight shuttle service rather than the shallow-draft vessels required for the western seaboard or the multiple daily sailings typical of the Clyde, western or Pentland Firth routes. It does not share the ‘commuter’ characteristics of the Clyde services.

With the current Northlink service fares (especially students fares – usefully for the many Shetland students in Aberdeen) have risen less steeply or have actually reduced and this is reflected in increased usage of the route from 2004 onward. They remain, though, significantly higher than the general level of fares for the Clyde, western and Pentland Firth ferries. The most recent figures available for services into or out of Lerwick are shown in Figure 2.3.3 overpage.

The active collaboration of Lerwick Port Authority has assisted SIC greatly in achieving many of the ferry and freight objectives of its transport strategy.

2004-05	Passengers		Cars		Passengers		Cars	
	Le-Ab	Ab-Le	Le-Ab	Ab-Le	Le-Ki	Ki-Le	Le-Ki	Ki-Le
April	3346	4624	568	758	1127	345	86	99
May	3792	4175	623	759	565	106	102	106
June	5576	5495	942	1011	505	127	228	180
July	7838	7555	2409		601	112	537	
August	6733	7019	990	1087	1736	1807	253	217
Sept	4274	3940	785	745	817	801	136	123
October	4429	4596	703	751	597	581	115	119
November	2601	2879	433	543	180	181	34	28
December	2694	3058	487	483	167	174	38	35
January	2626	2503	370	444	137	141	38	33
February	2016	1972	348	356	116	119	28	18
March	3044	3285	538	576	281	304	55	56
<b>TOTALS:</b>	<b>48,969</b>	<b>51,101</b>	<b>9,196</b>	<b>7,513</b>	<b>6,829</b>	<b>4,798</b>	<b>1,650</b>	<b>1,014</b>
	<b>100,070</b>		<b>16,709</b>		<b>11,627</b>		<b>2,664</b>	

**Figure 2-3.3: Passenger and Car Traffic on Northlink 2004/05**

(Source: Northlink. Note that Jul 04 data for accompanied cars is total for route, not split by direction.)

The most significant implications from this data are that:

- direct Shetland-to-mainland passenger traffic was 89.6% of the total carried by Northlink in or out of Lerwick in 2004;
- conversely, just over 10% of passengers through Lerwick left the ferry at Kirkwall (probably most for onward travel across the Pentland Firth);
- seasonal variations are important, with a July peak in mainland sailings of nearly four times the February figures.

Shetland's key 'gateway' for ferry passengers and freight to the UK is Aberdeen, which unhelpfully forms no part of the RTP which is now proposed for Shetland. This is a different sea transport partner with no relevance to most of the population, economy or transport logistics of the proposed HIRTP. Though the service to Aberdeen is currently also one of the available options for Orcadians it is of less importance to most, and used much less, than the shorter and markedly cheaper ferry services across the Pentland Firth to small ports in Highland Council's area.

The characteristics of support services available to Shetland through a single large (if distant) city-port contrast markedly with those typical of the western and northern seaboard, with multiple small harbours. Shetland has a deep service relationship with Aberdeen in respect *inter alia* of oil and other economic activity, commerce, tertiary education and (most salient to Shetlanders) NHS health care contracts<sup>14</sup>. It is of vital importance to Shetland that its regional transport strategy places continued access to these services at

<sup>14</sup> See appendix 2 on the Shetland NHS Board's transport issues and required linkages. Please note that even in the case of the institutional linkage with the Highlands and Islands for Fire and Police Boards, operational oil-related policing is provided by Grampian Police.

its core – yet this would be of no relevance to most of the population of the proposed HIRTP or their representatives.

It is difficult to discern any potential operating synergies between the Northern Isles ferry services and the other contracted ferry operations in Scotland, in terms of ships or crews, which a HIRTP might help realise. Within a HIRTP the Northern Isles contract would be of central importance to Shetland, of some interest to Orkney (balanced by its greater reliance on the Pentland Firth services) but of no interest to other partners.

### **2.3.4 Sea Transport within Shetland**

Shetland Islands Council is unique in the UK, let alone the proposed HIRTP, in being the only local authority to operate a major ferry operation and procure ships and associated infrastructure in its own right. The scale of operations is large, indeed only second in Scotland to the aggregate of CalMac operations in terms of passenger numbers. In 2003 the total number of passengers carried on internal SIC-operated ferries was 687,384 compared to 81,185 recorded (one-way) to Lerwick on the Northlink service. On a comparable basis, the internal SIC ferry operation carried well over 4 times as many passengers in 2003. SIC ferries also carried 319,531 vehicles in that year whilst Northlink carried 14,918 vehicles on the Aberdeen / Lerwick route.

Overall passenger numbers on Shetland's internal ferry services increased by approximately 5% per annum over the five years 2000 to 2004 and vehicle numbers by approximately 7% per year over the same period. The gross cost of SIC's ferry operations is approximately £15m per annum, with fare income of just under £2m and a resultant net cost of some £13m per annum. This clearly represents a high level of public subsidy, but one which SIC considers is justified in order to achieve crucial sustainability and social inclusion goals.

The analysis of passengers and vehicles transported by SIC's internal ferries in 2004 is shown overleaf.

Shetland has demonstrated its willingness in the past to face up to hard inter-modal decisions in a transport strategy of withdrawing less cost-effective flights and airports in favour of ferry links. It is now considering whether there may be cases where some ferry services could cost-effectively be replaced by fixed links, yielding a double benefit of robustness of transport routes in stormy conditions and significantly lower operating costs. SIC is well aware that any such proposals would have to be based on robust ('Green Book'<sup>15</sup> compliant) business cases with financial modelling of net present values of both capital costs and revenue implications in order to gain the support of Scottish Ministers.

Shetland Islands Council considers that the robust analysis required for any future 'fixed link' strategy – necessary in the interests of financial realism – would be facilitated by a Shetland RTP and hindered by forced inclusion of Shetland in a much wider HIRTP.

---

<sup>15</sup> 'The Green Book: Appraisal and Evaluation in Central Government', 3<sup>rd</sup> Edition, published by HM Treasury in April 2003. ISBN 0 11 560107 4.

**Figure 2-1: Passengers and vehicles carried on internal ferry services in Shetland in 2004.**

<b>Internal ferry traffic in 2004</b>	<b>Bressay</b>	<b>Fair Isle</b>	<b>Fetlar</b>	<b>Foula</b>	<b>Papa Stour</b>	<b>Skerries</b>	<b>Unst</b>	<b>Whalsay</b>	<b>Yell</b>	<b>Total</b>
<b>Population:</b>	353	68	87	42	35	87	1,067	1,043	1,083	
<b>Annual growth rate Pax 2000-04</b>	3.65%	-1.12%	5.02%	-6.5% (statistically insignificant)	12.99%	7.41%	8.03%	3.15%	5.75%	<b><u>4.90%</u></b>
<b>Passengers 2004</b>	<b>212,957</b>	<b>790</b>	<b>22,311</b>	<b>17</b>	<b>2,625</b>	<b>5,784</b>	<b>123,039</b>	<b>154,350</b>	<b>231,249</b>	<b><u>753,123</u></b>
<b>Vehicles</b>	<b>71,230</b>	<b>5</b>	<b>12,704</b>	<b>0</b>	<b>57</b>	<b>2,588</b>	<b>67,104</b>	<b>74,885</b>	<b>123,604</b>	<b><u>350,177</u></b>

### 2.3.5 Land Transport: Roads

Shetland Islands Council spent £4.68m (excluding capital charges) on roads maintenance in 2004/05, £3.88m (83%) through its DLO and £0.58m (12%) in using private contractors. Its winter maintenance budget in that year was £0.99m, £0.48m or 48% on DLO costs and most of the balance equally split between vehicle maintenance and salt supplies, forecasts and other services. Its capital programme of £2.89m was split into the £1.36m annual cost of its rolling programme and other capital expenditure on roads of £1.53m.

The roads network comprises:

- A class roads: 224.6km;
- B class roads: 161.7km;
- C class roads: 198.5km;
- unclassified roads (mostly single-track): 459.9km.

The alignment and condition of the main roads is largely good, but the numerous lengthy side roads, though important for prosperity and social inclusion, require substantial maintenance and improvement. Shetland has some stretches of road over deep peat but nothing to compare with the problems in this regard in the western highlands and the Western Isles.

SIC maintains a dedicated roads workforce of some 85 in order to cope with core winter maintenance requirements, with employees in other relevant infrastructure areas called on as necessary. It has 25 plough/salting units, most demountable from vehicles which can be used for other purposes. It maintains capabilities in cold planeing and tarmac laying because it would be financially and logistically next-to-impossible to source such capability externally on a contract basis. A multi-skilled and flexible workforce is essential, especially where there are low staffing numbers in remote locations. The ability to divert workers on to other work at short notice is essential for efficiency, as demonstrated *inter alia* in road surface dressing: the annual work programme allows for eight or nine weeks of such work but weather dislocation normally extends the elapsed time to thirteen or fourteen weeks, so that diversion to other work can usefully employ the staff. It is unlikely that additional synergies in the use of workforces or equipment could be available at all from a HIRTP arrangement, but would in any case have a prohibitive cost.

Mainland-based private contractors are used in particular for white-lining, barrier maintenance and signage in the summer when the weather is more likely to allow programmed work to proceed. (Alternative work would in most cases not be available for specialist workforces.) Shetland-based private contractors dominate the sub-contracting market for earth-moving work and are used by all public agencies, including SIC.

Shetland has long pursued a policy of substantial self-reliance in roads matters, long before oil revenues were available. A good example is the Burra and Trondra Bridges project by the old Zetland County Council. The two bridges and associated roads connect Burra Isle to Trondra, and Trondra to the

Shetland Mainland, at Scalloway. They were planned by the then Council, designed by Consultant Engineers, and completed in about 1971. They are each of 153 metres span and their construction costs at today's prices would be £3m to £4m each. The benefit from their construction was that the population of the newly-linked islands subsequently increased considerably.

### **2.3.6 Land Transport: Buses**

SIC is responsible for commissioning and scheduling all bus services on the Islands, at a total cost (including ancillary work such as servicing bus shelters and timetabling) of some £1.0m per annum. The most important services in passenger numbers are:

1. in and around Lerwick;
2. from Lerwick to South Mainland and Sumburgh Airport;
3. from Lerwick to North Mainland and Hillswick;
4. from Lerwick to Scalloway and Burra; and
5. from Lerwick to West Mainland, Walls, Reawick and Aith, in that order.

The services are perceived as vital to social inclusion and sustainability by SIC and its community planning partners alike, and are of considerable importance to the inhabitants as shown in successive public consultations and 'Your Voice' panel responses. Bus fares have been static for two years and overall passenger numbers are increasing and in 2004/05 were 400,995.

The Council has promoted two bus partnerships with local operators (of whom there are six on the islands), the communities and the Shetland health service, with which it has special arrangements for transporting non-urgent patients.

Shetland was the first Council in Scotland to:

- meet DDA requirements on all mainline bus routes;
- provide free concessionary travel well in advance of national initiatives;
- operate quality partnership schemes (well before these were required).

It was an early provider of park and ride schemes, and made extensive provision of bus infrastructure, including some 189 bus shelters. Due in large part to the control of routes which SIC has achieved, service buses are largely integrated with school and social care transport.

Again, it is not clear what planning or operational synergies, efficiencies of scale or integration in bus operations could be achieved through forcing Shetland into a HIRTP.

## **2.4 Previous Considerations of Transport Organisation and Governance**

Shetland's strategy of substantial self-reliance in transport provision (indeed in all infrastructure provision) is not recent, neither is it fuelled by oil income. It has always considered that robust and lasting solutions to the particular

circumstances of its geography – for example in marine engineering – were more likely to be found from its own experience and that of neighbours facing similar objective circumstances. It has more often adopted solutions generated in Scandinavia than those developed for general Scottish circumstances.

Zetland County Council's response to the Wheatley Commission in the early 1970s made much the same points and the practical example of its 1971 bridge project referred to earlier reinforces this. Shetland's distance from sources of practical assistance and the costs and enduring logistical difficulties of importing men and machinery – not some perverse cultural characteristic – make it doubt the value of pooled service provision on any serious scale.

It is instructive in this context to recall the substantial study commissioned in 2000 by the Scottish Executive and partners<sup>16</sup> of options for a potential Highlands and Islands Transport Authority, a body with remarkable similarity to the proposed HIRTP in functions and area. The study was undertaken by Deloitte & Touche and included wide consultation by them with statutory agencies, transport undertakings, ports and airport operators and voluntary organisations with a direct interest in transport issues. The Minister is cordially invited to read the report of the study (volume 1) and relevant extracts from the record of consultations (volume 2). (Shetland Islands Council will be pleased to provide a copy of both volumes of the Deloitte & Touche 2001 report if wished.)

The conclusions of that comprehensive and independent study were that the basis of cohesion and communality of transport interests which would be necessary for the effective functioning of a transport agency extending from the tip of Mull of Kintyre to Muckle Flugga, simply did not exist. An extract from section 8.3 of that report summarises the matter well:

*“A basis of cohesion, shared circumstances, and commitment to, the establishment of a HIITA in any fully developed form does not appear to exist at present. Shetland's circumstances, in particular, may be best addressed by direct empowerment in those matters which concern its people most: ferry and air services. The authority has a good claim to expertise and to evidence of sound judgement in transport matters.”*

In the considered view of SIC, circumstances still require that conclusion four years on.

In September 2001 SIC requested that the then Minister for Transport should transfer the ownership and operation of Sumburgh Airport to Shetland Islands Council. The business case which accompanied that request identified additional synergies between Sumburgh Airport resources and operations and those of SIC which could be more readily achieved under such an arrangement. Although the Minister did not eventually agree to the transfer, improved arrangements for consultation and collaboration have nevertheless allowed some of these efficiencies to be achieved. It is submitted that this is further evidence of the resolve of Shetland agencies to make sensible and cost-effective decisions on transport issues.

---

<sup>16</sup> HIE, and Argyll & Bute, North Ayrshire, Highland, Orkney, Shetland and Western Isles Councils.

### 3. A TRANSPORT PARTNERSHIP FOR SHETLAND

#### 3.1 Form of RTP Best Able to Achieve Ministers' Transport Objectives

Ministers objectives in transport have already been referenced in section 1.2 above and are fully shared by Shetland Islands Council. The issue now is the narrower one: *what form of transport partnership can best achieve those shared objectives, in the context of Shetland's actual circumstance?*

Answering this question will require judgements to be made on the practical likelihood of achieving solutions, through alternative organisational structures which have yet to be defined in detail, to specific problems within the context of Shetland's transport issues described earlier<sup>17</sup>.

The table in Section 3.4 below uses five rather more specific criteria, derived from Ministers' general objectives, by which to assess the likely utility of two alternative organisational forms for Shetland's transport partnerships in future: inclusion in a statutory Highlands and Islands RTP as proposed, or a statutory, multi-agency RTP for Shetland itself. Shetland Islands Council and its Shetland-based partners conclude from that assessment that a RTP for Shetland itself would be by far the more 'fit-for-purpose' in achieving the shared transport objectives.

#### 3.2 Congruence with the 'Efficient Government' Initiative

Ministers have recently agreed to part-fund an ambitious programme to improve public sector co-operation and inter-agency working in Shetland which the parties see as essential for flexible, responsive and joined-up service delivery within a context of limited resources on the islands. The Stage One application by the Shetland partners<sup>18</sup> specifically reviewed two alternative models for improving efficiency through cooperation:

- sectoral integration across groups of local authorities and the public agencies in their areas; and
- geographical integration, a number of different organisations in the same area sharing services;

and bid successfully for grant aid from the Scottish Executive for work to develop the latter form of partnership. The extent to which a Shetland-based partnership will develop – from a minimalist model of shared services and accommodation to a maximalist model of pooled budgets and governance – is

---

<sup>17</sup> It must also be accepted that Ministerial objectives are phrased at a high level of generality and, therefore, require interpretation in any such assessment. For example, 'social inclusion' and 'accessibility' will have very different forms in different locations and income groups, and potential remedies may range from general income support measures to specific improvements in local transport infrastructure. The best organisational form to deliver these diverse types of solutions clearly is likely to vary by the type of solution appropriate.

<sup>18</sup> Shetland Islands Council, NHS Shetland, Shetland Enterprise and Northern Constabulary.

yet to be determined, but the ambitions of the partners are very considerable. The initiative is seen locally as ‘Shetland Plc’ and aims to provide high-quality joined-up public services whilst ‘following the public pound’ to preserve transparency and accountability.

It is submitted that a Shetland RTP would have a natural fit within this initiative which Ministers have already agreed to fund in respect of preparatory work, whilst the forced inclusion of Shetland in a Highlands and Islands RTP would cut across it and divert resources and attention from it.

### **3.3 Other Dimensions of RTPs**

The key dimensions of RTPs are reviewed in the consultation document and are noted in Section 1.3 above. The emphasis in this submission has been primarily on the appropriateness or otherwise of compelling Shetland to share transport decision-making with agencies and areas outwith Shetland, and which do not share Shetland’s issues and difficulties.

Ministers are asked to agree that Shetland can deepen its own internal partnerships in transport matters, within a wider context of developing inter-agency collaboration through the Efficient Government fund, and thus a Shetland RTP should be created.

The other dimensions of RTPs – the hierarchy of models and transferred powers, and the arrangements for precepts in funding of a RTP – are also important and decisions on these would follow once the extent of the partnership was determined. Shetland Islands Council’s ambitions for a Shetland RTP would be that it should achieve the highest possible levels of shared governance and pooled funding – the third RTP model as described.

It is submitted that a Highlands and Islands RTP, without the distraction of Shetland’s very different transport issues and priorities, could more easily agree to share powers and decision-making and so progress to a more developed model of transport organisation. Forced inclusion of Shetland in a Highlands and Islands RTP as initially proposed, however, would so dilute shared purpose and priorities that the resultant RTP, in the view of SIC, would be very unlikely to progress beyond the ‘Level One’ model.

The issues of areas, powers and funding are intimately connected. Shetland would like to see RTPs succeed in furthering ministerial objectives but believes that this depends crucially on the form eventually agreed.

### 3.4 Strategic Assessment of Options

Key Practical Criteria in assessing forms of Transport Governance	HIRTP including North Ayrshire, Argyll & Bute, Highland, Comhairle nan Eilean Sair, Orkney and Shetland (as proposed in ‘Transport Futures’)	An RTP for Shetland, with thorough local partnership working and ongoing consultation with Highland and Islands RTP and NESTRANS / North East RTP
<p><b>1. Communalities of Interests and Concerns on Transport Issues</b></p>	<p>The many priority issues for others but not affecting Shetland, on which it would unavoidably have to share decisions include:</p> <ul style="list-style-type: none"> <li>• Commuting to Glasgow and other cities; congestion issues;</li> <li>• Timber extraction by road and sea from Argyll;</li> <li>• Access policy for Lomond and Cairngorm National Parks;</li> <li>• Clyde ferry operations, subsidy and tendering;</li> <li>• Western Isles ferry operations, subsidy and tendering;</li> <li>• Orkney ferry operations, subsidy and tendering;</li> <li>• Clyde, Western Seaboard and North Highland Ports</li> <li>• Upgrading of A9 and trunk roads;</li> <li>• Rail operations, tendering and subsidy;</li> <li>• Freight Facilities Grants generally; and</li> <li>• Air services and PSOs for Inner and Outer Hebrides and Orkney.</li> </ul>	<p>Shetland RTP could concentrate on the very different priority issues for Shetland, which have minimal salience for a HIRTP:</p> <ul style="list-style-type: none"> <li>• Northlink ferry operations, subsidy and tendering (with Orkney);</li> <li>• Ferry and Freight operations from its key partner port, Aberdeen;</li> <li>• Ensuring the on-going capability of Sumburgh as ‘air gateway’;</li> <li>• PSO support to airfares on long routes from central Scotland;</li> <li>• Internal airstrips and ferry links, provided by its own hand.</li> </ul> <p><i>(None of Shetland’s key transport partners – nor its key transport gateways – would lie within a HIRTP.)</i></p>
<p><b>2. Transparency and Accountability in the Budgetary Process</b></p>	<p>A HIRTP with such divergent but pressing transport priorities would be at risk of continual dispute and possible paralysis.</p> <p>Decisions between competing priorities may very well be driven by coalitions of interests which do not have to live with the consequences. This likely outcome would be a negation of accountability.</p>	<p>Shetland RTP would be answerable directly to the population through the democratic process, and in financial matters to Audit Scotland as now. There would be full transparency of decision-making as no non-affected interests would influence spending priorities.</p>

<p><b>3. Potential Efficiencies and Synergies in Transport Operations</b></p>	<p>There would be very limited potential for economies of scale or synergies in the important dimensions - workforces, equipment and contracts – distance precludes moving staff or plant in response to need and key contracts (for ferries and freight) are not common across the area.</p> <p>Professional inputs in planning, roads issues and the negotiation of tenders could, in principle, yield some relatively small synergies, but note that the characteristics of the Aberdeen to Lerwick ferry route require different vessels and operations from the shorter, shallow sea crossings on the West, or the multiple short crossings from Highland to Orkney.</p>	<p>A statutory Shetland RTP could achieve some additional economies of operation by aggregating the transport planning and operations of SIC, the Health Board, Shetland Enterprise and other Shetland-based agencies.</p>
<p><b>4. Potential Efficiencies in Governance, Planning and Management of RTP</b></p>	<p>The absence of direct transport links between Shetland and its proposed partners in a HIRTP would make people movements for governance meetings and sharing of planning and managerial expertise an on-going and disproportionate cost.</p> <p>The divergence of issues and circumstances across a HIRTP would make the continuation of specialist groups of managers with direct understanding of particular context unavoidable – limiting further the possibility of achieving economies and synergies.</p>	<p>There would be additional economies of governance, planning and management if all relevant Shetland-based agencies were in a statutory partnership.</p>
<p><b>5. Impact on Social Inclusion Objectives of Ministers.</b></p>	<p>A HIRTP would have a very diverse set of social inclusion priorities, including those of economically disadvantaged communities in south-east Argyll and Bute and the age structure of rural populations on the Western Isles, which would predominate over Shetland’s very particular issues with the cost of fares for its long sea and air access routes. A HIRTP would (understandably) be likely to concentrate on bus services and bus/rail links rather than the Shetland issues.</p>	<p>A Shetland RTP could and would concentrate on the internal and (especially) the external transport needs of its less advantaged inhabitants. SIC and other agencies on the islands have prioritised social inclusion and understand the particular difficulties it poses.</p>

#### **4. SUMMARY: WHY A SHETLAND TRANSPORT PARTNERSHIP?**

This document has reviewed the key facts and issues relevant to Shetland's objective geographical and logistical circumstances in transport matters. It argues that a fit-for-purpose Regional Transport Partnership for Shetland should be a single authority, multi-agency Shetland RTP. The key considerations leading to that conclusion are that:

1. Shetland's remote location imposes major difficulties and disproportionate costs in moving workforces and most equipment to and from the islands. This in itself is a major impediment to sharing of resources and the achievement of the synergies which otherwise would be expected from RTPs, and means that Shetland would continue to have no real alternative to the self-sufficiency in infrastructure capability which it has always maintained. The scope for efficiency improvements through a HIRTP are minimal and would be more than offset by the costs of maintaining and contributing to a widespread organisation;
2. the transport issues for Shetland are not shared across the proposed partners: Shetland's key issues are in the costs and objective difficulties of access - a long-distance, deepwater ferry service which is packaged for technical reasons in a separate PSO contract and longer range air operations directly to Aberdeen and the central belt – and internal travel in the difficult circumstances of the islands. Other partners in the proposed HIRTP would have no direct interest in these matters, and similarly Shetland would have no direct interest or concern with rail services which do not serve its inhabitants, or the upgrading of the A9, or congestion issues, or again the impact on the roads of forestry extraction from Argyll. This lack of a communality of interest would inhibit the development of any such HIRTP and negate its value;
3. the key transport partners with which Shetland has a real need to consult and collaborate are not included within the proposed HIRTP. Aberdeen is currently by far Shetland's most important provider of services of all types, and is the main 'entrepot' for sea and air access to Shetland, and by Shetlanders to the rest of the world. For governance issues Edinburgh remains very important, and Glasgow also for business and public agencies alike. Shetland's ambitions for the future are not focused on its immediate vicinity: it exports fish products, oil and expertise to the world and constantly reviews its access to southern ports and directly to the continent. The focus of its transport requirements is likely to move further south, even further away from the area covered by HIRTP;
4. the competencies which Shetland has demonstrated in infrastructure development – in operating its large internal ferry fleet and in marine engineering in particular – are of great relevance to other agencies on the islands but of little practical applicability to the other authorities in the proposed HIRTP. It is even difficult to see how tendering competences for ferry PSOs could be shared or transferred between the very different contexts for ferry operations around west and north Scotland;

5. Shetland has demonstrated a willingness to make robust decisions in transport investment, where it controls the resources and bears the consequences. It has achieved inter-modal shifts and withdrawals of services which have become inefficient or unnecessary, and intends to review the potential for a greater shift to fixed links in future. The new arrangements for transport decision-making in a HIRTP would be likely to dilute this robustness and transparency of decision-making, unless the HIRTP was kept virtually powerless. Neither of these outcomes would be helpful;
6. for the other participants in a HIRTP there are major potential benefits in a HIRTP without Shetland. In this form it would be much more cohesive both in actual transport networks and links and in the communality of interests. A HIRTP for the western seaboard and the islands served by the ports there could be expected to develop beyond the base requirement of compiling a common transport strategy to models of an RTP where real synergies could be achieved. Shetland's inclusion, conversely, would impede such developments;
7. a Shetland RTP would be congruent with the policy direction which Shetland has adopted, with funding support from the Scottish Executive. It would add another powerful dimension to its ambitions for inter-agency working within the Efficient Government initiative, itself of major importance for a small population reliant on pooled resources.

These considerations are not new, and the most important were recognised in the earlier Deloitte & Touche (2001) review for the Scottish Executive of a possible Highlands and Islands Integrated Transport Authority.

Shetland would, for these and related reasons, ask Ministers to agree to the establishment of a Shetland Regional Transport Partnership rather than enforcing Shetland's participation in a Highlands and Islands Regional Transport Partnership as originally mooted.

**1. APPENDIX 1: MAP OF KEY ACCESS ROUTES FOR SHETLAND**

(Separate digital document)

## 2. APPENDIX 2: TRAVEL ISSUES FOR SHETLAND NHS BOARD

*(This is the verbatim text of a statement by the Chief Executive of Shetland NHS Board in response to a request for views on objective issues and potential partnerships in transport.)*

Patients travel from Shetland to Grampian specialist services for outpatient, day or in-patient care. Our main Service Level Agreement for care outwith Shetland is with Grampian NHS Board. Reliable travel links to Aberdeen are therefore crucial. These arrangements have evolved in partnership with Grampian over many years and have resulted in a mutual understanding of needs and capabilities. This link has probably been based upon the historic and established transport routes between Shetland and Aberdeen. If we were to change the focus of our transport link from Aberdeen to another destination, then there would be a risk that these tested health care arrangements would be adversely affected.

Patient travel expenses are subsidised by the Highlands and Islands Travel Scheme, held by NHS Scotland, which funds travel and accommodation costs for the patient. To qualify for this Scheme, the distance traveled from home (or place of residence) to hospital must be 30 miles or more, or must have involved a journey by sea of 5 miles or more. Patients pay the first £8 of travel, which can be reclaimed from the DSS for those patients receiving key benefits. Total patient transport costs for NHS Shetland for 2003-04 were £1.5 million. This figure includes £1.2 million of air fares, £80,000 of patient claims for travel within Shetland, and £80,000 for travel outwith Shetland (for example, air fares and accommodation).

Travel to primary care and community services is not covered by the Scheme. These journeys can pose significant difficulties for some people in Shetland, particularly in the more remote areas.

Regarding emergency transport, a high proportion of people living in Shetland are a long way away from health care services and are reliant on a car for access. Travel within Shetland can be challenging, as can travel to the mainland. Business travel for the Board is mainly between

Shetland and Edinburgh, and between Shetland and Aberdeen, particularly for visiting consultant services. The approximate cost of business travel for 2003-04 was circa £200,000 (including visiting consultants traveling to and from Shetland, business meetings and travel for staff training and professional development).

In our 2020 Vision document (a document setting out the long-term optimum shape of sustainable health and care services in Shetland over the next 15-20 years), we set out our vision for health care transport in the future as follows:

- **Integrated community transport system**

A flexible range of transport is needed in Shetland, linking sea, air and land travel; buses or community cars linking to ferries and planes; bookable and regular, at reasonable cost/subsidised. This would give access to the whole range of public and community services. These transport services would also

need to accommodate various working patterns and be suited to the needs of individual areas of Shetland.

- **Improved transport options for older people and those with disabilities**

We need to provide better transport services for older people and those with disabilities to access services and amenities. For instance, introduce a reduced rate taxi card scheme for individuals with long-term health conditions or disabilities, encourage local supermarkets/shops to provide home delivery services.

- **External links that are quicker, cheaper and not weather-dependent**

One possibility is to invite and encourage other air service operators to break the current monopoly, or to look for national policy to reduce costs. Cheaper air and ferry services are

essential if Shetland's economy is going to place a stronger reliance on tourism. This will also help in recruitment and retention of staff for health services and other essential service areas. Work is currently ongoing through political leaders to establish Public Service Orders for air travel to and from remote areas such as Shetland. If this move is successful, it would reduce the cost of travel, which would be very beneficial to many aspects of Shetland life.

- **Better transport infrastructure within Shetland**

Fixed links to some of the outer isles, for instance, to connect Unst and Yell, Yell to the mainland, or Bressay to the mainland, are possibilities for the future which have been discussed by the Shetland Islands Council. A link between Bressay and the mainland is currently in planning. These links would help in providing road ambulance services across Shetland, removing the need to rely on ferry services that can be heavily disrupted by weather. In this way, improved infrastructure within Shetland would help in the delivery of health services in those more remote areas.

- **Re-design and share current resources**

There is a range of local transport initiatives already in place in Shetland, including school transport, local community and

commercial transport. For example, all residential care centres have access to dedicated transport with wheelchair access. There are some very innovative schemes that link transport in the rural areas to services and community needs. For instance, drive home schemes from alcohol-related social activities and subsidised transport for youth and leisure activities.

We see a key challenge being to re-design current local transport systems, to find opportunities for collaboration and joint ventures that will be the first step towards an integrated community transport scheme for Shetland.

Shetland NHS Board is committed to developing partnerships with the Shetland Islands Council through several initiatives, such as Community Planning and Efficient Government, and this is reflected in the 2020 Vision document that has evolved from a widespread community based consultation process.