

Item:
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Report to Partnership Meeting 15 September 2017

RESEARCH AND STRATEGY DELIVERY

Island Air Links Competitive Commercial Operations

Purpose of Report

To update Members on the introduction of competitive air commercial air services on routes to Kirkwall, Stornoway and Sumburgh that commenced on Friday 1st September 2017.

Background

Loganair were established in 1962 and first commenced commercial air services when it introduced the Britten Norman Islander operation on the internal air service network in Orkney in 1967. From 1968 Loganair began to establish its network of services to the Highlands and Islands with several routes transferred by British Airways in 1975.

From 1993 to 2007 Loganair operated the island / mainland air links between Kirkwall, Benbecula, Stornoway, Islay and Sumburgh as well as the services linking Wick John O'Groats to Edinburgh under a franchise agreement with British Airways. Loganair also operated the services to Barra, Campbeltown and Tiree from Glasgow on a PSO contract with these routes also packaged within the franchise arrangement for sales and reservations. The inter-island PSO flights in Orkney were part of the franchise agreement with British Airways until 2004 but have been operated as an independent Loganair operation since that time.

Since 2007 the franchise arrangement that set the branding, marketing, sales and reservation process for the air services set out above transferred from British Airways to Flybe. A codeshare arrangement was maintained with British Airways.

On 21st November 2016 Flybe and Loganair announced that their franchise agreement would terminate on 31 August 2017. It is not clear which party initiated the termination of this agreement.

As part of their November 2016 press release announcing the end of the franchise agreement Loganair announced their intention to continue operation of all existing services and that they would look to make some schedule enhancements. Loganair have established their own reservations system for flights from 1 September 2017 which can be made via their website www.loganair.co.uk

On 6th June 2017 Flybe announced it had signed Heads of Terms with Eastern Airways to establish a new alliance under which Eastern Airways will operate services from

Aberdeen to Sumburgh and Kirkwall, Edinburgh and Glasgow to Sumburgh and Glasgow to Stornoway

Flybe / Eastern Airways Service Plans

Flybe and Eastern Airways recently met local authorities and stakeholders including Orkney Islands Council, Comhairle nan Eilean Siar and HITRANS to discuss the services they are planning to operate and to gather thoughts and suggestions from those stakeholders.

The briefing session was supported by a presentation on the wider business plan and objectives of Flybe and Eastern Airways and outlined the background to both companies including their other Scottish operations. Eastern Airways already operate the Aberdeen to Wick and Aberdeen to Stornoway Services and have done so for over 10 years.

The Flybe / Eastern Airways partnership will see the following services commence on 1st September 2017:

Route	Frequency	Aircraft (Capacity)
ABZ-KOI (Kirkwall)	3 rotations / day	Jetstream 41 (29 passengers)
ABZ-LSI (Sumburgh)	3 rotations / day	Embraer 170 (80 passengers)
EDI-LSI (Sumburgh)	1 rotation / day	Embraer 170 (80 passengers)
GLA-LSI (Sumburgh)	1 rotation / day	Embraer 170 (80 passengers)
GLA-MAN	4 rotations / day	Jetstream 41 (29 passengers)
GLA-SYY (Stornoway)	3 rotations / day	Jetstream 41 (29 passengers)

7 Code Share and 8 interline arrangements are available to Scottish customers.

In terms of the HITRANS area the services that will impact on our area are those to Kirkwall and Stornoway. Timetables for these routes are listed below.

Aberdeen to Kirkwall:

Kirkwall to Aberdeen									
BE2932	08:05	08:55	.	T	W	T	F	Sa	.
BE2932	09:25	10:15	M	.	.	.	.	.	.
BE2936	15:10	16:00	M	T	W	T	F	.	.

BE2936	16:10	17:00	.	.	.	.	.	.	Su
BE2938	19:45	20:35	M	T	W	T	.	.	Su
Aberdeen to Kirkwall									
BE2931	06:45	07:35	.	T	W	T	F	Sa	.
BE2931	08:00	08:50	M	.	.	.	.	.	.
BE2935	12:30	13:20	.	T	W	T	.	.	Su
BE2935	12:45	13:35	M	.	.	.	.	.	.
BE2935	13:50	14:40	.	.	.	.	F	.	.
BE2937	18:35	19:20	M	T	W	T	.	.	Su

Glasgow to Stornoway:

Stornoway to Glasgow									
BE2972	08:20	09:25	M	T	W	T	F	Sa	.
BE2975	16:35	17:40	.	.	.	.	.	.	Su
BE2976	16:35	17:40	M	T	W	T	F	.	.
BE2978	19:30	20:25	M	T	W	T	F	.	.
Glasgow to Stornoway									
BE2971	06:45	07:50	M	T	W	T	F	Sa	.
BE2973	10:30	11:35	M	T	W	T	F	.	.
BE2974	15:00	16:05	.	.	.	.	.	.	Su
BE2977	18:10	19:05	M	T	W	T	F	.	.

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – The report confirms an increase in capacity on air services to Orkney and the Western Isles. It should be noted that the flights are largely timed to coincide with existing schedules and there are concerns about the long-term viability of two operators on the routes to Stornoway and Kirkwall where a competitive situation will arise.

Policy

Impact - Positive

Financial

Impact –Neutral

Equality

Impact – Neutral

Comment – There are no significant Equality improvements from the competition. The accessibility of the current aircraft fleet will be retained however it has been noted that the Jetstream 41 aircraft Flybe / Eastern will operate to Stornoway and Kirkwall is more restrictive for persons with reduced mobility (PRMs).

Recommendations

1. Members are asked to note the report.

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Date: 4th September 2017