

Report to Partnership Meeting 10 April 2015

RESEARCH AND STRATEGY DELIVERY

Orkney Outer North Isles STAG Appraisal

PURPOSE OF REPORT

To invite Members to support the allocation of additional HITRANS funding within the 2015/16 Research and Development and Delivery budget as a contribution towards a detailed STAG Part 2 Appraisal of transport provision to the Outer North Isles of Orkney which will help the Council to identify a preferred evidence-based investment plan to meet the short medium and long term transportation needs of Orkney's Northern Isles.

The budget proposal for the Appraisal aims to split the costs for this work between the Partners – Orkney Islands Council, HITRANS, the Scottish Government and HIE.

Background

In December 2014 OIC, HITRANS, Transport Scotland, SIC and ZetTrans agreed a Joint Statement establishing Partnership commitments to jointly addressing Ferry Replacement issues in Orkney and Shetland. This Agreement was itself linked into the Empowering Scotland's Islands Communities Prospectus which identified the benefits of close working to establish a fair and effective solution to service requirements for the future. It was recognised in these Statements that there was a need for evidence gathering to support future funding and investment decisions. It was further recognised that the evidence gathering should follow the established Transport Scotland Routes and Services Methodology and STAG Appraisal approaches to ensure consistency and legitimacy alongside other services in Scotland.

Orkney Islands Council and HITRANS jointly funded a Strategic Transport Appraisal Guidance 1 (STAG 1) to explore air or ferry service provision to the outlying islands and support the partners Partners consideration of Orkney's future Internal Transportation Infrastructure requirements.

In addition HITRANS, OIC and Transport Scotland undertook further work to apply the Routes and Services Methodology (RSM) process on all Orkney's islands to identify whether there is any under or over provision of internal ferry services.

Both these reports were tendered and undertaken by Peter Brett Associates specialist transportation Consultants. The studies have completed, and a main recommendation arising from both is that the next stage of STAG (STAG 2) should be undertaken to advise on the most appropriate Investment Plan for current and future Transportation needs in Orkney.

STAG 2 Proposal

It is proposed that the work for the STAG 2 Appraisal be split into discrete packages which will allow costs associated with each area to be more readily identified.

Task 1 – Consultation

Consultation is at the heart of the STAG appraisal process. Engagement with the public and wider stakeholder community is essential to demonstrate transparency in decision making, allow input to the appraisal process, enable feedback, and generate buy-in from the public and wider stakeholder community.

A series of consultation events is recommended, with each one coinciding with key gateways / milestones in the appraisal. This will help ensure an understanding of how the results have been arrived at and that value for money outcomes have been reached.

The first task will be to consult with island residents, businesses and stakeholders. The key aim here will be to gather information on issues surrounding the current services, establish local aspirations and determine the operational constraints. The islander consultation should be supplemented with a range of stakeholder consultations with key organisations to be agreed with the client group.

Task 2 – Review of Operations and Scoping of Main Options

The second task will involve the consideration of detailed operational matters pertaining to harbours; vessels; airfields; aircraft; fixed links; environmental impacts and costs. For ease of reference, we suggest splitting this task into a series of discrete work packages (although they will clearly overlap).

Harbours

The harbours work package should work iteratively with the vessels package. It will involve establishing the constraints at current harbours and the required capital investment to maintain the status quo. It will also involve establishing broad costs for incremental steps in infrastructure to meet different vessels requirements.

Vessels

The vessels package should initially confirm the current operational position and emerging regulatory requirements for new tonnage.

This package should also explore the broad options for new vessel procurement (including vessel type and fuel type) together with outline capital and operational costs.

The output of this package should be consideration of options for fleet replacement in the context of current infrastructure and potential future infrastructure (identified through the Harbours work package).

Airfields

The airfields work package should work iteratively with the aircraft package to:

- Review current infrastructure;
- Consider expansion capacity and potential technological enhancements; and

- Establish likely investment increments for different aircraft scenarios.

Aircraft

The aircraft package should work iteratively with the airfields package to:

- Review current aircraft and operational constraints; and
- Scope potential alternatives and potential technological enhancements.

The output from this package should be consideration of options for the future air service in the context of current infrastructure and potential future infrastructure (identified through the airfields work package).

Fixed Links – Bridges, Tunnels, Causeways

This work package should involve a high level engineering feasibility and costing of fixed links between:

- Papa Westray and Westray;
- Westray and Eday; and
- Orkney Mainland and Shapinsay.

Freight Package

The freight package should consider the needs of the Outer North Isles supply chain in terms of demand, capacity, timetable and integration.

The outcome of this work package should supplement the initial consultation (Task 1), summarising the key freight requirements of future transport services to the ONI.

Environmental

The environmental package should involve developing a baseline, identifying constraints with regards to air, ferry and fixed links – close integration with other packages will be required as part of this task.

At this stage the likely requirement for a SEA or EIA for the various options would be determined [*if required, this would be an additional workstream*].

Cost & Revenue

The cost and revenue package should develop a clear understanding of the current financial picture and identify high level capital and operating costs of new infrastructure.

Task 3 – Development of Option Packages

This task should draw together the options generated in the STAG Part 1, the outcomes of the consultation process and the operational review carried out in Task 2.

This task would involve reviewing the STAG Part 1 options based on the outcomes of Tasks 2 and 3 and identifying a series of option packages to be appraised in the STAG 2.

Task 4 – Consultation

Having developed the main option packages, this task would involve consulting on the option packages and using the outcome of this consultation to develop an updated set of option packages to take into the Part 2 appraisal.

Task 5 – STAG Part 2 Appraisal

The STAG Part 2 process should then follow the standard procedure to appraise each option package against (i) the two-tier objectives and (ii) the STAG criteria.

Task 6 – Final Consultation and Reporting

Consultation is at the heart of the STAG process and one final task before preparing the STAG report is a final round of consultation. This should follow the same approach as Tasks 1 & 4 but will be restricted to consultation with island residents only. The key aim here, in line with the guidance, will be to feed back to the local community the results of the appraisal and demonstrate how the consultation process (ie their views) have informed the analysis and influenced the results.

A final STAG Report should be produced after the final consultation.

Additional Task – Funding & Procurement

To ensure that the entire process is grounded in financial reality, an additional parallel workstream is recommended. This will involve creating a working group consisting of OIC, TS, HITRANS and other relevant parties (and potentially the consultants) to explore funding and procurement options. The benefit of this task will be to ensure that the options being considered are realistic in terms of deliverability.

FUNDING PROPOSAL

To deliver a STAG 2 work package as detailed above, a provisional estimate of between £150k and £200k for this work has been identified. The key determinant in cost will be the level of technical work which may or may not be required to explore particular solutions (for example Fixed Links options). It is hoped that that following the initial consultation / feasibility work will enable these elements to be more focussed, hence the mid-range is therefore considered to represent a realistic budget.

The table below sets out the proposed contributions from each Partner:

OIC	£45,000
Transport Scotland	£45,000
HITRANS	£45,000
HIE	£45,000

A timeframe of up to 12 months is envisaged for this work beginning in June 2015 and it is proposed that the new Transport Scotland Maritime Framework Contract is utilised for the appointment of consultants to lead this work.

Recommendation

Members are invited to support the allocation of HITRANS funding within the 2015/16 Research and Development and Delivery budget as a match funding contribution towards a detailed STAG Part 2 Appraisal of transport provision to the Outer North Isles of Orkney.

Risk	impact	Comment
RTS delivery	√	This work supports RTS Strategic priority to enhance intra-regional connectivity between island and peripheral communities and regional centres and national gateways.
Policy	√	This work supports development of the Aviation and Ferry policies set out in the RTS
Financial	-	An allocation of funding for the development of STAG Part 2 Appraisal has been identified in the 2015/16 Business Plan. HITRANS officers will work with OIC, Transport Scotland and HIE to procure this work.
Equality	-	

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