

If calling please ask for
Leisel Malcolmson
Direct Dial: 01595 744599

Date: 21 September 2017

Dear Sir/Madam

You are invited to the following meeting:

Shetland External Transport Forum
Council Chamber, Town Hall, Lerwick
Thursday 28 September 2017 at 2.15pm

Apologies for absence should be notified to Leisel Malcolmson at the above number.

Yours faithfully

Secretary to ZetTrans

Chairperson: R Thomson
Deputy Chairperson: R McGregor

AGENDA

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Confirm note of meeting held on 5 July 2017, enclosed.
- 1. Matters arising
- 2. Presentation by Loganair
- 3. Presentation by Flybe (to be confirmed)
- 4. Presentation by Serco NorthLink
- 5. Northern Isles Ferry Services Contract 2018
- 6. Agenda items for future meetings.
- 7. AOCB.

8. Date of Next and Future Meeting 2017/18:

11 December 2017 at 2.15pm, Room 16, Islesburgh Community Centre, Lerwick

14 March 2018 at 2.15pm, Room 16, Islesburgh Community Centre, Lerwick

NOTE

Shetland External Transport Forum
Room 16, Islesburgh Community Centre, Lerwick
Wednesday 5 July 2017 at 2.15 p.m.

Present:

R McGregor
D Sandison
D Simpson

In attendance (Officers):

M Craigie, Lead Officer
P Mogridge, Transport Policy and Projects Officer
B Kerr, Communications Officer, SIC
L Malcolmson, Committee Officer, SIC

Also In attendance:

S Garrett, NorthLink Ferries
K Bevan, NorthLink Ferries
J Hinkles, Loganair Limited
K Ryan, Loganair Limited
G Laidlaw, Transport Scotland
Paul Linhart-MacAskill, Transport Scotland
A Cooper, Councillor
T Smith, Councillor
S Laurenson, Lerwick Port Authority
C Robertson, Ferries Services, SIC
G Maitland, Ports and Harbours Operations
S Mathieson, Visit Scotland
B Gregson, Shetland Amenity Trust
J Smith, Chair, Sumburgh Airport Consultative Committee
I Kinniburgh, NHS Shetland
D Neil, JBT Distribution Ltd

Apologies:

S Bain, Disability Shetland
A Farquhar, HIAL
R Henderson, Seafood Shetland
C Hughson, Voluntary Action Shetland
R Hunter, HIE/Member of ZetTrans
M Leyland, Shetland Seafood Auctions
A Priest, Member of ZetTrans
V Sandison, Lerwick Port Authority
A Steven, Shetland Amenity Trust
L Still, HIAL

J Tait, Shetland Tourism Association

Chairperson

Mr McGregor, Vice-Chairperson presided.

Circular

The circular calling the meeting was held as read.

Minutes

The minutes of the meeting held on 2 March 2017 were confirmed.

09/17 Matters Arising

None.

10/17 Presentation by Serco NorthLink Limited

Mr Garrett, Managing Director, NorthLink Ferries, gave a slide presentation and reported on a number of matters including:

- Aberdeen – Lerwick volumes of passengers, cars and freight
- Cabin usage
- Pod usage
- Magnus Lounge usage
- Promotions, including Kids go Free and Landbridge
- Forward bookings March – August there is one sailing Northbound and 5 sailings Southbound that are fully booked
- Booking Questionnaire responses
- Operations update including sailings, delays and cancellations
- Sponsorship and Community Engagement
- Customer Services Questionnaire Statistics

During the discussion Mr Garrett responded to a number of questions and confirmed that it would be possible to drill down into the statistical figures to show a breakdown of tourist traffic and non islander discounts. In responding to a specific relating to a full time student living off island, who received no discount, it was noted that if the student's registered address was on the Mainland then they would not be eligible for the islander discount, however they could benefit from family and friends discount if registered through a family member. He asked that this query be passed on to him.

In terms of reliability and capacity of broadband Mr Garrett explained the system currently in place, its limitations and that a solution would be very expensive but Northlink were working on improvements. He advised however that 4G service can be picked up for two hours North of Aberdeen.

Mr Garrett was thanked for his presentation.

11/17 Presentation by Loganair

Mr Hinkles, Managing Director, Loganair gave a slide presentation (slides attached as Appendix A) and reported on a number of matters including:

- Punctuality

- Reliability
- Market Growth
- Customer Numbers
- Loganair Routes Update and new NHS Patient Travel arrangements from September
- Air Departure Tax
- Frequent Flyer Scheme – available from September
- Shetland Wool Week sponsored by Loganair from this year
- British Airways codeshare from August
- Announcement from Flybe to also provide services to/from Shetland

In regard to the Flybe announcement Mr Hinkles provided a comprehensive presentation of the benefits around the Loganair Service providing examples of where the two organisations differ in fare pricing, connectivity, services provided, additional benefits, local contribution in terms of sponsorship and employment, the 45 year service to the islands as well as the long term commitment to the services provided and to the community as a whole. Mr Hinkles advised that Loganair's commitment was resolute but it was incumbent on him to ask for support so that Loganair can continue to provide services to the islands.

In responding to comments in terms of Flybe's connections to Southampton and Exeter, Mr Hinkles advised that Loganair will continue to have dialogue with Flybe on continued connectivity.

Mr Hinkles received thanks for providing a better pricing structure for NHS patients as well as for the community sponsorship and for promoting Shetland as a visitor destination at a recent event in Glasgow.

During the discussion, comments were made that for passengers, the service provider they travel with will be determined on price and reliability, but it was noted that having checked prices Loganair had come out cheaper. Mr Hinkles acknowledged this but advised that to get a true picture of comparison it was important to get to the end of the Flybe booking process as there are a number of additional charges such as baggage and credit card fees. He again stressed the commitment to the community by advising that the overnight aircraft would be cleaned in Shetland by locally employed staff and flight crew would stay at the Sumburgh Hotel. He said that price would always be the determining factor but Loganair would do everything it can to help the community engage in supporting Loganair.

A recent delay experienced by a stakeholder was used as an example where reliability remained an issue. After hearing Mr Hinkles explain the steps taken that resulted in each passenger reaching their destination within 45 minutes of their scheduled arrival time it was suggested that more should be done to make the public aware of the efforts taken to minimise disruption. Mr Hinkles also advised that efforts were being made to find the most suitable aircraft to replace the SAAB340 and it was noted that the ATR42 aircraft was being trialled on one route. The ATR42 aircraft is used in similar conditions in Canada therefore Loganair would be observing this aircraft closely with a view to introducing them into their network. Mr Hinkles advised however that Loganair's financial reserves may have to be used as a "war chest" which would impact on getting a new fleet of aircraft. Mr Hinkles also informed stakeholders that Flybe's resilience could be called into question as they appear to be

using the same aircraft for all services coming to Sumburgh and noted that their timetable appeared to have aircraft landing when the airport is shut.

Mr Hinkles was asked if delays were likely on Loganair flights, whether passengers would be transferred to Flybe flights if the timetable allowed. Mr Hinkles stated that no such arrangement was in place to take each other's passengers. On the rare occasion that Loganair cannot fly he was unsure whether Flybe would be willing to do so. Also, due to the number of flights on offer from Flybe he said it was unlikely that Flybe would be able to assist. Mr Hinkles said that Loganair's commitment to its passengers would not change and Loganair would do what it could to help passengers.

In terms of compensation claims, Mr Hinkles confirmed that claim rates were going up as customer awareness has been raised. He urged customers to contact Loganair directly to make a claim rather than using a claims company so that they receive the full amount of their compensation.

Mr Hinkles was thanked for his presentation.

In response to a request, the Lead Officer advised that Flybe would be invited to future meetings after the transition period was over in September.

12/17 Northern Isles Ferry Services Contract 2018

Mr Laidlaw, Transport Scotland provided a verbal update on the North Isles Ferry Service Contract (NIFS) 2018 and advised on the current position.

Mr Laidlaw advised that Ministers were minded to go for an in-house operator to provide the service but that would be dependent upon stakeholder feedback and the legalities. He advised on the Minister's visit to Shetland in May to speak to the Communities of Shetland and in June to Orkney. Mr Laidlaw reported that the policy review was ongoing with work on the tendering of the NIFS contract being delayed. He explained that Clyde and Hebrides Services had been tendered but the Gourock and Dunoon Service was still to be done.

Mr Laidlaw commented on the NIFS stag process and the additional work Peter Brett Associates Limited had been commissioned to undertake. He also advised that Transport Scotland were in discussion with NorthLink in regard to an extension of their contract to the end of 2018 until a clearer position has been reached. He advised on the process moving forward and stated that it would be into the autumn before more could be said following the policy review. Mr Laidlaw went on to make comment on the lease of the vessels and the options to be discussed by Ministers on the way forward.

Mr Laidlaw was advised that the Ferries Policy Review meeting held on 18 May, in Shetland had been poorly attended and it was noted that this had been the same day as the Council's statutory meeting following the recent local authority election. Concern was expressed that there had been a lack of debate locally and it was commented that some commercial freight operators are not enamoured with what is felt by some to be nationalisation and that their views may have been lost in translation. Mr Laidlaw acknowledged that there had been an issue with getting people engaged but said there had been discussion with hauliers and the Stewart

Building Group. He added that ZetTrans would also welcome comments that would be passed on to Transport Scotland. He said that although Ministers favoured an in-house operation it would be tempered by best value and by listening to communities.

Mr Laidlaw concluded by paying tribute to the work of Mr Garrett and his team at Serco NorthLink for providing this well run service.

The Chair thanked Mr Laidlaw for his update.

13/17 **Agenda Items for Future Meetings**

Items for future meetings can be sent to the Lead Officer or the Committee Officer.

14/17 **AOCB**

None

15/17 **Date of Next Meeting**

The date of the next meeting is 2.15pm on Thursday, 28 September 2017, Council Chamber, Town Hall, Lerwick.

The meeting concluded at 3.55 p.m.

Chairperson