

Report to Partnership Meeting 16 November 2018

RESEARCH AND STRATEGY DELIVERY

Air Policy / Services Update

Purpose of Report

To provide members with an update on number of current issues relating to Air Policy and Air Services in the HITRANS area.

Air Discount Scheme

In recent months, HITRANS and Local partners have made new representations to the Scottish Government in support of reintroducing the Air Discount Scheme for all types of business users and also the business case for extending ADS to individuals studying in the eligible area but whose main residence-at the time of being offered a place is elsewhere.

At the recent Islands Transport Forum, a representative of Transport Scotland's Aviation team provided members with an update on their review of the current Air Discount Scheme which is scheduled to expire in March 2019. As part of this review, which proposes to continue the scheme, officials are considering options to extend the scheme so as to include student eligibility for those students studying but not permanently resident within the eligible area and also to extend the geographical extent of the area within Caithness who would be entitled to apply for the Air Discount Scheme. There will public consultation and engagement with key stakeholders following the internal review.

Stornoway - Aberdeen Air Service

Members will be aware of the recent announcement by Eastern to terminate its service between Aberdeen and Stornoway. Eastern Airways have cited that as a result of the increasing costs of operating the route, they were left with no alternative but to withdraw the service from 29th October 2018 as it had become unviable to sustain. These costs they stated "included a mix of increasing ground handling charges at Stornoway airport, fuel increasing, compensation likelihood as we head into winter combined with a shortage of aircraft following ground handling damage sustained to two aircraft in the past months reducing fleet availability in the short-medium term" had combined to culminate in our decision to withdraw from the route.

Recent work undertaken by Highlands and Islands Enterprise and the Comhairle which had sought to identify a business case for both improving the timetable and increasing the service to two daily return trips also highlighted the importance of the link to island based employees working in the Energy sector in Aberdeen and in routes served by its onward network and offshore flights.

The absence of a direct link between Stornoway and Aberdeen highlights the importance of improving the alternative connections between the two destinations. With 3 flights between Inverness and Stornoway, improved connectivity between Inverness Airport and Aberdeen Airport would offer the most attractive option. Currently passengers using public transport would

need to travel to either Inverness or Nairn via the Airport bus link or either towns rails stations. Connectivity will be dramatically be enhanced following the opening or a rail station at Dalcross and representations will be made to highlight another example of the important role the rail halt will provide in improving access for the wider region and not just the immediate Inverness Airport Catchment.

The loss of an important connection for the Western Isles also highlights the fragility of many of these vital strategic connections. At the Islands Transport Forum local Members highlighted their concern at the apparent lack of progress on addressing the issues highlighted in the Air Services Scoping Paper. Transport Scotland confirmed that HIAL were progressing a review of air services in the Highlands and Islands but that consultation on this work had been delayed as a result of the scope of the review being increased with a wider Aviation Strategy being developed which consider external connectivity as well as intra – Scotland air services.

Air Departure Tax (ADT)

Item 9 contains a separate report outlining the ongoing work of Highlands and Islands Working Group established by the Scottish Government in order to consider any issues relating to the introduction of the Air Departure Tax within Scotland including the importance of aviation and the current exemption to the H&I region.

Aviation Stakeholder Group / Inverness City Region Deal – Highland Air Access Group

A joint meeting of the Aviation Stakeholder Group and the Inverness City Region Deal HITRANS will take place on November 26th November. Both the Scottish and UK governments have now committed to developing Aviation Strategies and this meeting will be an opportunity for local key stakeholders to discuss how best to highlight the importance of air connectivity to the Highlands and Islands Economy but also ensure that suitable policy mechanisms are in place to reflect the crucial role they provide and to further support and enhance their development.

Recommendation

Members are invited to note the report

RISK REGISTER

RTS Delivery

Impact - Positive

Comment – This work supports RTS Strategic priority enhance intra-regional connectivity between island and peripheral communities and regional centres and national gateways

Policy

Impact - Positive

Comment – This work supports development of the Aviation policies set out in the RTS.

Financial

Impact – Positive

Budget line and value –

Equality

Impact –neutral

Comment – The Air Discount Scheme and Air Passenger Duty exemption for the Highlands and Islands helps improve the connectivity of individuals in some of the most remote parts of the HITRANS area

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