



# COUNCIL OF THE ISLES OF SCILLY

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PRESS STATEMENT – 11/1/2013

## **Statement on Transport Issues Affecting the Islands**

The Council of the Isles of Scilly has always been, and continues to be, actively involved in transport issues either directly developing projects or helping to facilitate projects with other groups and stakeholders. However it has very limited legal and statutory powers. It is not a Transport Authority and needs to work with Partners to deliver transport benefits.

The Council's Planning and Development Department are working to deliver an £8m improvement project on St Mary's Quay with the Duchy of Cornwall, the Steamship Company and Cornwall Council. A £4.4m project is being developed for St Mary's Airport including improved navigational aids to allow more flexibility for landing in bad weather. The Department is also supporting the Steamship Company in the design of hardened runways at Lands End. The work on aviation development for St Mary's Airport, which began in December 2011, is still ongoing. It addresses issues such as new route development, additional airlines and a transport hub strategy. This work has already discounted the potential for subsidies except for those directly funded by the Council Tax payer.

The resurfacing of the runways at St Mary's will need a tarmac batching plant on the Islands and planning is already in place to use this equipment for the roads on St Mary's and some of the Duchy's access tracks.

The Council is concerned that the expectations of our community and visitors have been raised concerning the likelihood of subsidised and cheap fares to the islands. There is also unease that some of the publicity around our transport issues is having a negative effect on potential visitors, the attitudes of our existing transport providers and potential new commercial operators. It must be remembered that the last two months have seen exceptional disruption due to weather across the whole country. The government has made it absolutely clear that no subsidy will be forthcoming whilst there is a commercial transport operation in place. The Council and partners continue to collect and analyse disruption statistics, case studies and other data to support representations to government departments concerning our transport. For example there are fortnightly meetings between the Council, transport operators and health bodies to address all issues as they arise.

Comparisons have been drawn with the Scottish Islands. They do have subsidised year round ferry services but these are offset by poor and infrequent air links usually to just one mainland destination. Independent research shows that both visitors to and residents of the Isles of Scilly have a general preference for transport by air. The Comparative Study of the Isles of Scilly and the Scottish Islands by the Council of the Isles of Scilly was developed as an evidence base to

support large capital investments in transport infrastructure, both on the islands and the mainland. That report recommended further studies need to be undertaken before any revenue operating subsidy is sought for any mode of transport to the islands.

Cllr Dudley Mumford, Chair of Transport Committee said; “Be assured the Council is doing everything it is legally empowered to do. The Government has made it entirely clear that there will never be a fare subsidy for our transport services whilst there are still commercial operations underway. For the Government to provide that support, the Isles of Scilly Steamship Company would need to cease operations. As an Authority we would never wish for that to happen, as it would devastate our Islands economy.

“We are continuing to work in Partnership to deliver new Quays and refurbished terminal and resurfaced runways at St Mary’s. The Council has already sourced central Government funding to develop plans for a hard runway at Lands End and is helping the Steamship Company access grants to help pay for the runway. This is in line with the amount of support we would give any operator who wished to meet our islands’ transport needs.

“At the same time the Council and the Steamship Company are working together with the CAA on improved navigational aids which should allow flying in reduced visibility conditions”.

## **Notes to Editors**

### **THE COUNCIL’S POSITION**

The Council of the Isles of Scilly has limited powers over transport. It is not a Transport Authority, so does not have the statutory powers that other councils have, for example Cornwall Council. Local transport authorities are responsible for public transport within their area, are able to pay for socially necessary bus services, and are required to produce local transport plans, accessibility strategies and bus strategies. The Council for the Isles of Scilly are not included in this Transport Act and there is no public transport on the Islands. The Council of the isles of Scilly has limited statutory responsibility for Transport, we are responsible for highways and roads and manage the airport but this is the limit of our powers.

That said the Government have decided to devolve major scheme capital transport funding in 2015 to Local Transport Bodies (LTB) which will be newly established partnerships between Councils, LEPs (Local Enterprise Partnerships) and other stakeholders. There will be a Cornwall and Isles of Scilly LTB which mirrors the LEP. The Council of the Isles of Scilly will be included on the LTB. Cornwall Council is preparing an assurance framework for the new body which will be submitted to the Department for Transport by the end of February.

The Council sought advice from the Centre for Public Scrutiny (CfPS) about the use of scrutiny powers to influence transport providers and received the following:

*“Unfortunately scrutiny has no such direct powers over transport providers (only over transport authorities in metropolitan counties in England, which obviously doesn’t apply in your case). The way forward under these circumstances is probably to try to explore ways of working with such*

*partners outside the bounds of the legislation. This isn't so much of a fool's errand as it may sound – scrutiny functions have in some areas, through negotiation and relationship-building, managed to build up positive relationships with a number of transport bodies in many areas, including train operating companies and Network Rail (both of whom are notoriously standoffish)."*

The above advice mandates the approach the Council have taken on facilitating developments at St Mary's Airport, St Mary's and Penzance Harbours, the Off-Island Quays, Lands End Airport and in discussions with Newquay Airport. It also highlights the importance of the positive working relationships that the Council continues to develop with partners such as the Steamship Company, the Duchy of Cornwall and Cornwall Council. The Council has recently restructured its Committees to reflect the increasing importance of transport issues and has provided positions for the Steamship Group, The Duchy of Cornwall and Cornwall Council representatives on a new Transport Committee.

### **FUNDING AND SUBSIDIES**

Large capital projects which the Council is developing with Partners, when funded by the Government or the European Union, are subsidies. If funded through borrowing or cash, the burden of paying for them would fall to the users of the service. The works at the St Mary's Airport, if funded by borrowing, would mean each passenger paying extra landing fees to fund in the region of £400,000 repayments each year.

An all-year round boat does not solve our issues, especially transport for medical appointments, business meetings or visiting professionals.

The Council has also had a very clear steer from Government that until the Islands suffer clear market failure they will not intervene. Market Failure is when an economy or service collapses. At the moment we have the lowest unemployment statistics in the Country. These figures would have to change from 1.4% to at least 25%; some inner city estates have 80% unemployment. We have no NEETs on the island (young people not in education, employment or training), this figure would have to rise to at least the national average of 8.1%, if not significantly higher. We would also have to show very high levels of bankruptcy in our business base. Market Failure also includes the closure or cessation of the commercial operators of the transport services.