

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

Date: 24 May 2018

Dear Sir/Madam

You are invited to the following meeting:

**Shetland External Transport Forum  
Council Chamber, Town Hall, Lerwick  
Thursday 7 June 2018 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 21 March 2018, enclosed.
- 1. Matters arising
- 2. Transport Scotland Update
  - a. Northern Isles STAG Process
    - i. Conclusions
    - ii. Implications for future services
  - b. NIFS Contract 2018 (Now 2019)
    - i. Timeline for process
  - c. Introduction of RET
    - i. Date for implementation
    - ii. Fare structure
  - d. Freight Fares Review

- i. Timeline for conclusion
- ii. Fares structure

3. Presentation by Serco NorthLink
4. Presentation by Loganair
5. Sumburgh Airport Parking Charges
6. Remote Air Traffic Management
7. Agenda items for future meetings.
8. AOCB.
9. Date of Next and Future Meeting 2018/19:

All meetings will be held at 2.15pm.

- Wednesday, 12 September 2018, Room 16, Islesburgh Community Centre, Lerwick
- Wednesday, 5 December 2018, Room 16 Islesburgh Community Centre, Lerwick (this is a change of date originally set for 17 December 2018).
- Thursday, 14 March 2019, venue to be confirmed.

## NOTE

**Shetland External Transport Forum**  
**Room 12, Islesburgh Community Centre, Lerwick**  
**Wednesday 21 March 2018 at 2.15 p.m.**

**Present:**

R Hunter  
R Roberts  
R Thomson

**In attendance (Officers):**

M Craigie, Lead Officer  
L Malcolmson, Committee Officer, SIC

**Also In attendance:**

G Laidlaw, Transport Scotland  
P Linhart-MacAskill, Transport Scotland  
M Kean, Transport Scotland  
K Bevan, NorthLink Ferries  
S Garrett, NorthLink Ferries  
T Burns, Loganair  
J Hinkles, Loganair Limited  
L Still, HIAL  
N Leslie, Northwards Ltd  
M Prentice, Northwards Ltd  
D Neil, JBT Distribution Ltd  
J Smith, Sumburgh Airport Consultative Committee  
V Sandison, Lerwick Port Authority  
S Henry, Shetland Tourism Association  
C Eunson, NFU  
S Leask, SIC  
T Smith, SIC  
F Farquhar, Ferry & Air Operations, SIC  
S Mathieson, Visit Scotland  
B Kerr, Communication, SIC

**Apologies:**

R Henderson, Seafood Shetland  
M Leyland, Shetland Seafood Auctions  
E Miller, Shetland Tourism Association

**Chairperson**

Mr Thomson, Chairperson presided.

## **Circular**

The circular calling the meeting was held as read.

## **Minutes**

The minutes of the meeting held on 11 December 2017 were confirmed.

1/18     **Matters Arising**  
None.

2/18     **Transport Scotland Updates**

**a.   Northern Isles STAG Process**

Mr Laidlaw advised that the process had been ongoing for 2 years and Ministers had manifesto commitments to finding Road Equivalent Tariff (RET) solutions for the Northern Isles. He said that the work would be published on Transport Scotland's website in the near future and informed of a workshop that had been held the previous week that included Northern Isles representatives. Mr Laidlaw said that once decisions on the procurement review had been made there would be engagement with key partners going forward. He advised that the purchase of the three RoPax ferries, Hamnavoe, Hjaltland and Hrossey was almost secured. He said that the vessels were currently owned by the Royal Bank of Scotland and used by the Scottish Government but the move towards buying the vessels was almost complete. In terms of capacity for passengers, car deck and freight, work would continue with Caledonian Maritime Assets Limited (CMAL) and Serco on additional tonnage.

When questioned on the timeline, Mr Laidlaw advised that there would be information out in the next few weeks and there would be engagement more fully with people thereafter. He said that the Scottish Government were still looking to match demand with capacity on services and they would do what they could to address that. He said that the reduced fares were welcome.

**b.   NIFS Contract 2018 (Now 2019)**

Timeline for process – Mr Laidlaw advised that the current contract was due to end on 25 April 2018 and there would be a contract extension for 18 months to October 2019. He said that he would be in Orkney and Shetland in the next month or so to speak to key stakeholders to get a decision on services and how to secure them. Once that had been decided the Scottish Government would be in a better position of understanding moving forward. He said that he had been looking at service specifications with flexibility in the immediate and long term horizon on all modes of transport.

In responding to a question in regard to the time it would take for a new vessel to be in service, Mr Laidlaw explained that it would take 3-4 years from design, through EU procurement, to construction. He said that consideration would be given to second hand vessels to supplement the current fleet.

**c.   Introduction of RET**

Mr Laidlaw advised that the final model for RET was being developed and that his colleague was in Orkney in regard to the Pentland Firth Services and would include discussion with commercial operators on the Pentland and John 'O'

Groats services. He advised that they were working towards a target date to get the new system in place and a press release had been issued at the end of last year to promote more demand.

Mr Laidlaw was advised that there was concern in the Community that the RET matter had not yet been progressed. Mr Laidlaw said that he would like to get information out soon but there were competition issues and state aid issues on the commercial service to be resolved. He said that there would be something in place to reduce fares to match other areas and he hoped that would be resolved as quickly as possible. In terms of the state aid issues around procurement, he said that he was speaking with the EU Commission on this and that it would either remain or be removed depending on the Brexit deal struck.

**d. Freight Fares Review**

Mr Laidlaw advised that there was no update at the moment and commented that there are challenges in the Clyde and Hebrides. He said that Ministers would come to a view soon in order to get a clear way forward.

The Chair thanked Mr Laidlaw for his attendance at the meeting.

3/18

**Presentation by Loganair**

Mr Hinkles, Managing Director of Loganair, gave a slide presentation, and reported on a number of matters including:

- Punctuality and Reliability:
  - December – February more challenging winter weather conditions, storms, wind, snow and ice compared to previous years. Technical issues relating to de-icing machines.
  - Credit was given to crews on reliability that was achieved
  - Lessons learned from bad weather included proactive reaction to ensuring key staff are accommodated so they can attend work and flight changes and refunds on line if flights cancelled.
- Customer Focus:
  - Improvements to self service check in at Edinburgh and Glasgow and review of ground handling
  - Improvements to Aberdeen Airport Facilities – working with MSPs on better seating areas.
  - Loganair App improvements
  - Through ticketing and connections with KLM and Air France. It is hoped this will extend to easy jet and Flybe later in the year.
- Summer 2018
  - Enhanced Edinburgh connection with 4 flights
  - Bergen performing ahead of last year
  - Manchester Saturday non-stop via Inverness on weekdays
- Pledges for Shetland
  - Fare ladder added two fares to bridge gap in fare structure
  - 50% of seats will be at lowest four fares
  - 12 extra flights for October with more seats at lower price.
  - 1 flight per day (midday) all seats will be sold at the lowest 3 fares until they are sold out.

- Rescue fare £60 one way or £39 ADS if ferry does not depart.
- Community Focus
  - Commitment to employment.
  - Clan Loganair frequent flyer
  - Year of Young People

In responding to a comment in regard to communication with passengers and that this could be done better, Mr Hinkles said that there had been issues with staff getting to work during the weather disruptions and this left two staff dealing with all enquiries when there are usually 6 staff to do that work. He said that it became clear that improvements were needed and moving to a position where passengers can change bookings online will help in these situations. Mr Hinkles said that they had also moved to a formalised standby list that allowed passengers to use seats that were vacant due to connecting flights being delayed.

Mr Hinkles was asked about the timeline for fleet upgrades or new aircraft and advised that this was a work in progress. He said that decisions would be made in the next 4-5 months to link in with the aircraft leaving the fleet. He said that the first aircraft could leave next march and there would be a lead in time for decisions. He said that he hoped to have more information by the next ZetTrans meeting. Mr Hinkles said that Loganair were getting into a stable position after £6m losses as a result of competing with Flybe and that was part of the considerations going forward.

The Chair thanked Mr Hinkles for his presentation.

4/18

#### **Presentation by Serco NorthLink**

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

- Passengers, NCV and Freight on All Routes for 2017, and comparisons with previous years
  - Historical data available on Serco Northlink Website
  - Freight had increased following withdrawal of commercial freight operator
  - Positive increase in all activities
- Livestock – figures provided on the percentage of sheep and cattle on certain days of the week and at key dates in the year.
- Cabin Usage
- Pod usage
- Magnus Lounge Usage
- Promotions
- Forward bookings – deck space and cabins – adequate space to end of July 2018. Two dates where cabins are full attributed to school trips and community sponsorship groups
- Summer 2018 June/July/August
  - In terms of tour groups the industry and ZetTrans should consider if this is good value and whether it is an enabler or detractor from the service provided.
- Operations Update
- Booking Questionnaire responses

- Customer Services Questionnaire statistics
- Reliability and Punctuality
- Drydock
- Community engagement and sponsorship
  - Dementia Training
  - Guide dogs in training
  - International Women's Day
  - Year of Young People

There being no questions the Chair thanked Mr Garret for his presentation.

5/18     **Agenda Items for Future Meeting 2017/18**

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

The Lead Officer advised that he would contact stakeholders for ideas for discussion to ensure the meetings are more interactive and dynamic.

A request was made for the Airport Parking Charges and Remote Air Traffic Management be added to the next agenda.

6/18     **AOCB**

None.

7/18     **Date of Next and Future Meetings 2018/19:**

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The meeting concluded at 3.50 pm.

Chairperson