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**Shetland External Transport Forum  
Council Chamber, Town Hall, Lerwick  
Thursday 7 June 2018 at 2.15 p.m.**

**Present:**

R Roberts  
R Thomson

**In attendance (Officers):**

L Malcolmson, Committee Officer, SIC

**Also In attendance:**

M Horn, Transport Scotland  
P Linhart-MacAskill, Transport Scotland  
K Bevan, NorthLink Ferries  
S Garrett, NorthLink Ferries  
R Bogle, Loganair, Ltd  
L Still, HIAL  
A Farquhar, HIAL  
S Coutts, Councillor  
A Cooper, Councillor  
J Fraser, Councillor  
S Laurenson, Lerwick Port Authority  
N Leslie, Northwards Ltd  
D Neil, JBT Distribution Ltd  
F Farquhar, Ferry & Air Operations, SIC  
R Gordon, Ferry & Air Operations, SIC  
S Mathieson, Visit Scotland  
E Miller, Shetland Tourism Association  
B Kerr, Communication, SIC

**Apologies:**

R Henderson, Seafood Shetland  
M Leyland, Shetland Seafood Auctions  
R McGregor, Councillor  
T Smith, Councillor

**Chairperson**

Mr Thomson, Chairperson presided.

**Circular**

The circular calling the meeting was held as read.

**Minutes**

The minutes of the meeting held on 21 March 2018 were confirmed.

8/18      **Matters Arising**  
None.

9/18      **Transport Scotland Updates**

Ms Horn, Policy and Contract Management, Transport Scotland, gave a slide presentation.

#### NIFS Contract 2018 (Now 2019)

Ms Horn advised that the North Isles Ferry Services Contract had been extended by 18 months with Serco NorthLink running under the same terms and conditions to 31 October 2019.

#### Procurement Policy Review

There has been a Minister announcement that the North Isles contract will be tendered when he was in Shetland in April listening to the views in the North for completion of the review. Ms Horn advised that the new procurement process has now started to flesh up the tender and specification for the next contract. The term of the contract is yet to be decided.

#### Introduction of RET

The STAG for the North Isles was published. Ms Horn said that there was not as much detail on freight therefore more work is to be done on that.

#### Ropax Vessels

Three Ropax vessels have moved ownership to a marine asset holding company therefore the vessels are now secured for the future contract. Ms Horn advised that this was a good deal for the tax payer but there was no detail available as this was commercially sensitive information.

#### North Isles Ferry Service Future

A meeting was held on the future of the North Isles Ferry Contract that looked at all options and considered the difficulties with capacity, different sailings, practical consideration that all help to inform the next contract. Ms Horn said that it is not possible to give details on the tendering process or timescales as it is being worked up, but she assured the forum that there would be further consultation.

#### Reduced Fares

Ms Horn advised that unlike the Western Isles there are commercial operators on the Pentland Firth route therefore there needs to be agreement on compensation to allow the commercial operators to lower their fares. This however will have to comply with state aid rules and EU laws. Ms Horn advised that negotiations with operators were ongoing and Ministers were hopeful agreement would be reached soon.

#### Ferry Fares Review

This review continues with work done over the last few years. Ms Horn said that a complication had been the revised structure and stated that there were winners and losers as it affected everyone across all services. She said that there needs to be a consistent system but as public funds were tight but Transport Scotland were looking for a solution and at the possible impacts. Ms Horn commented that the freight sector was keen to know the outcome of the review and that following a meeting of the Stewart Building group these discussions would be fed back to the Scottish Government.

During discussions the Transport Scotland representatives responded to concern regarding the next North Isles Ferry Contract from November 2019. Ms Horn confirmed that the specification needs to be flexible to allow for growth and that in

the current contract there is scope for contract variants. She said that over the course of the current contract there have been additional sailings and advised that Transport Scotland meet with Serco NorthLink every month to discuss any patterns identified. Ms Horn said that the next contract will have flexibility to change and grow. Mr Linhart-MacAskill added that Ministers understand that there will be growth with the introduction of RET and growth in freight market. He said that the new specification will have flexibility for the short term and long term growth needs. Mr Linhart-MacAskill also confirmed that sharing freight with Orkney had been flagged up and the options to use Pentland Firth would be looked at and fed into the process. He assured the Forum that there will be further engagement with stakeholders on the contract specification. Transport Scotland confirmed that discussions were being held in regard to another group that could meet for all hauliers so as to canvas all views to feed back into Transport Scotland's procurement team.

Concern was expressed in regard to the STAG information which was now two years old and also the commitment to reduce fares for passengers but that the cost of freight had not been considered in that STAG process. It was reported that uncertainty in the freight market meant that hauliers provide clarity around costs to their customers into the future. Ms Horn advised that the Ferry Fares Review was not a commitment for lower fares but for consistency across the Scottish Network. She said that the methodology was seen as sensible as long as "our island" is not the loser. She said that Ministers in active discussion on this matter. Mr Linhart-MacAskill added that there was no commitment on timeframe but there was a need for clarity in terms of the specification on the next contract over the next couple of months there was a need for certainty of fares for the next contract in November 2019. He said that he understood the frustration. Ms Horn said that the Minister had heard the message clearly from the freight sector and confirmed that there was a manifesto commitment for RET.

The Chair commented that there had previously been confidence that an announcement would be made on RET at the last SETF meeting and asked if Ms Horn was confident that RET would be introduced in the first half of this financial year. Mr Horn said that there was always "snakes and ladders" in negotiations so it was a case of waiting to see the outcome.

The Chair thanked Ms Horn and Mr Linhart-MacAskill for attending the meeting.

#### 10/18 **Presentation by Serco NorthLink**

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

- Contract Performance – available on the NorthLink website
- Passengers, NCV and Freight on All Routes and comparisons with previous years
- Volumes PCP
- Cabin Usage
- Pod usage
- Magnus Lounge Usage
- Promotions

- Forward bookings – deck space and cabins – adequate space to end of Aug 2018.
- 29 July looks fully booked but holding 42 cabins allocated against tour groups. Guidance needed from ZetTrans and the Industry on whether that the right thing to be doing. Other dates include school trips and sponsorship groups.
- Booking Questionnaire responses
- Operations Update
- Reliability and Punctuality
- Customer Services Questionnaire statistics (4000 responses can provide more detailed if requested)
- Year of Young People
- Community engagement and sponsorship
- Destination Marketing
- Our People

Ms Miller, Shetland Tourism Association asked for more detail on group tour figures and cancellations, following this meeting.

In response to a question regarding disabled access, Mr Garrett advised on the measures taken to ensure accessibility. He said that there are two accessible cabins on board the vessels and that staff were investigating an App or programme to translate sign language. Mr Garrett said that staff were working with accessibility agencies to make improvements for passenger.

*(Transport Scotland representatives left the meeting)*

#### 11/18 **Presentation by Loganair**

Mr Bogle, Director of Revenue and Scheduling, Loganair, gave a slide presentation, and reported on a number of matters including:

- Passenger numbers – reported an upturn but weakness across all Shetland Routes.
- Forward Bookings – more to be done to stimulate bookings as down on 2017
- Connectivity – BA codeshare in place. Working with KLM, Air France, Thomas Cook, Emirates, Turkish Airline and Hainan. This will mean that the airlines will look after passengers to their destination airports and a saving on ADP of £78 for long haul flights.
- Operational Performance: Punctuality and Reliability:
- Commercial Update:
  - EasyJet, self-connect protection in place
  - Clan Loganair
  - ITV Shetland Filming
  - Customer Services initiatives including disruption rebooking, and improvements to NHS patient travel waiting area.
- Marketing
  - Year of Young People
  - TV ad

In responding to questions, Mr Bogle declined to comment on the issue of car parking charges and said that this was a matter to be discussed with HIAL.

Concern was expressed in regard to the level of ground handling in place during times of disruption. It was noted that the staff available are helpful but there are just not enough staff in place. Mr Bogle advised that Loganair are represented by third party handlers under a service level agreement but should increase staff when necessary. Further concerns and examples given in regard to the Aberdeen ground handling, check-in queues and waiting times, the number of staff used to accommodate passengers when flights are cancelled means the process can take hours, and Mr Bogle was asked if there would be a commitment from Loganair in regard to onward transport of passengers to their destination who miss the last bus when the last flight is delayed. Mr Bogle agreed to take those concerns back to Glasgow and address the issues highlighted.

Comment was made on the good news from Mr Hinkles' last presentation that the departure gate would be upgraded at Aberdeen airport.

The Chair thanked Mr Bogle for his presentation.

12/18

### **Sumburgh Airport Parking Charges**

The Chair advised that concern had been raised ZetTrans, the Council, stakeholders and the public in regard to the introduction of Airport Parking Charges. He advised that Mr Farquhar, Sumburgh Airport Manager and Ms Still, Head of Airport Services, Sumburgh were present to take questions but that concerns were more appropriately directed to Ms Jack, Chair of the HIAL Board and Mr Lyons Managing, Director of HIAL.

During discussion Mr Farquhar advised that there had been no feedback following the exemptions reported in the press. He confirmed that the infrastructure was on target for an implementation date of 1 July 2018, but there was ongoing consultation with Planning and Roads Services. He said that a meeting had been set up with Ms Jack and Mr Lyons on 20 June 2018 and any questions could be passed on to them.

In responding to questions Mr Farquhar advised that when entering the car park a ticket will be provided and retained. Upon return the ticket machines in the terminal will validate the duration of stay and payment will be made by cash or contactless. He said that there is a two hour window for the ticket to be used on exit. He explained the process for validating a patient traveller and that Isles residents will register their details and number plate. He said that there would be measures in place to ensure that car borrowing is not used to abuse the system. Mr Farquhar explained that at busy times there will be prompts from the machines to indicate when the carpark is reaching capacity and the overspill carpark will then be used. In terms of passengers who do not have the means to pay, he said that exemptions can be applied on a case by case basis. Mr Farquhar also confirmed that there airport does not have powers to remove abandoned vehicles but there is a mechanism to report them for removal, and discussions with Planning and Roads would clarify that position.

The Chair commented on the exemption to Isles residents and said that HIAL recognised that there are no direct bus services therefore no choice but to take a car. He said that HIAL however ignored the fact that this could be said for other areas on the mainland and said that it would be easier for someone living in Bressay to get the bus than someone in Muckle Roe.

A comment was made that HIAL, as a public authority, was making a shift in the public business and it was disappointing that the effect was moving public money and resources around. The Chair added that these matters could have been drawn out if a study was undertaken.

Mr Farquhar was asked if HIAL intended to be open in regard to the income and how the revenue would be spent and if it would be broken down to a level where an individual can understand how their fees have been spent. Mr Farquhar said that there was a commitment to reinvest the income in the location and the accounts would be open for the public to see. The Chair however said that the response indicated that the income will be reinvested but questioned how that could be the case when the charges were being implemented to fill a gap in budget. Mr Farquhar said that these were questions to be raised with Ms Jack and Mr Inglis.

13/18 **Remote Air Traffic Management**

Mr Farquhar said that he would be happy to provide a presentation to Forum on the progress in this matter. He advised that the consultation on Air Traffic Strategy started last year. He said the process was no further on and assured that the proposals would not carry on regardless. He said that consultants would provide their recommendations and currently there was focus on staff engagement. Staff had now seen other remote systems in Sweden and Swanick where they saw the technology first hand and were engaging with different individuals where the centre would be. Mr Farquhar said that the report would be completed in early July and available for public viewing at that time. He said that all information was on the HIAL Website in the strategic link. Mr Farquhar said that he had attended the Airport Consultative Committee three times.

The Chair thanked Mr Farquhar and Ms Still for attending the meeting.

14/18 **Agenda Items for Future Meeting 2017/18**

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

15/18 **AOCB**

None.

16/18 **Date of Next and Future Meetings 2018/19:**

- 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.

The meeting concluded at 4.05pm.

