

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

Date: 30 November 2017

Dear Sir/Madam

You are invited to the following meeting:

**Shetland External Transport Forum**  
**Room 16, Islesburgh Community Centre, Lerwick**  
**Monday 11 December 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 28 September 2017, enclosed.
- 1. Matters arising
- 2. Transport Scotland Update
  - a. Northern Isles STAG
  - b. Introduction of RET
  - c. NIFS Contract 2018
- 3. Presentation by Serco NorthLink
- 4. Presentation by Flybe
- 5. Presentation by Loganair

6. Agenda items for future meetings.
7. AOCB.
8. Date of Next and Future Meeting 2017/18:  
14 March 2018 at 2.15pm, Room 16, Islesburgh Community Centre, Lerwick
9. Meeting Dates 2018/19. All meetings will be held at 2.15pm, venues to be confirmed.  
Thursday, 7 June 2018  
Wednesday, 12 September 2018  
Monday, 17 December 2018  
Thursday, 14 March 2019

## NOTE

**Shetland External Transport Forum**  
**Council Chamber, Town Hall, Lerwick**  
**Thursday 28 September 2017 at 2.15 p.m.**

**Present:**

R Thomson  
R McGregor  
D Sandison

**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:**

J Hinkles, Loganair Limited  
M Herzberg Eastern Airways  
D Paterson, Flybe  
R Matheson, Flybe  
S Garrett, NorthLink Ferries  
K Bevan, NorthLink Ferries  
Paul Linhart-MacAskill, Transport Scotland  
A Cooper, Councillor  
J Fraser, Councillor  
S Leask, Councillor  
S Mathieson, Visit Scotland  
A Farquhar, HIAL  
L Still, HIAL  
G Crichton, Streamline  
I Reid, Reid Removals  
N Leslie, Northwards Ltd  
M Prentice, Northwards Ltd  
V Sandison, Lerwick Port Authority  
S Henry, Shetland Tourist Association

**Apologies:**

R Hunter, ZetTrans/HIE  
R Roberts, ZetTrans/NHS  
T Smith, Councillor  
J Smith, Sumburgh Airport Consultative Committee  
D Neil, JBT  
R Henderson, Seafood Shetland

M Bain, Disability Shetland Islands Council  
Mr Tait and Ms Coull, Shetland Tourism Association  
Cl. Tulloch, Police Scotland

### **Chairperson**

Mr Thomson, Chairperson presided.

### **Circular**

The circular calling the meeting was held as read.

### **Minutes**

The minutes of the meeting held on 5 July 2017 were confirmed.

#### **16/17 Matters Arising**

None.

#### **17/17 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
- Change over to Loganair Service from 1 September 2017
- New Loganair Services: online check in, mobile boarding cards, ID checks removed at gate, frequent flyer programme, defibrillators on aircrafts
- BA partnership from 17 August 2017
- NHS Patient travel – NHS booking direct with Loganair
- New agreement with EasyJet from Mid October
- Europcar Partnership
- Community Support – Shetland Wool Week, Clan House
- Extra flights for royal mail over Christmas Period
- Accessibility: new ramps trials
- Competition and the future

Mr Hinkles advised of increased bookings following a seat sale to fit with school holidays which saw a strong trend ahead of last year. He also commented on the customer offer of free baggage and the local support within the community with 50 staff based in Sumburgh. He also commented on the Christmas period advising that Loganair will fly when the airport is open, namely every day with the exception of Christmas Day and New Year's day only.

In providing his further comment, Mr Hinkles spoke of the performance of Loganair versus Flybe since the change over and the commitment that Loganair has to remaining in Shetland. He said that based on the figures provided he said that there is support for Loganair locally and his team would continue to do its best to repay that trust shown by the Shetland people.

During discussions Mr Hinkles responded to questions regarding the time taken to check in and advised that passengers with no baggage can check in quicker with mobile boarding passes. He said that there were improvements to be made in terms of providing bag drop. Mr Hinkles also heard a suggestion that the Edinburgh service would benefit from using the SAAB 2000 to accommodate the number of passengers coming through. Mr Hinkles said that he would continue to look at additional flights and scheduling but the suggestion made would cause complexity for engineering and crew support based in Glasgow for the SAAB 2000 but if there was a consistent trend he would look at the data closely. Mr Hinkles also confirmed the long terms plans for the Shetland to Bergen route and advised that the route would continue next year. He said that this route had done well particularly in August 2017 and indicated the possibility of adding a third flight next year based on a peak three week period in 2017. He said that there was a lot more potential to tap into in terms of marketing the route in Norway.

The Chair thanked Mr Hinkles for attending the meeting.

18/17 **Presentation by Flybe**

Mr Matheson, Interim Commercial Chief Officer, Flybe provided a slide presentation (attached).

Mr Matheson advised that since 1 September 2017 Flybe/Eastern Airways were providing services on 5 routes in Scotland which included 3 from Shetland. He advised on the NHS Fares; the move to reduce credit card fees down to 1% of the fare; that the disruption agreement was almost finalised; pricing had been aimed to attract more connections; changes to baggage pricing on connecting journeys; and compassionate fares. Mr Herzberg of Eastern Airways advised on the delays explaining that 77% of flights were on time which was below where it needed to be. He said however that there was an improving trend in the last three weeks but there were challenges to overcome in terms of handling agents, the ambulift and feedback received that the schedule was too tight.

The Forum were also advised on the use of the Embraer E-170 aircraft stating that it had the same cross wind limits as the SAAB 340; that a marketing campaign had been undertaken with branded taxis, airport screens and attendance at the world travel market promoting the services to the Islands; that fares had been priced lower to stimulate interest and to drive traffic through connecting flights to Manchester and Edinburgh making travel more accessible; there are also community hero nominations being undertaken to recognise locals for their achievements; there are 25 Eastern Airways employees in Sumburgh; new franchise agreement allows more connectivity and the next step is to have more options and integrate into Norway; and passenger numbers and sales levels are in line with expectation.

In responding to questions and a concern regarding the pilot's knowledge and training in Shetland in bad weather, Mr Herzberg advised that the E170 crew were the same Flybe/Eastern Airways pilots who were familiar with the SAAB340 at both Sumburgh and Scatsta airports. He said that the pilots know the environment and the weather and there were no concerns for the future. He said that the E170 provided a comfortable experience but was a different product that would continue to grow.

Comment was made in terms for baggage, and delays and Mr Matheson advised that in terms of baggage the individual sector charges would be removed so that there is one baggage price per journey and that management continued to work closely on the schedule and ground handling to ensure delays are reduced. He also confirmed that the Avios scheme would continue.

The Chair thanked Mr Matheson, Mr Paterson and Mr Herzberg, Flybe and Eastern Airways representatives for attending the meeting.

19/17 **Serco NorthLink**

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

- 2018 booking engine open today
- Aberdeen – Lerwick volumes of passengers, cars and freight
- Cabin usage
- Pod usage
- Magnus Lounge usage
- Promotions, including Kids go Free and Land bridge
- Weather disruption
- Punctuality
- Booking Questionnaire responses
- Sponsorship and Community Engagement
- Customer Services Questionnaire Statistics

Comments were received from Haulier representatives, highlighting the recent announcement on passenger fares and Mr Garrett was asked what thoughts he had on projections in terms of volumes of freight and the impact there would be from an increased demand from passenger cars, mobile homes etc, and what would happen looking ahead regarding capacity and schedules. Mr Garrett said that in terms of the booking system the current fares to 2018 had been frozen since 2015. He said that there was a range of predicted analysis based on the West Coast services and he had obtained advice from Transport Scotland and deck space would continue to be monitored. He went on to explain that even with the traffic from Streamline Shipping group there was space and that there could be an increase in freight without impacting on the services. He said that he would continue to work and analyse RET on the West Coast and continue to predict future RET for Shetland.

Further concerns regarding current challenges faced in terms of freight capacity and trailers being left on shore and in response to a comment from Mr Garrett it was suggested that the frequency and regular pinch points for a lifeline service was concerning. The Chair advised that the discussion would be recorded but he asked that these specific issues be discussed in more detail following the meeting.

However there were similar concerns from the Tourism industry in terms of the passenger vehicle capacity being utilised by freight trailers. It was suggested that an increase in tourism vehicles would have an impact on the lifeline services in terms of car and freight movements with Shetland residents not being able to get in and out of Shetland. It was suggested that during June, July and August there could be more sailings perhaps between Orkney and Shetland during the day. Mr Garrett advised that

timetable and ship utilisation was not in his gift to change. Mr Linhart-McAskill said however that an all encompassing consultation had been carried out as part of the STAG process regarding future options. He said that if there is a need for extra sailings these would need to be considered. He advised that a paper was being put together with information being fed in from the Stuart Building Group and other parties.

The Lead Officer added that a working group including Shetland and Orkney representatives, has met 8 times to discuss a very wide range of options. He said that some are very challenging in terms of deploying vessels in different ways to address rising demand. He said that the reduction in fares would be pointless if there is no capacity to allow people to travel in and out of Shetland therefore the ideas on the table will be researched and discussed in terms of how they can be built into the contract and he said vessel types and tonnage would be part of those discussions.

Further comment was received from the Haulier in regard to the flexibility of the freight vessels and put forward the view that the freight boats could work harder. Mr Garrett said that the freight boats could not work harder and advised that they had not been on layup since 2013. He said there was no need for everyday sailings and not even on the predictions as the current service will adequately meet future demand.

Mr Linhart-McAskill advised that the analysis received from the operator does not currently justify a change, however if evidence is provided that shows the trend and analysis for continuous need that information will be considered. It was pointed out to Mr Linhart-McAskill that there are proposals for the building of two new fish markets and increased fish quotas and he was asked if the Transport Scotland was ready to meet that demand in terms of capacity given that there is currently pinch points on Mondays and Fridays. Mr Linhart-McAskill advised that he was well informed on aquaculture by the Stuart Building Group who were feeding in their latest views. The Streamline Shipping Group advised that there was no avenue for them to raise issues other than the Shetland External Transport Forum as they were not part of the Stuart Building Group.

The Chair thanked Mr Garrett for his presentation.

#### 20/17 **Northern Isles Ferry Services Contract 2018**

Mr Linhart-McAskill, Transport Scotland provided an update on the North Isles Ferry Services Contract 2018 and advised that Transport Scotland were working on workstreams including cheaper fares. He also commented on the procurement policy review and advised that a further update would be provided in due course. He said that a lot of work had been concluded and there would be an emerging findings report out in the autumn to give information about the work done and plans for future tendering of services or in-house operators. Mr Linhart-McAskill said that there was a difference between the community wishes on the West Coast compared to those in the North Isles but there would be more information once the report had been published.

Mr Linhart-McAskill referred to the STAG process on the future specification and options for the next contract and advised that the NorthLink contract ceases in April 2018 but the Procurement Policy Review will be extensive to allow work to be undertaken. He further advised that he and colleagues at Transport Scotland were working with Serco NorthLink regarding the extension of the existing contract and he expected that there would be an announcement in that regard soon.

21/17 **Agenda Items for Future Meetings**

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

22/17 **AOCB**

None

23/17 **Date of Next Meeting**

The date of the next meeting is 2.15pm on Monday, 11 December 2017, Room 16, Islesburgh Community Centre, Lerwick.

The meeting concluded at 4.10p.m.

Chairperson