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## NOTE

**Shetland External Transport Forum  
Council Chamber, Town Hall, Lerwick  
Wednesday 11 December 2019 at 2.15 p.m.**

**Present:**

S Coutts  
D Sandison  
C Marsland

**In attendance (Officers):**

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

**Also In attendance:**

J Hinkles, Loganair Limited  
C Hughson, Voluntary Action Shetland  
S Mathieson, VisitScotland  
S Leask, Councillor  
I Scott, Councillor  
M Lyall, Councillor  
S Flaws, Councillor  
V Sandison, Lerwick Port Authority  
M Duncan, Association of Shetland Community Councils

**Apologies:**

R Thomson, ZetTrans  
R McGregor, ZetTrans  
R Hunter, ZetTrans  
Mr Garrett, NorthLink Ferries  
Mr Laidlaw, Transport Scotland  
R Henderson, Seafood Shetland  
C Laignel, SSMO  
D Neil, JBT

**Chairperson**

Mr S Coutts presided in the absence of the Chair and Vice-Chair.

**Circular**

The circular calling the meeting was held as read. The Chair advised that items 2 and 3 would not be considered at this meeting as apologies had been received from both parties due to the weather conditions.

## Minutes

The minutes of the meeting held on 18 September 2019 were confirmed, with the exception of the following:

17/19 – Presentation by Loganair – 5<sup>th</sup> line change “raining” to “training”.

23/19 Matters Arising  
None.

24/19 **Presentation by Loganair**

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

- Current weather disruptions caused 1 flight cancellation yesterday therefore extra flights, including mail flights, have been added today and tomorrow.
- Operational Performance & Mitigating measures
  - Summer Weather Disruption
  - Industrial Action – Work to rule suspended from 19 November 2019.
- Passenger Numbers – affected by industrial action.
- Forward bookings – affected by elections and Brexit uncertainty
- Airline Partners – Flybe Partnership sees reconnection with airline routes, can book through Loganair with guaranteed connections, baggage allowance included in fare if booked through Loganair.
- Bergen routes on sale for summer within the next 10 days. Wednesday and Saturday from May to September with connections to Wideroe
- ATR Aircraft – in service now – 2 ATR72-600 new models will be in service by mid January for route proving, pilots are being trained. Aircraft provides 2x2 seats, increasing seat capacity on some routes.
- Fleet replacement 2020-2022 – All Saab 340 will be replaced but Saab 2000 will be replaced first as these aircraft are more expensive to run.
- ATR Fuel efficiency – information provided
- ATR Seat arrangements for patients with immobility needs
- Group travel – promotion of group travel with competitive pricing – good for sports travel or visitors groups coming to Shetland.
- Increased child discounts to 50% year round, bookable from next week.
- School Holiday Specials – pay tax only on 1000 seats on Aberdeen and Glasgow Routes
- Public Transport – Loganair will assist where it can.
- Boarding Ramps – solar charged – staff training ongoing – to be used on all flights.
- Loganair website upgrade will help viewing on mobile devices.
- Loganair App – 60k downloaded

During questions, Mr Hinkles advised that the Children's discount fares would not be rolled out to Edinburgh and Glasgow. He explained that Aberdeen would see the biggest influx in seat capacity so that was where the discount had been applied. He advised however that the 1000 School Holiday Specials would apply to Glasgow as onward flights. He said that the 50% discount fare would only be Sumburgh to Aberdeen and not from Orkney. Mr Hinkles said that this would be a case of try it and see.

Mr Mathieson, Visit Shetland, said that it was good to see the Bergen flights in place and questioned if Manchester was to be reinstated. Mr Hinkles advised that Manchester was not cost effective but there were now connections with Flybe on Edinburgh, Aberdeen and Inverness providing 6 flights a day which meant that the connectivity was still there and just as cost effective for customers. He said that Manchester was difficult for Loganair to provide but the connecting arrangements

keep the links open and affordable. Mr Hinkles said that there were no other options for the Bergen route so that had been reinstated when the industrial action ceased.

Mr Hinkles was asked whether Loganair was missing an opportunity with extra capacity to reduce costs. Mr Hinkles explained that there was a fine balance to be had but recalled that when capacity increased with competition from Flybe with reduced fares, the planes were travelling only 20% full. He said it was important to keep a level of income that could sustain the level of service without cutting frequency. Mr Hinkles said that there are specific areas where they can grow the market but there is a balancing act required to ensure the increase allows the market to grow. Mr Hinkles also pointed out that Loganair do still have competition for passenger number with the ferry service in terms of the cost of travel and that there were only a certain number of people travelling. He said that there is no monopoly as Loganair does still have competition.

In responding to a question in regard to initiatives to increase tourism and whether there are other partnerships with budget airlines, Mr Hinkles confirmed that there are connections worldwide through a partnership with EasyJet, as well as with BA, United Airlines, KLM, and Emirates, Qatar, Wideroe and Turkish Airlines. Mr Hinkles said that there are seats to Shetland so he said that the more partnerships the better, but he noted that it was difficult to balance certain times of year.

Comment was made in regard to the changes made with the environmental issues and climate change in mind. Mr Hinkles said that Loganair needs to be better at communicating what it is doing and the efforts going on in Loganair. He referred to electric vehicles and said that there were interesting developments going on for the industry as a whole and although a good start had been made, it was only the start.

During further discussions Mr Hinkles confirmed that the ATR aircraft have the same crosswind restrictions as the Saab 340. He explained that the aircrafts have been tried and tested and that pilots who have been training have been surprised by the handling capabilities. He added that the freight aircraft is now in the Loganair colours working from Inverness.

In addressing a question on the possibility of lower standby/last minute flight prices, Mr Hinkles advised that these used to exist but that the increase in automated bookings means that this has fallen away as the booking systems cannot handle that option. He said that there was also the basic cost of travel versus the income that proved difficult as the cost of a full fare has changed by less than the rate of inflation. He said that there are not many airlines that offer discounted standby rates and this had been the case for some 10 years now. Mr Hinkles also explained the issues around the rules of EU Customer Compensation and any additional revenue soon disappears when a flight is delayed or cancelled. Mr Hinkles said that the EU regulations would continue in that regard no matter the outcome of General Election and Brexit.

The Chair commented on the complex nature of running an airline. In referring to the presentation he said that he welcomed the extra legroom for patient travellers as well as the introduction of group bookings. He highlighted that the air service is a lifeline service that provided for business and tourist travel as well. He said that he welcomed the moves described by Mr Hinkles.

Stakeholders were reminded that they could contact the Chair, Lead Officer or Committee Officer with any items to be added to the agenda.

26/19    **AOCB**  
None.

27/19    **Date of Next Meeting:**

- Wednesday, 25 March 2020 at 2.15pm in the Council Chamber, Town Hall, Lerwick

The Committee Officer advised that the dates for meetings to be held in 2020/21 would be emailed as soon as these had been set.

The meeting concluded at 3pm.

Chairperson