



## ANNUAL REPORT 2011

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## 1. Foreword

ZetTrans continues to work on delivering the Shetland Transport Strategy. The focus is on supporting sustainable economic growth across the Islands and playing our role in addressing social and environmental priorities. It is important that we enable Shetland's communities and businesses to prosper and we should also bear in mind our role within the wider Highlands and Islands and Scotland as a whole.

With our Community Planning Partners we have a local aim to maintain the proportion of economically active people in our population throughout Shetland and with our Regional Transport Partnership (RTP) colleagues we share a national aim to support sustainable economic growth. These aims remain our focus despite current pressures on public sector funding.

In the past year, probably more so than any other time in recent history, we have seen substantial cuts in public spending with plans for yet further and deeper cuts in the near future. This is a financial reality that the entire public sector faces. However we need not view it as a threat but an opportunity to stimulate and promote innovation and new ways for working through collaboration with public, voluntary and private sector partners as well as the Community at large.

Putting it simply it means we will have to do things differently than we were thinking a year or so ago to ensure Transport continues to enable economic and social well-being.

We will continue developing and supporting better integration of public transport services between modes, different user groups and service providers. This will be achieved by working with the service providers and the users of services (including those that find it difficult to access services) to develop and identify what is important and how the network can be reshaped to more efficiently address priorities and fill important gaps in current provision.

In the area of healthcare, ZetTrans looks to support improving patient access to healthcare by working with the NHS Shetland and other Agencies such as the Voluntary Sector to develop systems and approaches that will sustain and improve not only access to healthcare but contribute to addressing some gaps in the transport network that we know to exist.

ZetTrans will continue to engage with Government, Shetland Islands Council and key stakeholders in the process of developing Scotland's Ferry services through the Scottish Ferries Review and tender proposals for the Northern Isles Ferries Services. We will ensure Government are informed of the views of the island communities across Shetland for whom reliable, quality and effective ferry services are so important to economic and social well being.

We will increasingly work with European Partners during 2011/12/13 to improve transport services and systems through securing necessary funding, sharing knowledge and learning together.

The Community Planning process and working with Community Planning Partners will be a key means of optimising the use of resources. Integrating the use of transport resources between partners has to be fundamental to ensuring communities can continue to access services and employment opportunities on a daily basis.

It will be through **strong partnerships** and a **collaborative** approach to delivery that we ensure scarce resources are targeted in the most efficient manner to achieve the best results for Shetland.

Cllr Allan Wishart – Vice Chair ZetTrans

## 2. Introduction

Zetland Transport Partnership (ZetTrans) was established in 2005 following the introduction of the Transport (Scotland) Act 2005, and a campaign by Shetland to be recognised as a Regional Transport Partnership (RTP) in its own right.

ZetTrans consists of a board of four elected members of Shetland Islands Council (SIC), as well as a representative from NHS Shetland and the Local Enterprise Company, Highlands and Islands Enterprise. The Board also invites advisors from SIC Ports and Harbours, Lerwick Port Authority, Shetland Development Trust, Promote Shetland, Visit Scotland and the Sumburgh Airport Consultative Committee.

ZetTrans has responsibility for the development and delivery of the Regional Transport Strategy and holds functional responsibility for the delivery of the local bus services.

Operational funding for the Partnership is secured from Shetland Islands Council and the Scottish Government. The majority of projects and actions arising from the Transport Strategy are likely to be funded either through Shetland Islands Council's capital and revenue funds, or from the Scottish Government. Having said that, significant European funding has also been secured over the past year or two.

### Members of ZetTrans

Chairperson	Vacant at time of writing report
Vice Chairperson	Cllr Allan Wishart (SIC)
Member	Cllr Caroline Miller (SIC)
Member	Cllr Frank A. Robertson (SIC)
Member	Stuart Robertson (HIE Shetland)
Member	Dr Sarah Taylor (NHS Shetland, Director of Public Health)
Substitute Member	Cllr Robert Henderson (SIC)
Substitute Member	Cllr Addie Doull (SIC)
Advisor	Ms. Sandra Laurenson (Chief Executive, Lerwick Port Authority)
Advisor	Cllr. Josie Simpson (SIC) (Chairperson, Shetland Development Trust)
Advisor	Andy Steven (Chairperson, Sumburgh Airport Consultative Committee)
Advisor	Roger Moore (SIC Executive Manager Port Operations) (Harbourmaster Sullom Voe Terminal)
Lead Officer	Michael Craigie (SIC Executive Manager Transport Planning)
Official	Elaine Park (SIC Transport Strategy Officer)
Proper Legal Officer and Secretary	Jan Riise (SIC Executive Manager Governance and Law)
Proper Finance Officer	Hazel Sutherland (SIC Head of Finance)

### 3. Shetland Transport Strategy

ZetTrans, in consultation with Shetland Islands Council, approved Shetland's Transport Strategy before it was submitted to the Scottish Executive Ministers for approval on the 30 March 2007 and at the request of the newly elected Scottish Government the RTS was resubmitted in May 2008. The Minister for Transport, Infrastructure and Climate Change, approved the strategy on behalf of the Scottish Government on 28 July 2008. The Transport Strategy's vision and objectives were developed following an extensive period of community and stakeholder consultation, analysis of constraints and drivers, and also assessment of key problems and opportunities.

The vision is:

***“To develop an effective, efficient, safe and reliable transport system for Shetland. The transport system will comprise an integrated network of accessible and affordable internal, inter-island and external links, which will contribute to the development of a safe, healthy, vibrant and inclusive society, a diverse, successful and self-sufficient economy, and enhanced environmental quality”.***

The Shetland Transport Strategy is used to:

- Accurately represent the vision for Shetland's transport;
- Provide an assessment of the current transport situation;
- Set out a programme of activities, projects and interventions, making the case for investment and infrastructure;
- Guide and co-ordinate transport activities in Shetland; and
- Make the case for specific projects that meet funding criteria from the Scottish Executive through specific grants.

## **4. Implementation of Shetland's Transport Strategy**

### **4.1 Internal Transport**

#### **4.1.1 Public Transport Services**

Shetland's public transport services are facing continuing upward pressures on costs due to issues such as fuel prices and increasing regulatory requirements, e.g. Certificates of Professional Competence leading to pressures to increase pay to reflect the professionalism of public transport drivers.

Other pressures coming to light through Area Transport Forums and Poverty/ Deprivation research in Shetland amongst other things is that there are significant gaps in public transport coverage that are leading to social problems for some groups. Not surprisingly to some, the lack of public transport in the evenings and weekends in many areas of Shetland has been found to be a significant barrier to the independence of the younger people in our society and contributes to some of the social problems we are experiencing in Shetland.

Officers have started a programme of reshaping and redefining the public transport network in Shetland. To support this work the intention is to establish a transport group with representatives from the various agencies and sectors that depend on, provide and/ or use transport. The aim is to develop a rationalised and more efficient network of services addressing the gaps that are known to exist in the network whilst also aiming to bring down the overall costs of providing public transport.

This is an ambitious and substantial piece of work and officers intend to involve stakeholders not just in the identification of problems/ opportunities but also in the more detailed elements of the process to keep it grounded in the real world. It is felt to be particularly important to engage our young people in this process.

#### **4.1.2 Inter Island Ferry Services**

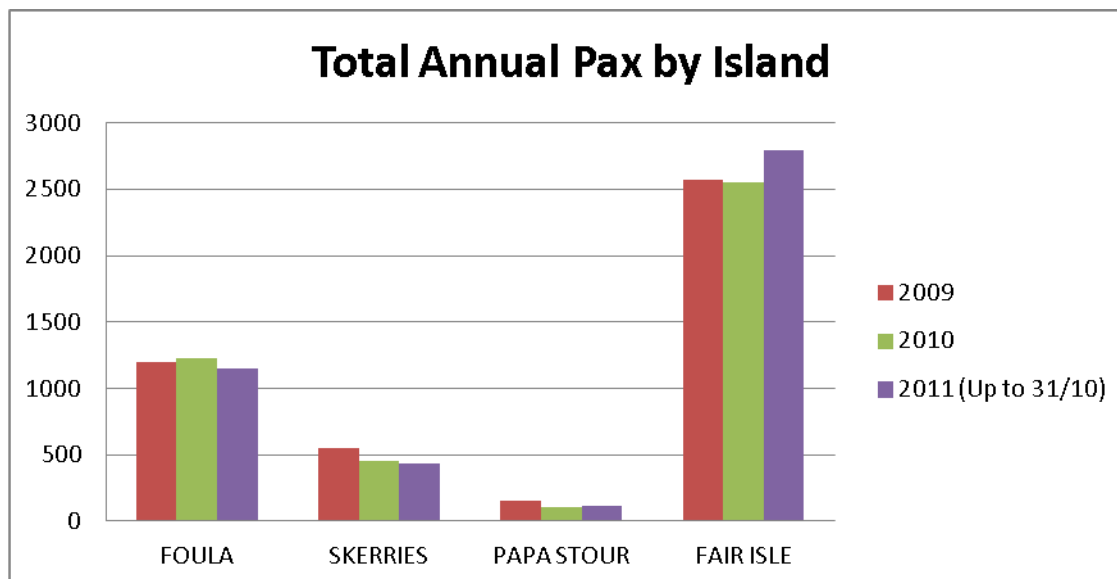
Comparing 2010/11 with 2009/10 we can see that the number of vehicles using ferries increased by 1.8% whilst passengers dropped slightly by 0.18% (this is negligible). The key challenges for this element of the transport network are: -

- The cost consequences of fuel price increases. Each one penny increase in the price of a litre of fuel adds around £45k to the annual fuel budget.
- There are growing capacity problems on the Whalsay service that are having impacts on the ability businesses and the public to conduct their affairs efficiently.
- The average age of vessels is increasing with consequential impacts on operational reliability and maintenance costs.
- There is uncertainty in the planning of maintenance of ferries and terminals and therefore the efficiency that can be achieved whilst the detail of the Council's programme of fixed links is developed.

Shetland Islands Council is undertaking a thorough review of ferry services will be supported by ZetTrans in this process.

### 4.1.3 Inter Island Air Services

The use of inter island air services decreased in 2010 compared to 2009:



The figures for 2011 are only from January to October so it is likely that we are going to see an increase in usage this year particularly in Fair Isle.

The total figures for the three years are:

Year	FOULA	SKERRIES	PAPA STOUR	FAIR ISLE	TOTAL
<b>2009</b>	1200	551	156	2573	<b>4480</b>
<b>2010</b>	1222	449	104	2553	<b>4328</b>
<b>2011 (Up to 31/10)</b>	1152	438	114	2798	<b>4502</b>
<b>Totals</b>	<b>3574</b>	<b>1438</b>	<b>374</b>	<b>7924</b>	<b>13310</b>

For the internal air service the challenges that are faced are the costs of running the service. The current model of delivery ensures good levels of service to the islands but with pressures coming on budgets there is a need to explore alternative models of delivery that may be more efficient. This will be reviewed over the coming months and alternative models identified in discussion with communities.

### 4.1.4 Sustainable Travel

The Transport Group formed under the Shetland Renewable Energy Strategy continues to support community projects through professional support and advice in preparing funding applications, etc. This group is also looking to alternative public transport technologies and projects across Shetland such as electric pool cars and community transport schemes to contribute to a sustainable mix of transport modes in the isles.



In partnership with the Shetland Amenity Trust, ZetTrans has carried out a survey of travel within and to/from Bressay. The point of the work is to develop an understanding of how sustainable travel options can work within an island context. Analysis of the data gathered is continuing and will soon be moving on to devise potential solutions to recorded issues. The partnership work will also include the revision of the SIC Annual Staff Travel Survey and will look to promote and raise awareness of the existing car sharing website and potential in Shetland.

A car sharing website <http://www.ifyoucareshare.com/> is operated jointly with HITRANS. Advice for travel planning is provided at <http://www.zetrans.org.uk/sustainabletravel/documents/ChooseAnotherWayDocument.pdf>.

#### **4.1.5 Fixed Links**

Over the past year a lot of work has been done on developing our understanding of fixed links in terms of their capital cost, technical risks and their socio economic benefits and impacts.

Work carried out with Norwegian Tunnelling Consultants and Contractors along with the Norwegian Roads Authority has led to a good understanding of tunnelling costs and has confirmed further that drill and blast tunnelling is technically feasible in Shetland.

Further to this a Socio Economic study looking at fixed links in the context of the Shetland wide economy as well as individual island communities has confirmed that there is a strong social case for fixed links in all cases and the economic case varies in strength for each of the islands concerned.

The key issues to resolve at this time are:

- The order in which the programme of links should be developed *and*
- The likelihood of funding of each of the fixed links. Regardless of the social and/ or economic benefits for each of the links it is important to establish realistic and deliverable funding models to enable implementation of the programme of fixed links.

The Shetland Transport Strategy supports the principle of fixed links where they are shown to be a viable and economic alternative to ferry services.

It is anticipated that in December 2011 Shetland Islands Council will come to a conclusion on the order in which the fixed links projects should be implemented.

ZetTrans and Shetland Islands Council Members and officials will be engaging with Scottish Government and the European Commission late in 2011/ early 2012 to discuss potential funding support.

#### 4.1.6 Northern Periphery Programme – Rural Transport Solutions (NPP)

The Northern Periphery Programme 2007-2013 aims to help peripheral and remote communities on the northern margins of Europe to develop their economic, social and environmental potential. ZetTrans joined the project in 2009 to identify transport solutions for the more remote areas of the partnership, initially, West Shetland and the North Isles. Good progress has been made in 2011 with mapping of existing transport, meeting transport operators and identifying best practice across the study area.

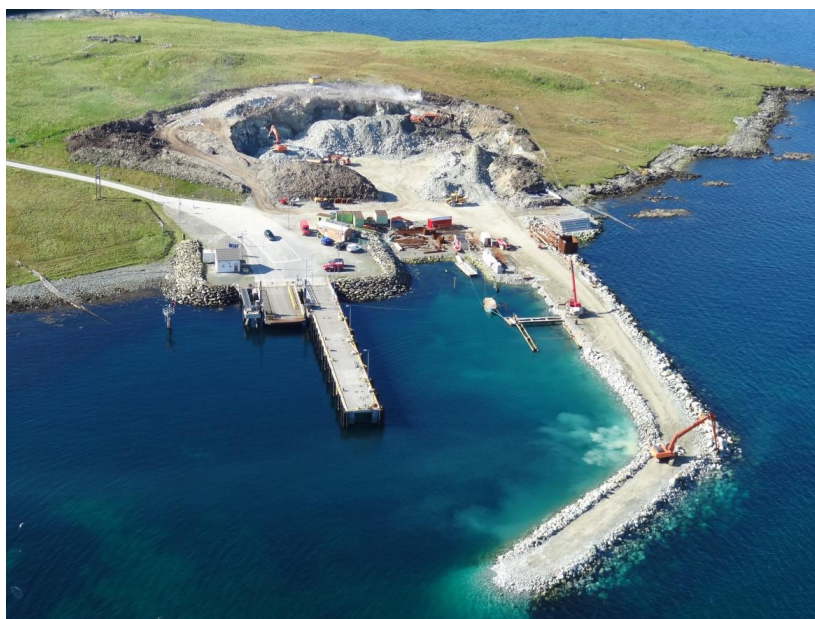
The project is now moving to a phase of identifying and trialling software and systems for enabling online booking of travel services starting initially with our network of dial-a-ride services and internal air services as separate elements of an overall aim to integrate these whilst looking to internal ferry services in the future.

#### 4.1.7 Fetlar breakwater and small craft berthing

The Shetland Transport Strategy states: -

*“A second work stream recently completed has specifically explored the requirements for and practical implications of basing a ferry on Fetlar and the development of facilities to accommodate that. This study recommended the provision of funding towards the construction of a breakwater and small boat berthing facility in Fetlar, in recognition of the benefits to Fetlar and the North Isles in terms of improved service delivery, and as a catalyst to Fetlar’s social and economic development. Going forward, ZetTrans will continue to make the case for funding and delivery of this important infrastructure.”*

The project is will advanced and it anticipated that it will be complete around the end of April 2012. The picture below shows the scale of the project and its state of completion in October 2011.

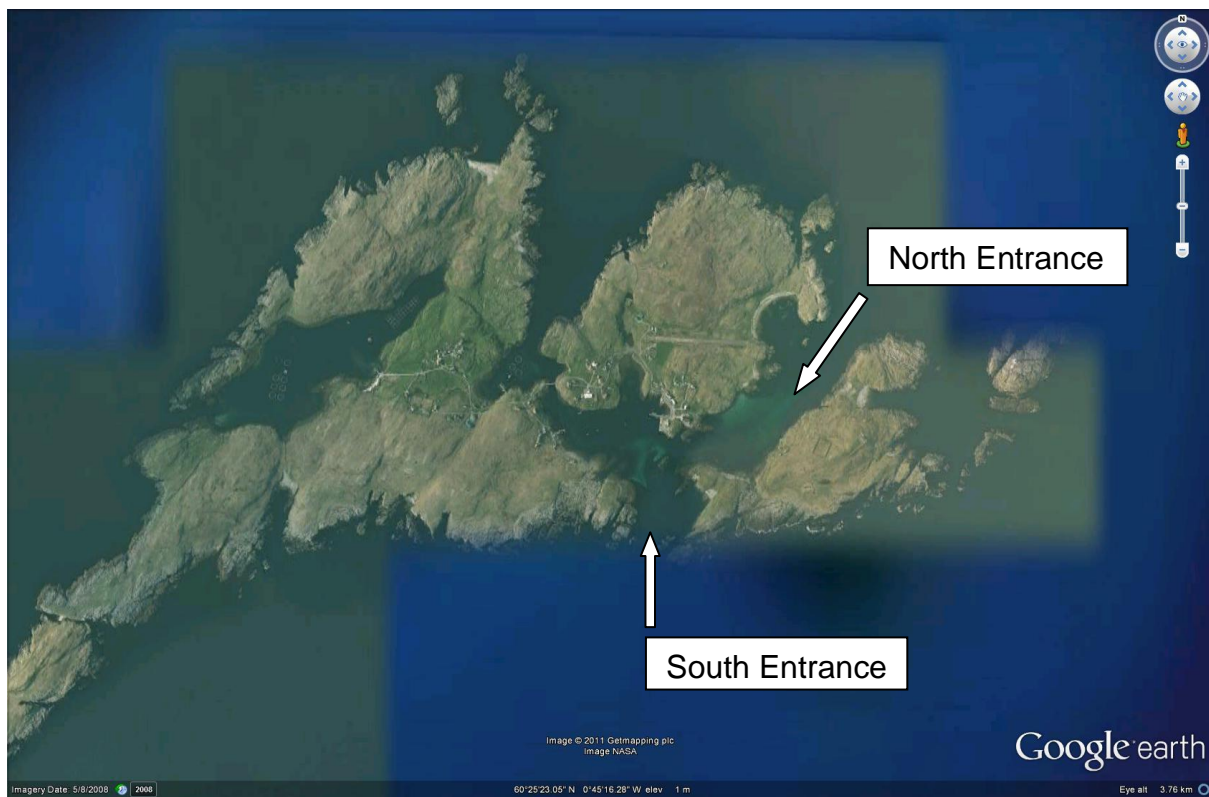


When the project is complete Fetlar will, for the first time, have a berthing facility that can accommodate small craft that all other inhabited islands have taken for granted for decades.

It will improve the nature of the transport link to Fetlar but also will provide the opportunity for tourism development (visiting yachts and cruise liners), inshore fishing (fish and shellfish) as well as leisure pursuits. Combined with the ferry terminal it is the most significant improvement in Fetlar's connectivity and economic potential in the last two decades or so.

#### 4.1.8 Skerries Harbour South Mouth

The harbour in Out Skerries has two entrances, one to the North and one to the South, indicated below.



Historically both entrances have been available for use by the ferry service to the island. It is often the case that if conditions in one entrance to the harbour are not suitable then the conditions in the other are better.

However the relatively narrow channel and localised shallow areas in the South entrance meant that with the introduction of the larger vessel MV Filla in 2002 this channel was no longer usable by the ferry.

Although the Community welcomed the larger more comfortable vessel it has proven at times that the restriction to using the North entrance only has caused problems particularly relating to the reliability in exporting processed fish and shellfish from the island's factory.

The Shetland Transport Strategy states: -

*“ZetTrans recognises the community’s aspirations for the dredging of the South Mouth entrance in order to provide an alternative, restricted ferry route, with the aim of providing reliability benefits. Analysis of log book data provides a baseline for further assessment. ZetTrans is committed to an urgent resolution of this outstanding issue, recognising that this will only be achieved through the collation and presentation of robust evidence.”*

In line with the Shetland Transport Strategy, Shetland Islands Council chose to pursue the development of a project to remove the localised “high spots” in the South channel and install navigational aids to enable to “Filla” to use the channel at certain states of the tide.

At the time of writing this report the Council was considering a tender offer to carry out the works to improve the channel. It is anticipated the project will be complete by late Spring 2012.

## **4.2 External Transport**

### **4.2.1 Northern Isles Ferry Services**

In general there has been sustained growth in the use of the Northern Isles ferry service in recent years. This is to be welcomed but the unfortunate position now is that the service often has insufficient capacity (particularly cabins) for increasing periods of the year.

These and many matters have been raised in the consultation processes for the 2012 Northern Isles Ferry Contract and the Scottish Ferries Review.

### **4.2.2 2012 Northern Isles Ferry Service Tender**

The existing contract between The Scottish Government and Northlink Ferries will end on 5 July 2012. The Government’s project team is in the procurement process and expect to announce the contract award in January 2012.

The Lead Officer of ZetTrans and Shetland Islands Council’s Ferry Operations Manager are members of a Stakeholder Group and will be involved in the Competitive Dialogue Process that has been chosen by Government as the procurement process.

Officers will work with Government during the tender process to ensure that bidders for the tender fully understand what the economic and social needs of Shetland are and through Stakeholder Group will further ensure that proper consideration is given to addressing these needs.

### **4.2.3 Scottish Ferries Review**

The Scottish Ferries Review will set the scene for the development and delivery of ferry services in Scotland over the next decade at least.

At the time of writing this report it had been established that the levels of service both in terms of the inter island services and the Shetland/ Mainland Scotland services were about right. The review acknowledges the constraints on the Shetland/ Mainland Scotland service and that these need to be addressed. It also commends the operation of the inter island ferry services as being an efficient model of delivery.

### **4.2.4 External Air Services**

During 2010 there were severe disruptions to the external air services for a period which led to an impact on the number of people travelling during that year.

However, comparisons across the last five years show that growth continues in the use of air services.

The key issue in the last year has been the removal entitlement to the Air Discount Scheme for businesses, public sector and voluntary sector travel. At the time of writing this report the Scottish Government has sought clarification from the EU on whether entitlement to use of the Scheme could be reinstated and were told that this was not legally possible.

At this stage it is not possible to quantify exactly what the impacts are on Shetland's economic and social well being but initial feedback from the operator is that there is a down turn in use that has coincided with the changes to the application of the scheme and impacts and fares and/ or flight frequency cannot be ruled out.

## **5. Disability Equality Scheme**

The existing SIC Disability Equality Scheme (DES) has been updated and includes the requirements for a scheme for ZetTrans. The amended DES was published on 3<sup>rd</sup> December 2007 and can be found at: [www.zettrans.org.uk/aboutus/EqualOpportunities.asp](http://www.zettrans.org.uk/aboutus/EqualOpportunities.asp)

## **6. Relationship with Other Regional Transport Partnerships**

The meetings of the Regional Transport Partnerships (RTPs) take place quarterly with the Chair and Lead Officers from the other regions around Scotland invited to attend. These meetings are a means of discussing wider transport issues within Scotland. Shetland hosted the 2011 Spring meeting of RTPs in Lerwick on 2 March 2011. The meeting included a discussion on the development of Demand Responsive Transport. The main issues discussed at these meetings this year included considering the findings of the Christie Commission, rising transport costs at a time of reduced budgets and improving service delivery with partners the NHS.

ZetTrans continues to work closely with Scottish Ministers, John Swinney, Cabinet Secretary for Finance and Sustainable Growth and Keith Brown, Minister for Transport. There are regular meetings between the Ministers and the RTP Chairs.

RTPs take on the following responsibilities within Scotland:

- Provision of a more strategic approach to planning and delivery
- Building on existing joint working relationships
- Working in partnership with the new national transport agency
- Bringing together local authorities and principal stakeholders

## 7. Key Performance Indicators

ZetTrans monitors delivery of the Transport Strategy using a series of Key Performance Indicators (KPIs). The KPIs give information and statistics on the following:

- Reliability of Shetland's Transport
- Standards of Road Maintenance
- Fuel Consumption Levels
- Market Growth on Shetland's Transport Network
- Public Transport Accessibility
- Sustainable Transport Usage
- Road Safety Levels
- Transport Integration Opportunities.

From these KPIs progress can be monitored year on year and be compared with the Scottish picture.

Below are presented some KPI comparisons with the Scottish trends along with the figures for each statistic from Shetland. A full report of KPIs for 2011 can be found at [www.zettrans.org.uk/aboutus/TransportStrategy.asp](http://www.zettrans.org.uk/aboutus/TransportStrategy.asp)

<b>Statistic</b>	<b>Figure</b>	<b>Trend</b>
Road Traffic Usage (Million km)	202	↓ 0.5% from 2009 to 2010
Air Passengers (External Travel)	139,146	↑ 12.6% from 2009/10 to 2010/11
KSI Casualties (Killed or Seriously Injured)	4	↓ 20% from 2009 to 2010
Child Casualties	1	↓ 85.7% from 2009 to 2010
Slight Casualties	51	↑37.8% from 2008 to 2010

Below are some general trends in Shetland's transport usages over the past four or five years. Most figures show increases in the number of people using public transport although the inter island air figure varies from year to year. At the time of writing this report there was still some information unavailable. This will be updated in the final version of the report.

<b>Statistic</b>	<b>Trend</b>
Bus passengers	↑ 2% (2005/06 – 2010/11)
Ferry Passengers	↓2.6% (2005/06 – 2009/10)



Ferry Vehicles	↓17.3% (2005/06 – 2009/10)
Inter Island Air passengers	↑ 8.7% (2005/06 – 2010/11)
External Ferries (Northlink)	↑ N/A
External Flights	↑ 32.8% (2005/06 – 2010/11)

### **Cancellations**

Inter Island Air (Non –weather related)	3.0% (2010/11)
External Air (Non –weather related)	N/A (2010/11)
External ferry delays (Over 30 mins delay).	N/A

## 8. 2010/11 Outturn Position

<b>Revenue</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Policy Strategy & Projects	236,301	256,113	(19,812)
Bus Operations	1,232,675	1,452,098	(219,423)
Financing Costs (Bank Charges)	0	4	(4)
<b>Total Expenditure</b>	<b>1,468,976</b>	<b>1,708,215</b>	<b>(239,239)</b>
Scottish Government Grant	(155,000)	(155,000)	0
SIC Grant	(1,313,976)	(1,552,957)	238,981
Financing Income (Bank Interest)	0	(258)	258
<b>Total Income</b>	<b>(1,468,976)</b>	<b>(1,708,215)</b>	<b>239,239</b>
<b>Net (Surplus)/Deficit for Year</b>	<b>0</b>	<b>0</b>	<b>0</b>

The full ZetTrans Audited Accounts 2010/11 and the Report to Members and the Controller of Audit on the 2010/11 Audit can be found on the ZetTrans website.

## **9. Plans for 2012/13**

The main priorities for ZetTrans (in partnership with Shetland Islands Council) over the coming year will be:

- Review the Shetland Internal Public Transport Network working with stakeholders and operators to develop a more efficient and less costly network.
- Complete the Outer Isles STAG study providing an implementation plan to achieve the recommendations;
- Further develop the Fixed Links strategy to create a prioritised programme of projects and reach informed conclusions on funding potential and funding models;
- Continue the NPP through further developing marketing options and starting the pilot project for online booking transport booking services.
- Establish the Shetland Transport Group as a means of creating a network of individuals and organisations to refresh and deliver the Shetland Transport Strategy and matters such as recommendations from the Audit Scotland report on Transport for Health and Social Care;
- Identify the data collection requirements for a strategy refresh in 2012, and
- Effectively conclude our involvement in the 2012 Northern Isles Ferry Contract and the Scottish Ferries Review.