

**PE1722/C**

Shetland Islands Council submission of 13 August 2019

Thank you for your email and the opportunity to engage with the Public Petitions Committee on this matter- I can confirm that Shetland Islands Council does not charge for car parks at our inter-island Ferry Ports and my officers are not currently considering applying parking charges. Any decisions on charging for any Council Services would be subject to impact assessment.

The Northlink Ferry docks at a terminal operated by Lerwick Port Authority- again there are no charges applied to the limited car parking available at their Terminal.

I would like to take the opportunity to highlight that HIAL have implemented car park charges at Sumburgh Airport which is a lifeline link for our Islands. The Council has been clear that Islands Impact Assessment should have been undertaken prior to any decision to implement these charges. The Council has written to HIAL and Minister for Energy, Connectivity and the Islands about the need to undertake island proofing of these car park charges.

In Shetland, where the cost of living is between 20-60% higher than the UK Mainland and 49% of our households already do not earn enough money to live well, the impact of any new charges is significant. Our most vulnerable households are making difficult choices daily about heating or eating (53% of our households are fuel poor and unable to achieve an acceptable heating regime with their current household expenses). Any new household expenditure creates further challenges. We need to ensure our Islands remain an attractive place to live, work, study, invest. We need to tackle the factors such as travel poverty which makes living in Shetland so challenging for our households in order to maintain our population and especially to retain our working age population.

I have sympathy for the difficult decisions that Argyll and Bute Council are making to try to balance their budget by introducing these new charges for services. The recent Accounts Commission report '**Local Government in Scotland – Challenges and Performance**' illustrated very clearly the extent of the funding constraints that have been placed on Shetland Islands Council -should the current funding trajectory continue, the ability to achieve positive outcomes for all of our island communities will diminish considerably. Between 2013/14 and 2018/19, Shetland Islands Council suffered a 14.1% cut in funding from Scottish Government. This is the second highest cut of all Scottish local authorities.

In addition, a recent briefing from the Scottish Parliament Information Centre demonstrated how, between 2013/14 and 2019/20, the reduced funding translates to individual islanders. Their **Local government finance: facts and figures 2013-14 to 2019-20 report** showed that local government funding to Shetland was reduced by £414 per head of population during that time. It's worth noting that the report also demonstrated that Shetland was one of the few local authority areas that experienced reduction in Scottish Government support at the same time as a reduction in population levels. Sustaining services, including our lifeline transport

links, in the face of such reductions in funding is increasingly challenging for Shetland Islands Council.

Scottish Government has promised fair funding for our internal ferries. Five years on, we consider the delivery of this key aspect of islands resourcing should be a top priority for Government. For clarity Shetland Islands Council defines Fair Funding as the full revenue and capital costs required to provide current (and Future) Services. The deficit from Fair Funding for current services in 2020/21 is £9.4M. If Fair Funding of Ferries Services had been delivered by Scottish Government then difficult decisions about car parking charges might not have arisen.

On that basis I would welcome that the Scottish Parliament urge the Scottish Government to island-proof transport infrastructure (and Services) through delivering the Scottish Parliament's commitment to Fair Funding for Ferry Services.

I'd be happy to discuss this email further if required.