

Report to Partnership Meeting 20 April 2018

RESEARCH AND STRATEGY DELIVERY

Orkney Inter-Island Transport Study Outline Business Case

PURPOSE OF REPORT

To update Members on the progress of the work to undertake an Outline Business Case STAG Part 2 Appraisal of transport connectivity to the outlying islands of Orkney with the aim of developing a timed and costed network-wide strategy and implementation plan for future inter-island transport connections.

Background

The Scottish Ferries Plan (2013-2022) establishes commitments to strengthening and improving the ferry services provided to Island communities and more generally the aspiration of the Scottish Government that all communities should be treated on an equal basis. HITRANS have been working with their partner Local Authorities which currently operate ferry services to undertake transport appraisal of these routes.

Plans summarising the ferry routes and responsibility for them within the Northern Isles, are attached as an appendix to this report (Scottish Ferries Plan 2012).

Orkney Inter-Island Transport Study (OITS)

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. It was 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.

Following an initial STAG Part 1 – Pre Appraisal, a Part 2 Options Appraisal was undertaken. This work was jointly funded by Orkney Islands Council, HITRANS, Highlands and Islands Enterprise and Transport Scotland. This multi-modal appraisal explored extensive options for future transport provision to the outlying islands to support the partners consideration of Orkney's future Internal Transportation Infrastructure requirements.

The Strategic Business Case (SBC) covered the entire inter-island transport network and developed, appraised and shortlisted a range of capital & revenue options on a network / mini-network / island basis which could address the identified transport problems and opportunities. The final SBC was commensurate in detail with a STAG-based 30-year strategy for the future of internal transport connections. An equivalent study was undertaken for Shetland Islands Council.

In parallel to the development of the SBCs, a partnership of Orkney Islands Council, Shetland Islands Council, Highlands & Islands Enterprise (HIE), HITRANS, Transport Scotland and ZetTrans established a 'Fair Funding' group, tasked with considering the future funding and procurement of inter-island transport services. Local Partners have welcomed the announcement by the Finance Secretary, Derek Mackay MSP, that £5.5 million in additional funding for Orkney's inter-island ferry service has been included in the Scottish Government's budget for 2018-19.

Outline Business Case

Having finalised the Strategic Business Case, partners are now in the process of agreeing the scope and phasing of the Outline Business Case (OBC) as set out in Transport Scotland's guidance on the Development of Business Cases, 2015.

For any option to secure funding, it is necessary to progress that option through an OBC, which confirms the findings of the SBC and subjects the shortlist of options / preferred option to much more rigorous analysis. At the end of the OBC stage, an option should be sufficiently well-developed to proceed to a Final Business Case (FBC), which is the last incremental step made before an investment is made.

The Outline Business Case will consider the shortlisted options in more detail including any technical requirements relating to vessel design and harbours, seek to demonstrate their affordability, and detail the supporting procurement strategy together with management arrangements for future operations.

It is anticipated that this next stage will involve a similar level of funding as the Strategic Business Case but the aim is to prioritise those areas of the network where a solution is most urgently required. The key capital OBCs that need to be progressed in this context are;

- Outer North Isles
- Rousay / Egilsay / Wyre

The partners have agreed that HITRANS officers will lead the procurement of the Outline Business Case by utilising Transport Scotland's Multi-Framework Agreement for Transport and Land-Use Modelling and Transport Appraisal and Planning). HITRANS have identified a budget to support this work within the 2018 / 2019 Business Plan.

Recommendation

Members are invited to note this report and support HITRANS further engagement with its partner Local Authorities, Transport Scotland and Highlands and Islands Enterprise to undertake the priority Outline Business Cases for Orkneys Inter-Island Transport network with a view to agreeing a Final Business Case for sustainable transport solutions for those islands

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – This work supports RTS Strategic priority to enhance intra-regional connectivity between island and peripheral communities and regional centres and national gateways.

Policy

Impact - Positive

Comment - This work supports development of the Aviation and Ferry policies set out in the RTS

Financial

Impact –

Budget line and value – An allocation of funding for the development of STAG Appraisals has been identified in the 2017 / 2018 Business Plans. Under Regionally Significant Project Development

Equality

Impact – Positive

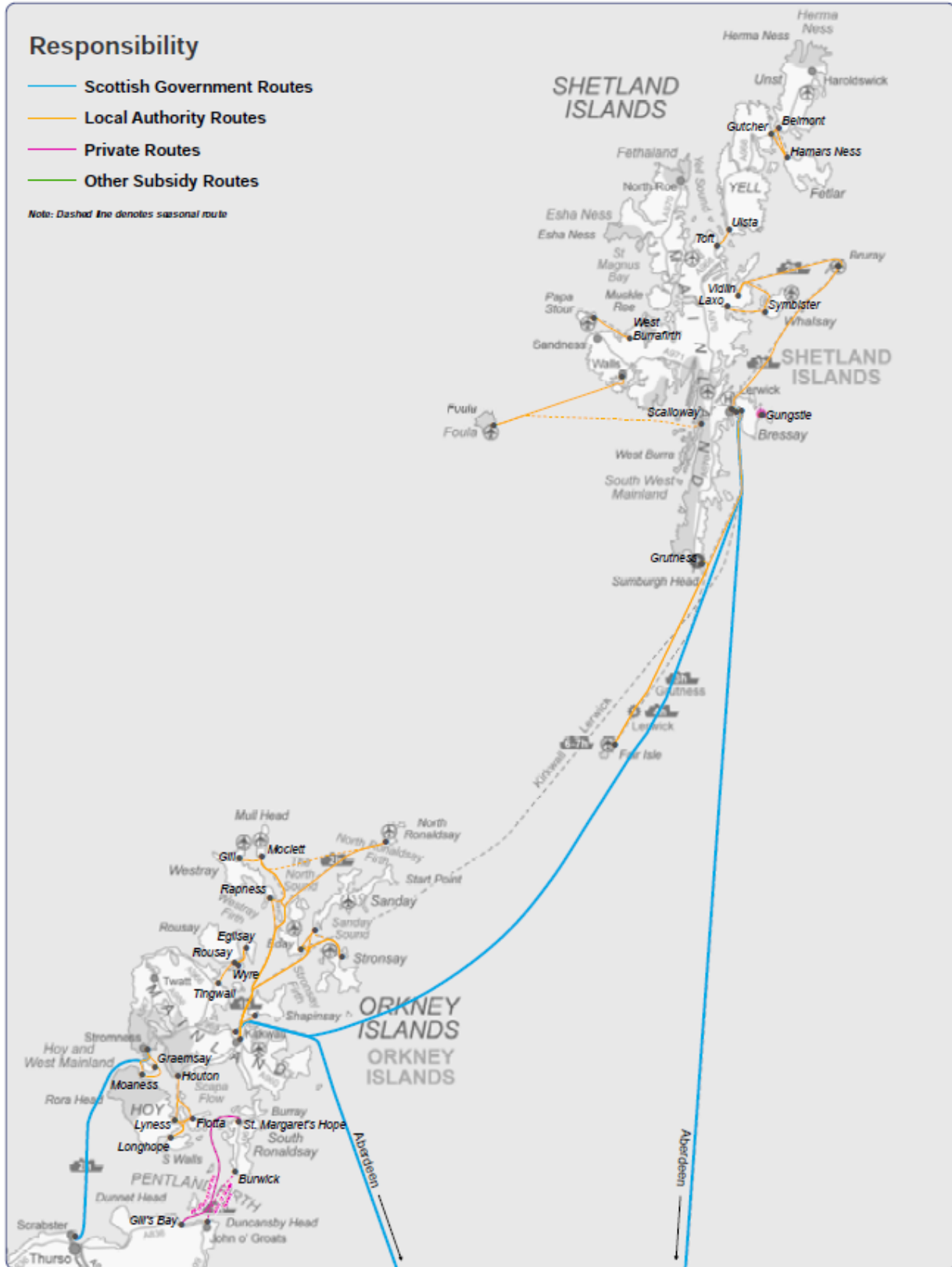
Comment – This work supports the Scottish Ferries Plan's commitment that communities are treated in a way consistent with other communities for whom Transport Scotland already has responsibility for ferries provision.

Report by: Neil MacRae
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Date: 10th April 2018

Responsibility

- Scottish Government Routes
- Local Authority Routes
- Private Routes
- Other Subsidy Routes

Note: Dashed line denotes seasonal route



Scottish Ferry Routes

Orkney & Shetland Isles

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Scottish Government GI Science & Analysis Team
November 2012, Job 5349 - KT

