
Shetland External Transport Forum
Room 16, Islesburgh Community Centre, Lerwick
Monday 11 December 2017 at 2.15 p.m.

Present:

R Thomson
R McGregor
D Sandison
R Roberts

In attendance (Officers):

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

Also In attendance:

M Horn, 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
A Farquhar, HIAL
L Still, HIAL
G Crichton, Streamline
I Reid, Reid Removals
N Leslie, Northwards Ltd
D Neil, JBT Distribution Ltd
J Smith, Sumburgh Airport Consultative Committee
V Sandison, Lerwick Port Authority
E Miller, Shetland Tourism Association
N Grant, SIC
C Robertson, SIC

Apologies:

D Ellis, Transport Scotland
R Henderson, Seafood Shetland
R Matheson, Flybe
S Mathieson, Visit Scotland

Chairperson

Mr Thomson, Chairperson presided.

Circular

The circular calling the meeting was held as read.

Minutes

The minutes of the meeting held on 28 September 2017 were confirmed on the motion of Mr Thomson, seconded by Mr McGregor.

24/17 Matters Arising
None.

25/17 **Transport Scotland Updates**

a. Northern Isles STAG

Ms Horn, Transport Scotland, advised that the Northern Isles Ferry Services STAG is moving forward to publication, and has been submitted to Ministers. It is anticipated that the report will be published before the end of the year, or into January 2018. Work on consultation will follow the Minister's announcement on the conclusion of the study.

b. Introduction of RET

Ms Horn advised that the manifesto commitment on the reduction of fares on Northern Isles Ferry Services has been announced, with RET to be applied on the Pentland Firth and an RET variant for Aberdeen / Orkney/ Shetland routes where cabins are not included. There is a need to work out the compensation for Pentland ferries, and have engaged consultants to come up with compliant proposals, and work is ongoing in that regard. She advised that in terms of RET there is no discrimination between islanders and visitors, with all travellers being treated equally.

c. NIFS Contract 2018

The Forum were advised that the timeline of the Procurement Policy Review has been extended, however an interim report on the emerging findings will be produced soon. The interim report will set out the terms of North Isles Ferry Services, with proposals pm whether to tender future contracts in the spring. Ms Horn advised that Transport Scotland are in discussions with Serco to extend the current contract to allow time for the Procurement Policy Review, and confirmed continuity of service going forward.

In response to a question regarding freight rates, Ms Horn advised that the aim of the Ferry Freight Fare Review is to standardise charges for all ferry networks. In that regard, a methodology has been identified and work is ongoing on the Review. She advised that the RET announcement was focused on cars and passengers, and the 2.9% increase in freight charges from January is built into the contract. She added that the increase in freight rates is a consequence of the rise in the consumer price index (CPI) which in the preceding two years had been at or below 0% therefore no fares increases had been applied. The Chair referred to the ongoing lobbying by ZetTrans and industry groups following the announcement of the 2.9% increase, and advised on the importance for that lobbying to continue.

26/17 **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
- Deck Space
- Cabin Usage
- Pod usage

- Magnus Lounge Usage
- Weather disruptions – 34 sailings impacted on during October/November
- Operations Update
- Booking Questionnaire responses
- Customer Services Questionnaire statistics
- Community engagement and sponsorship

In responding to questions relating to freight capacity, Mr Garret reported from the trial period during the summer where an analysis of capacity was undertaken, and that information is continually revised. He confirmed that regular contact continues with Haulier representatives regarding capacity. He advised that a contract meeting with Transport Scotland later this week would discuss trends, and industry and community needs to achieve a balance to the best satisfaction of all customers. He advised that there are peaks and troughs on certain sailings each week, which are identified through coloured coded sailings of red, amber and green, and therefore forecasting forward can be done for any individual customer. He added that the focus is very much on the satisfaction of all in a fair and equitable manner.

Concern was however expressed from a Haulier in terms of capacity, particularly in the first quarter of 2018. A comment was made that weekly projections are not particularly helpful to the hauliers, as it is the information on the next day's capacity that is needed. He said that hauliers are hopeful that the January-March 2018 schedule can be revised, with opportunity to add in additional sailings, which is an area the hauliers will continue to lobby. It is hoped that further information would be available following Mr Garret's meeting with Transport Scotland later this week.

In responding to a question, Mr Garret updated the Forum on the soft launch of an App, where customers will be able to get mobile access to NorthLink's website. The formal launch of the App is planned for February 2018. Mr Garrett suggested that he could include information on the App, in his presentation to the next meeting.

27/17 **Presentation by Flybe**

There was no representative from Flybe in attendance.

28/17 **Presentation by Loganair**

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

- Punctuality and Reliability:
 - September and October - 84% of flights on time
 - November – 80% of flights on time
- Market Growth:
 - The position has been economically unsustainable for Loganair with a significant number of empty seats. Related to increased pricing going forward is that the charges at Edinburgh airport have increased.
- Customer Focus:
 - New frequent flyer programme launched
 - Booking portal launched for corporate customers
 - Baggage policy enhanced from 1 December 2017

- Operational updates:
Defibrillators fitted on all aircraft by Q1/2018.
Universal life jackets introduced
Extra space for hand baggage on certain aircraft
- Community Involvement
- Future Plans:
 - Commitment to make sure service is reliable, affordable and economically sustainable
 - Proposals will be formulated over the next few weeks, including a review of Edinburgh and Glasgow capacity, pricing, and capacity for Summer 2018 and peak dates, where engagement will take place with key stakeholders.
- New Developments
 - Summer schedule will include a new non-stop Wednesday service to Bergen from 26 May
 - Trial of non-stop service to Manchester on Saturdays – June to Sept 2018
 - Fair Isle service to Kirkwall – May - Oct 2018

In concluding his presentation, Mr Hinkles thanked the community of Shetland for their support to Loganair Ltd.

In response to a question, Mr Hinkles confirmed that discussions were ongoing with Flybe in terms of proposals to code share, and it is hoped that solutions will be found for Flybe, Loganair and customers in that regard.

In response to a question regarding any proposal to extend the direct service to Bergen to allow travel for Norwegian Constitution Day on 15 May, Mr Hinkles advised that this year an additional flight to Bergen had been available for Constitution Day, however as there had been no increased demand it was decided to combine the Orkney and Shetland flights. He confirmed that flights will be available to Bergen during May next year, however the non-stop flight will only start from 26 May.

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

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

29/17 **Agenda Items for Future Meeting 2017/18**

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

31/17 **Date of Next Meeting**

The next meeting will be held on Wednesday 14 March 2018, in Room 16, Islesburgh Community Centre, Lerwick, at 2.15pm.

32/17 **Meeting Dates 2018/19**

The Forum noted the following meeting dates for 2018/19:

- Thursday, 7 June 2018
- Wednesday, 12 September 2018
- Monday, 17 December 2018
- Thursday, 14 March 2019

All meetings will be held at 2.15pm, venues to be confirmed.

The meeting concluded at 3.15pm.

Chairperson