

Item:
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Report to Partnership Meeting 2 February 2024

RESEARCH AND STRATEGY DELIVERY

SATE PROJECT

PURPOSE OF REPORT

To update Members on HITRANS involvement in the Innovate UK Sustainable Aviation Test Environment (SATE) Project. The report provides an update on the proposal for HITRANS to become Lead Partner following approval from the Highlands and Islands Airports (HIAL) Board.

BACKGROUND

Part-funded by UK Research and Innovation (UKRI) through the Industrial Strategy Challenge Fund, the SATE project created the UK's first operationally based, low-carbon aviation test centre at HIAL's Kirkwall Airport in the Orkney Islands. Launched as part of UKRI's Future Flight Challenge, which supports the development of greener ways to fly, the first phase of the project started in November 2020 and ended in July 2022. The second phase of the project kicked off from July 2022, and the project is currently due to end in March 2025 following an approved extension.

LEAD PARTNER UPDATE

With effect from 5th February 2024, HITRANS will replace HIAL as Lead Partner of SATE. This follows an internal review undertaken by HIAL after the publication of their revised Strategic Plan for 2023-28 in June 2023, which focuses HIAL on its core function of delivering safe and regulatory airports in the most efficient and effective way.

HIAL's revised strategic priorities and potential changes to the project were discussed with consortium partners at quarterly SATE Board meetings during 2023. Following confirmation of approval of the proposed transfer from both the HITRANS and HIAL Boards, HIAL formally detailed the proposed changes in a letter to consortium partner organisations on 1st December 2023. There were no objections received from partners, with several positive responses received. Following this, a Project Change Request was logged with Innovate UK on 8th December. The PCR received full approval on 19th January, with a revised grant agreement amendment issued on 23rd January.

HIAL remains committed to the SATE programme and will continue to be a key and integral consortium member. The transfer will allow HIAL to improve efficiencies in line with its strategic priorities and focus on the SATE activities that complement airport operations.

As the SATE project continues to develop, it is increasingly viewed as a regional asset. HITRANS leadership will support the further integration of the programme into the regional transport strategy. HITRANS also has a track record of delivering such funded programmes and have the personnel

in place to support the delivery. The current term-contracted staffing resource (SATE Manager, SATE Project Coordinator and SATE Business Manager) will transfer to HITRANS.

The project has also received an extension to March 2025. This extension period is to cover flight trials that have experienced delays obtaining CAA approvals, and for HITRANS to cover the project management aspects of this additional 6-month period.

BUDGET UPDATE

HITRANS receive 100% funding based on the organisation classification within the UKRI programme. To cover costs associated with the Lead Partner move, HITRANS will receive an additional £363,692 grant, resulting in a total budget of £545,220.

RISK REGISTER

RTS Delivery

Impact – Positive

Comment – The SATE project supports several RTS objectives, particularly in the field of low carbon transport.

Policy

Impact – Positive

Comment – The SATE project contributes to policy development by helping to meet the Government target of the Highlands & Islands becoming the world's first net zero aviation region.

Financial

Impact – Positive

Budget line and value – The SATE project attracts high intervention rates, with SATE phase 1 funded at 70% and SATE phase 2 at 100%.

Equality

Impact – Positive

Comment – The SATE project delivers environmentally sustainable aviation and therefore helps to ensure lifeline transport options are sustainable in the long-term.

RECOMMENDATION

Members are asked to:-

1. Note the report.

Report by: Jayne Golding
Designation: SATE Manager
Date: 24th January 2024