
NOTE

**Shetland External Transport Forum
Room 16, Islesburgh Community Centre, Lerwick
Wednesday 12 September 2018 at 2.15 p.m.**

Present:

R Thomson

In attendance (Officers):

M Craigie, Lead Officer
R Barton, Transport Policy and Projects Officer, SIC
L Malcolmson, Committee Officer, SIC

Also In attendance:

G Laidlaw, Transport Scotland
J Hinkles, Loganair Ltd
T Burns, Loganair Ltd
S Garrett, NorthLink Ferries
K Bevan, NorthLink Ferries
A Farquhar, HIAL
G Smith, Councillor
S Laurensen, Lerwick Port Authority
N Leslie, Northwards Ltd
D Neil, JBT Distribution Ltd
E Miller, Shetland Tourism Association
J Smith, Sumburgh Airport Consultative Committee
G Crichton, Streamline Shipping Group

Apologies:

R McGregor, Councillor
R Roberts, NHS
R Henderson, Seafood Shetland
M Leyland, Shetland Seafood Auctions
P Linhart-MacAskill, Transport Scotland

Chairperson

Mr Thomson, Chairperson presided.

Circular

The circular calling the meeting was held as read.

Minutes

The minutes of the meeting held on 7 June 2018 were confirmed.

16/18 Matters Arising
None.

Transport Scotland Updates

Mr Laidlaw provided a brief update on the following matters:

NIFS Contract 2018 (Now 2019)

Mr Laidlaw confirmed that the 18 Month extension to the Serco NorthLink contract was now in place from 25 April 2018 to 31 October 2019.

In terms of procurement there would be detailed discussions at a ministerial level and with key stakeholders and communities to address the specific needs of the various islands, and engagement would start shortly in Orkney and Shetland.

Introduction of RET

Mr Laidlaw said that the 2016 manifesto stated there would be cheaper fares by August 2017. He confirmed that work behind the scenes was ongoing but due to a State Aid complaint Officers had to deal with the EU Commission on the complaint. He said that in the interim the existing car and passenger fares had been reduced by 20% at the end of June and the existing 30% Islander discount maintained for the meantime. Mr Laidlaw said that Scottish Ministers remained committed to continuing to pursue all avenues to deliver RET in Orkney and Shetland.

Northern Isles STAG Process

Mr Laidlaw commented on the STAG Study that was published on 25 April 2018 which confirms, amongst other things, the need for additional capacity on the Aberdeen – Kirkwall – Lerwick route. This could be addressed by additional sailings for example which he said appeared challenging. Mr Laidlaw said that there is still growth being seen in this sector and the service was still meeting existing and increasing pressures. He added that Transport Scotland would continue to engage with stakeholders including, Regional Transport Partnerships and the Council to take on board their comments.

Freight Ferry Fares Review

Mr Laidlaw advised that Ministers were considering the Review and the recently appointed Minister for Transport, Infrastructure and Connectivity, Mr Michael Matheson was working on more strategic operational issues regarding ferries. The Minister for Energy, Connectivity and the Islands, Mr Paul Wheelhouse was working with the Councils in Shetland and Orkney on fair funding for the internal ferry service. He said that the Scottish Government had provided £5m in the 2018/19 budget allocation to support the internal ferry service and engagement with the Council would conclude in the first half of next year to feed into the spending review.

During questions reference was made to capacity after October 2019 and it was noted that the published STAG had not included the engagement with the seafood sector. Mr Laidlaw advised that some engagement had not been included in the STAG due to commercial sensitivities, but confirmed that the information would be made available to tenderers going forward.

In response to a query, the Lead Officer acknowledged that there were some organisations who were not part of the Stewart Building Group, but advised that ZetTrans had held an event on 31 July 2018 for stakeholders to contribute. He said that the event had been arranged so as to get a broad understanding of all

views and ZetTrans had undertaken to work with Transport Scotland moving forward.

There followed some discussion about the current issues with the space and availability and the crucial points where livestock and fish have had to be left onshore. It was also noted that where empty trailers are left behind to allow the more time sensitive produce to be transported, this means that the trailers are not in the right place at the right time for the next shipment. This in turn adds cost and inefficiency in the operations of hauliers.

Mr Laidlaw was asked if consideration could be given to sailing times at weekends to allow for it being more useable to sporting groups. It was suggested that 7pm sailings may be more convenient for other passengers and even the fishing industry, as 5pm can be inconvenient. Mr Laidlaw said that this would be challenging on sailings going through Orkney.

The Chair thanked Mr Laidlaw for his attendance and advised that Mr Laidlaw would be available following the meeting, for any further questions.

18/18 **Presentation by Loganair**

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

- Punctuality – weather disruption
- Operational issues – weather disruption, slight improvement on this time last year.
- Passenger numbers – affected by bad weather in June. Concerning trend over the summer reported, reasons being considered including conclusion of construction of high school. 9% increase in seat availability and significant reduction in fares at an average of 11% lower than last year with more seats available at the cheaper rates. Overall revenue is 16% less than this time last year. Record passenger numbers on other routes.
- Passenger number update by route compared to last year.
 - Aberdeen – down – redeployed SAAB340 to Aberdeen to maintain frequency with smaller aircraft
 - Bergen – similar
 - Edinburgh – increased – lunchtime flight removed for winter and may not be back in the summer. Schedule enhanced to allow a longer working day with 3 flights not 4.
 - Inverness and Kirkwall – reduced service will continue. Ongoing concerns with Inverness airport charges. Kirkwall service may be affected by RET links to Orkney.
- Insurance and Fuel Costs – These costs are paid in US Dollars therefore the exchange rates have increased costs.
- Carbon Emissions – permits increased and becoming an issue for airlines across Scotland.
- Aberdeen Airport
 - Ground handling agreement changed to Dalcross Handling
 - Check-in open earlier
 - Check-in staff wearing Loganair uniform
 - Boarding ramps in use by December.

- New facility for NHS/Medical travel, waiting room for gates 10, 11 and 12, hope to open late October.
- Technical Update
 - email and text messaging updates in place since last week
 - Rebooking facility to change bookings online.
 - Multi-city option allowing customers to book as a single transaction.
 - Loganair App to be available by the year end.
- Connectivity
 - Book with Emirates from Sumburgh to any of their destinations on a single ticket and be looked after throughout.
 - Wideroe – Norwegian connection year round.
 - Sumburgh-Bergen provides connections with 8 further routes through booking.
- On board defibrillators
- Community Support

In responding to questions Mr Hinkles advised that he did not believe that there is now going to be an upgrade to the North Pier of the Aberdeen airport where the Shetland departures are, particularly following the downturn in oil related traffic. He said that this is the reason Loganair led, with the support of stakeholders, to put in a waiting area. Mr Hinkles said that they were likely to provide more seating in the main departures area before improving the North Pier. Mr Hinkles also advised that the Glasgow Airport waiting facilities will be improved.

In terms of late bookings it was suggested that these fares be reduced where there is capacity rather than leaving with empty seats. Mr Hinkles advised on the pricing policy and explained that the shift in balance would mean that the price would increase for advanced bookings. He said that pricing was as balanced as it could be at this point in time. Mr Hinkles added that the experience last year demonstrated that even when prices are rock bottom it does not encourage more frequent travel.

Reference was made to the introduction of reduced ferry fares and asked if this was likely to create further problems. Mr Hinkles said it was difficult to forecast but Loganair have flexibility to change with a two month lead in time to react where necessary. He said that it was difficult to forecast more than three to four months ahead. Mr Hinkles said that there was a plan in place for the summer but that is expected to change as Loganair reacts to further changes.

Mr Hinkles was thanked for attending the meeting.

19/18 **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 and comparisons with previous years – steady growth seen
- Volumes PCP
- Cabin Usage

- Promotions
- Cabin Utilisation
- Pod usage
- Magnus Lounge Usage – higher utilisation
- Forward bookings – deck space and cabins
- Booking Questionnaire responses
- Operations Update – two ROPax sailings delayed in in June. 4 Freight Sailings cancelled.
- Reliability and Punctuality
- iPad Customer Services Questionnaire statistics
- Year of Young People
- Community engagement and sponsorship
- Destination Marketing
 - Booking App
 - Bus Advertising
 - Advertising Screens

Mr Garrett was asked what contingency planning was in place in the event of a Brexit “no deal”. Mr Garrett said that he can feed into the Government Planning in regard to fuel and there is a risk register in place for the top ten supply logistics. Mr Laidlaw said that Transport Scotland was on top of this matter.

Reference was made to the poor Wi-Fi connection on board noting that the service was good but there was a lack of connectivity. Mr Garret explained the restrictions and a solution would be excessive in terms of cost. He said that a cheaper solution may be to provide more down streaming of television media such as news channels. In response to a suggestion that charges be introduced to deter people from using more than one device in a cabin, Mr Garrett said that more refunds would be administered if the access was not good enough. He said that the issue was demand and in this era it is expected that Wi-Fi will be provided free of charge.

20/18 **Agenda Items for Future Meeting 2018/19**

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

21/18 **AOCB**

None.

22/18 **Date of Next and Future Meetings 2018/19:**

The Forum advised that the December meeting previously arranged had now been rescheduled to the end of November. Therefore the remaining dates for 2018/19 are:

- Thursday 29 November 2018, Council Chamber, Town Hall, Lerwick
- Thursday, 14 March 2019, Room 12, Islesburgh Community Centre, Lerwick

Both meetings will start at 2pm. Please note the different venues listed.

The meeting concluded at 3.30pm.

Chairperson

