

Shetland Islands Council



Executive Manager: Jan-Robert Riise
Director of Corporate Services: Christine Ferguson

Governance & Law
Corporate Services Department
8 North Ness Business Park
Lerwick
Shetland, ZE1 0LZ

Telephone: 01595 744550
committee.services@shetland.gov.uk
www.shetland.gov.uk

If calling please ask for
Louise Adamson
Direct Dial: 01595 744555
Email: louise.adamson@shetland.gov.uk

Date: 15 July 2020

Dear Sir/Madam

You are invited to the following meeting:

Shetland Islands Council
Wednesday 22 July 2020 at 10am

Please note that because of the current COVID-19 (Coronavirus) emergency, and as permitted by legislation, this meeting will not be open to members of the public.

This meeting will take place by remote means, by video and teleconference, for Councillors and advising officers only. Joining details will be sent separately to those attending.

Public reports are available on the Council's website. The actions and decisions taken at the meeting will be published on the Council's website as soon as possible thereafter.

Yours faithfully

Executive Manager – Governance and Law

Convener: Malcolm Bell
Depute Convener: Cecil Smith

AGENDA		
In terms of Section 50A(3A) of the Local Government (Scotland) Act 1973, as introduced by Schedule 6, Paragraph 13 of the Coronavirus (Scotland) Act 2020, the public are excluded from this meeting on public health grounds.		
(a)	Hold circular calling the meeting as read.	
(b)	Apologies for absence, if any.	
(c)	Declarations of Interest - Members are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any Member making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.	
1.	Notice of Motion	
2.	Asset Investment Plan – Business Case – Cullivoe Road <i>ACP-04-20</i>	
3	Spaces for People <i>DV-13-20</i>	
4.	Temporary Speed Limits – A970 South Road to Gulberwick <i>RD-05-20</i>	
5.	Adoption of Memorandum of Understanding with Scottish Water <i>RD-04-20</i>	
6.	College Merger – Local Stakeholder Consultation <i>CRP-18-20</i>	

END

Notice of Motion

The Council notes the need to learn from impact of Covid 19 related restrictions and build back better.

The Council notes the long-standing desire to increase public accessibility to decision making process.

The Council notes the success of hybrid meetings utilising technology and the ability to implement changes in quick order.

The Council resolves [from 1st August 2020](#) to record all non-exempt items and make the recording publicly accessible for all meetings of the:

- *Shetland Islands Council
- *Policy and Resources Committee
- *Development Committee
- *Education and Families Committee
- *Environment and Transport Committees.

ENDS

Signed by Steven Coutts, Emma MacDonald, Malcolm Bell, Alastair Cooper, George Smith and Ryan Thomson.



Meeting(s):	Shetland Islands Council	22 July 2020
Report Title:	Asset Investment Plan – Business Case – B9082 Cullivoe Road	
Reference Number:	ACP-04-20	
Author/ Job Title:	Robert Sinclair, Executive Manager – Assets, Commissioning and Procurement	

1.0 Decisions / Action required:

- 1.1 That the Council RESOLVES to approve the proposal described in Section 4.3 and included as Appendix A of this report.

2.0 High Level Summary:

- 2.1 This report presents an asset investment proposal for approval, which has been considered by the Council's Asset Investment Group (AIG) based on the submission of a Strategic Outline Case (SOC). The AIG has assessed the submission for completeness and confirmed that an Outline Business Case (OBC) should now be prepared, for submission to committee.
- 2.2 This proposal is provisionally funded within the Council's Asset Investment Plan (AIP) 2020-25, which was approved by the Council on 11 March 2020 (Min Ref: 23/20). Approval of the recommendation in this report will only commit the staff resources required to draft the OBC. If the project is subsequently approved for implementation, capital funding would be committed, beginning in 2021/ 22.
- 2.3 The SOC is provided as Appendix A to this report.

3.0 Corporate Priorities and Joint Working:

- 3.1 The Gateway Process for the Management of Capital Projects supports our Financial Strategy, Reserves Policy and Budget Strategy. 'Our Plan 2016 to 2020' states that "Excellent financial-management arrangements will make sure we are continuing to keep to a balanced and sustainable budget, and are living within our means" and that "We will have prioritised spending on building and maintaining assets and be clear on the whole-of-life costs of those activities, to make sure funding is being targeted in the best way to help achieve the outcomes set out in this plan and the community plan".

4.0 Key Issues:

- 4.1 On 29 June 2016 the Council adopted a new Gateway Process for the Management of Capital Projects, drawing on national and best practice guidance, to ensure the robustness of all capital projects.

- 4.2 This revised process is based on the process developed by the Office of Government Commerce (OGC) and is in common use throughout the public sector. It applies 'Prince 2' principles to the process and is aligned with the '5-Case Model' that has been promoted to both Officers and Members through recent 'Building Better Business Case' training. A key principle in that procedure is that the Council's AIP is re-prioritised on an annual basis, however business cases can be processed at any time. By approving a Full Business Case or Business Justification Case, Members are agreeing that the project should progress to the implementation stage, subject to being prioritised and included in the Council's Asset Investment Plan.
- 4.3 A summary of the business case referred to in Appendix A to this report is set out below, along with recommendations from the AIG:
- 4.3.1 Appendix A – Strategic Outline Case – B9082 Cullivoe Road
- Six options shortlisted for further consideration;
 - Routes from Dalsetter and Gutcher to Cullivoe to be further appraised;
 - OBC will determine proposed road width and alignment;
 - Capital cost of between £2.1m and £7.8m, beginning in 2021/22;
 - AIG recommend development of an OBC, which should further develop the Economic Case.
- 4.4 The five options plus the baseline option to be carried forward for further appraisal and evaluation in the OBC are:
- Spray injection patching of the existing defects in the carriageway followed by surface dressing and the construction of the capital improvement schemes at the A968 Junction and at the "Garth Bends" as recommended in the safety check
 - Construction of a new 3.3metre wide single track road with passing places on a new alignment
 - Re-construction of the B9082 Dalsetter to Gutcher (Hill Road) with passing places, widening to 3.3 metres
 - Construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single track road with passing places on a new alignment to the north of the future junction
 - Construction of a new 6.3 metre wide two-lane road on a new alignment
 - Construction of a new 6.3 metre wide two-lane road on a new alignment over the hill from Dalsetter to Cullivoe
- 4.5 Since the SOC was drafted, further information has been obtained from commercial operators that currently rely on Cullivoe Pier. It is important to ensure that this is shared with Members. It is also important to understand how the impact of Covid-19 is considered in future investment decision-making.
- 4.6 The OBC will feature an updated Economic Case that addresses the factors outlined in 4.5 above.

5.0 Exempt and/or confidential information:

- 5.1 None.

6.0 Implications:	
6.1 Service Users, Patients and Communities:	The proposal described in the appendix to this report will be taken forward in consultation with key stakeholders and the wider community.
6.2 Human Resources and Organisational Development:	No implications arising directly from this report.
6.3 Equality, Diversity and Human Rights:	No implications arising directly from this report.
6.4 Legal:	Governance and Law provide advice and assistance on the full range of Council services, duties and functions including those included in this report.
6.5 Finance:	<p>The capital proposal in this report has been provisionally budgeted for in the 2020-25 Asset Investment Plan pending approval of a Full Business Case.</p> <p>The proposed capital cost of the project is between £2.1 and £7.8 million over the 6 year development and construction period.</p> <p>In line with the Council's Medium Term Financial Plan and Borrowing Policy, these costs would be funded by borrowing and would add to the Council's external debt.</p> <p>If external grant funding can be sourced for this project the costs will be reduced accordingly.</p> <p>Revenue - There will be revenue implications associated with the development of the OBC. These costs will be found from existing revenue budgets.</p>
6.6 Assets and Property:	No implications arising directly from this report.
6.7 ICT and new technologies:	No implications arising directly from this report.
6.8 Environmental:	Environmental impacts would be fully addressed as part of the detailed design and consents process.
6.9 Risk Management:	There is a risk that a load restriction will eventually be imposed on the B9082 Cullivoe road if its condition continues to deteriorate.
6.10 Policy and Delegated Authority:	Approval of the financial strategy and budget framework is a matter reserved for the Council having taken advice from Policy

	and Resources Committee. Due to reporting deadlines, this matter is being referred directly to the Council.	
6.11 Previously considered by:	N/A	

Contact Details:

Robert Sinclair, Executive Manager – Assets, Commissioning and Procurement

robert.sinclair@shetland.gov.uk

10 July 2020

Appendices:

Appendix A – Strategic Outline Case – B9082 Cullivoe Road, Yell

END

STRATEGIC OUTLINE CASE (SOC)

Project Title: B9082 Cullivoe Road, Yell

Version No: 2.0

Issue Date 19/12/2019

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
1.0	30.09.2019	First Draft Version	
2.0	18.12.2019	Final Draft Version	NEH

CONTENTS – SOC TEMPLATE

HOW TO USE THIS TEMPLATE

OVERVIEW OF THE SOC PRODUCTION PROCESS

TEMPLATE AND SUPPORTING GUIDANCE

1. Executive summary
2. Strategic case
3. Economic case
4. Commercial case
5. Financial case
6. Management case

APPENDICES

These must include:

- Strategic plans/ organisational/ business strategies (as appropriate)
- Strategic business plans/ SOP
- Risk potential assessment (RPA)

OVERVIEW OF THE SOC PRODUCTION PROCESS

The table below shows the systematic approach to the preparation of the SOP and SOC development phases of the business case:

Stages	Development Process	Deliverables
<i>Phase 0 –</i>	<i>Determining strategic context</i>	
<i>Step 1/ action1</i>	<i>Ascertain strategic fit</i>	<i>Strategic context</i>
<i>Output</i>	<i>Strategic Outline Programme (SOP)</i>	
<i>Outcome</i>	<i>Strategic fit</i>	
<i>Review point</i>	<i>Gateway 0 – strategic fit</i>	
Phase 1 – scoping	Preparing the Strategic Outline Case (SOC)	Strategic case
Step 2	Making the case for change	
<i>Action 2</i>	<i>Agree strategic context</i>	
<i>Action 3</i>	<i>Determine investment objectives, existing arrangements and business needs</i>	
<i>Action 4</i>	<i>Determine potential business scope and key service requirements</i>	
<i>Action 5</i>	<i>Determine benefits, risks, constraints and dependencies</i>	
Step 3	Exploring the preferred way forward	Economic case – part 1
<i>Action 6</i>	<i>Agree critical success factors (CSFs)</i>	
<i>Action 7</i>	<i>Determine long list options and SWOT analysis</i>	
<i>Action 8</i>	<i>Recommend preferred way forward, including other arrangements.</i>	<i>Outline commercial, financial and management cases</i>
Output	Strategic Outline Case (SOC)	

Outcome	Robust case for change
Review point	Gateway 1 – business justification

SOC TEMPLATE AND SUPPORTING GUIDANCE

1. Executive summary

1.1 Introduction

This SOC seeks approval to invest between an estimated £2.1 million and £7.8 million for measures to improve the route between Cullivoe, Cullivoe Pier and the A968 Ulsta to Gutcher Road. The two branches of the B9082 that currently serve this route were designed and constructed by the Highland Destitution Relief Board in 1851, the work being undertaken by the then residents of North Yell. They were designed for use by horse and cart with the only improvements since being localised widening and passing places. The B9082 between Dalsetter and Cullivoe (the Hill Road) has only ever had an aggregate surface whereas the B9082 between Gutcher and Cullivoe has a bitumen bound surface. The former has deteriorated due to reducing resources and the need to prioritise maintenance elsewhere on the network so is no longer passable for vehicular traffic. The latter has coped until now with the level of traffic loading to which it has been subjected. However, in September 2018 the Area Maintenance Engineer for the North Isles expressed concern regarding the deterioration in the condition of the road and the implications this had for road safety. This resulted in a request for a safety check from the Executive Manager – Roads. The check identified a number of concerns including the substandard width of the road, the very poor condition of the carriageway and the lack of safety barriers at locations where national guidance deems them necessary.

The benefits of the proposal would be addressing these safety concerns and improving the poor road condition with a further advantage being the socio-economic benefits of the improved resilience and reliability of the road linking the Cullivoe Pier with Mid Yell, Ulsta and the rest of Shetland. There is also the potential benefit that the improved road could form part of the route serving a fixed link constructed between Yell and Unst.

1.2 Strategic case

1.2.1 The strategic context

The strategic drivers for this investment and associated strategies, programmes and plans are as follows:

Local

- the Council's Corporate Plan "Our Plan 2012-2016" and its priorities to provide quality transport services that meet people's needs and are affordable to maintain;
- Shetland's Partnership Plan and a number of its Place, Participation and Money priority outcomes;

- compliance with the Shetland Transport Strategy and its vision to develop travel and transport solutions for Shetland which underpin our economy and support our communities;
- the policies of the Shetland Local Development Plan 2014 to support proposals that “sustain and develop the economy of Shetland through maintaining an appropriate level of accessibility by road” and “undertake selected road improvement projects where these can be justified by gains in terms of; long term funding, economic growth, safety, environment, accessibility, inclusion and integration;”
- the Council’s “Economic Development Strategy 2018-22” states “a thriving economy depends on strong external and internal transport links.”

National

- the Council’s statutory duty to prevent road accidents, manage the road network, maintain the road network and to achieve best value; and
- the National Transport Strategy and its objectives to promote economic growth and social inclusion.

1.2.2 The case for change

The existing situation is as follows:

A road safety check of the B9082 Cullivoe Road has identified a number of concerns that require action. The main issues are as follows:

- the majority of the road has a carriageway width of between 2.6 and 2.75 metres, the current design standard for a single-track road is 3.30 metres, so it is among the narrowest roads in Shetland;
- the verge is also narrow, down to 0.7 metres in width, rather than the desirable minimum of 1.0 metre;
- two kilometres of the carriageway is in very poor condition, to an extent overlay resurfacing is the most appropriate treatment;
- compliance with national guidance would require the installation of 365 metres of safety barrier but this is not currently possible due to the narrow roadside verges.

There are also socio-economic considerations as follows:

- the narrow carriageway width means that significant lengths of the road cannot have overlay treatment without the road being reduced to a substandard and impractical width of only 2.45 metres;
- 2.50 metres wide articulated heavy goods vehicles (HGV’s) use the road to transport salmon and whitefish, with an annual value of £137 million, from Cullivoe Pier;
- the pier is used by the renewable energy industry and is the location of a business park and marina;
- the North Yell Development Council has recently submitted planning applications for the extension of the business park, a new caravan park and a new marina; and
- the road also serves approximately 100 dwellings, Cullivoe Primary School with resulting school buses, Cullivoe Hall, St Olaf’s Church, Cullivoe Galley Shed, various crofts, a shop and the garage premises of a coach hire business.

A further consideration is a potential fixed link between Yell and Unst. Improvements to the B9082, which would be on the route to and from this crossing, would be of benefit to a potential crossing of Bluemull Sound.

In summary the related business needs are to ensure that the road network is safe, fit for purpose, well maintained and reliable.

On the basis of the above considerations, the potential scope for the project ranges from the construction of localised capital improvements to the replacement of either section of the B9082 with a new two-lane road on a new alignment.

1.3 Economic case

1.3.1 *The long list*

The following options were considered using the options framework as the long list:

- Option 1 – the status quo;
- Option 2 - the ‘minimum’ scope – the spray injection patching of the existing defects in the carriageway followed by surface dressing;
- Option 3 - the ‘lower intermediate’ scope – as above but with the construction of the capital improvement schemes at the A968 Junction and at the “Garth Bends” as recommended in the safety check;
- Option 4A - a ‘median intermediate’ scope – the construction of a new 3.3 metre wide single-track road with passing places on a new alignment in accordance with the Design Manual for Roads and Bridges (DMRB);
- Option 4B - a ‘median’ intermediate scope – the re-construction of the B9082 Dalsetter to Cullivoe (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements as required in accordance with the DMRB;
- Option 5 - the ‘upper intermediate’ scope – the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction, all in accordance with the DMRB;
- Option 6 – a ‘maximum’ scope – the construction of a new 6.3 metre wide two-lane road on the existing alignment (Gutcher to Cullivoe) in accordance with the DMRB;
- Option 7 – a ‘maximum’ scope – the construction of a new 6.3 metre wide two-lane road on a new alignment (Gutcher to Cullivoe) in accordance with the DMRB;
- Option 8 – a ‘maximum’ scope – the construction of a new 6.3 metre wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe in accordance with the DMRB; and
- Option 9 – a ‘maximum’ scope – the use of the existing access to the “Garth Windfarm” to form the south end of a new route that would lead down to the existing Gutcher to Cullivoe road at the Burn of Garth via a new 6.3 metre wide two lane road. There would also be a new 3.3 metre wide single-track road on new alignment between the Burn of Garth and the Cullivoe Pier road.

1.3.2 The preferred way forward

Based on the analysis undertaken, the way forward is to discount the options that do not address the road safety issues, do not ensure the long-term reliability of the road, do not reduce disruption to the community and businesses, and do not comply with the requirement of the national design guidance. These are Options 1, 2, 3, 6 and 9.

The main benefits of the remaining options are that in addition to all the safety concerns being addressed the possibility of the road being closed for maintenance purposes would be minimised and the possibility of having a weight limit introduced could be discounted. Therefore, possible disruption to the community and the businesses using the Cullivoe Pier would no longer be a concern.

1.3.3 The short list

On the basis that the preferred way forward is agreed, we recommend the following options for further, more detailed evaluation within the Outline Business Case (OBC) and include option 3 as the Do Minimum baseline option which provides the benchmark for value for money throughout the appraisal process:

- **option 3 - Do Minimum** - included as baseline - the 'lower intermediate' scope – as above but with the construction of the capital improvement schemes at the A968 Junction and at the "Garth Bends" as recommended in the safety check;
- **option 4A** – the 'median intermediate' scope – the construction of a new 3.3 metre wide single-track road with passing places on a new alignment in accordance with the Design Manual for Roads and Bridges (DMRB);
- **option 4B** – a 'median' intermediate scope – the re-construction of the B9082 Dalsetter to Gutcher (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements as required in accordance with the DMRB;
- **option 5** – the 'upper intermediate' scope – the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction, all in accordance with the DMRB;
- **option 7** – 'maximum' scope – the construction of a new 6.3 metre wide two-lane road from Gutcher to Cullivoe on a new alignment in accordance with the DMRB; and
- **option 8** – a 'maximum' scope – the construction of a new 6.3 metre wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe in accordance with the DMRB.

Consequently, the preferred option will be identified and recommended for approval within the OBC.

1.3.4 Indicative economic costs

The indicative costs for the scheme are as follows, when considered over the 60 year design life of a new road:

Option 3 – Do Minimum baseline - spray injection patching of the existing defects in the carriageway followed by surface dressing with the construction of the capital improvement schemes as recommended in the safety check	Undiscounted £000	Net Present Cost (Discounted Value) £000
Capital build cost	600	
Revenue maintenance & Borrowing Costs	463	
Total Costs	1,063	
Revenue Income	(5,365)	
Business/Community Cash Releasing Benefits	(819,600)	
Total Income	(824,965)	
Overall Totals	(823,902)	(755,529)
Non cash releasing benefits: Safety Improvements		

Option 4A - Construction of a new 3.3 metre wide single-track road with passing places on a new alignment from Gutcher to Cullivoe	Undiscounted £000	Net Present Cost (Discounted Value) £000
Capital build cost	4,250	
Revenue maintenance & Borrowing Costs	5,834	
Total Costs	10,084	3,155
Revenue Income	(20,409)	
Business/Community Cash Releasing Benefits	(9,015,600)	
Total Income	(9,036,009)	
Overall Totals	(9,025,925)	(3,627,384)
Non cash releasing benefits: Safety Improvements; Resilient and reliable road; Economic sustainability		

Option 4B - Re-construction of the B9082 Dalsetter to Gutcher (Hill Road) to Provide a New 3.3 Metres Wide Single-track Road with Passing Places on the Existing Alignment	Undiscounted £000	Net Present Cost (Discounted Value) £000
Capital build cost	3,176	
Revenue maintenance & Borrowing Costs	4,771	
Total Costs	7,947	3,309
Revenue Income	(20,409)	
Business/Community Cash Releasing Benefits	(9,015,600)	
Total Income	(9,036,009)	
Overall Totals	(9,028,062)	(3,628,004)
Non cash releasing benefits: Safety Improvements; Resilient and reliable road; Economic sustainability		
This option has a capital build cost range of £2.106m to £4.246m due to the uncertainty regarding the ground conditions and the possible variance in excavation quantities. The mid range figure of £3.176m has been used in this table.		

Option 5 - Construction of a New 6.3 metre Wide Two-lane Road to the South of a Future Junction with a Road that Would Serve a Fixed Link and a New 3.3 metre Wide Single-track Road with Passing Places on a New Alignment to the North	Undiscounted £000	Net Present Cost (Discounted Value) £000
Capital build cost	4,764	
Revenue maintenance & Borrowing Costs	6,568	
Total Costs	11,332	3,547
Revenue Income	(20,409)	
Business/Community Cash Releasing Benefits	(9,015,600)	
Total Income	(9,036,009)	
Overall Totals	(9,024,677)	(3,626,991)
Non cash releasing benefits: Safety Improvements; Resilient and reliable road; Economic sustainability		

Option 7 - Construction of a New 6.3 metre Wide Two-lane Road from Gutcher to Cullivoe on a New Alignment	Undiscounted £000	Net Present Cost (Discounted Value) £000
Capital build cost	5,016	
Revenue maintenance & Borrowing Costs	7,000	
Total Costs	12,016	3,770
Revenue Income	(20,409)	
Business/Community Cash Releasing Benefits	(9,015,600)	
Total Income	(9,036,009)	
Overall Totals	(9,023,993)	(3,626,768)
Non cash releasing benefits: Safety Improvements; Resilient and reliable road; Economic sustainability		

Option 8 - Construction of a New 6.3 metre Wide Two-lane Road on a New Alignment Over the Hill from Dalsetter to Cullivoe	Undiscounted £000	Net Present Cost (Discounted Value) £000
Capital build cost	5,871	
Revenue maintenance & Borrowing Costs	8,641	
Total Costs	14,512	4,606
Revenue Income	(20,409)	
Business/Community Cash Releasing Benefits	(9,015,600)	
Total Income	(9,036,009)	
Overall Totals	(9,021,497)	(3,625,936)
Non cash releasing benefits: Safety Improvements; Resilient and reliable road; Economic sustainability		
This option has a capital build cost range of £3.927m to £7.815m due to the uncertainty regarding the ground conditions and the possible variance in excavation quantities. The mid range figure of £5.871m has been used in this table.		

1.4 Commercial case

1.4.1 Procurement strategy

Subject to further analysis at OBC stage, we would envisage procuring this scheme as follows in accordance with the Government Procurement Agreement (WTO) and the EU Consolidated Public Sector Procurement Directive (2004).

1.4.2 Required services

The required products and services in relation to the preferred way forward are briefly as follows:

Products

- Roadstone/aggregates;
- Asphalt concrete;
- Proprietary safety barrier components;
- Twinwall polypropylene culverts; and
- Thermoplastic road marking paint.

Services

- Roads Service staff time to prepare initial and final designs plus land acquisition plans;
- Development and Corporate staff time to assist with making the “case” for the road improvement;
- Roads Service staff time to undertake consultation with the community and other stakeholders;
- Legal Services staff time to process the acquisition of land;
- Roads Service staff time to prepare contract documents etc. on approval of the project;
- Civil works for the construction of the road with drainage etc.;
- Safety barrier installation; and
- Roads Service staff time to supervise the construction of the project.

1.4.3 Potential for risk transfer and potential payment mechanisms

The main risks associated with the scheme are as follows:

Supply

The failure of a main supplier causing a lack of resources, materials or equipment for the project.

Staff Numbers/Skill Shortage

The current staffing levels in the Roads Design Section are limited and may not be sufficient to supervise more than one capital project if this and any other capital project were approved at similar times and were required to be constructed concurrently.

Disruption to Businesses and Other Road Users

There is a possibility that the works could lead to disruption and delays for the users of the existing road.

Weather Conditions

Inclement weather, especially, in the winter months could result in delays to the laying of Type 1 sub-base and asphalt surfacing materials. The weather could also affect the quality of the work.

These risks could be addressed as follows:

Supply

Ensure that alternative suppliers have been identified so that materials or services can be sourced elsewhere at the earliest opportunity.

Staff Numbers/Skill Shortage

The supervision of the works may have to be tendered if there are insufficient resources “in-house,” or additional staff could be employed to undertake design, supervision on site etc.

Delays Due to Complaints from Public/Stakeholders

The works must be planned to minimise disruptions. Careful consideration to be given any sections where the old and new roads cross, especially when vehicles are being diverted from the old road onto the new alignment. Weekend or evening working should be an option. The movements of construction vehicles, hauling materials to and from the works, should also be carefully planned.

Weather Conditions

The works programme must also consider the timing of the most weather sensitive works and schedule them to the summer months.

1.5 Financial case

1.5.1 Summary of financial appraisal

The financial implications of the proposed investment options are as follows:

Capital Project Expenditure	Yr 1 £000	Yr 2 £000	Yr 3 £000	Yr 4 £000	Yr 5 £000	Yr 6 £000	Total £000
Option 3 - Do Minimum baseline - spray injection patching of the existing defects in the carriageway followed by surface dressing with the construction of the capital improvement schemes as recommended in the safety check	0	600	0	0	0	0	600
Option 4A - the 'median intermediate' scope – the construction of a new 3.3 metre wide single-track road with passing places on a new alignment in accordance with the Design Manual for Roads and Bridges (DMRB);	30	67	133	20	2,000	2,000	4,250
Option 4B - a 'median' intermediate scope – the re-construction of the B9082 Dalsetter to Gutcher (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements as required in accordance with the DMRB;	60	48	98	40	2,000	2,000	4,246
Option 5 - the 'upper intermediate' scope – the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction, all in accordance with the DMRB;	30	74	150	20	2,245	2,245	4,764
Option 7 - a 'maximum' scope – the construction of a new 6.3 metre wide two-lane road on a new alignment (Gutcher to Cullivoe) in accordance with the DMRB;	30	78	158	20	2,365	2,365	5,016
Option 8 - a 'maximum' scope – the construction of a new 6.3 metre wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe in accordance with the DMRB.	60	91	184	40	2,748	2,748	5,871

All options to be funded by borrowing except Option 3 - the Do Minimum baseline option which would be funded by the General Capital Grant as capital maintenance.

The work programme for all options except Option 3 would be:

Year 1 – Ground investigation and topographical survey.

Year 2 – Outline design

Year 3 – Detailed design

Year 4 – Land acquisition

Year 5 – Construction

Year 6 – Construction

1.5.2 Overall affordability and balance sheet treatment

In line with the Council's Medium Term Financial Plan and Borrowing Policy, these costs would be funded by borrowing and would add to the Council's external debt except Option 3 - the Do Minimum baseline option which would be funded by the General Capital Grant. If external grant funding can be sourced for this project the costs will be reduced accordingly.

Under the Local Government in Scotland Act 2003 there is a requirement that local authorities should adhere to The CIPFA Prudential Code for Capital Finance in Local Authorities. The Prudential Code seeks to concentrate primarily on ensuring that local authorities' capital spending plans are affordable.

The Council's approved Prudential Indicator for its authorised limit for external debt, which should not be breached, is currently £158.920m and the Council's total external debt is £97.890m. Therefore this proposal would not breach the Council's authorised limit and is within affordable limits at this time.

1.6 Management case

1.6.1 Project management arrangements

Roads Service staff time, with costs met from a "named scheme" capital budget, would be allocated to ensure the successful development of the scheme. The intention would be that Roads Service staff would also supervise the construction phase, again funded from a "named scheme" capital budget. The civil works for the scheme would be tendered.

The scheme is an integral part of the Strategic Outline Programme (SOP), which comprises a portfolio of projects for delivery on Shetland's strategic road network.

This SOP, which was endorsed by full Council on 27 November 2019 is attached in Appendix 1.

The project will be managed in accordance with PRINCE 2 methodology.

1.6.2 Gateway reviews arrangements

All gateway reviews will be conducted using the agreed standards and format as set out in Shetland Islands Council – Gateway Process for the Management of Capital Projects – June 2016.

1.7 Recommendation

We recommend that that Options 4A, 4B, 5, 7 and 8 are taken forward for further more detailed consideration within the OBC, along with option 3 as the baseline benchmark for value for money throughout the appraisal process.

Signed:

Date:

Senior Responsible Owner

Project team

2. The Strategic Case

2.0 Introduction

This Strategic Outline Case (SOC) is for the B9082 Cullivoe Road, Yell.

Structure and content of the document

This SOC has been prepared using the agreed standards and format for business cases.

The approved format is the Five Case Model, which comprises the following key components:

- the **strategic case** section. This sets out the strategic context and the case for change, together with the supporting investment objectives for the scheme
- the **economic case** section. This demonstrates that the organisation has selected a preferred way forward, which best meets the existing and future needs of the service and is likely to optimise value for money (VFM)
- the **commercial case** section. This outlines what any potential deal might look like
- the **financial case** section. This highlights likely funding and affordability issues and the potential balance sheet treatment of the scheme
- the **management case** section. This demonstrates that the scheme is achievable and can be delivered successfully in accordance with accepted best practice.

The purpose of this section is to explain and revisit how the scope of the proposed project or scheme fits within the existing business strategies of the organisation and provides a compelling case for change, in terms of the existing and future operational needs of the organisation.

Please refer back to the Strategic Outline Programme (SOP) noting any key changes since the production and approval of these documents.

Part A: The strategic context

2.0 Introduction

This Strategic Outline Case (SOC) is for measures to improve the safety, resilience and reliability of the B9082 Cullivoe road between its junction with the A968 Ulsta to Gutcher Road and its junction with the Cullivoe Pier road.

The addressing of these issues would benefit all users of the Cullivoe Road and would also yield socio-economic benefits due to the improved resilience and reliability of the only road linking the Cullivoe Pier with Mid Yell, Ulsta and the rest of Shetland.

2.1 Organisational overview

This Strategic Outline case has been prepared by the Council's Infrastructure Services Department with support from the Corporate Services and Development Services Departments.

2.2 Business strategies

Council's Corporate Plan – "Our Plan 2016-20"

The priorities listed in the Council's "Our Plan" include:

- "Provide quality transport services within Shetland;"
- "There will be transport arrangements in place that meet people's needs and that we can afford to maintain in the medium term;" and
- "We will have a clearer understanding of the options and the investment needed to create a sustainable internal transport system over the next 50 years."

"Our Plan" also lists 20 things the Council "aims to achieve by 2020." These include:

- "to prioritise spending on building and maintaining assets and be clear on the whole-of-life costs of those activities, to make sure funding is being targeted in the best way to help achieve the outcomes set out in this plan and the community plan;"

Shetland Partnership Plan – Local Outcome Improvement Plan (LOIP)

That road network is used extensively by services, commercial businesses, residents and visitors to allow goods and people to move between places and are is directly important in delivering key "place" priority outcomes. It is of particular significance for;

- Place Priority Outcome 1 – People will be accessing employment, education, training and services in innovative ways designed to minimise the barriers to involvement for all

- Place Priority Outcome 3 – All areas of Shetland will be benefitting from a more resilient low carbon economy underpinned by a culture of innovation, inclusion and skills development
- Place Priority Outcome 4 – Communities will be actively involved in shaping their own future resilience, creating positive places that are economically, socially and environmentally sustainable

The level of connection that the strategic roads network enables is also a very significant factor in creating opportunities for communities and services that support “participation”, “people” and “money” priorities and outcomes including;

- Participation Priority Outcome 2 – Communities will feel empowered and the majority of people in Shetland will feel more able to influence the decisions that affect them and have a strong understanding of how and why decisions are taken
- People Priority Outcome 1 – The number of disadvantaged people and households in Shetland will be considerably reduced as a result of people being enabled and empowered to address the issues they face and helping others to thrive in the same way
- People Priority Outcome 3 – Shetland will continue to be a safe and happy place, with more people feeling connected to their communities and benefitting from living in good places and keeping active
- Money Priority Outcome 1 – Everyone will be able to access the support they need to maximise their income potential; including innovative, flexible and entrepreneurial employment opportunities throughout Shetland
- Money Priority Outcome 2 – Everyone will be able to access the support they need to minimise their outgoings with low income households benefitting from reduced bills
- Money Priority Outcome 4 – Communities will be empowered to provide innovative solutions and support to help people maximise their incomes and minimise their outgoings from the support available.

Shetland Transport Strategy 2018-28 – ZetTrans

Its approved vision is “to develop travel and transport solutions for Shetland which underpin our Economy, support our Communities and conserve our Environment.”

Shetland Local Development Plan 2014

A policy of this plan states “the Council will support proposals that sustain and develop the economy of Shetland through maintaining an appropriate level of accessibility by road, sea and air.” The policies also support proposals that “undertake selected road improvement, bridge or tunnel building or reconstruction projects where these can be justified by gains in terms of; long term funding, economic growth, safety, environment, accessibility, inclusion and integration.”

Shetland Islands Council Economic Development Strategy 2018-22

It states “a thriving economy depends on strong external and internal transport links” and “well-developed ports and harbour facilities.” The latter should surely include the roads that access these important facilities.

National Strategy

The Council has a statutory duty under the “Roads Traffic Regulation Act 1984” to “secure the expeditious, convenient and safe movement of vehicular and other traffic” and under the “Roads Traffic Act 1988” to “take such measures it deems appropriate to prevent road accidents.”

The Council has a statutory duty under the “Roads (Scotland) Act 1984” to “manage and maintain all such roads in their area as are for the time being entered in a list (in this Act referred to as their “list of public roads.”)”

The “Local Government in Scotland Act 2003” places a duty on local authorities to secure best value.” The Act goes on to state, “the local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.”

The National Transport Strategy (NTS) has high level objectives to:

- “promote economic growth by building, enhancing managing and maintaining transport services, infrastructure and networks to maximise their efficiency;” and
- “promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network.”

2.3. Other organisational strategies

Strategic Outline Programme (SOP): Strategic Roads Network

The investment objectives of the Strategic Roads Network programme are to ensure that the core roads network in Shetland continues to support key outcomes effectively and efficiently. It is intended to ensure that significant actions or developments are considered in a planned fashion and that the information required for decision making is identified and presented in a fashion that helps structured management and decision making.

Machine Based Patching

The Roads Service has decided to hire the services of a contractor each year, for the foreseeable future, to undertake spray injection patching of potholes and other carriageway defects throughout Shetland. It is a machine based process making it time efficient and cost effective. It would be available to undertake the considerable amount of patching that is required on the B9082 between Gutcher and Cullivoe, should that be required as an interim repair.

Part B: The case for change

2.4 Investment objectives

The investment objectives for this project are consistent with those for the SOP referred to above. These are as follows:

- Road connections that cater for the vehicles that need to use them so that people and businesses can achieve key outcomes;
- Roads that make journeys as safe as possible;
- Roads that minimise journey times;
- Roads that support low energy travel and active travel; and
- Roads that strike the best balance between investment costs and ongoing maintenance costs

*Note: these are **crucial** to making a compelling case for investment.*

*Please note how these were derived with the involvement of stakeholders and customers for the proposed scheme. They **must** be SMART – specific, measurable, achievable, relevant, and time constrained. In particular, consideration should be given to investment objectives which will reduce cost (economy); improve throughput (efficiency) and improve quality (effectiveness); and the need for replacement services.*

There is no restriction on the number of investment objectives for a scheme, but a maximum of 5 is suggested in order to make the case manageable.

2.5 Existing arrangements

This section describes the existing situation with regard to the investment – the status quo.

The existing arrangements are as follows:

B9082 Gutter to Cullivoe Road:

This length of road was designed and constructed by the Highland Destitution Relief Board in 1851, the work being undertaken by the then residents of North Yell. It was designed for use by horse and cart with the only improvements since being localised widening, passing places and a bitumen bound surface. Considering this it has coped remarkably well with the level of traffic loading to which it has been subjected. However, in September 2018 the Area Maintenance Engineer for the North Isles expressed concern regarding the deterioration in the condition of the road and the implications this had for road safety. This resulted in a request for a safety check from the Executive Manager – Roads. The check identified a number of concerns including the substandard width of the road, the very poor condition of the carriageway and the lack of safety barriers at locations where national guidance deems them necessary.

The B9082 is currently the only suitable road link serving the Cullivoe Pier, a vital facility for a number of industries including aquaculture, which is now Shetland's largest industry. Government figures show that in 2017 the total tonnage of whitefish landed at Cullivoe was 3,213 valued at £6.3 million, placing Cullivoe among the top twelve landing ports in the UK. According to figures from Shetland Aquaculture and Seafood Shetland 30,360 tonnes of salmon were landed at Cullivoe valued at £130.5 million. This is almost half of all the salmon produced in Shetland. The Council received £304,000 in dues for the landings of this salmon and whitefish in 2017. Therefore, this section of the B9082 is currently used by seven articulated trailers daily (5 days for 46 weeks) for the haulage of salmon and whitefish landings. In the past year there has also been 95 articulated trailer loads to the pier with materials for the construction of new salmon cages. This level of use, which has significantly increased within the past two years, amounts to a total of 3,410 articulated truck movements per year on this single-track road. It is likely to continue for the foreseeable future. The aquaculture industry in the north isles, including the salmon processing factory in Mid Yell, relies on the Cullivoe Pier. The deterioration of the B9082, to the point where it can no longer be used by HGV's, would cut off the pier with serious implications for the economy of Yell and Shetland as a whole.

In addition to aquaculture traffic the pier is used by the renewable energy industry and is the location of a business park and marina. The North Yell Development Council has recently submitted planning applications for the extension of the business park, a new caravan park and a new marina. It is understood that these developments will eventually generate 11 new jobs. The road also serves approximately 100 dwellings, Cullivoe Primary School with the resulting school bus traffic, Cullivoe Hall, St Olaf's Church, Cullivoe Galley Shed, various crofts, a shop, the garage premises of a coach hire business and tourist attractions.

In March 2007 the Member/Officer Working Group (Roads) reported that several main options were still under development for the STAG Stage 2 study for a B9082 Gutter to Cullivoe Improvement Scheme. These included a major improvement of the entire route or a number of medium scale projects to improve specific issues along the route. However, in September 2009 the Group reported that it had agreed to "a series of minor improvements." In August 2010 two of these medium or minor improvements were funded in the indicative capital programme for financial year 2013/14. These were the "Garth Bends" and "Stonganess Bend" improvements. A lesser version of the latter, which is located to the north of the pier, is still on the capital programme and was to be constructed in 2020/21 as part of the bridge replacement scheme. However, it has now been postponed until the route into Gutter has been improved. The "Garth Bends" scheme is no longer on the programme.

The widening of the B9082 over its entire length is not a practical or economic option due to the peat soils on which the road was built. The surface of this road has consolidated over the years as it has been trafficked by an increasing number and weight of vehicles. Therefore, despite having a very shallow construction it is able to withstand relatively heavy loading. However, as soon as the surface is disturbed by any excavation through or adjacent to the road it becomes difficult to achieve a consistent reinstatement without disturbing the existing surface.

The overlay resurfacing of the road is not an option either. The edge of any resurfacing is not vertical and slopes back from the carriageway edge with a grade of approximately 2 in 1. Therefore, for every 150mm increase in height the road will narrow by 75mm on each side giving a total reduction in width of 150mm. The result being that the narrowest sections of road, that are currently 2.6 metres wide, would be reduced to 2.45 metres in width. This is less than the legal permitted width of 2.55 metres for vehicles specified in “The Road Vehicles (Construction and Use) Regulations 1986” as amended, meaning that HGV’s would be overhanging the road edge.

The safety issues are either impractical or difficult to address due to the nature of the road, the topography through which it runs and the ground conditions on which it was constructed. These findings lead to the conclusion that, on consideration of road safety alone, this section of the B9082 is no longer fit for purpose. This conclusion is supported by the economic case. A road with a width of 2.6 metres is not suitable for use by over 3,400 articulated trucks per year especially when those trucks are hauling goods with a value in excess of £100 million that equates to almost half of the total production of Shetland’s largest industry. This issue has been brought to our attention by the safety implications of the continued deterioration of the carriageway caused by the high number of HGV’s using the road. Action is essential to ensure the reliability of the B9082 and thereby meet the long-term economic and social needs of Cullivoe, Yell and Shetland. The only viable long-term solution is to construct a new road that is of sufficient width to suit the increasing use of the road by HGV’s.

Note: If applicable – for example, in the case of a replacement service – details of existing costs can be included here

B9082 Dalsetter to Cullivoe Road (the Hill Road):

This length of road was also designed and constructed by the Highland Destitution Relief Board in 1851. However, unlike the Gutcher to Cullivoe road it has never had a tar or bitumen bound surface. This road was less used in latter years and as a result reducing resources have required that other busier parts of the Yell and Shetland road network have been prioritised for maintenance. The consequence has been significant deterioration of this road to the point where it is no longer passable for vehicular traffic.

2.6 Business needs

This section provides a detailed account of the problems, difficulties and service gaps associated with the existing arrangements in relation to future needs.

Narrow Carriageway and Verges

The widening of the B9082 Gutcher to Cullivoe Road is not a practical or economic option due to the peat soils on which the road was built. The surface of this road has consolidated over the decades as it has been trafficked by an increasing number and weight of vehicles. Therefore, despite having a very shallow construction it is able to withstand relatively heavy loading. However, as soon as the surface is disturbed by any excavation through or adjacent

to the road it becomes difficult to achieve a consistent reinstatement. The problem being that to get a bearing capacity on an excavated section, that is equivalent to the existing adjacent surface, requires excavation to a considerable depth so that the peat can be replaced with load bearing fill material. This excavation inevitably leads to further disturbance of the existing surface and inconsistencies in bearing capacity along the road. This is something we strive to avoid with the vast majority of repairs to roads founded on peat being overlay, tar spray & chip or spray injection patching that do not require excavation.

Resurfacing Required Due to Carriageway Condition

The overlay resurfacing of the B9082 Gutter to Cullivoe Road would consist of a 60mm layer of asphalt to cover the required reinforcement in addition to the usual 50mm regulating layer and 40mm wearing course. This gives a total construction depth of 150mm at the crown of the road. The problem with this is that the edge of the resurfacing is not vertical. It slopes back from the carriageway edge with a grade of approximately 2 in 1. Therefore, for every 150mm increase in height the road will narrow by 75mm on each side giving a total reduction in width of 150mm. The result being that the narrowest sections of road, that are currently 2.6 metres wide, would be reduced to 2.45 metres in width. This is less than the legal permitted width of 2.55 metres for vehicles specified in “The Road Vehicles (Construction and Use) Regulations 1986” as amended, meaning that HGV’s would be overhanging the road edge. The cabs of most articulated vehicles will be approaching if not on this width limit but the wheels will be set in 50mm or so on each side so that the track width between the outside of the tyres would be in the region of 2.40 to 2.45 metres. An overlay would reduce the road width to the same as the track width of an articulated vehicle meaning that drivers would have absolutely no margin for error. Therefore, a resurfacing overlay of this road is most definitely not an option because it would make an accident due to an HGV leaving the road an inevitability.

Alternative Treatments/Options

The carriageway could be maintained in the short-term by the spray injection patching of the existing defects followed by surface dressing. These repairs would be done “in-house” using existing revenue budgets. However, this is a surface repair only. It will not address the defects caused by excess loading and subsequent failure of the road’s “foundations.” Therefore, there is a real possibility that a weight restriction will eventually have to be introduced on this road to ensure that at least cars and light vans have access to the Cullivoe community.

Requirement for Safety Barriers

None of the existing verge is wide enough to accommodate a barrier. A barrier on this road should be set back a minimum of 1.2m from the edge of the carriageway and a “working width” is also required behind the barrier to allow for its deformation when struck by a vehicle. Therefore, the absolute minimum verge width required before a barrier can be provided is between 2.9m for a standard tensioned barrier and 2.0m for an open box beam barrier. Lesser widths could result in a vehicle that collides with the barrier passing under it then running down the embankment. The construction of a retaining wall or the provision of gabion baskets to enable the widening of the road and verge is not a practical option due to the low bearing capacity of the peaty soils on which the road is founded.

Potential Fixed Link

The first kilometre of the B9082 Gutter to Cullivoe Road lies on the route to a potential fixed link between Yell and Unst. The shortest crossing of Bluemull Sound lies between Garths Ness in Cullivoe and Hoga Ness in Belmont. The B9082 is the nearest road to the former, passing within 380 metres of the ness.

Proposed Solution

The safety issues are either impractical or difficult to address due to the nature of the road, the topography through which it runs and the ground conditions on which it was constructed. These findings lead to the conclusion that, on consideration of road safety alone, the Gutter to Cullivoe section of the B9082 is no longer fit for purpose. This conclusion is supported by the economic case. A road with a width of 2.6 metres is not suitable for use by over 3,400 articulated trucks per year especially when those trucks are hauling goods with a value in excess of £100 million that equates to almost half of the total production of Shetland's largest industry. The Hill Road, or Dalsetter to Cullivoe section of the B9082, is in even worse condition due to the lack of a bound surface and the lack of maintenance in recent years.

The need for improvement has been brought to our attention by the safety implications of the continued deterioration of the carriageway caused by the high number of HGV's using this route. Action is essential to ensure the reliability of the B9082 and thereby meet the long-term economic and social needs of Cullivoe, Yell and Shetland. The only viable long-term solution is to construct a new road of sufficient width to suit the increasing use of the road by HGV's

2.7 Potential business scope and key service requirements

Table 1: business scope and key service requirements

Scope	Potential Business Scope	Key Service Requirements
Option 1: Status Quo	Reactive Maintenance, no action other than continued basic maintenance	Maintenance patching of the worst defects only when they are becoming hazardous plus the immediate undertaking of the minor safety improvements (signs, verge markers etc.) funded from existing revenue budgets.
Option 2: Minimum	Planned Maintenance and Minor Improvements from Existing Budgets	The spray injection patching of the existing defects in the carriageway followed by surface dressing with funding from existing revenue budgets plus the immediate undertaking of the minor safety improvements (signs, verge markers etc.).
Option 3: Lower Intermediate	On Line Upgrade of Most Problematic Features	As above but with the construction of the capital improvement schemes at the A968 Junction and at the "Garth Bends" as recommended in the safety check plus the installation of safety barriers where possible.

Option 4A: Median Intermediate	New Offline Single-Track Road	The construction of a new 3.3 metres wide single-track road with passing places on a new alignment, between Gutcher and Cullivoe Pier, in accordance with the DMRB.
Option 4B: Median Intermediate	Re-constructed Online Road	The re-construction of the B9082 Dalsetter to Gutcher (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements as required in accordance with the DMRB.
Scope	Potential Business Scope	Key Service Requirements
Option 5: Upper Intermediate	New Offline Part Two-Lane and Part Single-Track Road	The construction of a new 6.3 metre wide two-lane road to the south of a future junction to a fixed link to Unst followed by a new 3.3 metre wide single-track road with passing places on a new alignment to Cullivoe, all in accordance with the DMRB.
Option 6: Maximum	New Online Two Lane Road	The construction of a new 6.3 metres wide two-lane road on the existing alignment, between Gutcher and Cullivoe Pier, in accordance with the DMRB.
Option 7: Maximum	New Offline Two Lane Road	The construction of a new 6.3 metres wide two-lane road on a new alignment, between Gutcher and Cullivoe Pier, in accordance with the DMRB.
Option 8: Maximum	New Offline Two Lane Road	The construction of a new 6.3 metres wide two-lane road on a new alignment, over the hill from Dalsetter to Cullivoe in accordance with the DMRB.
Option 9: Maximum	Use of the Garth Windfarm access	The adoption and improvement of the Garth Windfarm access to a width of 6.3 metres with a new 3.3 metres wide single-track road with passing places from the windfarm to tie-in with the existing Gutcher to Cullivoe Road at the Burn of Garth. There would also be a new 3.3 metres wide single-track road on a

		new alignment between the Burn of Garth and the Cullivoe Pier Road.
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2.8 Main benefits criteria

This section describes the main outcomes and benefits associated with the implementation of the potential scope in relation to business needs.

Satisfying the potential scope for this investment will deliver the following high-level strategic and operational benefits. By investment objectives these are as follows:

Table 2: investment objectives and benefits criteria

Investment objectives	Main benefits criteria by stakeholder group
Road connections that cater for the vehicles that need to use them so that people and businesses can achieve key outcomes	<p>Cater for vehicles and journeys for business use, aquaculture, fisheries, agriculture, leisure businesses</p> <p>Cater for vehicles and journeys for individual use; commuting to / from work, access to services, access to social and cultural activity</p> <p>Cater for vehicles and journeys for service access; school, public hall, marina and potential fixed link to Unst.</p>
Roads that make journeys as safe as possible	Safe use for all users
Roads that minimise journey times	Minimised journey times for all users
Roads that support low energy travel and active travel	Lower energy and / or active travel for all users
Roads that strike the best balance between investment costs and ongoing maintenance costs	Most cost effective for the Council

The main 'dis-benefits' are as follows:

- The significant disruption and inconvenience to the Cullivoe community and business should the road deteriorate to the point where a weight restriction has to be introduced;
- The impact of this effective closure of the Cullivoe Pier on the operation of the salmon processing factory in Mid Yell;

- The resulting negative impact on the economy of Yell and Shetland; and
- The loss of income to the Council resulting from the much reduced landing dues at the Cullivoe Pier.

2.9 Main risks

The main business and service risks associated with the potential scope for this project are shown below, together with their counter measures.

Table 3: risks and counter measures

Main Risk	Counter Measures
B9082 Gutter to Cullivoe Road deteriorates significantly before improvement can be constructed	Ensure that the road is included on the programme for spray injection patching
Design	Current staffing levels in the Roads Design Section are limited and may not be sufficient to design and supervise a large capital project or more than one project. Should this and any other capital project be approved within the same time frame, and were required to be constructed concurrently, then design and/or supervision duties could be tendered.
Development <ul style="list-style-type: none"> • supplier • specification • timescale • change management and project management • external funding not available 	<p>The development of the project including the preparation of tender documents would be done “in-house.” The required staff with relevant knowledge and experience would be available, similar contracts have been developed and tendered in the past.</p> <p>Ensure proposal is within funding guidelines and application is made in sufficient time to meet deadlines.</p>
Implementation risks <ul style="list-style-type: none"> • supplier • timescale • specification and data transfer • cost risks • change management and project management 	The more routine maintenance works would be done “in-house” by the Roads Services’ own staff. Should larger scale civil works be needed and tendered there are sufficient experienced contractors in Shetland that would be interested. This should ensure a competitive price.
Operational risks <ul style="list-style-type: none"> • performance • operating cost • project management 	<p>The only operational risk is that going forward the road is not sufficiently maintained. This is not a specific issue to this project but for Shetland’s road network as a whole. Revenue funding levels will impact on performance but asset management practices will be employed to make the best of limited resources.</p> <p>A well designed and constructed new road would result in very minimal future maintenance costs.</p>
Termination risks	Ensure that interested contractors are properly vetted during the tendering process.

2.10 Constraints

The project is subject to the following constraints:

Technical constraints within the SOP and hence relevant to this project relate to design, supervision and construction capacity, which probably means any projects on the SOP would need to be developed sequentially unless additional design staff or design consultants were employed.

There are also likely to be constraints on timescales associated with design, compulsory purchase and contracting periods.

The principle constraint however will be the availability of the capital budgets to undertake the works as these are generally constrained and the subject of many other competing priorities.

Further constraints are that:

- maintenance or capital works must be done as soon as practicably possible to ensure that the Council is meeting its statutory duty to maintain the road network;
- should a contract be required it shall not include the surfacing works, so that the Council can utilise its own operatives who are the most experienced and most cost effective in Shetland at undertaking these types of work;
- during the construction phase any maintenance and/or capital works must not cause excessive disruption to road users; and
- civil works, other than surface dressing, would be done year round so weather may be a constraint during the winter but this would be addressed with careful programming of the more weather dependent tasks.

2.11 Dependencies

The main dependency for the project is the continued use of the Cullivoe Pier by the salmon farming industry. Should the industry decide to land their salmon elsewhere it is likely that a lesser scope would be acceptable for the improvement of the route between Gutcher and Cullivoe.

The project is also dependent on the other strategic road improvement projects listed in the SOP. In particular care has to be taken with the programming of the projects to ensure that there are sufficient staff and resources.

3. The Economic Case

3.1 Introduction

In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the SOC documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

3.2 Critical success factors

The following key CSFs are taken from the SOP and will be used for all the projects on the programme including the "B9082 Cullivoe Road, Yell - Safety Improvements." The CSF's were agreed by staff from the Council's Infrastructure Services Department including the Director, Executive Manager – Roads and Team Leader – Roads Assets & Network. This agreement was reached following a "Strategic Roads Programme Workshop" attended by representatives of the Council's Development Plans, Transport Planning and Business Development Sections.

These CSFs have been used alongside the investment objectives for the project to evaluate the long list of possible options.

- CSF1: business needs – how well the option satisfies the existing and future business needs of the organisation.
- CSF2: strategic fit – how well the option provides holistic fit and synergy with other key elements of national, regional and local strategies.
- CSF3: benefits optimisation – how well the option optimises the potential return on expenditure – business outcomes and benefits (qualitative and quantitative, direct and indirect to the organisation) – and assists in improving overall VFM (economy, efficiency and effectiveness).
- CSF4: potential achievability – the organisation's ability to innovate, adapt, introduce, support and manage the required level of change, including the management of associated risks and the need for supporting skills (capacity and capability). Also the organisation's ability to engender acceptance by staff.
- CSF5: supply side capacity and capability – the ability of the market place and potential suppliers to deliver the required services and deliverables.
- CSF6: potential affordability – the organisation's ability to fund the required level of expenditure – namely, the capital and revenue consequences associated with the proposed investment.

3.3 The long-listed options

The evaluation was undertaken in accordance with how well each option met the investment objectives and CSFs.

The long list of options for this investment was generated using the options framework. This generated options within the following key categories of choice:

Scoping options – choices in terms of coverage (the what)

The choices for potential scope are driven by business needs and the strategic objectives at both national and local levels. In practice, these may range from business functionality to geographical, customer and organisational coverage. Key considerations at this stage are ‘what’s in?’ ‘what’s out?’ and service needs. See 3.4 below.

Service solution options – choices in terms of solution (the how)

The choices for potential solution are driven by new technologies, new services and new approaches and new ways of working, including business process re-engineering. In practice, these will range from services to how the estate of an organisation might be configured. Key considerations range from ‘what ways are there to do it?’ to ‘what processes could we use?’ See 3.5 below.

Service delivery options – choices in terms of delivery (the who)

The choices for service delivery are driven by the availability of service providers. In practice, these will range from within the organisation (in-house), to outsourcing, to use of the public sector as opposed to the private sector, or some combination of each category. The use of some form of public private sector partnership (PPP) is also relevant here. See 3.6 below.

Implementation options – choices in terms of the delivery timescale

The choices for implementation are driven by the ability of the supply side to produce the required products and services, VFM, affordability and service need. In practice, these will range from the phasing of the solution over time, to the modular, incremental introduction of services. See 3.7 below.

Funding options – choices in terms of financing and funding

The choices for financing the scheme (public versus private) and funding (central versus local) will be driven by the availability of capital and revenue, potential VFM, and the effectiveness or relevance/ appropriateness of funding sources. See 3.8 below.

3.4 Scoping options

3.4.1 Introduction

In accordance with the Treasury Green Book and Capital Investment Manual, the status quo option has been considered as a benchmark for potential VFM.

A large number of options and permutations are possible; however, within the broad scope outlined in the strategic case, the following main options have been considered:

Option 1: the status quo (do minimum – marginal improvements in this means continued basic maintenance)

Patching as and When Required Plus Minor Safety Improvements (Gutcher to Cullivoe)

This option would see the continued maintenance patching of the worst defects only in the carriageway as and when they are becoming hazardous plus the immediate undertaking of minor safety improvements funded from existing revenue budgets.

Advantages

The main advantages are that:

- the cost to Council's roads budgets is minimal, at £2,500 to £10,000 per year plus a one off cost of £3,500 for warning signs, verge markers and road markings.
- there is no requirement for capital expenditure.
- these repairs are done "in-house" so the preparation of contract documents is not required.

Disadvantages

The main disadvantages are that:

- the safety concerns due to the lack of visibility, narrow carriageway, narrow verges and lack of safety barriers are not addressed;
- the safety concern regarding the deteriorating carriageway condition is only addressed in the immediate term (monthly inspections) with the deterioration of the road structure due to excessive vehicle loading not resolved;
- failure to resolve the deterioration of the road structure would require regular repairs to the road surface leading to increased maintenance costs and increased costs to road users resulting from this disruption;
- the repairs would be reactive so not planned, meaning greater inconvenience for road users;

- repeated expenditure on repairs to the road surface, for little if any lasting benefit, would mean that the Council is not complying with its duty to achieve “best value;”
- the resilience and reliability of this vital link would not be maintained or improved meaning the economy of Shetland, and Yell in particular, is neither sustained or developed by “maintaining an appropriate level of accessibility;” and
- the overall cost to “society” due to repeated disruption to the community and businesses will be relatively high.

a weight restriction has to be introduced on the road causing significant disruption and inconvenience to the Cullivoe community and business. Resulting negative impact on the economy of Yell as salmon and whitefish can no longer be landed at the Cullivoe Pier.

Conclusion

This option would not meet any of the investment objectives resulting in a failure to meet priorities and aims listed in the Council’s Corporate Plan and other policy documents. In particular the safety and resilience of the road would not be improved meaning that there would be a failure to meet the Council’s priorities to “provide quality transport services within Shetland” and “Shetland stays a safe place to live.” Therefore, this option has been **discounted**.

Option 2: do minimum – marginal improvements in (this means continued basic maintenance)

Spray Injection Patching, Surface Dressing and Minor Safety Improvements (Gutcher to Cullivoe)

This option would see machine patching to repair all the defects in the carriageway followed by surface dressing to seal the surface plus the immediate undertaking of minor safety improvements funded from existing revenue budgets.

Advantages

The main advantages are that:

- the cost to the Council’s roads budgets would be relatively minor at approximately £3,500 per year for the patching and a further £28,500 every five to ten years for surface dressing (plus £3,500 for signs, markings and verge markers);
- there is no requirement for capital expenditure;
- land acquisition, the preparation of contract documents etc. is not required; and
- these works are planned and considered to be “mobile” so the disruption to road users would be kept to a minimum.

Disadvantages

The main disadvantages are that:

- the safety concerns due to the lack of visibility, narrow carriageway, narrow verges and lack of safety barriers are not addressed;
- the safety concern regarding the deteriorating carriageway condition is only addressed in the short-term (five to ten years) with the deterioration of the road structure due to excessive vehicle loading not resolved;
- expenditure from roads maintenance budgets would be required every five to ten years for extensive patching and surface dressing of the surface, which is more frequent than the average 20 years between surface dressings ;
- regular expenditure on patching and surface dressing (every five to ten years) may mean that the Council is not complying with its duty to achieve “best value;” and
- the resilience and reliability of this vital link would be maintained in the short-term only and not improved meaning the economy of Shetland, and Yell in particular, is neither sustained or developed as we would be failing in our aim of “maintaining an appropriate level of accessibility.”
- a weight restriction has to be introduced on the road causing significant disruption and inconvenience to the Cullivoe community and business. Resulting negative impact on the economy of Yell as salmon and whitefish can no longer be landed at the Cullivoe Pier.

Conclusion

This option would only address one of the safety concerns and even then only over the short-term. Similarly to option 1 above it would not fully meet any of the investment objectives resulting in a failure to meet priorities and aims listed in the Council’s Corporate Plan and other policy documents. Therefore, this option has been **discounted**.

Option 3: lower intermediate scope for improvements in(this means in line upgrades, these would need to include temporary by-pass arrangements etc. section by section) it might also mean seeking to relocate businesses and / or services away from Cullivoe to reduce demand or needs on the road.

Spray Injection Patching, Surface Dressing and Minor Safety Improvements Plus Construction of “Minor” Capital Improvement Schemes at the A968 Junction and “Garth Bends”

This option would be as per option 2 but with relatively minor capital improvement schemes at the junction of the B9082 with the A968 Ulsta to Gutcher Road and at the “Garth Bends” as recommended by the safety check.

Advantages

The main advantages are that:

- this option would address two of the safety concerns identified by the safety check;
- it is the least expensive of the options that require capital expenditure with an estimated total cost of £600,000;

Disadvantages

The main disadvantages are that:

- the safety concerns due to the narrow carriageway, narrow verges and lack of safety barriers at two locations are not addressed;
- the safety concern regarding the deteriorating carriageway condition is only addressed in the short-term (five to ten years) with the deterioration of the road structure due to excessive vehicle loading not resolved over the majority of this section of road;
- land acquisition, the preparation of contract documents etc. would be required;
- there would be a degree of disruption to road users as the “Garth Bends” improvement would largely be constructed on the same horizontal alignment as the existing road;
- expenditure from roads maintenance budgets would be required every five to ten years for extensive patching and surface dressing of the surface;
- regular expenditure on patching and surface dressing may mean that the Council is not complying with its duty to achieve “best value;” and
- the resilience and reliability of this vital link would be maintained in the short-term only and only improved over relatively short lengths meaning the economy of Shetland, and Yell in particular, is neither sustained or developed by “maintaining an appropriate level of accessibility.”
- a weight restriction has to be introduced on the road causing significant disruption and inconvenience to the Cullivoe community and business. Resulting negative impact on the economy of Yell as salmon and whitefish can no longer be landed at the Cullivoe Pier.

Conclusion

This option partly meets the road safety investment objectives as it addresses the concerns about the A968/B9082 Junction and the “Garth Bends.” However, it does not address the larger issues of the narrow carriageways and verges throughout this section of road. Neither does it meet the socio-economic priorities and aims listed in the Council’s Corporate Plan and other policy documents. This option **will be taken forward as the baseline Do Minimum option for value for money comparison.**

Option 4A: a median intermediate scope for improvements in (this would include off line replacement and single-track construction)

New 3.3 Metres Wide Single-track Road with Passing Places on a New Alignment (Gutcher to Cullivoe)

This option would see the construction of a new 3.3 metres wide single-track road on a new alignment. A significant part of the B9082 Dalsetter to Gutcher (Hill Road) would be formally removed from the Council's "List of Public Roads" on completion of these improvements.

Advantages

The main advantages are that:

- this option would address all of the safety concerns identified by the safety check;
- it would minimise future requirements for revenue expenditure from roads maintenance budgets;
- disruption would be minimal as the vast majority of the new road would be constructed off the current alignment; and
- the resilience and reliability of this vital link would be improved meaning the economy of Shetland, and Yell in particular, is developed by "maintaining an appropriate level of accessibility."

Disadvantages

The main disadvantages are that:

- there would be a requirement for approximately £4,250,000 of capital expenditure;
- land acquisition, the preparation of contract documents etc. would be required;
- there is a potential that approximately one kilometre of this new road would need to be upgraded to two-lanes at a later date should it form part of the route to a fixed link; and
- this option, unlike the two-lane improvement, would not maximise the road's resilience so would not maximise socio-economic benefits.

Conclusion

This option meets all of the road safety investment objectives. It also meets but does not maximise the socio-economic benefits that can be achieved by improving the B9082 between Gutcher and the Cullivoe Pier. It does not address the potential for further works should a decision be made to provide a Yell to Unst fixed link. Therefore, this is a **possible option**.

Option 4B: a median intermediate scope for improvements in (this would include on line replacement and single-track construction)

Re-construction of the B9082 Dalsetter to Gutcher (Hill Road) to Provide a New 3.3 Metres Wide Single-track Road with Passing Places on the Existing Alignment

This option would see re-construction of this road to a width of 3.3 metres with passing places, re-alignment and safety improvements as required. The B9082 Gutcher to Cullivoe Road would also be machine patched to repair the majority of defects in the carriageway followed by surface dressing to seal the surface.

Advantages

The main advantages are that:

- the distance to be travelled between Cullivoe and Dalsetter at the head of Basta Voe would be reduced from 8.1 km to 6.3 km;
- disruption would be minimal as the existing road is currently impassable for vehicular traffic;
- the switching of HGVs to this route would mean that they would be travelling on a road that was safe and fit for purpose, and that the concern regarding narrow carriageways and verges on the B9082 Gutcher to Cullivoe road would be less of an issue due to the massive reduction in use by HGVs;
- the reduction in the number of HGVs using the B9083 Gutcher to Cullivoe would significantly reduce future reactive maintenance requirements and cost;
- the planned machine patching and surface dressing of the B9082 Gutcher to Cullivoe Road would, given the greatly reduced vehicle loading, be sufficient to maintain the road in a reasonable condition;
- this option, by retaining the two lengths of the B9082, would maximise the resilience and reliability of this vital route meaning the economy of Shetland, and Yell in particular, is developed by “maintaining an appropriate level of accessibility.”

Disadvantages

The main disadvantages are that:

- there would be a requirement for £2,106,000 to 4,246,000 of capital expenditure depending on the excavation required;
- this option would not address all of the safety concerns on the B9082 Gutcher to Cullivoe Road identified by the safety check;
- the retention of the two lengths of the B9082 would mean up to an additional 6.4 kilometres of road to be maintained in future;
- land acquisition and the preparation of contract documents would be required; and
- this road does not lie on the most direct route to a possible fixed link between Yell and Unst so would not offset any future expenditure on the new roads that would be required to access this potential link.

Conclusion

This option would significantly improve the safety of road users on the route between the A968 and Cullivoe as well as reducing the length of the route thereby yielding fuel and carbon savings. It also partially meets the road safety objectives on the B9082 Gutcher to Cullivoe Road. This would be achieved by greatly reducing the number of HGV's on this narrow road. It also maximises the resilience of the route and the socio-economic benefits that can be achieved by retaining the two distinct lengths of the B9082. However, until ground investigations are undertaken there is uncertainty as to the quantity of excavation and import of materials required. Therefore, this is a **possible option**.

Option 5: upper intermediate scope for improvements in (this would include off line replacement with both two lane and single-track construction)

Construction of a Kilometre of New 6.3 metre Wide Two-lane Road with the Remainder a New 3.3 Metre Wide Single-Track Road with Passing Places, All on a New Alignment (Gutcher to Cullivoe)

This option would see the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction. A significant part of the B9082 Dalsetter to Gutcher (Hill Road) would be formally removed from the Council's "List of Public Roads" on completion of these improvements.

Advantages

The main advantages are that:

- this option would address all of the safety concerns identified by the safety check;
- it would minimise future requirements for revenue expenditure from roads maintenance budgets;
- disruption would be minimal as the vast majority of the new road would be constructed off the current alignment;
- the resilience and reliability of this vital link would be improved meaning the economy of Shetland, and Yell in particular, is developed by "maintaining an appropriate level of accessibility;" and
- this option would avoid the requirement for additional spend and further disruption should there be a need to upgrade the road to two lanes following a future decision to provide a fixed link between Yell and Unst.

Disadvantages

The main disadvantages are that:

- there would be a requirement for approximately £4,764,000 of capital expenditure;
- land acquisition, the preparation of contract documents etc. would be required; and
- this option, unlike the two-lane improvement over the full length of the road, would not maximise the road's resilience so would not maximise socio-economic benefits.

Conclusion

This option meets all of the road safety investment objectives. It also meets but does not maximise the socio-economic benefits that can be achieved by improving the B9082 between Gutcher and the Cullivoe Pier. Therefore, this is a **possible option**.

Option 6: a maximum scope for improvements in(this means in line upgrades, these would need to include temporary by-pass arrangements etc. section by section) it might also mean seeking to relocate businesses and / or services away from Cullivoe to reduce demand or needs on the road.

New 6.3 metre Wide Two-lane Road on Existing Alignment (Gutcher to Cullivoe)

This option would see the construction of a new 6.3 metres wide two-lane road on the existing alignment. A significant part of the B9082 Dalsetter to Gutcher (Hill Road) would be formally removed from the Council's "List of Public Roads" on completion of these improvements.

Advantages

The main advantages are that:

- this option would address all of the safety concerns identified by the safety check;
- it would minimise the requirements for expenditure from roads maintenance budgets;
- it would increase reliability with the two lanes meaning less disruption should maintenance be required, allowing one lane to be closed at a time thereby maintaining access to and from the pier, school, businesses, houses, etc.;
- resilience would also be increased due to the loading of the carriageway being split with inbound traffic on one lane and outbound on the other meaning less damage and more time between the need for repairs;
- this improved resilience would mean the economy of Shetland, and Yell in particular, is developed by "maintaining an appropriate level of accessibility."
- there would be slightly reduced journey times (approximately 40 seconds) as studies in Shetland have shown the average vehicle speeds on single-track roads to be 40 mph while those on two-lane roads are at least 50 mph;
- this option would maximise potential socio-economic benefits; and

- a one kilometre length of the road, due to being two-lane, would be future proofed so that should a fixed link be constructed in future it would not need to be upgraded before serving as the approach to the tunnel or bridge.

Disadvantages

The main disadvantages are that:

- disruption to the community and businesses would be significant due to the road being constructed on the current alignment;
- there would be a requirement for approximately £4,944,000 of capital expenditure; and
- the preparation of contract documents would be required.

Conclusion

This option meets all of the road safety investment objectives. It also meets and maximises the socio-economic benefits that can be achieved by improving the B9082 between Gutter and the Cullivoe Pier while future proofing the road to serve as the route to a possible fixed link. However, the level of disruption and inconvenience to the Cullivoe community and businesses in the area would be unacceptable. Therefore, this option has been **discounted**.

Option 7: a maximum scope for improvements in (this would include off line replacement and two lane construction)

New 6.3 metre Wide Two-lane Road on a New Alignment

This option would see the construction of a new 6.3 metres wide two-lane road on a new alignment between Gutter and Cullivoe. A significant part of the B9082 Dalsetter to Gutter (Hill Road) would be formally removed from the Council's "List of Public Roads" on completion of these improvements.

Advantages

The main advantages are that:

- this option would address all of the safety concerns identified by the safety check;
- it would minimise the requirements for expenditure from roads maintenance budgets;
- disruption would be minimal as the vast majority of the new road would be constructed off the current alignment;
- it would increase reliability with the two lanes meaning less disruption should maintenance be required, allowing one lane to be closed at a time thereby maintaining access to and from the pier, school, businesses, houses, etc.;
- resilience would also be increased due to the loading of the carriageway being split with inbound traffic on one lane and outbound on the other meaning less damage and more time between the need for repairs.

- this improved resilience would mean the economy of Shetland, and Yell in particular, is developed by “maintaining an appropriate level of accessibility.”
- there would be slightly reduced journey times (approximately 40 seconds) as studies in Shetland have shown the average vehicle speeds on single-track roads to be 40 mph while those on two-lane roads are at least 50 mph;
- this option would maximise potential socio-economic benefits; and
- a one kilometre length of the road, due to being two-lane, would be future proofed so that should a fixed link be constructed in future it would not need to be upgraded before serving as the approach to the tunnel or bridge.

Disadvantages

The main disadvantages are that:

- the project cost, at £5,016,000 would have the second highest initial capital requirement of the options; and
- the preparation of contract documents would be required.

Conclusion

This option meets all of the road safety investment objectives. It also meets and maximises the socio-economic benefits that can be achieved by improving the B9082 between Gutcher and the Cullivoe Pier while future proofing the road to serve as the route to a possible fixed link. Therefore, this is a **possible option**.

Option 8: a maximum scope for improvements in (this would include off line replacement and two-lane construction)

New 6.3 Metres Two Lane Road on a New Alignment (Dalsetter to Cullivoe)

This option would see the construction of a new 6.3 metres wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe (Hill Road).

Advantages

The main advantages are that:

- the distance to be travelled between Cullivoe and Dalsetter at the head of Basta Voe would be reduced from 8.1 km to 6.3 km;
- disruption would be minimal as the existing road is currently impassable for vehicular traffic;
- the switching of HGVs to this route would mean that they would be travelling on a road that was safe and fit for purpose, and that the concern regarding narrow carriageways

and verges on the B9082 Gutcher to Cullivoe road would be less of an issue due to the massive reduction in use by HGVs;

- the reduction in the number of HGVs using the B9083 Gutcher to Cullivoe would significantly reduce future reactive maintenance requirements and cost;
- the planned machine patching and surface dressing of the B9082 Gutcher to Cullivoe Road would, given the greatly reduced vehicle loading, be sufficient to maintain the road in a reasonable condition;
- this option, by retaining the two lengths of the B9082, would maximise the resilience and reliability of this vital route meaning the economy of Shetland, and Yell in particular, is developed by “maintaining an appropriate level of accessibility;” and
- this option would maximise socio-economic benefits.

Disadvantages

The main disadvantages are that:

- there would be a requirement for £3,927,000 - 7,815,000 of capital expenditure;
- this option would not address all of the safety concerns on the B9082 Gutcher to Cullivoe Road identified by the safety check;
- the retention of the two lengths of the B9082 would mean up to an additional 6.4 kilometres of road to be maintained in future;
- land acquisition and the preparation of contract documents would be required; and
- this road does not lie on the most direct route to a possible fixed link between Yell and Unst so would not offset any future expenditure on the new roads that would be required to access this potential link.

Conclusion

This option would significantly improve the safety of road users on the route between the A968 and Cullivoe as well as reducing the length of the route thereby yielding fuel and carbon savings. It also partially meets the road safety objectives on the B9082 Gutcher to Cullivoe Road. This would be achieved by greatly reducing the number of HGV's on this narrow road. It also maximises the resilience of the route and the socio-economic benefits that can be achieved by retaining the two distinct lengths of the B9082. However, until ground investigations are undertaken there is uncertainty as to the quantity of excavation and import of materials required. Therefore, this is a **possible option**.

Option 9: a maximum scope for improvements in (this would include off line replacement with both two lane and single-track construction)

Existing Garth Windfarm Access Improved to 6.3 Metres Wide Plus New 3.3 Metre Single Track Road on New Alignment

This option would see the widening of the existing Garth Windfarm access to 6.3 metres with the north end of the access being linked to the head of the Cullivoe Pier road with a new 3.3 metres wide single-track road with passing places. A significant part of the B9082 Dalsetter to Gutcher (Hill Road) would be formally removed from the Council's "List of Public Roads" on completion of these improvements.

Advantages

The main advantages are that:

- disruption for users of the public road would be minimal as the works would be well removed from the existing road;
- the switching of HGVs to this route would mean that they would be travelling on a road that was safe and fit for purpose, and that the concern regarding narrow carriageways and verges on the B9082 Gutcher to Cullivoe road would be less of an issue due to the massive reduction in use by HGVs;
- the reduction in the number of HGVs using the B9083 Gutcher to Cullivoe would significantly reduce future reactive maintenance requirements and cost;
- the planned machine patching and surface dressing of the B9082 Gutcher to Cullivoe Road would, given the greatly reduced vehicle loading, be sufficient to maintain the road in a reasonable condition;
- this option, by retaining the length of the B9082 between Gutcher and Cullivoe, would maximise the resilience and reliability of this vital route meaning the economy of Shetland, and Yell in particular, is developed by "maintaining an appropriate level of accessibility;" and
- this option would maximise socio-economic benefits.

Disadvantages

The main disadvantages are that:

- there would be a requirement for approximately £3,780,000 of capital expenditure;
- this option would not address all of the safety concerns on the B9082 Gutcher to Cullivoe Road identified by the safety check;
- the retention of the two lengths of road would mean up to an additional 4.3 kilometres of road to be maintained in future;
- land acquisition and the preparation of contract documents would be required;
- this road does not lie on the most direct route to a possible fixed link between Yell and Unst so would not offset any future expenditure on the new roads that would be required to access this potential link; and

- sections of this road are steeper than the maximum grade specified in the DMRB so it would not be the best option for HGV's; and
- dependent on the original design "floating" sections on the access may have to be strengthened to cater for the relatively high number of HGV's that would use the road.

Conclusion

This option would significantly improve the safety of road users on the route between the A968 and Cullivoe. It also partially meets the road safety objectives on the B9082 Gutter to Cullivoe Road. This would be achieved by greatly reducing the number of HGV's on this narrow road. It also maximises the resilience of the route and the socio-economic benefits that can be achieved by retaining the two distinct lengths of road serving Cullivoe. However, sections of the access is steeper than recommended by national guidance making it less suitable for use by HGV's. Therefore, this option has been **discounted**.

3.4.2 Overall conclusion: scoping options

The table below summarises the assessment of each option against the investment objectives and CSFs.

Table 4: summary assessment of scoping options

Reference to:	Option 1	Option 2	Option 3	Option 4A	Option 4B	Option 5	Option 6	Option 7	Option 8	Option 9
Scope:	Status Quo	Minimum	Lower Intermediate	Median Intermediate	Median Intermediate	Upper Intermediate	Maximum	Maximum	Maximum	Maximum
Investment objectives										
1 - Road connections that cater for the vehicles that need to use them so that people and businesses can achieve key outcomes	x	x	x	?	?	?	✓	✓	✓	✓
2 - Roads that make journeys as safe as possible	x	x	x	✓	?	✓	✓	✓	?	✓
3 - Roads that minimise journey times	x	x	x	?	?	?	?	?	✓	?
4 - Roads that support low energy travel and active travel	x	x	x	x	x	x	✓	✓	✓	x
5 - Roads that strike the best balance between investment costs and ongoing maintenance costs	x	x	x	✓	x	✓	✓	✓	x	x
Critical success factors										
Business need	x	x	x	?	?	?	x	✓	✓	?
Strategic fit	x	x	x	?	?	?	✓	✓	✓	?
Benefits optimisation	x	x	x	x	x	x	?	✓	?	x
Potential achievability	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
Supply-side capacity and capability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Potential affordability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Summary	Discounted	Discounted	Do Minimum Baseline	Possible	Possible	Possible	Discounted	Possible	Possible	Discounted
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Option 1: status quo

This option has been discounted because it does not satisfy any of the road safety issues and does not ensure the long-term reliability of the road. Therefore, it does not reduce the potential for significant disruption to the community and businesses that would occur if the road deteriorated to the point where a weight restriction was required.

Option 2: minimum scope – spray injection patching of defects in carriageway followed by surface dressing

This option has also been discounted because it does not any of satisfy the road safety issues and does not ensure the long-term reliability of the road. Therefore, it does not reduce the potential for significant disruption to the community and businesses that would occur if the road deteriorated to the point where a weight restriction was required.

Option 3: lower intermediate scope - as above but with the construction of the capital improvements at the A968 junction and Garth Bends

This option is included as the Do Minimum baseline but it does not satisfy all of the road safety issues and does not ensure the long-term reliability of the road. Therefore it does not reduce the potential for significant disruption to the community and businesses that would occur if the road deteriorated to the point where a weight restriction was required.

Option 4A: a median intermediate scope - the construction of a new 3.3 metre wide single-track road with passing places on a new alignment

This option is possible because it would provide a completely new carriageway on a new alignment so would ensure the long-term reliability of the route thereby removing the potential for disruption. In addition it would address all of the safety concerns and minimise future maintenance spend. However, the carriageway is single-track so would not maximise resilience and socio-economic benefits.

Option 4B: a 'median' intermediate scope – the re-construction of the B9082 Dalsetter to Cullivoe (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements

This option is possible because it would provide a re-constructed carriageway and retaining the B9082 Gutter to Cullivoe Road thereby ensuring the long-term reliability of the route and removing the potential for disruption. In addition it would improve safety. However, due to the additional route it would not minimise future maintenance spend. The single-track carriageway would not maximise resilience and socio-economic benefits.

Option 5: the ‘upper intermediate’ scope – the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction

This option is possible because it would provide a completely new carriageway on a new alignment so would ensure the long-term reliability of the route thereby removing the potential for disruption. In addition it would address all of the safety concerns and minimise future maintenance spend. It would also “future proof” a one kilometre length of the road, so that should a fixed linked be constructed in future it would not need to be upgraded to serve the tunnel or bridge approach. However, the carriageway is largely single-track so would not maximise resilience and socio-economic benefits.

Option 6: a ‘maximum’ scope – the construction of a new 6.3 metre wide two-lane road on the existing alignment (Gutcher to Cullivoe)

This option is discounted due to the unacceptable level of disruption that would be caused to the Cullivoe community and businesses during the construction phase.

Option 7: a ‘maximum’ scope – the construction of a new 6.3 metre wide two-lane road on a new alignment (Gutcher to Cullivoe)

This option is possible because it would provide a completely new carriageway on a new alignment so would ensure the long-term reliability of the route thereby removing the potential for disruption. In addition it would address all of the safety concerns and minimise future maintenance spend. Since the carriageway is two lane it would maximise resilience and socio-economic benefits. It would also “future proof” the road, so that should a fixed linked be constructed in future it would not need to be upgraded to serve the tunnel or bridge approach.

Option 8: a ‘maximum’ scope – the construction of a new 6.3 metre wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe

This option is possible because it would provide a completely new two lane carriageway and retain the B9082 Gutcher to Cullivoe Road thereby ensuring the long-term reliability of the route and removing the potential for disruption. In addition it would improve safety. However, due to the additional route it would not minimise future maintenance spend. Neither would it “future proof” the road, so that should a fixed linked be constructed in future the road would have to be upgraded to serve the tunnel or bridge approach.

Option 9: a 'maximum' scope – the use of the existing access to the “Garth Windfarm” to form the south end of a new route that would lead down to the existing Gutter to Cullivoe road at the Burn of Garth via a new 6.3 metre wide two lane road. There would also be a new 3.3 metre wide single-track road on new alignment between the Burn of Garth and the Cullivoe Pier road.

This option is discounted due to the steep sections on this road where the gradient does not meet the maximum permitted gradient specified by national guidance.

3.5 Service solution options

3.5.1 Introduction

This range of options considers potential solutions in relation to the preferred scope:

The range of options that have been considered are:

- option 2.1 - Cater for current and anticipate future business, community and services needs located at Cullivoe
- option 2.2 – Seek to relocate some / all business, community and service needs away from Cullivoe

Option 2.1

Cater for Current and Anticipate Future Business, Community and Service Needs Located at Cullivoe

This option would ensure that the route between Gutter and Cullivoe is suitable for the community and for the businesses currently located in the area. It would ensure that the Cullivoe Pier continues to be operated and utilised at current levels. It would also account and allow for future growth of the community and businesses, not least the developments at the pier currently proposed by the NYDC.

Advantages

The main advantages are that:

- the community's potential would be maximised, so doing the most to ensure a positive place that is economically and socially sustainable;
- the community would feel empowered and able to influence the decisions that affect. Initial discussions at the public meeting would indicate that there is concern regarding the implications that the poor condition of the road may have for the community and businesses;

- this option would maximise income potential by facilitating the “innovative, flexible and entrepreneurial employment opportunities” referred to in Shetland’s Partnership Plan. The developments planned by the NYDC at Cullivoe Pier and the employment opportunities they would provide clearly meet this description;
- clearly the community cannot relocate in its entirety and there will also be service needs and businesses that are unable to relocate. Therefore, if the Council is to meet its statutory duty to “manage and maintain” the road network there will be a need to undertake a certain level of improvement of the route. Economy of scale makes it likely that catering for current and future businesses etc. will result in the best cost:benefit ratio; and
- there would be no disruption with associated costs for businesses due to the need to relocate all or part of their operations. The re-location of salmon landings to the new Toft Pier, for example, would incur additional costs due to ferry fares back into Yell and may result in delays during the tourist season and periods of poor weather.

Disadvantages

The main disadvantages are that:

- given that this option is catering for all current and future needs it is likely to require the greater capital investment of the two options; and
- by the same reasoning the construction phase of this option would have the greater environmental impact, both locally and in terms of carbon production.

Conclusion

This option would meet a number of the key outcomes from Shetland’s Partnership Plan including ensuring that Cullivoe and Yell are economically and socially sustainable. It would maximise income potential through employment opportunities and would minimise potential disruption and costs resulting from the re-location of services and businesses. However, it is likely that this option would require the greater level of capital investment. Therefore, this is a **possible option** that will be considered in more detail within the OBC.

Option 2.2

Seek to Relocate Some/All Businesses, Community and Service Needs Away from Cullivoe

This option would reduce the traffic volume on the road, especially HGV’s, by seeking to relocate businesses where possible. Consideration would also be given to whether the retention of community and service needs in Cullivoe is the most appropriate arrangement going forward.

Advantages

The main advantages are that:

- reduced traffic volume would allow the provision of lesser scale improvements that would require the lesser capital improvement of the two options; and
- by the same reasoning the construction phase of this option would have the lesser environmental impact, both locally and in terms of carbon production.

Disadvantages

The main disadvantages are that:

- the re-location of businesses etc. is likely to have a negative impact on the community through the possible loss of employment opportunities in Cullivoe and elsewhere in Yell;
- the community's potential would not be maximised if businesses etc. are relocated or don't come to fruition, resulting in reduced economic and social sustainability in Cullivoe and Yell (there may be improved sustainability wherever in Shetland business relocates but it is unlikely that the NYDC's planned investment would be replicated elsewhere);
- failure to address the community's concerns regarding the retention and developments of businesses in the area would not meet the key outcome of having a community that feels empowered;
- employment opportunities in Cullivoe and Yell would be reduced rather than increased. There may be increased opportunities elsewhere in Shetland but these are unlikely to offset the planned opportunities provided by the NYDC developments;
- the community cannot relocate in its entirety and there will also be service needs and businesses that are unable to relocate. Therefore, if the Council is to meet its statutory duty to "manage and maintain" the road network there will be a need to undertake a certain level of improvement of the route. Economy of scale makes it likely that catering for reduced business, community and service needs in Cullivoe will result in the worst cost:benefit ratio of the two options; and
- there would be disruption with associated costs for businesses due to the need to relocate all or part of their operations.

Conclusion

This option would require the lesser level of capital investment. However, there are a number of key outcomes from Shetland's Partnership Plan that would not be maximised including ensuring that Cullivoe and Yell are economically and socially sustainable, and that income potential will be improved through employment opportunities. There will though be some benefit in respect of these outcomes that will be dependent on the extents of the re-located business etc. and the level of improvement needed for the remaining businesses, community and service needs. Therefore, this remains a **possible option** that will be considered in more detail within the OBC.

3.5.2 Overall conclusion: service solutions options

The table and narrative below summarises the assessment of each option against the investment objectives and CSFs.

Table 5: summary assessment of service solutions options

Reference to:	Option 2.1	Option 2.2
Description of option:	Cater for Current and Anticipate Future Business, Community and Service Needs Located at Cullivoe	Seek to Relocate Some/All Businesses, Community and Service Needs Away from Cullivoe
Investment objectives		
1 - Road connections that cater for the vehicles that need to use them so that people and businesses can achieve key outcomes	✓	?
2 - Roads that make journeys as safe as possible	✓	✓
3 - Roads that minimise journey times	?	?
4 - Roads that support low energy travel and active travel	✓	?
5 - Roads that strike the best balance between investment costs and ongoing maintenance costs	✓	✓
Critical success factors		
Business need	✓	?
Strategic fit	✓	?
Benefits optimisation	?	x
Potential achievability	✓	✓
Supply-side capacity and capability	✓	✓
Potential affordability	✓	✓
Summary	Possible	Possible

Option 2.1

This option is possible because it would meet a number of the key outcomes from Shetland's Partnership Plan and would maximise income potential through employment opportunities. However, it is likely that this option would require the greater level of capital investment.

Option 2.2

This option is possible because while it would not maximise the key outcomes from the Partnership Plan it would address them to a certain extent dependent on the level of provision required to suit the remaining businesses, community and service needs.

3.6 Service delivery options**3.6.1 Introduction**

This considers the options for service delivery in relation to the preferred scope and potential solutions.

The ranges of options that have been examined are:

- In-house (all aspects of project)
- Outsource (civil works with design and supervision remaining in-house)
- Strategic partnership (look for community / business funding and / or management for part of the cost of improvements / maintenance).

In-houseIn-house Delivery by Roads Staff

This option is for the “in-house” design, supervision and civil works by Roads Service staff.

Advantages

Relative to the other listed option this does not have any advantages.

Disadvantages

The main disadvantages are that:

- there are currently insufficient roadworkers employed by the Council to undertake these additional works and continue the day to day maintenance requirements.
- this option is not practicable or achievable so cannot meet the Council's strategic objectives or make a return on expenditure.
- there is insufficient capacity within the Council to undertake the civil works required for this project.
- this option may not be affordable due to the potential cost implications of delaying more routine maintenance works.

Conclusion

This option would not be achievable due to a lack of staff resources.

OutsourceIn-house Design and Supervision with Civil Works by Contractor

This option is for the “in-house” design and supervision by the Roads Service with the civil works being tendered.

Advantages

The main advantages are that:

- this option would source additional workforce to undertake the project while allowing the Council's roadworkers to continue with the more routine but essential maintenance.
- it would enable the project to be completed timeously thereby ensuring that the Council was meeting its statutory duty to maintain the road network.
- it would allow the Council to achieve its strategic goals in a shorter time period.
- it ensures that the project is achievable.
- there is sufficient capacity in Shetland to undertake this type of work.
- the preliminary cost estimates for the project were based on the rates that were submitted with the most recent tenders submitted for similar works .

Disadvantages

The main disadvantages are that:

- there is a risk that due to work commitments there may be insufficient staff in the Design Section to supervise the works. This would potentially require the tendering of the supervision works or the employment of additional design staff.

Conclusion

This is a possible option as there would be sufficient capacity and interest in the private sector for the undertaking of the civil works.

Strategic partnership**Sourcing of External Funding with In-house Design & Supervision and Civil Works by Contractor**

This option is for the “in-house” design and supervision by the Roads Service with the civil works being tendered and potentially funded/part funded by community or business grants.

Advantages

The main advantages are that:

- this option would source additional workforce to undertake the project while allowing the Council’s roadworkers to continue with the more routine but essential maintenance.
- it would enable the project to be completed timeously thereby ensuring that the Council was meeting its statutory duty to maintain the road network.
- it would allow the Council to achieve its strategic goals in a shorter time period.
- it ensures that the project is achievable.
- there is sufficient capacity in Shetland to undertake this type of work.
- the preliminary cost estimates for the project were based on the rates that were submitted with the most recent tenders submitted for similar works .
- reduced capital cost of the project for the Council.
- confirmation that the project is of national importance and warrants the proposed expenditure.

Disadvantages

The main disadvantages are that:

- there is a risk that due to work commitments there may be insufficient staff in the Design Section to supervise the works. This would potentially require the tendering of the supervision works or the employment of additional design staff.
- the preparation of any grant application would require considerable staff resources/time to be allocated from a number of departments throughout the Council.
- the preparation of a grant application, negotiations etc. and the period from submission to decision may result in delays to the commencement of the project

Conclusion

This is the preferred option as grant funding would reduce the Council’s expenditure. There is also sufficient capacity and interest in the private sector for the undertaking of the civil works. However, there may be issues with the staff resources required to submit a grant application.

3.6.2 Overall conclusion: service delivery options

The table below summarises the assessment of each option against the investment objectives and CSFs.

Table 6: summary assessment of service delivery options

Reference to:	Option	Option	Option
Description of options:	<i>In-house</i>	<i>Outsource</i>	<i>Strategic partnership</i>
Investment objectives			
1 – Safe road network	x	✓	✓
2 – Maintain road network	x	✓	✓
3 – “Best value” for Council	x	✓	✓
4 – Sustain and develop economy	x	✓	✓
5 – Future proofing	x	✓	✓
Critical success factors			
Business need	x	✓	✓
Strategic fit	?	✓	✓
Benefits optimisation	x	✓	✓
Potential achievability	x	✓	?
Supply-side capacity and capability	x	✓	✓
Potential affordability	?	?	✓
Summary	Discounted	Possible	Preferred

In-house

This option has been discounted because the required workforce for the civils are not available “in-house.”

Outsource

This option is possible because it is the only viable way to source the workforce required to undertake the civils works.

Strategic partnership

This option is preferred because it would reduce the Council’s costs.

3.7 Implementation options

3.7.1 Introduction

The key milestones in the implementation of this project and the other projects listed in the SOP are shown in Appendix 2.

3.8 Funding options

3.8.1 Introduction

The cost of the majority of this scheme would be met from public funding. The sourcing of external grant funding will be investigated.

3.9 The long list: inclusions and exclusions

The long list has appraised a wide range of possible options

Table 7: summary of inclusions, exclusions and possible options

Options	Finding
1.0 Scope	
1.1 status quo	Discounted - because it does not address road safety, does not ensure the reliability of the road and does not reduce the potential for significant disruption to the community and businesses.
1.2 minimum - the spray injection patching of defects followed by surface dressing	Discounted - because it does not address road safety, does not ensure the reliability of the road and does not reduce the potential for significant disruption to the community and businesses.
1.3 the 'lower intermediate' scope – as above but with the construction of minor capital improvement schemes	Included as baseline Do Minimum option - this option does not fully address road safety, does not ensure the reliability of the road and does not reduce the potential for significant disruption to the community and businesses.
1.4A a 'median intermediate' scope – the construction of a new 3.3 metre wide single-track road with passing places on a new alignment (Gutcher to Cullivoe)	Possible - because it would ensure the long-term reliability of the route thereby removing the potential for disruption. It would address all of the safety concerns and minimise future maintenance spend.
1.4B a 'median' intermediate scope – the re-construction of the B9082 Dalsetter to	Possible - because it would provide a re-constructed carriageway and retain two routes,

Cullivoe (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements	thereby removing the potential for disruption. In addition it would improve safety. However, due to the additional route it would not minimise future maintenance spend.
1.5 the 'upper intermediate' scope – the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction	Possible - because it would provide a new carriageway thereby removing the potential for disruption. It would address all of the safety concerns and minimise future maintenance spend. It would "future proof" the road, so that it would not need to be upgraded to suit a fixed link. However, it is single-track so would not maximise resilience and socio-economic benefits.
1.6 a 'maximum' scope – the construction of a new 6.3 metre wide two-lane road on the existing alignment (Gutcher to Cullivoe)	Discounted - due to the unacceptable level of disruption that would be caused to the Cullivoe community and businesses during the construction phase.
1.7 a 'maximum' scope – the construction of a new 6.3 metre wide two lane road on a new alignment (Gutcher to Cullivoe)	Possible - because it would provide a completely new carriageway so would ensure the long-term reliability of the route thereby removing the potential for disruption. In addition it would address all of the safety concerns and minimise future maintenance spend. It would maximise resilience and socio-economic benefits. It would "future proof" the road, so that it would not need to be upgraded to suit a fixed link.
1.8 a 'maximum' scope – the construction of a new 6.3 metre wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe	Possible - because it would provide a new two lane carriageway and retain two roads thereby removing the potential for disruption. In addition it would improve safety. However, due to the additional route it would not minimise future maintenance spend. Neither would it "future proof" the road to suit a potential fixed link.
1.9 a 'maximum' scope – the use of the existing access to the "Garth Windfarm" to form the south end of a new route that would lead down to the existing Gutcher to Cullivoe road at the Burn of Garth via a new 6.3 metre wide two lane road. There would also be a new 3.3 metre wide single-track road on new alignment between the Burn of Garth and the Cullivoe Pier road.	Discounted - due to the steep sections on this road where the gradient does not meet the minimum gradient specified by national guidance.

2.0 Service solutions	
There will be a range of solutions for the preferred scope which will be identified during the detailed design process. The solutions will be assessed according to the recommendations of the DMRB and the required earthworks.	
3.0 Service delivery	
3.1 In-house	Discounted - because the required workforce for the civils are not available “in-house.”
3.2 Outsource	Possible - because it is the only viable way to source the workforce required to undertake the civils works.
3.3 Strategic partnership	Preferred - because it would minimise the Council’s costs.
4.0 Implementation	
Not applicable. The key milestones in the implementation of the project and the other projects listed in the SOP are shown in Appendix 2.	
5.0 Funding	
Not applicable. The public funding of this project is the only viable option. The sourcing of external funding will be investigated.	

3.10 Short-listed options

3.10.1 Overview

The ‘possible’ options and Do Minimum option 3 identified in table 5 above have been carried forward into the short list for further appraisal and evaluation. All the options that were discounted as impracticable have been excluded at this stage.

On the basis of this analysis, the recommended short list for further appraisal within the OBC is as follows:

- **option 3 - Do Minimum** - included as baseline - the ‘lower intermediate’ scope – as above but with the construction of the capital improvement schemes at the A968 Junction and at the “Garth Bends” as recommended in the safety check;
- **option 4A** – the ‘median intermediate’ scope – the construction of a new 3.3 metre wide single-track road with passing places on a new alignment in accordance with the Design Manual for Roads and Bridges (DMRB);
- **option 4B** – a ‘median’ intermediate scope – the re-construction of the B9082 Dalsetter to Gutter (Hill Road) with passing places, widening to 3.3 metres, alignment and safety improvements as required in accordance with the DMRB;

- **option 5** – the ‘upper intermediate’ scope – the construction of a new 6.3 metre wide two-lane road to the south of a future junction with a road that would serve a fixed link to Unst and a new 3.3 metre wide single-track road with passing places on a new alignment to the north of the future junction, all in accordance with the DMRB;
- **option 7** – ‘maximum’ scope – the construction of a new 6.3 metre wide two-lane road on a new alignment in accordance with the DMRB; and
- **option 8** – a ‘maximum’ scope – the construction of a new 6.3 metre wide two lane road on a new alignment over the hill from Dalsetter to Cullivoe in accordance with the DMRB; and

4. The Commercial Case

4.1 Introduction

This section of the SOC outlines the proposed deal in relation to the possible options outlined in the economic case.

Note: the detailed consideration of the commercial case takes place at OBC stage. However, you need to start thinking about it in outline terms now. The SOC should contain an initial, less detailed review

This is for the provision of a new road on an alignment in accordance with the DMRB under a traditional lump sum contract (“ICC Infrastructure Conditions of Contract,” Association for Consultancy & Engineering and Civil Engineering Contractors Association).

4.2 Required services

These are as follows:

Products

- Roadstone/aggregates;
- Asphalt concrete;
- Proprietary safety barrier components;
- Twinwall polypropylene culverts; and
- Thermoplastic road marking paint.

Services

- Roads Service staff time to prepare initial and final designs plus land acquisition plans;
- Development and Corporate staff time to assist with making the “case” for the road improvement;
- Roads Service staff time to undertake consultation with the community and other stakeholders;
- Legal Services staff time to process the acquisition of land;
- Roads Service staff time to prepare contract documents etc. on approval of the project;
- Civil works for the construction of the road with drainage etc.;
- Safety barrier installation; and
- Roads Service staff time to supervise the construction of the project.

4.3 Potential for risk transfer

This section provides an initial assessment of how the associated risks might be apportioned between the public sector (Shetland Islands Council) a private sector (Contractors and Suppliers).

Note: detailed analysis of risks takes place at OBC stage

The general principle is to ensure that risks should be passed to 'the party best able to manage them', subject to value for money (VFM).

The table below outlines the potential allocation of risk ...

Table 8: risk transfer matrix

Risk Category	Potential allocation		
	Public	Private	Shared
1. Design risk	✓		
2. Construction and development risk		✓	
3. Transition and implementation risk			✓
4. Availability and performance risk			✓
5. Operating risk	✓		
6. Variability of revenue risks	✓		
7. Termination risks	✓		
8. Technology and obsolescence risks			✓
9. Control risks	✓		
10. Residual value risks	✓		
11. Financing risks	✓		
12. Legislative risks			✓
13. Other project risks			✓

4.4 Proposed contract lengths

There will be a single contract for a period of between 18 months and two years depending on the preferred option.

4.5 Proposed key contractual clauses

These are as follows:

The following are the key clauses for this project taken from the Infrastructure Conditions of Contract (ICC):

- Clause 22 – Damage to Persons and Property;
- Clause 63 – Completion of the Works;
- Clause 72 - CDM Regulations;
- Clause 77 – Possession of the Site;
- Special Requirements in Relation to SEPA and Public Utilities.

4.6 Personnel implications (including TUPE)

It is anticipated that the TUPE – Transfer of Undertakings (Protection of Employment) Regulations 1981 – will not apply to this investment as outlined above.

4.7 Procurement strategy and implementation timescales

It is anticipated that the procurement strategy will be a traditional lump sum contract in which the contractor prices the work based on drawings and a specification, supported with measured bills of quantities all prepared by Roads Service design staff. The bill of quantities items are priced individually by the contractor and incorporated into the contract.

Subject to agreement of the SOC, it is anticipated that the implementation milestones to be agreed for the scheme with the service provider will be as shown in Appendix 2.

4.9 FRS 5 accountancy treatment

The construction of the scheme would result in the completed asset being held on the Council's Balance Sheet as a non-current asset under International Accounting Standard (IAS) 16 – Property Plant & Equipment and International Public Sector Accounting Standards Board (IPSAS) 17 – Property Plant & Equipment.

5.0 The Financial Case

5.1 Introduction

The purpose of this section is to set out the indicative financial implications of the preferred way forward (as set out in the economic case section) and the proposed deal (as described in the commercial case section).

Note: detailed analysis of the financial case including affordability takes place at OBC stage.

5.2 Impact on the Council's Annual Accounts

The impact on the Income and Expenditure Account will be additional revenue costs for debt charges for borrowing of approximately between £113k and £209k per annum.

There will be an increase in the value of Long Term Assets for the new road of approximately between £2.1m and £7.8m and an increase in Long Term Liabilities for the increase in borrowing on the Balance Sheet of between £2.1m and £7.8m

5.4 Overall affordability

The proposed capital cost of the project is between £2.1 and £7.8 million over the 6 year development and construction period.

In line with the Council's Medium Term Financial Plan and Borrowing Policy, these costs would be funded by borrowing and would add to the Council's external debt. If external grant funding can be sourced for this project the costs will be reduced accordingly.

Under the Local Government in Scotland Act 2003 there is a requirement that local authorities should adhere to The CIPFA Prudential Code for Capital Finance in Local Authorities. The Prudential Code seeks to concentrate primarily on ensuring that local authorities' capital spending plans are affordable.

The Council's approved Prudential Indicator for its authorised limit for external debt, which should not be breached, is £158.920m and the Council's total external debt is currently £97.890m. Therefore this proposal would not breach the Council's authorised limit and is within affordable limits.

6. The Management Case

6.1 Introduction

This section of the SOC addresses the ‘achievability’ of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

6.2 Programme management arrangements

The scheme is an integral part of the Strategic Outline Programme, which comprises a portfolio of improvement schemes for the delivery on Shetland’s strategic road network.

These are set out in the SOP for the project, which was endorsed by full Council on 27 November 2019.

This Strategic Roads Programme will be delivered as a series of self-contained projects which will be evaluated and decided on individually. Each will require its own strategic, outline and full business case before implementation.

A benefit of considering these projects together as a “programme” is that it is a more structured method of comparing the relative merits of each against a consistent set of objectives, creates a better understanding of the overall scale of the potential works and helps identify a timeline for future assessment and delivery. It will also create the structure where any new issues or opportunities that emerge can be considered against these objectives and allow these to be placed within an overall timetable for detailed consideration and decision making.

6.3 Project management arrangements

The project will be managed in accordance with PRINCE 2 methodology.

6.3.1 Outline project reporting structure

There shall be a pre-contract meeting at which the successful tenderer shall present all required documentation relating to insurances and tax certificates. He shall present his/her management structure for the contract, identifying responsibility for general management, valuation and safety matters. The agenda will include specification, management, valuation, systems for invoicing and payment, safety and a programme of monthly progress meetings. The Principal Contractor shall, at the progress meetings, provide the Engineer with a report detailing progress made and expected completion date.

6.3.2 Outline project roles and responsibilities

Client: Dave Coupe, Executive Manager- Roads, Shetland Islands Council

Principal Designer: Ian Smith, Shetland Islands Council, Roads Service

Principal Contractor: to be appointed prior to construction phase.

Engineer: Neil Hutcheson, Team Leader - Network, Shetland Islands Council, Roads Service

6.3.3 Outline project plan

The programme for the project is shown in Appendix 2.

6.4 Use of special advisers

Special advisers have been used in a timely and cost-effective manner in accordance with the Treasury Guidance: Use of Special Advisers.

Details are set out in the table below:

Table 10: special advisers

Specialist Area	Adviser
Financial	Financial Services
Technical	
Procurement and legal	
Business assurance	Ports and Harbour Operations
Other	Road Users, Cullivoe Community and other stakeholders

6.5 Gateway review arrangements

All gateway reviews will be conducted using the agreed standards and format as set out in Shetland Islands Council – Gateway Process for the Management of Capital Projects – June 2016.

Signed:

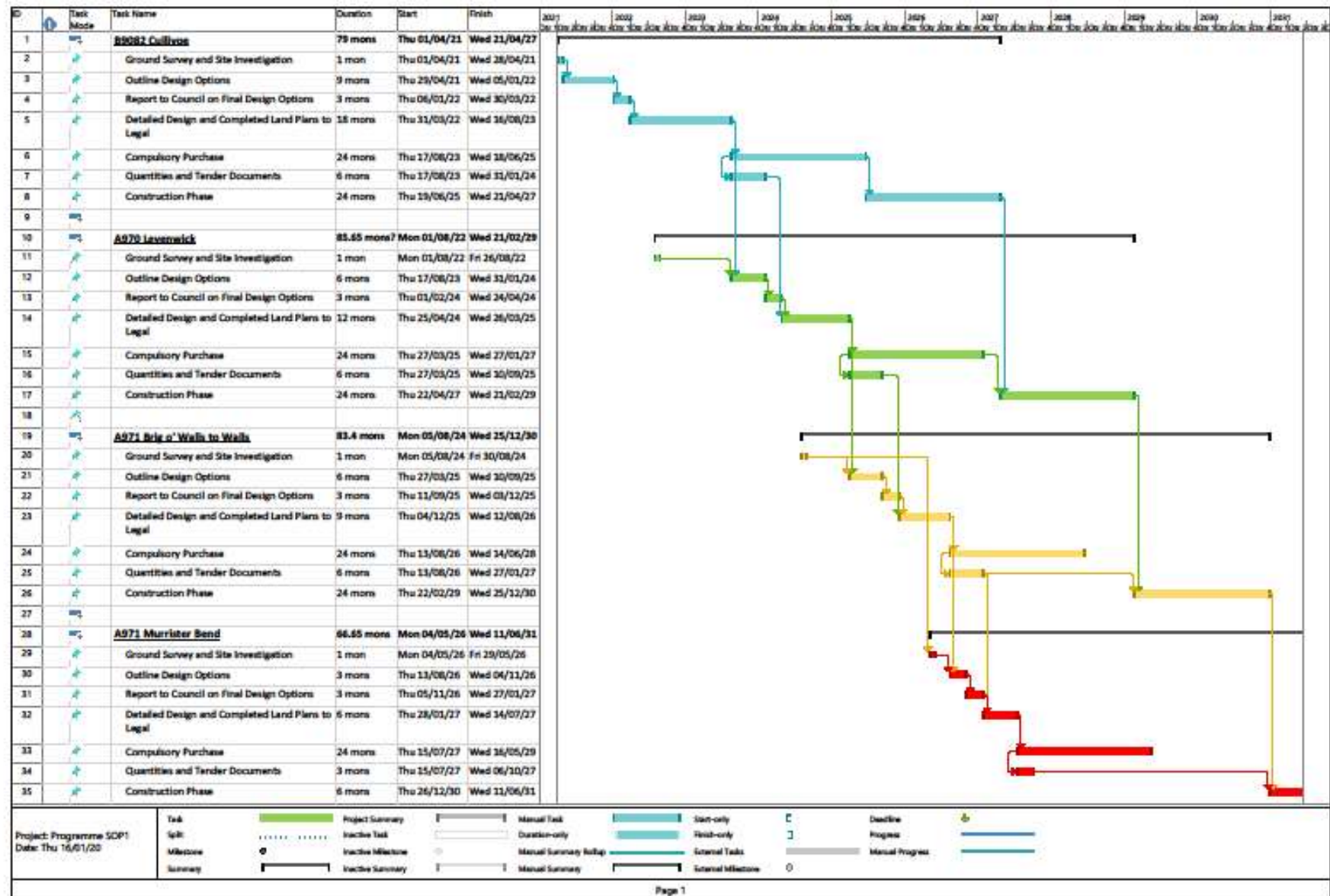
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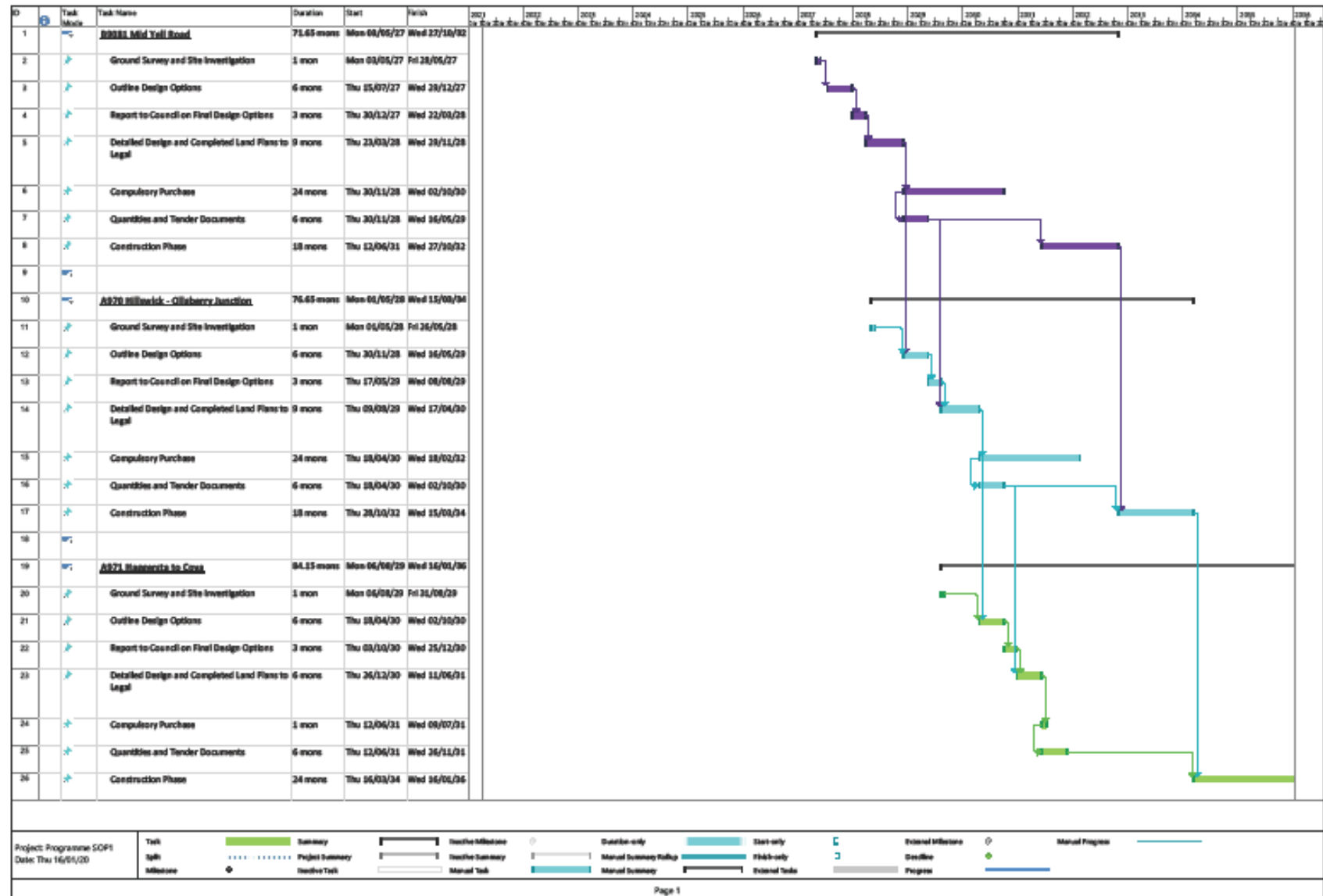
Senior Responsible Owner

Project Team

**APPENDIX 1: STRATEGIC OUTLINE PROGRAMME
STRATEGIC ROADS NETWORK**

APPENDIX 2: CULLIVOE ROAD AND SOP PROGRAMME







Meeting(s):	Shetland Islands Council	22 July 2020
Report Title:	Spaces for People	
Reference Number:	DV-13-20-F	
Author / Job Title:	Robina Barton, Transport Policy and Projects Officer	

1.0 Decisions / Action Required:

1.1 That the Council RESOLVES to

- 1.1.1 NOTE the application by ZetTrans to Sustrans Spaces for People Fund for 100% funding for the development of trial active travel interventions in Shetland.
- 1.1.2 APPROVE application of staff resources to the design and implementation of temporary interventions including, but not limited to, roadspace reallocation and traffic restrictions to support the continuation of active travel habits developed under the Coronavirus lockdown, as set out in Section 4.
- 1.1.3 APPROVE application of staff resources to the development of a strategic multi-agency approach to mobility and access in Lerwick as proposed by ZetTrans.

2.0 High Level Summary:

- 2.1 The purpose of this report is to present to Shetland Islands Council information relating to the ZetTrans application to the Sustrans Spaces for People Fund and seek approval of Council support, in the form of staff resources, for the creation of temporary interventions and for the development of a strategic multi agency approach to mobility and access in Lerwick.

3.0 Corporate Priorities and Joint Working:

- 3.1 The Council's Corporate Plan states as one of its five top political priorities, "Provide quality transport services within Shetland, and push for improvements in services to and from Shetland" (Our Plan – 2016 – 2020).
- 3.2 The Council works closely with ZetTrans, as the main partner, to deliver its transport priorities along with NHS Shetland and Highlands and Islands Enterprise.

4.0 Main Issues:

- 4.1 The Spaces for People programme is 100% funded by the Scottish Government and managed by Sustrans Scotland. According to Sustrans' explanatory literature, the Spaces for People programme "aims to enable statutory bodies to implement

measures focused on protecting public health, supporting physical distancing and preventing a second wave of the Coronavirus outbreak”.

- 4.2 A multi-agency group, known as the Active Travel Group, has been meeting since October 2018 to coordinate efforts to develop further active travel infrastructure for Shetland. The group consists of representatives from:
- Shetland Islands Council (Roads, Planning, Schools, Sport and Leisure, Transport Planning and Community Planning & Development Services)
 - NHS Shetland (Public Health and Estates)
 - Shetland Recreational Trust
 - Visit Scotland
 - Scottish Natural Heritage
 - Police Scotland
 - Shetland Association of Community Councils
 - Regional Transport Partnership ZetTrans
- 4.3 The Active Travel Group secured £60,000 Sustrans funding to develop an Active Travel Strategy in 2019 and this work is currently underway.
- 4.4 In May 2020 representatives from the Council's Planning, Roads and Estates Services, NHS Shetland, Sustrans, SYSTRA and ZetTrans met to discuss the potential for a more strategic approach to mobility and access in Lerwick. Key drivers for the discussion were:
- Knab and Staney Hill masterplans
 - Climate change agenda
 - Travel behaviour change due to Coronavirus lockdown
 - Active Travel Strategy development and increased Active Travel funding available
 - Work commencing on new Transport Strategy for Shetland
- 4.5 Through the meeting and a follow up survey, it was agreed that it would be desirable for ZetTrans to lead development of a 'Lerwick Mobility and Access Plan', with 2, 5 and 10 year aspirations. Project partners should be the Council's Roads, Planning and Schools Services and NHS Shetland. Key stakeholders would include (but not be limited to) the Council's Estates and Sport & Leisure Services, Living Lerwick, Lerwick Community Council, Shetland Amenity Trust, and Visit Shetland.
- 4.6 Shetland, like the rest of the UK, has seen an increase in active travel coupled with a reduction in car use since the start of the Coronavirus pandemic. Thanks to an engagement exercise undertaken by consultants SYSTRA as part of the Active Travel Strategy development, it has been possible to quantify some of the changes, and the potential for them to become embedded. An online survey open from 1 – 31 May 2020 attracted a total of 420 responses, with a good geographical spread across Shetland.
- 4.7 The Sustrans Spaces for People fund provides an opportunity to trial interventions to make it safer for people who choose to walk, cycle or wheel for essential trips and exercise during the pandemic. This is done within the framework of the Active Travel Strategy development and wider aspirations for a strategic approach to

Lerwick, with a view to some becoming more permanent infrastructure developments.

- 4.8 The main purpose of the Spaces for People fund is public health benefit.
- 4.9 The Scottish Government 'Long term vision for active travel in Scotland 2030' notes that "Walking and cycling as mainstream travel options support equality in opportunity and improvements in the environment. People are enabled to make healthy living choices to treat and prevent disease, address the impacts of sedentary lifestyles and reduce health inequalities".
- 4.10 A ZetTrans led application for £200,000 was submitted to Spaces for People in June for a project entitled 'Support for safer, sustainable travel in Shetland'. This project would seek to:
- Investigate the use of a combination of e.g. reduced speed limits, street closures, modal filters and improved crossings to create a low traffic neighbourhood in the heart of Lerwick. This would eliminate key rat runs and facilitate both walking and especially cycling to destinations within the town.
 - 'Low Traffic Neighbourhood Ideas' (Appendix 1) provides an example of the main area of focus and the *kinds of* intervention (this is for information only and does not represent a recommended plan).
 - Issues raised to address in design include displacing traffic onto other routes, turning for local access vehicles, refuse collection, deliveries, and the effect on disabled parking spaces and bus stops.
 - Reallocate road space to walking and cycling along Westerloch drive in Lerwick to improve safety for people accessing the Clickimin walking/cycling path from the main road A970.
 - 'Westerloch' (Appendix 2) – shows the route as a dashed red line.
 - This is an intervention that the Council's Roads Service intend to make permanent in due course, but SfP funding could allow a temporary measure to come into effect until permanent arrangements can be made – desirable given the current high volume of usage by walkers, cyclists and wheelers.
 - Work with Shetland's BID Living Lerwick to explore creation of a covered / heated outdoor seating area for cafes / restaurants on or near Lerwick's Commercial Street to increase the capacity for these businesses to function whilst maintaining social distancing.
 - This could be beneficial to the economy of Shetland, and to public health and wellbeing, by providing people with more opportunities to get out and socialise in a post-lockdown world.
 - It could include associated facilities such as bike parking.
 - Implement interventions outside of Lerwick in response to issues raised through a Placecheck map and a public engagement exercise that took place in March 2020. Lack of footpaths and/or narrow verges are the most common barriers to active travel cited. More work is required to identify the most practical and valuable interventions in these cases. The top priorities were:
 - Improving safety to allow for walking and cycling in Voe
 - Improving safety to allow for walking / cycling to access schools in Shetland.

<p>4.11</p> <p>4.12</p> <p>4.13</p>	<p>Key findings from the SYSTRA survey (Appendix 3) provide support and justification for Spaces for People interventions. The survey data, and associated Placecheck map, show that journeys for shopping, socialising, leisure and accessing healthcare can all be supported by the kinds of temporary infrastructure proposed.</p> <p>The survey indicated that travel to work is likely to remain at a lower level due to increased homeworking in the future. The data also shows that there is a real public appetite for this kind of change and that a significant percentage of people see health benefits as the most important reason for walking and cycling for everyday journeys.</p> <p>It is intended that the Active Travel partners will play a role at every stage of the Spaces for People project:</p> <ul style="list-style-type: none"> • Agreeing interventions to be trialled • Commenting on design • Supporting implementation • Encouraging behaviour change through public messaging.
<p>5.0 Exempt and/or Confidential Information:</p>	
<p>5.1</p>	<p>NONE.</p>
<p>6.0 Implications :</p>	
<p>6.1 Service Users, Patients and Communities:</p>	<p>Supporting active travel and taking a strategic approach to mobility and access in Lerwick will be beneficial for public health, and help to tackle inequalities.</p>
<p>6.2 Human Resources and Organisational Development:</p>	<p>Staff resources from the Council's Roads and Planning Services will be called upon to support design and implementation of temporary interventions. Active Travel Group members from within the Council will play a role at every stage of the Spaces for People Project and to the development of a wider strategic approach to mobility and access in Lerwick.</p>
<p>6.3 Equality, Diversity and Human Rights:</p>	<p>Supporting active travel and taking a strategic approach to mobility and access in Lerwick will be beneficial for public health, and help to tackle inequalities.</p> <p>Where appropriate projects and activities will be subject to Integrated Impact Assessments and Data Protection Impact Assessments.</p>
<p>6.4 Legal:</p>	<p>Legal advice may be required to progress any temporary interventions under the Spaces for People programme and will be provided as necessary.</p>

6.5 Finance:	There are no ongoing financial implications arising from this project, which will be 100% funded by the Scottish Government, through Sustrans. The provision of staff resources to support this project will be met from approved service budgets.	
6.6 Assets and Property:	None arising directly from this report.	
6.7 ICT and New Technologies:	It is anticipated that digital engagement with stakeholders and the public will be required, including online surveys, digital meetings and workshop activities to refine plans and monitor results.	
6.8 Environmental:	Support for safer sustainable travel in Shetland will help address the Global Climate Emergency and support the work of Shetland Islands Council in this regard.	
6.9 Risk Management:	Failure to take advantage of the Spaces for People funding, and to take a strategic approach to mobility and access in Shetland's main population centre could result in a lost opportunity to support and embed changing behaviours that are beneficial to public health and wellbeing, and the environment.	
6.10 Policy and Delegated Authority:	<p>ZetTrans has functional responsibility to secure transport services in Shetland under the Transfer of Functions to the Shetland Transport Partnership Order 2006.</p> <p>The Council has reserved authority for the determination of matters of new, or variation to, strategic policy.</p>	
6.11 Previously Considered by:	ZetTrans	16 July 2020

Contact Details:

Robina Barton, Transport Policy and Projects Officer

Robina.Barton@shetland.gov.uk

Date Cleared: 15 July 2020

Appendices:

Appendix 1 – Low Traffic Neighbourhood Ideas

Appendix 2 – Westerloch

Appendix 3 - Active Travel Survey May 2020 – Key Findings

Background Documents:

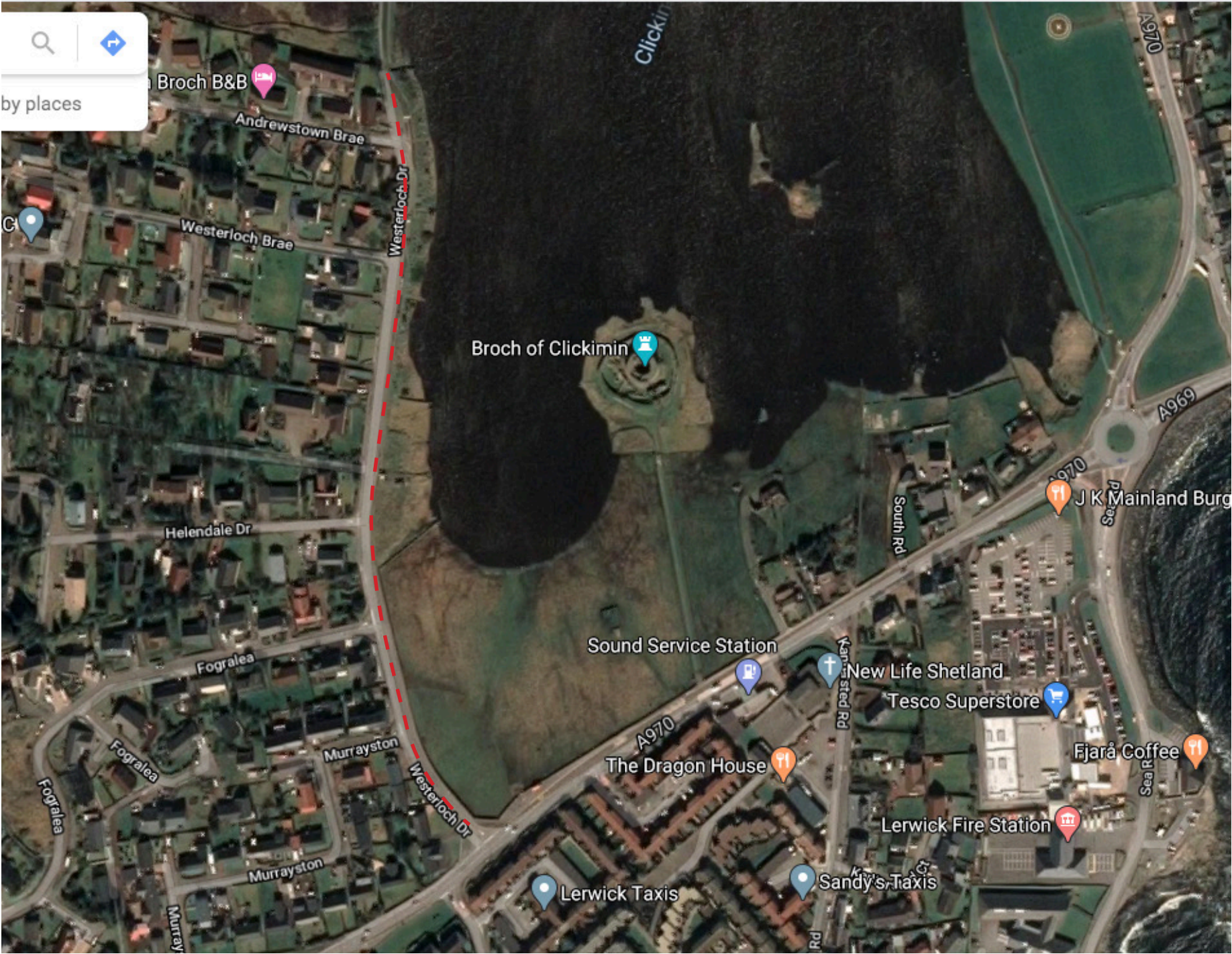
Scottish Government Long term vision for active travel in Scotland 2030

<https://www.transport.gov.scot/media/33649/long-term-vision-for-active-travel-in-scotland-2030.pdf>

Shetland Islands Council – Climate Change Strategic Outline Programme -
<http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9De%95r%81%8C>

Shetland Islands Council - Active Shetland Strategy
<http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9De%92p%7B%8F>





Key points from the Shetland online active travel survey conducted May 2020

Statistics

Before movement restrictions were put in place the most common reasons for travel were:

- 93% shopping/personal business
- 85% employment
- 77% visiting family/friends
- 76% leisure
- 64% healthcare
- 34% nursery/school transport
- 19% caring responsibilities
- 5% leisure
- 8% other purposes

Since lockdown:

- 42% of respondents reported an increase in walking
- 18% of respondents reported increase cycling.
- 80% of respondents reported a reduction car use

After movement restrictions are lifted:

- 69% of those people walking more stated they were likely to continue with
 - 84% citing health as the reason
 - 52% citing the environment as the reason
- 61% of those people cycling more stated they were likely to continue with
 - 62% citing health as the reason
 - 50% citing the environment as the reason.

Regarding the principle of improving walking and cycling infrastructure in Shetland, *even when this would mean less room for other traffic:*

- 7% of respondents were supportive
 - 50% very
 - 27% generally
- 5% of respondents were unsupportive
 - 1% very
 - 4% generally
- 50% of respondents cited safety as a barrier to cycling
- 20% of respondents cited safety as a barrier to walking

Of 97 respondents who provided additional comments:

- 31% believed cycling infrastructure improvements needed to promote safety
- 15% believed walking routes need to be improved and better promoted
- 15% believed the speed of cars means walking and cycling is not always a safe option

SYSTRA Memorandum

From Aurelia Ciclaire to Robina Barton - 25/06/2020

Further to our discussion, you will see here a summary of headline findings from the survey, to accompany the power point report presented earlier in the week.

About respondents and their travel behaviour:

- 420 responses, a substantial sample with a geographical distribution broadly in line with population spread across Shetland (census 2011) – Lerwick is slightly underrepresented.
- Note that it is a snapshot of people's reported behaviour and attitude which provides useful insight, but can also evolve, through developing events, changing government advice or through policy changes.
- Before COVID-19 travel restrictions, over half (51%) of respondents reported travelling alone by car 5 times a week or more.
- The most common reason for travelling (before the lockdown) was reported to be shopping and personal business, ahead of commuting. It should be noted that commuting to work, although important, is generally not the most often quoted and far from the only reason we travel, particularly over short distances. When considering travel behaviour change and infrastructure provision, we should aim to support all those other trip purposes as well as the commuting trips we traditionally focus on when talking about transport.

Travelling to work, business or education:

- **The survey results suggest a significant increase in walking and cycling use during lockdown for work/business or education purposes.** 42% of respondents reported an increase in walking when travelling for work, businesses or education. And 18% reported an increase in cycling for those same purposes.
- **A significant decrease in driving and public transport use was widely reported, reflecting the increase in working from home, businesses and school closures.** 80% reported a decrease in driving and 35% a decrease in using public transport.
- **Those walking and cycling more during lockdown largely anticipate continuing to do so, citing most often health and environmental benefits for doing so as well as a more enjoyable journey.** Of those who reported an increase in walking, 69% suggested it was very or quite likely that they would continue travelling differently. 69% of those who reported an increase in cycling expect to continue to cycle more.
- **Although the majority of those who drove less during lockdown don't expect to continue, over a third are either expecting to continue to drive less, or are unsure yet.** 65% of those who reported a decrease in driving during the lockdown suggest they are unlikely to continue to drive less. However, this leaves 26% of decreased drivers who suggest they are likely to continue to drive less, and 9% are not sure.

Travelling for social, personal and leisure activities:

The survey results also suggest a significant increase in walking and cycling use during lockdown for social, personal, or leisure activities, and a decrease in driving and public transport use.

- For leisure purposes, larger proportion of respondents reported increases in walking and cycling (58% and 22% respectively).
- Four in five (80%) of those who reported an increase in walking expect continuing to do so.

- Almost two thirds (65%) of those who report driving less say it is unlikely they will continue to do so, however this leaves 26% who report it likely they will continue to drive less, while another 11% didn't know.

=> These results suggest an expectation that changes in travel habits made during lockdown are likely to continue at least to some extent once restrictions are lifted. This applies, to varying degrees, to all modes, for trips to work/business/education and social/personal/leisure trips. Of importance for the active travel strategy and broader transport strategy, it suggests an appetite for more walking and cycling for all types of journeys, and a significant minority who anticipate continuing to drive less.

Working patterns:

The lockdown has led to dramatic changes to where people work, with people working from home now in large numbers. The results from this survey suggest that a significant proportion (51% of our sample) don't expect to go back to work where and as they did before, with an expected increase in working from home. This will have an impact on where and how often people travel for work, with implications for transport provisions.

- 44% of respondents reported working 5 days a week or more in an office, that percentage drops to 7% during the lockdown. Conversely, only 9% reported working from home 5 or more days a week before the lockdown, during the lockdown it increases to almost half (49%).
- 21% of respondents anticipate spending more time working from home and another 18% are unsure.
- Just under half (49%) of respondents expect to return to how it was before restrictions.
- Of those who suggested that they will spend more time working from home, software/hardware set-up now being in place was the most frequently cited reason (69%). Other frequently cited reasons included employers being more flexible (68%); employers enforcing/encouraging it (64%); and working from home giving a better work-life balance (58%) .

Active Travel in Shetland:

Current provision for walking and cycling is not rated very highly, and there is significant concern about safety when cycling. The preference for better provision is segregated from motorised traffic, and they strongly support those improvements to walking and cycling infrastructure, even if that means taking space away from other traffic.

- Around two thirds (60%) had not heard of Shetland's Active Travel Strategy before answering the survey. That suggests that the survey reached a population not involved in or aware of previous engagement activities and communication, but also shows the importance of an extensive communication strategy to reach as wide a range of people as possible.
- **Over three quarters (77%) of respondents support improving walking and cycling infrastructure in Shetland, even when this would mean less room for other traffic.**
- Asked to rate the quality of a range of provision for walking and cycling in Shetland (pedestrian crossings, cycle paths, lighting, signposting, information, etc,) the average score was low at 3.6/10. Suggesting a need for improvement.
- Asked to identify the main barriers to cycling in Shetland, the weather was most cited (by 59% of respondents), followed by safety (50%). Weather is also the main barrier cited to walking in Shetland (cited by 57%) followed by distance and time constraints, while safety is cited by only 20% in 6th position. This suggest that people see cycling as being or feeling particularly unsafe.
- There is further suggestion of concerns about safety in the last free-text comment. When asked if there is anything they would like to add about walking and cycling, the most frequent comment is about cycling infrastructure improvements need to increase safety (31% out of 97 comments).



Meeting(s):	Shetland Islands Council	22 July 2020
Report Title:	Temporary Speed Limits – A970 South Road to Gulberwick	
Reference Number:	RD-05-20-F	
Author / Job Title:	Colin Gair, Traffic & Road Safety Engineer	

1.0 Decisions / Action required:

- 1.1 That the Council NOTES the introduction of Temporary 30mph, 40mph and 50mph speed limits along the A970 between Ackrigarth, Lerwick and the B9075 junction at Gulberwick.

2.0 High Level Summary:

- 2.1 The lock-down restrictions imposed to control the spread of Covid-19 have resulted in huge changes in how we live, work and spend our recreation time. This has been evidenced by significant changes to travel patterns across the country, with large increases in walking and cycling for commuting, shopping and recreation.
- 2.2 Similar changes across Shetland have been observed and we need to respond to them, as appropriate, in the short term to ensure public safety and to encourage healthier and more sustainable travel and lifestyle choices both now and going forward.
- 2.3 Measures taken now may help maintain the positive choices as we exit lock-down and facilitate beneficial longer term changes.
- 2.4 Reducing speed limits in appropriate areas is one simple measure that can help with safety and encouraging this change.

3.0 Corporate Priorities and Joint Working:

- 3.1 The promotion of reduced speed limits in this area enhances the safety of pedestrians and cyclists and is therefore in line with Council's Road Safety Policy.
- 3.2 Promoting measures that both recognise and enhance opportunities for active travel meet the aspirations of the Community Health & Care Partnership in promoting healthy active lifestyles.

4.0 Key Issues:

- 4.1 The Roads Service carried out a number of surveys in late 2019 along the A970 South Road in the Sound, Ackrigarth, Sandyloch and Shurton Brae area. These were targeted to address local concerns over traffic speeds and issues pedestrians were having crossing the road. The residents were seeking lower speed limits.

- 4.2 Before an analysis of the data and site visits could be reported to members and the local residents the country entered lock-down to help contain the spread of Covid-19.
- 4.3 The lock-down restrictions have resulted in huge changes in how we live, work and spend our recreation time. This has been evidenced by significant changes to travel patterns across the country, with large increases in walking and cycling for commuting, shopping and recreation.
- 4.4 We have seen similar changes across Shetland, with an increase in walking and cycling activity particularly evident within Lerwick due to the population and development density.
- 4.5 As any traffic evaluation depends on the clear identification of travel patterns as part of the assessment these changes have effectively rendered the study carried out in 2019 into vehicle speeds and pedestrian use obsolete at this time.
- 4.6 While most of Lerwick has good infrastructure provision for walking, specific provision for cycling is limited to the area around the New Anderson High School and Clickimin.
- 4.7 Due to the low volume of traffic, and generally low traffic speeds, many residential streets in Lerwick are considered suitable for cycling and walking. However, it is accepted that there are still streets and roads, such as Gilbertson Road, where traffic volumes and/ or vehicle speeds are higher than would be considered desirable for both cycling and free pedestrian movement. It is hoped that many of these issues can be addressed through applying the principles of “Low Traffic Neighbourhoods” with the aid of a grant from the “Spaces for People” fund.
- 4.8 The layout of Lerwick, the development pattern and density of the Sound area and the relatively close proximity of the Observatory, Gulberwick and Quarff residential areas means that there are a significant number of households both on the periphery and just outside the normal town limits that are within a reasonable walking and cycling distance of many services and facilities within Lerwick. The Covid-19 situation has encouraged a number of the residents in these areas to switch to active travel modes for both commuting and leisure travel along the A970 South Road into town.
- 4.9 Particular issues for cyclists, and drivers meeting cyclists, have been noted along the A970 South Road. Specifically, the steep uphill gradient sections at Shurton Brae and the Sound Brae cause cyclists to slow significantly. This holds up any following traffic, which cannot safely overtake due to the limited visibility over the crests at Shurton and Sandyloch.
- 4.10 The increased number of pedestrians using the route are also finding issues with faster moving traffic adjacent to their footways. The increase in use also means that there are now many more route choices and crossing points being used along the A970 South Road.
- 4.11 In identifying potential safety issues associated with increased levels of active travel the Council has a duty under Section 39 of the Road Traffic Act 1988 to consider measures that it can implement to address or mitigate the risks.

- 4.12 While the best solution would be to provide adequate segregated cycling and walking infrastructure along the route(s), and the possibility of achieving this will need to be explored in due course, it would not be possible to undertake this level and type of physical intervention work across the whole area in the short term.
- 4.13 In considering the physical constraints, and the need to take action timeously, the most accessible measure would be to look at introducing lower speed limits to reduce the speed differential between vehicles and other more vulnerable road users. This is because it is acknowledged that the greater the speed differential between vehicles and vulnerable road users, such as pedestrians and cyclists, the greater the risk of serious or fatal injury in the event of a collision.
- 4.14 There is no guarantee that the current level of active travel mode choices will be sustained, but if measures are put in place now that encourage or facilitate these travel modes then there is a chance that some beneficial long term changes can be achieved.
- 4.15 In considering the need to look at providing a suitable intervention as soon as practical, and recognising the potentially transient nature of the current level of active travel choices, I consider the most appropriate immediate measure would be to introduce reduced speed limits by way of a Temporary Traffic Regulation Order (TTRO) under Section 14(1)(b) of the Road Traffic Regulation Act 1984.
- 4.16 TTROs can be made with limited advance notice and have a normal time limit of 18 months. This allows for a quick intervention, and a suitable time period for reviewing the ongoing and lasting impacts of the Covid-19 lock-down restriction on active travel choices.
- 4.17 Prior to the end of the TTRO period the Roads Service will report back to the Environment & Transport Committee on the effectiveness of the speed limits, any changes in travel patterns that are evident and with recommendations on what permanent measures, if any, should be introduced or maintained going forward.

5.0 Exempt and/or confidential information:

5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:	Encouraging reduced vehicle speeds can help supporting active travel choices which are acknowledged to be beneficial for public health and helps to tackle inequalities.
6.2 Human Resources and Organisational Development:	None.
6.3 Equality, Diversity and Human Rights:	Supporting active travel helps to tackle inequalities through lower costs and has health benefits.

6.4 Legal:	<p>The Road Traffic Regulation Act 1984 states at section 14 (1) <i>“If the traffic authority for a road are satisfied that traffic on the road should be restricted or prohibited -</i> <i>(a) because works are being or are proposed to be executed on or near the road; or</i> <i>(b) because of the likelihood of danger to the public, or of serious damage to the road, which is not attributable to such works; or</i> <i>(c) for the purpose of enabling the duty imposed by section 89(1)(a) or (2) of the Environmental Protection Act 1990 (litter clearing and cleaning) to be discharged,</i> <i>the authority may by order restrict or prohibit temporarily the use of that road, or of any part of it, by vehicles, or vehicles of any class, or by pedestrians, to such extent and subject to such conditions or exceptions as they may consider necessary.”</i></p> <p>For the reasons explained in this report it is considered necessary to restrict the speed of traffic on the sections of road detailed in Appendix 1.</p>
6.5 Finance:	<p>The small scale works associated with this action can be funded from the recently secured “Spaces for People” funding allocated by Sustrans.</p>
6.6 Assets and Property:	<p>New speed limits signs will be required. These can be recovered, relocated or retained at the end of the temporary period as necessary.</p> <p>If retained or relocated they would be replaced by approved Roads Maintenance budgets at the end of their service life.</p>
6.7 ICT and new technologies:	<p>None.</p>
6.8 Environmental:	<p>Supporting and encouraging safer, sustainable active travel helps reduce emissions so addressing the Global Climate Emergency and supporting the work of Shetland Islands Council in this regard.</p>
6.9 Risk Management:	<p>Failure to take action where a potential risk has been identified would leave the Council vulnerable.</p>
6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.3.1 of the Council’s approved Scheme of Delegations authority is delegated to the Director of Infrastructure Services or their nominee to make Temporary Traffic Regulation Orders, etc. (Roads & Transport Min Ref 78/92) as determined necessary for the management, control or safety of road users.</p> <p>This report is being presented to Council for NOTING in order that Members can be aware of both the actions to be taken, the reasons for them and the future investigations that will result.</p>

6.11 Previously considered by:	None.	
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Contact Details:

Colin Gair, Traffic & Road Safety Engineer colin.gair@shetland.gov.uk

08 July 2020

Appendices:

Appendix 1 – Map showing proposed temporary speed limits on A970 South Road

Background Documents:

None.

END





Meeting(s):	Shetland Islands Council	22 July 2020
Report Title:	Adoption of Memorandum of Understanding with Scottish Water	
Reference Number:	RD-04-20-F	
Author / Job Title:	Colin Gair, Traffic & Road Safety Engineer	

1.0 Decisions / Action required:

- 1.1 That the Council RESOLVES to:
- 1.2 APPROVE the adoption of a Memorandum of Understanding ("MOU") with Scottish Water generally in the form noted in Appendix 2 of this report; and
- 1.3 DELEGATE authority to the Executive Director of Infrastructure Services or his nominee to enter into the MOU on the Council's behalf and to agree and enter into individual agreements for the joint maintenance of surface water drainage systems in new developments as appropriate.

2.0 High Level Summary:

- 2.1 Generally, new housing developments are required to provide drainage in a sustainable form, more commonly known as SuDS (Sustainable Drainage System). This is regulated under the Water Environment (Controlled Activities) (Scotland) Regulations 2011 to ensure that reasonable protection is provided to the water environment.
- 2.2 The maintenance responsibility for surface water drainage from housing developments is split: Scottish Water are responsible for curtilage drainage while the responsibility for drainage of public roads rests with the Local Roads Authority (the Council).
- 2.3 This means that new housing schemes are typically built with two separate drainage systems; one for roads drainage and another for curtilage drainage.
- 2.4 Under Section 7 of the Sewerage (Scotland) Act 1968, a roads authority and Scottish Water may enter into an agreement on the provision, management and maintenance of Sustainable Drainage Systems (SuDS), sewers and drains.
- 2.5 A section 7 agreement enables the two systems to be combined and, through the sharing of costs, the maintenance burden reduced for each party. It also reduces the development cost, which is a significant benefit for social housing providers such as the Council and Hjaltsland Housing Association.
- 2.6 A working group comprising of members from the SCOTS Roads Group, SCOTS Flood Group and Scottish Water have drafted a Memorandum of Understanding

(MOU) outlining the high-level principles of working together in order to minimise the costs to all parties. Under these principles the surface water from roads and from the curtilage of houses in a development will be accommodated within a shared system, with the maintenance responsibility for that system shared between the Local Roads Authority and Scottish Water. A letter from Scottish Water recommending adoption of the proposals is included as Appendix 1 while the MOU is included as Appendix 2.

- 2.7 If the MOU is adopted then individual maintenance agreements would be agreed for each new housing development following the principles in the MOU. The proposed maintenance split would involve Scottish Water maintaining those parts of the shared drainage system which lie below ground, while the Local Roads Authority would maintain those parts above ground. Scottish Water would, in addition, renew the shared drainage system at the end of its life at its own expense. This arrangement would ensure that each party undertook the work best suited to its expertise and would achieve a roughly equal division of costs over the long term.

3.0 Corporate Priorities and Joint Working:

- 3.1 The priorities listed in the Council's "Our Plan" include "produce the maximum benefit for Shetland's economy" and "increase the number of houses in Shetland, with a range of options that are affordable and achievable to all". Reducing development costs will help with these aims.
- 3.2 To deliver the objects of "our Plan" we are committed to "Excellent financial-management arrangements" and "prioritised spending on building and maintaining assets and be clear on the whole-of-life costs". Entering into the MOU and Section 7 agreements with Scottish Water based on the MOU meets those criteria.
- 3.3 There is no legal requirement to enter into the Memorandum of Understanding. However, Scottish Water is under no obligation to accept road drainage into an adopted drainage system and so, if the MOU is not adopted by the Council, a separate road drainage system (including its own pipes and SuDS) will continue to be required for new developments. Working together should minimise costs to all parties involved and satisfy current policy and regulations relating to the control of water for developments.

4.0 Key Issues:

4.1 Financial

- 4.1.1 There are financial implications arising from agreeing to the joint maintenance of additional drainage systems, with the actual costs for maintenance depend on the type and size of SuDS constructed.
- 4.1.2 The premise of the Section 7 agreements is that Scottish Water will maintain the underground elements of the shared drainage system while the Council would maintain the above ground elements.
- 4.1.3 Where assets are constructed by a third party and later vested with public bodies, well-developed and funded maintenance arrangements prevent premature failure of the assets meaning that the resultant costs to the vesting bodies should be minimised.

<p>4.1.4 Over the long term it is expected that costs will be equitable between both Scottish Water and the Council and that the overall cost will be less than if two independent systems were installed as is currently the practice.</p>	
<p>4.2 <u>Resources</u></p> <p>4.2.1 Resource will be required to undertake the maintenance of shared drainage systems. This is expected to be fulfilled utilising existing staff with any specialised resources brought in as necessary.</p>	
<p>5.0 Exempt and/or confidential information:</p>	
<p>5.1 None.</p>	
<p>6.0 Implications :</p>	
<p>6.1 Service Users, Patients and Communities:</p>	<p>Entering into Section 7 agreements will ensure that responsibility for the maintenance of appropriate SuDS will pass to an “in perpetuity” public body. This should reduce the likelihood of localised flooding arising from poorly maintained or neglected drainage systems.</p>
<p>6.2 Human Resources and Organisational Development:</p>	<p>No implications.</p>
<p>6.3 Equality, Diversity and Human Rights:</p>	<p>No implications.</p>
<p>6.4 Legal:</p>	<p>Section 1 of the Roads (Scotland) Act 1984 requires that “a <i>local roads authority shall manage and maintain all such roads in their area</i>”. Drainage provision is an integral part of any road and so must be adequately maintained.</p> <p>Under the Local Government in Scotland Act 2003, the Council has a duty to make arrangements to secure Best Value. Best Value is continuous improvement in the performance of the authority’s functions taking into account efficiency, effectiveness, economy and equal opportunities.</p> <p>There is no legal requirement to enter into the MOU. Section 7 agreements may be agreed without one. However, the MOU is considered beneficial in providing a framework for the parties to follow and is intended to lead to better working together. As explained in this report, there are advantages to the Council in adopting the MOU.</p> <p>The Local Government in Scotland Act 2003 grants power to the Council to do anything which it considers is likely to enhance the well-being of its area and/or persons within that area including entering into arrangements or agreements with any person. The entering into of an MOU on the terms described and for the purposes noted in the report is likely to enhance the well-being of persons in the area by clearing away a potential obstacle to</p>

	development and by minimising costs to the developers and public bodies.	
6.5 Finance:	In following the agreed framework of the MOU any costs incurred on maintaining future shared developments would be less than those involved in each party maintaining discrete systems. Under either scenario, there will be costs to the Council and these would be met from the Roads Maintenance budget.	
6.6 Assets and Property:	The recommendation to adopt the MOU will not of itself lead to any increase in assets, these follow from each individual Section 7 agreement – the scope of which is not determinable at this stage.	
6.7 ICT and new technologies:	No implications.	
6.8 Environmental:	Entering into Section 7 agreements ensures that responsibility for the maintenance of appropriate SuDS will pass to an “in perpetuity” public body. This should reduce the likelihood of localised flooding arising from poorly maintained or neglected drainage systems.	
6.9 Risk Management:	Failure to minimise the net ongoing maintenance and replacement cost of roads drainage systems carries a risk of the Council’s financial policies not being adhered to and may require a further draw on reserves.	
6.10 Policy and Delegated Authority:	<p>Under the Council’s approved Scheme of Delegation the Executive Director of Infrastructure Services has the authority to take any necessary action on behalf of the Council. This includes such things as entering into Section 7 Agreements..</p> <p>However, as the MOU is not a requirement or instrument of the Sewerage (Scotland) Act 1968 or any other relevant legislation no delegated authority to enter into it exists. A decision of the Council is therefore required.</p>	
6.11 Previously considered by:	None.	

Contact Details:

Colin Gair, Traffic & Road Safety Engineer

colin.gair@shetland.gov.uk

03 July 2020

Appendices:

Appendix 1 – Letter from Scottish Water

Appendix 2 – Memorandum of Understanding

CHIEF EXECUTIVE'S OFFICE

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20 SEP 2019

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DC

DATE

20/9/19



**Scottish
Water**

Trusted to serve Scotland

11th September 2019

Ms Maggie Sandison
Shetland Islands Council
Town Hall
Lerwick
ZE1 0HB

Castle House
6 Castle Drive
Carnegie Campus
Dunfermline
KY11 8GG

Dear Maggie,

Memorandum of Understanding regarding the provision of surface water drainage from housing developments

I refer to previous correspondence sent in 2017 about entering into a Memorandum of Understanding (MoU) regarding shared drainage systems – copy attached.

For a considerable time we have been engaging with all Local Authorities in Scotland, together with the relevant SCOTS groups, to agree a sensible and pragmatic approach to future maintenance for shared drainage assets for new housing developments. There is generally good support for the way forward, and the next important step is to seek to reach agreement with each Local Authority about adopting the MoU framework.

I am pleased to report that significant progress has been achieved with many Local Authorities; however, as yet, we have been unable to conclude MoU adoption with Shetland Islands Council.

A key benefit of entering into joint maintenance agreements on shared drainage assets will be experienced by residents of estates who will enjoy the security of two public agencies working together to guarantee the effective operation and maintenance of these assets now and in the future.

The purpose of this letter is to ask for your support to conclude this important matter. Unfortunately, if we cannot reach agreement, we will need to enter into separate drainage arrangements for roads water and curtilage water, which would be most unsatisfactory.

Can you please confirm by 31 October whether you intend, in principle, to enter into a MoU. If we can receive your positive, in principle, confirmation we can then work through the outstanding issues to conclusion. If, however, you do not intend to enter into a MoU, it would be helpful to understand how you plan to manage surface water from future developments.

Please do not hesitate to contact me or Mark Hunter, our Head of Strategic Development Planning, (mark.hunter@scottishwater.co.uk) if you wish to discuss this.

Yours sincerely,

Douglas Millican
Chief Executive

6 February 2017



«Title_1» «Name_1» «Name_2»
«Council»
«Address»
«Column2»
«Column3»
«Column4»

Castle House
6 Castle Drive
Carnegie Campus
Dunfermline
KY11 8GG

Dear «Title_1» «Name_2»,

Memorandum of Understanding regarding the provision of surface water drainage from housing developments

Over the last year, representatives from the SCOTS Roads Group, SCOTS Flood Group and Scottish Water with support from the Scottish Government, have worked in partnership to develop a collaborative framework that enables shared sustainable drainage systems designed to treat and convey road drainage and surface water from the roofs and curtilages of buildings.

The framework is in the form of a memorandum of understanding (MOU) which outlines the principles of working together to minimise the costs to roads authorities, Scottish Water and developers. Under these principles the surface water drained from the roads and the curtilage of houses within the development will be accommodated within a shared system, with the maintenance responsibilities shared between the two authorities.

Although not legally binding, all Local Authorities are encouraged to adopt the framework and enter into a maintenance agreement with Scottish Water under Section 7 of the Sewerage (Scotland) Act 1968 for individual developments. Should Scottish Water or a Local Authority decide not to do so, they will have to ensure the provision of, and meet the full costs of maintaining, their own separate drainage systems for new developments.

We are content that a fair and reasonable arrangement has been achieved and are fully in support of this proposal. This type of co-operation and collaboration is fundamental to integrated surface water management and will also be a significant step towards meeting the obligations of Local Authorities and Scottish Water to help facilitate the implementation of sustainable flood risk management in Scotland.

With this in mind, the framework represents the preferred arrangement for all new housing developments. The signatories wish to encourage Local Authorities to adopt and apply this framework with immediate effect as set out in the accompanying documentation.

Yours sincerely,

Douglas Millican
Chief Executive
Scottish Water

Neil Ritchie
Head of Natural Assets
and Flooding
Scottish Government

Scott Allan
Executive Chair
SCOTS

Enc. Documentation package



Scottish Government
Riaghaltas na h-Alba
gov.scot

Appendix 2

Memorandum of Understanding regarding the provision of surface water drainage from housing developments

1. When proposals are received from a developer of a new housing development to which the Security for Private Road Works (Scotland) Regulations 1985 apply to incorporate into the development as part of its overall drainage design a section which carries surface water from both the curtilage of houses and other buildings within the development and the roads serving the development (this section being the “shared drainage system”), the authorities responsible for drainage (SW), roads (RA) and flood risk management (FRM) at the development will work together to agree the technical aspects of the shared drainage system to ensure it meets the requirements of each of the authorities involved, liaising with other authorities with statutory responsibility in relation to the development as required.
2. The approvals given to the developer to allow the developer to proceed will include conditions to ensure the shared drainage system (1) is constructed to the agreed technical standards, and (2) can vest in SW on its completion independently from the remainder of the drainage system of which it forms a part.
3. Subject to any change in law over the period in question, the technical standards will not be revised over the period of time given to the developer to complete the development. If the developer seeks an extension to the timescale for completion, RA will liaise with SW and FRM on the proposal, and the three authorities will agree any revised technical standards to be imposed.
4. Where the development comprises a phase of a larger development, the developer must include a stand-alone drainage system in the first phase to be completed, and either an individual stand-alone drainage system or integration by agreement into a completed drainage system for each subsequent phase.
5. RA will take a security to construct the road in accordance with the terms of the relevant construction consent. This will include an amount sufficient to construct the shared drainage system to the agreed standard.
6. The shared drainage system will vest in SW on completion in accordance with agreed standards.
7. In the event of RA being required to construct the road in accordance with the provisions of the 1985 regulations, SW will allow RA access onto land it has acquired to house the shared drainage system to allow RA to complete the infrastructure. As required by the 1985 regulations, RA will adopt the road on completion.
8. SW’s vesting process will result in SW being legally responsible for maintaining the shared drainage system. Once vested, SW will maintain that shared drainage system. Where the road is not constructed by RA, RA will adopt the road as and when it is required to do so in accordance with the provisions of section 16(2) of the Roads (Scotland) Act 1984. When the road is adopted by RA, SW and RA will share the cost of maintenance of the shared drainage system on a basis to be agreed. The agreed sharing of costs will be set out in a maintenance agreement under section 7 of the Sewerage (Scotland) Act 1968. RA will become liable for its share of maintenance under the maintenance agreement relating to that road from the date of its adoption of the road.
9. The maintenance agreement will be specific to each development, and be based on a standard framework, as follows –
 - 9.1 SW will maintain the ‘below ground’ components of the shared drainage system,
 - 9.2 RA will maintain the ‘above ground’ components of the shared drainage system,
 - 9.3 the ‘below ground’ and ‘above ground’ components will be identified on the drawing forming part of the maintenance agreement, and

- 9.4 SW will meet the cost of renewing the shared drainage system or any part thereof at the end of its life.
10. If a developer proposes to add discharge to an existing shared drainage system, SW, RA and FRM will liaise over the proposal and agree a response.
 11. Should damage or an incident be caused by a third party which affects any part of the shared drainage system, SW and RA will co-operate fully and openly in investigating the incident, together with, where necessary, any relevant regulator, and join in seeking to recover the costs of repair from that third party, if both consider that action is reasonable and proportionate.
 12. Where a road is stopped up or de-listed, RA will no longer be responsible for its share of the maintenance of any shared drainage system serving that road. If all connections from the curtilage of houses and other buildings into a shared drainage system are removed, SW will no longer be responsible for its share of the maintenance of that shared drainage system.
 13. In their dealings with each other and other stakeholders in relation to the application of these principles, SW, RA and FRM will endeavour always to act in a reasonable manner and a spirit of co-operation. In addition, SW and RA will keep under review the terms of any maintenance agreement they enter into, and will endeavour to ensure it always reflects a fair and equitable division of the overall maintenance costs.
 14. If a difference of opinion on any issue covered by these principles or a maintenance agreement cannot be resolved through internal escalation procedures agreed between SW and RA, the matter will be referred to the Scottish Ministers for determination, and that determination is final.
 15. It is acknowledged these principles will evolve over time to reflect changes in legislation and practice. SW, RA and FRM agree to review these principles from time to time at the instigation of any of the authorities.

November 2016



Meeting:	Shetland Islands Council	22 July 2020
Report Title:	College Merger – Local stakeholder consultation	
Reference No:	CRP 18-20-F	
Author/Job Title:	Christine Ferguson Director - Corporate Services	

1.0 Decisions/Action required:

1.1 That Shetland Islands Council

- a) CONSIDERS the content of this report and its appendices; and
- b) ADVISES the Director of Corporate Services of any changes required to be made to the Council's formal response to the College Merger local consultation process, which is attached in draft form at Appendix 1.
- c) NOTES that the Council's final form response will be reported to the Council's College Board members and Shetland Fisheries Training Centre Trust (SFTCT) as required by the national college merger process before being included in the final local consultation response that will be submitted by the Shadow Board to the Scottish Funding Council (SFC).

2.0 High Level Summary:

- 2.1 The Council approved the Ministerial Merger Business Case (MMBC) for the College Merger in May 2020 (Min Ref 28/20) with the expectation that vesting of the new merged college would be achieved in 2021. The MMBC has since been endorsed by the University of the Highlands and Islands (UHI) and submitted to SFC in order to further progress the programme of implementation of merger.
- 2.2 As part of the merger implementation programme, the merging Colleges are required to undertake local stakeholder consultation¹ on the new College Merger proposals. They then have to report their findings to SFC by 12th August 2020.
- 2.3 The consultation process includes consulting with the relevant local authority; in this case Shetland Islands Council. The information from other consultation responses and the outcome of meetings of the Employees' JCC and College Lecturers' JCC are included as appendices to this report. A first draft response for the Council is attached at Appendix 1.

¹ www.a-new-college-for-shetland.uhi.ac.uk/consultation/

3.0 Corporate Priorities and Joint Working:

- 3.1 The Council's Corporate Plan, "*Our Plan 2016-2020*"², has as two of our 20 by '20 priorities that :
- *'High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects.'*, and
 - *'We will be an organisation that encourages creativity, expects co-operation between services and supports the development of new ways of working'.*
- 3.2 The College Merger project is part of the Council's Service Redesign Programme (SRP). One of the objectives of the SRP is,
- *'To focus on areas where significant change is required/ anticipated/ possible with a view to reducing the revenue cost while continuing to achieve the outcomes required'.*
- 3.3 The Council together with other statutory partners in the Shetland Partnership, which includes the University of the Highlands and Islands (UHI), have developed the Shetland Partnership Plan³. This includes outcomes agreed to support the vision that,
- *'Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges'.*
- More specifically, the Shetland Partnership Place Priority is that,
- *'Shetland is an attractive place to live, work, study and invest'.*

4.0 Key Issues:

- 4.1 The key issues for consideration in the consultation are:
- The rationale for merger
 - The benefit of merger
 - Changes or improvements which had not been considered within the proposal
 - Proposed governance arrangements
 - The proposed name of the new College
- 4.2 The Council's Change programme supported the consultation exercise which included managing the online survey, supporting promotion of the survey and targeting identified stakeholders as well as undertaking a series of face to face meetings within Council services. Quantitative data from the survey has been summarised in Appendix 2 and feedback collected during consultation meetings has been summarised in Appendix 3. Whilst the timing of the consultation has not been ideal (i.e. with current COVID-19 restrictions and especially in engaging students in the consultation), there was nevertheless a better than expected response to the survey and good attendance rates at meetings. The response rate may also have been affected by an element of consultation fatigue regarding the College Merger given the number of years it has taken to reach this point. However, there is an enthusiasm for the merger among stakeholders and a strong desire from staff and

² <https://www.shetland.gov.uk/documents/OurPlan2016-20final.pdf>

³ <http://www.shetland.gov.uk/communityplanning/documents/180801SPPforWebFINAL.pdf>

<p>stakeholders for the uncertainty to be over and for the College Merger to be implemented successfully.</p>	
<p>4.3 The return rate from businesses and local employers was low. Again, this was considered to be as a result of a degree of consultation fatigue and also the impact of Covid-19. There are plans to ensure employer engagement during transition to the new college.</p>	
<p>4.4 The Principal Designate organised a series of staff consultation sessions at Shetland College, Train Shetland and NAFC. The Principal Designate also attended a special meeting of the Council's Human Resources Partnership Group (HRPG), which was held on 22 June 2020 to consider the merger. These discussions at these meetings are also summarised in Appendix 3.</p>	
<p>4.5 Employees' and College Lecturers' Joint Consultative Committee meetings were held on 14th July. Notes from those meetings will be produced as part of the reporting process from JCCs to Council. A summary of the points raised at those meetings is attached at Appendix 4.</p>	
<p>4.6 All data collected has been reviewed and informed the draft Consultation response from Shetland Islands Council, which is attached at Appendix 1.</p>	
<p>4.7 The Council's response will be reported to the Council's College Board members and Shetland Fisheries Training Centre Trust (SFTCT) as required by the national college merger process before being included in the final local consultation response.</p>	
<p>4.8 The final consultation report is being prepared by the Principal Designate for the new college, Professor Jane Lewis. She has been supported in this task by staff from the Council's Change Programme and NAFC. The final consultation report will be presented to the Shadow Board on 5th August 2020 and then submitted to the SFC by the consultation deadline, which is 12th August 2020. A copy of the final consultation report will be published on the College Merger website.</p>	
<p>4.9 The next stages of engagement will begin in late August 2020 and will be led by SFC. Further information on the merger timeline can be found on the College Merger website⁴.</p>	
<p>5.0 Exempt and/or Confidential Information:</p>	
<p>5.1 None</p>	
<p>6.0 Implications:</p>	
<p>6.1 Service Users, Patients and Communities:</p>	<p>The needs and aspirations for the Shetland community as set out in the Shetland Community Partnership Plan and the learning experience for students are at the heart of the College Merger proposals.</p> <p>Student and staff representatives have been included in the process of developing the MMBC and all stakeholders will be part of SFC led engagement and Scottish Government</p>

⁴ www.a-new-college-for-shetland.uhi.ac.uk/

	consultation during the next stages of the College Merger implementation.	
6.2 Human Resources and Organisational Development:	<p>Whilst there are no direct HR/OD implications arising from this report, there are potential HR implications arising from the proposals set out in the consultation document.</p> <p>Formal meetings will be arranged to support the TUPE process at the relevant stage in the implementation process.</p> <p>The College Merger has been discussed at EJCC and CLJCC meetings with a commitment to further meetings as the implementation proceeds.</p> <p>Staff representatives are included in the membership of the Shadow Board for the College Merger.</p>	
6.3 Equality, Diversity and Human Rights:	There are no Equality, Diversity and Human Rights implications arising from this report.	
6.4 Legal:	There are no direct legal implications arising from this report.	
6.5 Finance:	There are no direct financial implications arising from this report.	
6.6 Assets and Property:	There are no direct Asset and Property implications arising from this report.	
6.7 ICT and New Technologies:	There are no implications for ICT or ICT systems arising from this report.	
6.8 Environmental:	This report has no direct environmental implications.	
6.9 Risk Management:	<p>The overall College Merger Project is a significant development within the Council's Service Redesign Programme. The Council's Project Board maintains a College Merger Project Risk Register.</p> <p>The Shadow Board also maintains a Risk Register.</p>	
6.10 Policy and Delegated Authority:	<p>The decisions in this report fall within the remit of the Council and its Committees, as set out in the Scheme of Administration and Delegations.</p> <p>The Council has reserved authority for determining Council priorities, policies or strategies that are of major significance.</p>	
6.11 Previously Considered by:	N/A	

Contact Details:

Christine Ferguson, Director Corporate Services

E-mail - christine.ferguson@shetland.gov.uk,

Telephone – 01595 743819

Appendices:

Appendix 1 Draft Consultation Response

Appendix 2 Survey summary

Appendix 3 Consultation meetings summary

Appendix 4 Employee and College Lecturer's Joint Consultative Committee comments

Background Documents:

Ministerial Merger Business Case - www.a-new-college-for-shetland.uhi.ac.uk/mbc/

END

A new college for Shetland:

Consultation response from Shetland Islands Council

Our Council is organised into five directorates and a number of service areas. These are responsible for overseeing Council services and differ in size and function. Some are involved in the direct provision of services to the public; others provide support to Councillors and departments.

Further information is available from www.shetland.gov.uk/about_introduction/

Shetland College UHI and Train Shetland have been managed by the Council for over forty years, latterly as part of our Development Directorate.

Whilst our direct involvement in the operations of Shetland College UHI and Train Shetland will cease as a result of merger, the services, which we require as a customer will continue. These include:

- Employability services: Bridges, Employability Pathway, Project Search
- Forward Directions and Life Skills courses
- CPD requirements including vocational training, lifelong learning, professional qualifications including awards for registry staff and PDAs
- Skills for work and Foundation Apprenticeships
- Modern Apprenticeships
- Primary and Secondary PGDE
- Business Gateway
- Developing Young Workforce
- Funding research projects including Centre of Rural Creativity, etc.

Shetland's situation and the importance of fishing and aquaculture in the local economy is reflected in the facilities, knowledge and expertise at NAFC Marine Centre UHI which is recognised nationally and internationally. The Council has supported Shetland Fisheries Training Centre Trust (SFTCT) for many years. Historically, the Council provided core grant funding and more recently commissioned services including Marine Spatial Planning, inshore fisheries research, the annual fish survey and one off research projects.

The current arrangement is not financially sustainable.

The tertiary education sector in Shetland is a partner in supporting the vision that 'Shetland is an attractive place to live, work, study and invest'.¹

It is essential that there is robust, sustainable, tertiary education provision in Shetland to support the needs and aspirations of our community.

In order to achieve this, Shetland Islands Council is committed to working alongside every stakeholder who has a role in ensuring the College Merger proposal succeeds and is delivered timeously.

¹ www.shetland.gov.uk/communityplanning/documents/180801SPPforWebFINAL.pdf

Has the proposal made clear the rationale for merger?

The proposal clearly sets out a distinct and refined rationale which reflects the aspirations of the Shetland Partnership Plan as well as the individual aspirations of NAFC UHI, Shetland College UHI and Train Shetland.

Shetland is an island community. A single entity providing tertiary education in Shetland, with services working more efficiently together, will avoid overlap whilst ensuring training and learning needs are developed and delivered efficiently in our community.

What do you think are the benefits of merger?

It has been clearly outlined how the new merged college will offer unique, high quality further and higher education opportunities for students.

The academic development potential of the merger shows how the future will build on the experience of the current institutions whilst developing the curriculum to meet the changing needs and aspirations of our community for tertiary and further education.

The student experience has been identified as central to the future with a clear commitment to ensuring “all students will be valued and their ambitions supported”. The curriculum development process will ensure planning is closely aligned to the needs of local employers, communities and individuals whilst reflecting regional and national priorities.

Upon completion, the College Merger must deliver a streamlined, efficient, flexible and financially sustainable college that can meet the needs and aspirations of our community and contribute to wider goals of tertiary education in Scotland through UHI.

Independence from the Council will ensure that the new college will be in a position to set its own strategic goals whilst being more commercially minded.

There will be a single voice for tertiary education in Shetland both locally and further afield. The new college will be a very strong Shetland Partnership Planning Partner and will be better positioned to be responsive to local need. This will improve career pathways and the curriculum offer available.

The new college will continue to contribute to wider national and international research and education programmes.

What changes or improvements had you hoped to see in the merger proposal that you think have not been considered?

The merger proposal has made clear how work will continue to improve the student experience and student journey. However, an issue closely associated with the merger is affordable student accommodation. Affordable accommodation is a significant challenge for young people, whether students or apprentices or those in

employment. This is an area on which the Council would wish to work closely with the new college.

There is potential for the new college to be more visionary in its development with regards to campus accommodation and we would like to see environmental sustainability supported by future developments. The Islands Deal includes projects with cross-cutting themes including The Shetland Campus Project.

We would encourage the new college to explore how the carbon footprint could be reduced whilst also tackling island rurality challenges by taking advantage of ongoing improvements in connectivity. With the growing use of digital solutions, a commitment to developing more remote learning programmes should be considered.

It is important to ensure that employability courses and access for lower level qualification on entry for employability skills are continued and improved as part of the overall curriculum development. Furthermore, the whole college environment has to be accessible to all in our community with equality and parity for all students and learners central in that respect.

What are your views on the proposed governance arrangements?

EIS-FELA have raised their concerns with regards to the proposed governance arrangements through various consultative forums with the Council. However, when considering both the Full Business Case² as well as the Ministerial Merger Business Case the Council have been satisfied that the governance arrangements proposed within the MMBC best support the proposed outcomes of merger.

The proposals are appropriate and will ensure a management structure that will streamline leadership and governance arrangements. The new college will benefit from not having the level of bureaucracy that applies to the Council's current tertiary services.

The proposed name for the new college is Shetland Institute UHI, are you content with this or if not what would be your suggested name?

The proposed name for the new college should be reconsidered. It is important for the title to include 'Shetland', however, consultation responses and feedback from consultation meetings suggests that the word "institute" has negative connotations locally and therefore should be avoided.

Do you have any further comments?

We have heard from staff how important it is for them to be part of the next steps and for effective two-way communication and engagement to be maintained.

Staff want to be directly involved in the transition to the new college. We are sure that will also be the case for students and learners.

² www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9De%92o%7B%8A

During the next twelve months, staff need to be supported with adequate resources to ensure successful transition and implementation of merger. Furthermore, this must not be at the expense of the resources needed to ensure the tertiary education sector can respond flexibly to Covid-19 and contribute effectively to the evolving economic recovery.

Finally, Shetland Islands Council wish to stress the importance of the merger being prioritised and all efforts being made to mitigate further delay on the merger timescales.

ENDs.

DRAFT

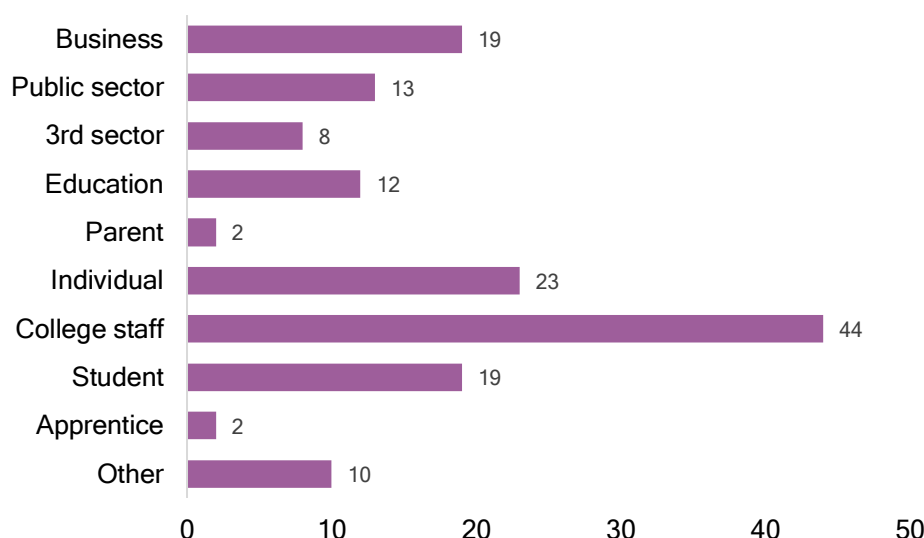
A new college for Shetland: Consultation June 2020

Jisc Online Survey - Summary report

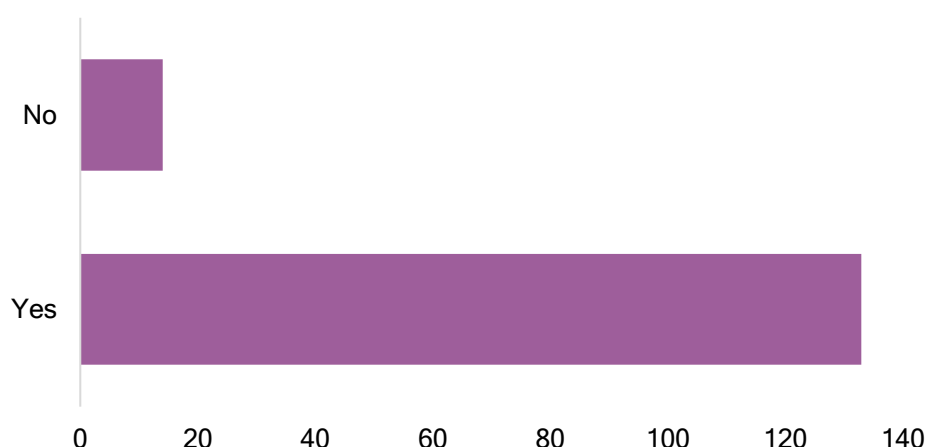
Full analysis of the survey data will be completed and published within the final report in August 2020. The following provides quantitative data from surveys received online only.

The survey was launched on 28th May and closed at 5pm on Friday 3rd July 2020.

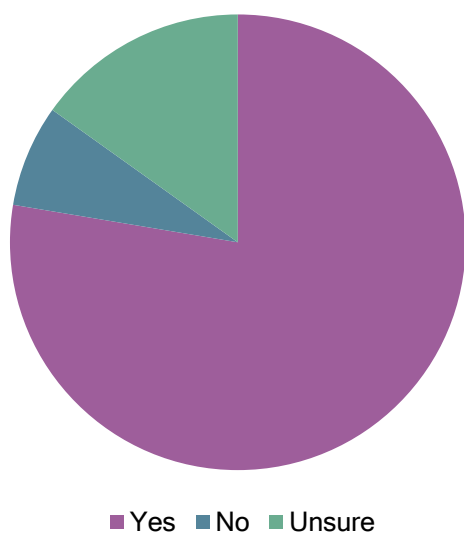
59% of staff respondents were Shetland College, 29% NAFC and 11% Train Shetland staff. The time of year (end of semester 2) was not ideal for ensuring good response rates from students and apprentices. Businesses and organisations response rates were also low.



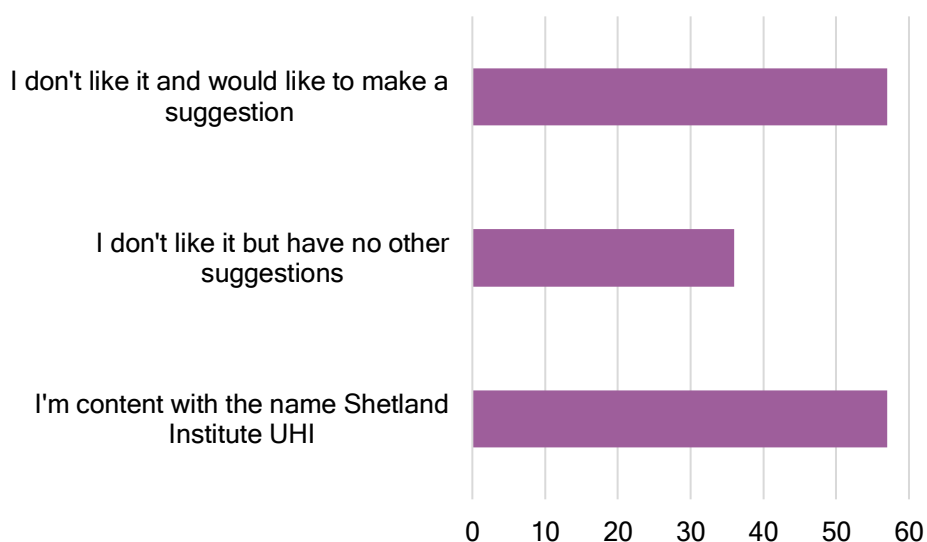
Has the proposal made clear the rational for merger?



Do you support our plans to bring tertiary education in Shetland together in one organisation?



The proposed name for the new College is Shetland Institute UHI, are you content with this or if not what would be your suggested name?



ENDs.

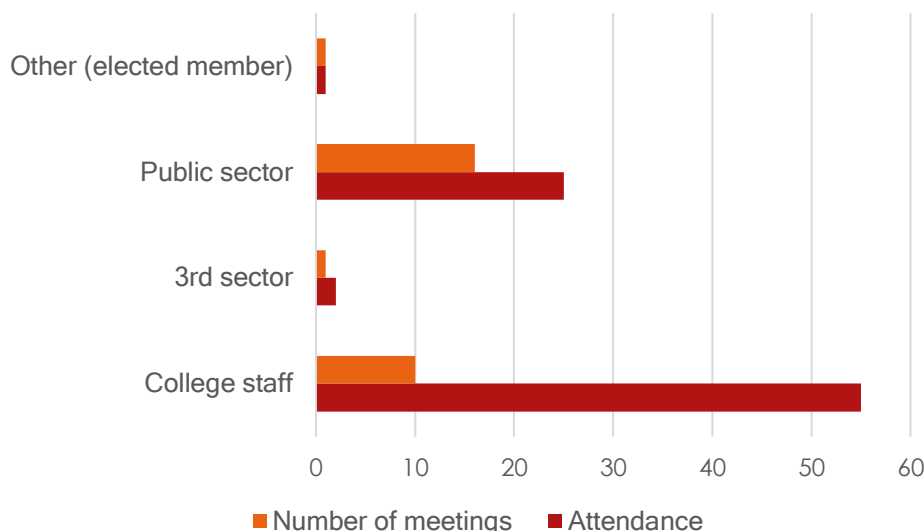
A new college for Shetland: Consultation June 2020

Stakeholder meetings - Summary report

Meeting attendance

Q1 requested information regarding the status/sector of those attending the meeting

28 meetings with stakeholders took place. There was a total attendance of 83.



There were a total of 10 academic and support staff meetings held. 2 with staff from NAFC and 8 with staff from Shetland College / Train Shetland.

The public sector and 3rd sector meetings were with representatives from:

- SIC - Youth & Employability Services
- SIC - Corporate Services
- SIC - Community Care & Resources
- SIC - Community Planning
- SIC - Eric Gray and Supported Living & Outreach
- SIC - Finance Services
- SIC - Children's Services
- SIC - Workforce Development
- SIC - Community Health & Social Care
- SIC - Executive Services
- SIC - Development Services
- SIC - Self-directed support
- SIC - Economic Development
- SIC - Infrastructure Services
- SIC - Quality Improvement Service (Education)
- Developing Young Workforce

The Council also held a Human Resources Partnership Group meeting.

This was attended by Union representatives from Unison and EIS/FELA. The minutes have been shared with The Council's Employee and College Lecturers' Joint Consultative Committees.

Both JCCs have provided additional comments for the Council to consider when it meets to finalise its formal response to the College Merger Consultation process on 22 July 2020.

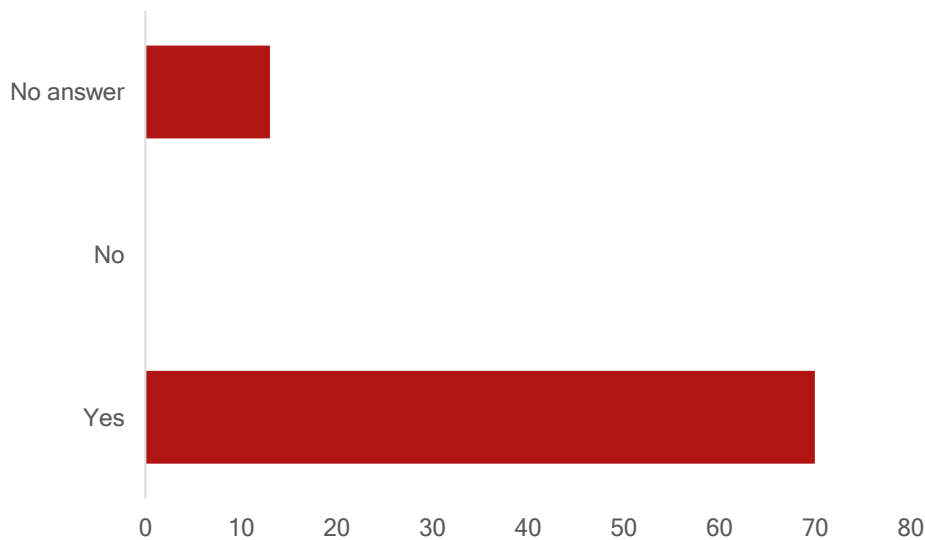
In addition to meetings, consultation responses were received, as follows:

- EIS FELA (National)¹
- EIS FELA (Shetland)²
- Rhoda Grant MSP³
- Highlands and Islands Enterprise⁴

Unfortunately, the time of year as well as factors such as Covid-19 directly impacted on the meetings arranged with students.

Merger proposal feedback⁵

Q2 Has the proposal made clear the rational for merger?



¹ Their response was entered in the survey online by EIS FELA

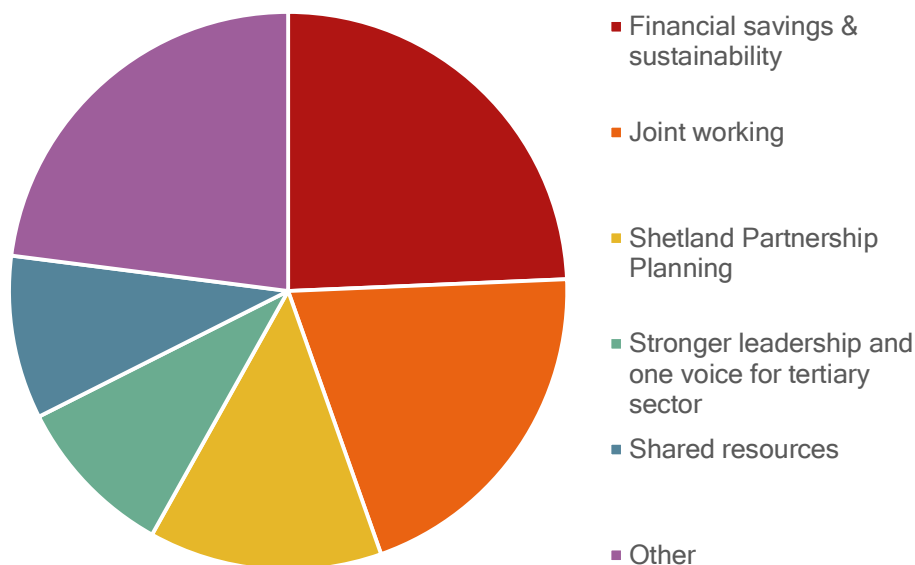
² Their written response has been included in the survey data analysis

³ Email copied on Page 6

⁴ Letter copied on Page 7

⁵ Data from meeting consultation responses only

Q3 What do you think are the benefits of merger?



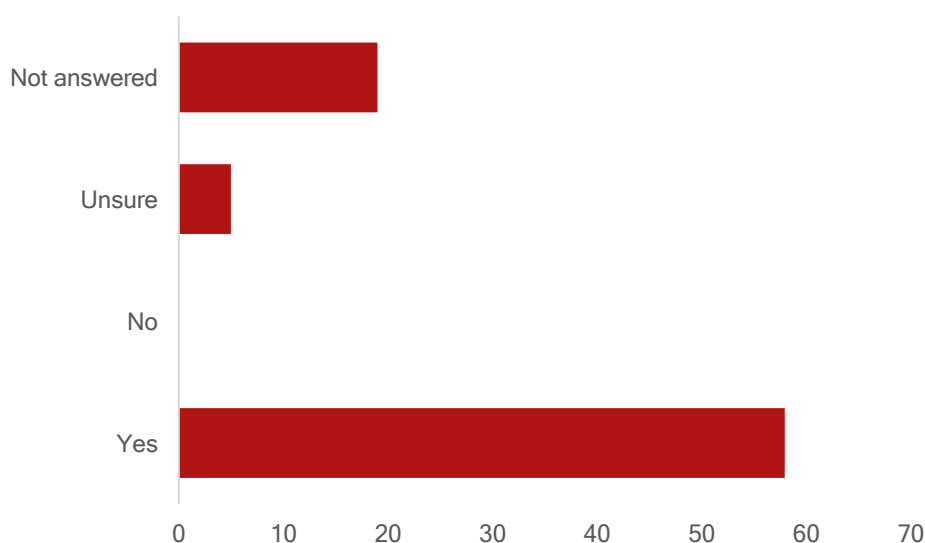
Showing benefits highlighted within consultation meetings

Other benefits highlighted included improved student experience, improved research and PHD links as well as parity of services.

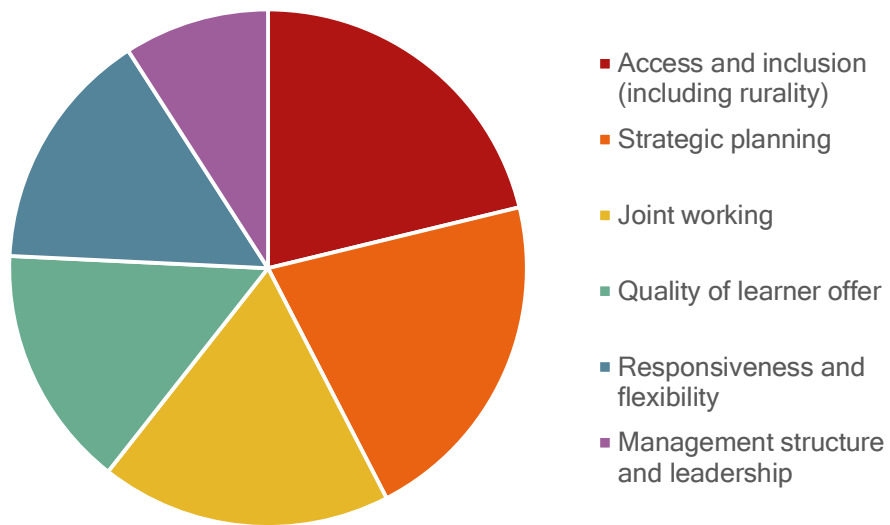
Main concerns highlighted during discussions about benefits of merger included:

- Financial viability
- Space allocation and suitability of campus
- Change and impact on staff
- Covid-19 and the economic downturn
- Staff terms and conditions, job security and pensions.

Q4 Do you support our plans to bring tertiary education in Shetland together in one organisation?



Q5 What changes or improvements had you hoped to see in the merger proposal that you think have not been considered?



Showing frequently mentioned changes or improvements

Other changes or improvements suggested included:

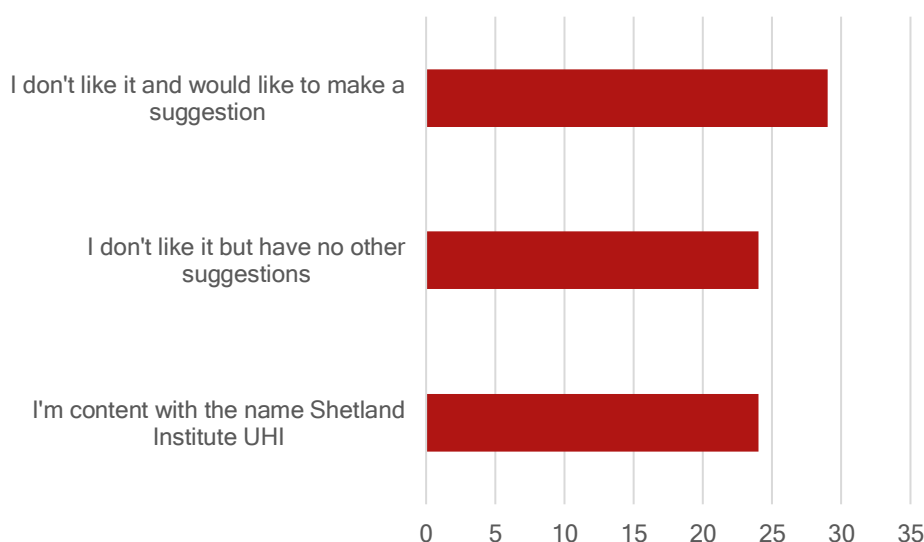
- Campus and student accommodation
- Covid-19 response and impact on business case
- Clarification on job and pension security and staff T&Cs.

Q6 What are your views on the proposed governance arrangements?

Concerns on the proposed governance arrangements included T&Cs, job security and financial viability. The student experience and quality of learner offer was also highlighted as being an important consideration.

From the data available, at six⁶ meetings the majority suggested Incorporated as preferred whilst at ten meetings the majority suggested Non-Incorporated. At the remaining meetings there was either no clear majority or they remained undecided or did not see the difference.

Q7 The proposed name for the new College is Shetland Institute UHI, are you content with this or if not what would be your suggested name?



68% of respondents did not like the suggested name. It was noted there were negative connotations to the word 'Institute' as well as a historical link.

In order of preference (on the most number of meeting attendees who suggested it), the following alternative names were suggested:

- Shetland College
- Shetland UHI
- New College Shetland
- North Atlantic College
- UHI Shetland
- Shetland Islands College UHI
- Hjaltland College.

⁶ Includes EIS email submission

Q8 Do you have any further comments?

Covid-19, the impact on the local economy and the ability to respond to evolving training needs were highlighted. The concern of the impact on the business case for the merger in that respect was also raised along with the potential for further merger delays and changes to funding. Positive experiences from Covid-19 in relation to digital connectivity and the need to build on that was also reflected in discussions.

The need to maintain and/or improve communication and engagement, especially during the next transitional stages was often highlighted, especially by staff.

It was often stressed in meetings by a variety of stakeholders how important it was for the merger to not experience any further delays and to end uncertainty within the sector.

Birnie Jacqui@Change Programme

From: Bell OH (Olivia) <Olivia.Bell@parliament.scot> on behalf of Grant R (Rhoda), MSP
<Rhoda.Grant.msp@parliament.scot>
Sent: 29 June 2020 17:04
To: Jane.Lewis@uhi.ac.uk
Cc: College Merger
Subject: letter from Rhoda Grant MSP re college merger consultation

Dear Ms Lewis,

Thank you for asking for my views about the merger of Shetland College, NAFC Marine Centre and Train Shetland.

I am submitting my comments through a letter instead of filling in your survey form, which I hope you will consider.

While I back the proposed merger, I continue to support EIS-FELA members and those in the community who want the merged college to remain in public hands.

When I raised the issue in Parliament, the Scottish Government's Minister for Further, Higher Education and Science, Richard Lochhead, assured me that any business case once submitted would undergo full scrutiny and I will be monitoring that as these plans progress.

My over-riding concern is to keep the new venture as public body - incorporated with charitable status - so that it remains democratically accountable to elected members, rather than a board of directors of a company limited by guarantee.

I am worried that there will be lack of transparency over decisions taken if the new college becomes non-incorporated, that it will not be governed by Freedom of Information rules and that there will be more leeway to keep secret how public money is being spent.

The vast majority of colleges across Scotland remain public. These colleges must consult on any changes in collective bargaining but that does not apply to non-incorporated colleges. I am concerned that there will be less scrutiny of the terms and conditions for all staff.

While transferring staff to a private company does allow some protection, there is no longer term guarantees for their futures.

On balance, I would support a public over a non-incorporated body.

Regards and Best Wishes
Rhoda

Rhoda Grant MSP
Highlands and Islands Regional MSP
Chief Whip and Shadow Cabinet Secretary for Employment, Retirement and Poverty
Tel: 01463 716299
Email: Rhoda.Grant.msp@parliament.scot

Rhoda Grant MSP
 

3 July 2020

To whom it may concern,

Highland & Islands Enterprise welcomes the opportunity to provide feedback on the proposals for the 'Shetland Institute UHI - A New College for Shetland'.

The merging of Shetland College, Train Shetland and NAFC Marine Centre into an inspirational hub of innovation and learning designed to meet the needs of the people of Shetland nationally and internationally is welcomed by Highlands and Islands Enterprise (HIE). We fully support its stated goals:

- Achieve the best possible student experience
- Make tertiary education in Shetland sustainable
- Change and innovate, and build capacity amongst staff
- Build on our relationships and be responsive

and appreciate our role in working in partnership with the new Institute. Indeed, we have followed the developing business case with interest and are delighted to have reached the position where progress can be made, recognising that a prolonged period of uncertainty is unsettling for the staff of the three organisations as well as the wider Shetland community.

HIE greatly values all its regional FE/HE institutes and view their contribution to economic development across the region as vital, being embedded in community planning and through their engagement with local businesses, social enterprises and public sector. This is extremely important for Shetland, especially as the merger is coinciding with a particularly challenging period following the outbreak of COVID19 with many uncertainties. The efficiencies gained as a result of the merger should provide for a more sustainable future. The ability for the Institute to focus on those aspects of the Shetland community most severely impacted by the pandemic will be testament to its success in its initial setting up phase and will help reinforce its importance for the region as we progress out of the crisis.

Being at the heart of economic development particularly at this time is essential however inclusion and the transition to a net zero economy as well as the move into a more digital world are also of importance. Along with ensuring a strong curriculum offer to the people on Shetland, which reaches deep into the wider UHI offering, there is a need to emphasise the value of locally accessible research as vitally important for businesses located in Shetland, particularly in those sectors that are nationally important for example the 'Blue Economy' and we assume that there will be continued opportunity to develop and enhance the offer in this area. Similarly is the importance of producing nationally and internationally significant research, putting Shetland on the global map for its expertise in fisheries, aquaculture and marine spatial planning.

Shetland makes a significant contribution to both the Highlands & Islands and the Scottish economy and having a strong education and research Institute is central to achieving this. HIE will continue to support the new entity, as we have the three merging organisations over a number of decades, and looks forward to working with the Principal and staff to help ensure a successful merger and future strategy.

Yours Sincerely

Morven Cameron
Head of Universities, Education & Skills

An Lòchran, 10 Inverness Campus, Inverness, IV2 5NA, Scotland
An Lòchran, 10 Làrach Inbhir Nis, Inbhir Nis, IV2 5NA Alba

T +44 (0)1463 245245 E. info@hient.co.uk W hie.co.uk



A new college for Shetland: Consultation June 2020

Employee and College Lecturer's Joint Consultative Committee

Comments for consideration in SIC Response

Employers' Joint Consultative Committee - 14th July 2020

Draft Consultation Response

Page 1:

- Developing Young Workforce to be included in list of services. **Completed.**
- Add 'UHI' after Shetland College and change "NAFC" to "NAFC Marine Centre UHI". **Completed.**

Page 2:

- Educational benefits should be 'amplified' and should be the focus, rather than financial sustainability which should be a secondary benefit. **Completed.**

Page 3:

- Further comments section. Amend wording from "staff of both colleges" and "staff within the Colleges" to "staff". **Completed.**

College Lecturers' Joint Consultative Committee - 14th July 2020

Covering Report

4.2 - there were comments on the phrase 'consultation apathy' which had been used during the recent meeting of the Human Resources Partnership Group where the college merger was discussed. It was felt that 'consultation fatigue' was a more accurate description and that this was caused by the length of time it has taken to reach this point in the merger. It was agreed that the report going to Council would refer to 'consultation fatigue'. **Completed**

Draft Consultation Response

Page 1:

- New Directions to be replaced with Forward Directions, and consideration to be given to the inclusion of the Life Skills courses that are provided at Train Shetland. **Completed.**

Page 2:

- Educational benefits should be 'amplified' and should be the focus, rather than financial sustainability which should be a secondary benefit. **Completed.**
- Amend "What changes or improvements had you hoped to see in the merger proposal that you think *have* not been considered". **Completed.**

Page 3:

- Further comments section. How staff concerns will be fed into the draft response that will be considered by the Council is to be looked at prior to the Council meeting. **Governance section amended.**
- Noted that staff consultation would be considered fully as part of the final consultation report, to be published in August 2020
- Response in respect of the proposed name should be amended to say "...*negative* connotations..." **Completed.**