

Report to Partnership Meeting 8 November 2013

EUROPEAN PROJECTS

SPARA 2020

PURPOSE OF REPORT

To update Members on the progress made in developing the SPARA 2020 INTERREG IVB Northern Periphery Programme project that has secured funding from NPP's preparatory fund.

NPP PREPARATORY ROUND PROJECT – SPARA 2020

Peripheral and Remote Airports face a range of very special challenges that the SPARA 2020 project endeavours to address. These airports are usually loss-making and subject to low traffic volumes, which often have a strong seasonal component. The cost of safe and regulatory compliant airports continues to climb with practices and procedures developed that often have to also cover major airports with very different sets of challenges, largely focussing on significant congestion and environmental impacts. NPP peripheral and remote airports have the additional challenge of changeable and extreme weather, low temperatures and challenging terrain. All remote and peripheral communities recognise that transport connectivity is critical for their wellbeing and future viability. Public funds are usually additionally required to support and maintain airport infrastructure in such areas. Indeed many of the air services are also subsidised under EU Public Service Obligation framework.

The preparatory project aims to develop a framework for a main funding round project that will develop Smart and Sustainable Airports in Remote Regions. This will be pursued by maximising revenues, controlling costs, increasing self sufficiency and resilience, and by the creation of a forum for raising standards and improved interactions with each other, with common challenges, with suppliers, and with regulators and government transport policy planners

Products and Services to be Investigated / Developed:

- Low Cost High Tech NPP Airport 2020 template to better underpin remote airports (more below)
- New trans NPP ICT systems and content to increase patronage. Development of business models i.e. to provide user friendly multi-modal and cross border user Information Systems; using novel ICT solutions.
- Reduce perceived complexity, distance and cost of visiting NPP using advanced information systems and build upon neighbouring Baltic Bird route development tool kits.
- Remote airports as part of smart energy systems. Audits and trials for various sustainable airport related energy systems. We are aware of the and wish to work in accord with the Clean sky initiatives.
- Improved cooperation on joint specification and procurement of next generation of smaller airport equipment and infrastructure – fire engines, snow clearing, modular

- buildings, NAV Aids. We are conscious of the Cesar initiative paving the way for the single European sky.
- New CPD courses and distributed learning practices to support the induction, training and CPD of frontline and technical staff, and transport management and practitioners. The output will counter distance, remoteness, lack of peer interaction and costs of staff travel to centralised training centres.
 - Infrastructure finance systems for remote region airports – Comparative review of current NPP funding models and output ensuring future EU State Aid Compliance and new sources of funding linking small transport projects with big finance.
 - Enduring collaboration produced that will outlive the project and will speed the promotion and adoption of best practice within NPP and neighbouring areas and also articulating the special needs of the region's transport systems to suppliers, and public and regulatory authorities.

Northern Periphery Programme Preparatory Project - Update October 2013

Since commencing in early August the project team has undertaken five 1 hour plus conference calls, and had a team meeting in UHI on the Inverness 23rd September, which our Australian and Swedish partners also managed to attend.

The group have been preparing for a Project workshop with NPP in Iceland on 13th and 14th November when all partners are attending except the University of Sydney. The head of the NPP Ole Damsgaard has been assigned as our case officer, and we have good relations with the NPP Regional Rep. Denise Perie (of HIE).

The group has spent time identifying tasks, assigning responsibilities and discussing priorities. The Inverness meeting prompted a reclassification of the topics. This was partly with a view of making the online survey easier for respondents to comprehend, and also with an eye to improving our project's alignment with NPP strategies and priorities.

The group is currently designing a draft online survey, which will be launched after the Iceland meeting and compiling a comprehensive database for use as a target group for the survey. The survey will further guide refinements of the selected topics, which will be further refined with subsequent key stakeholder conversations which will follow – ideally all before Christmas.

February 4th and 5th have been pencilled in for a further meeting in Inverness to finalise the plans for the application and a seminar in Copenhagen on the 27th of February (attended by 2) will help complete the application form and educate the lead partner to the administrative side, if the project application is successful. The main project application is to be submitted in March with decision by June and start date in October 2014.

The project's external expert / coordinator and others have been making links with others both within the NPP and in other relevant or neighbouring areas. These include approaches to Avinor, Finavia, Isavia, the Swedish Regional Airports Association (SFSS), The Danish Regional Airports Association which includes Greenland Airport Authority and Vagar Airport, Eastern Seaboard Canada, Murmansk and Archangel Russia via the Barents Secretariat, Baltic Bird and South Baltic programmes, Donegal Airport, the Baltic Institute, the Iceland Tourism Research Institute and Shannon Airport.

Project Work Plans

Below is the new categorisation of project options to be tested, reduced and prioritised via the consultation process:

Promoting Innovation and Best Practice in the Management of Small Airports - HITRANS

- Benchmarking costs, revenues and efficiency – ITLS / Molde
- Identifying operational and commercial best practice -Sundsvall/SFSS
- Developing ancillary revenues to underpin commercial sustainability (suggest new airport partner)
- Elaborating 'model pathways' for addressing EU Regulations at airports remote and peripheral regions (EU State Aid Guidelines, PSOs, RDFs, slot regulations, SGEI) - Project External Expert
- Developing effective Business Cases - RGU

Environmentally Sustainable Initiatives for Small Regional Airports – Sundsvall

- Carbon reduction: energy saving; smart processes and systems; accreditation-Sundsvall
- Developing renewables: solar, wind, biomass, ground heat, bio-fuels – RGU / HITRANS
- Emissions trading: implications and opportunities for small airports, airline and their supply partners – for discussion

People, Participation and Governance – Embedding Small Regional Airports in their Local Communities –UHI

- Corporate governance and compliance - Molde / ITLS
- Evaluating potential models for Airport ownership and management in remote and peripheral areas – Molde / ITLS
- Encouraging leadership and cultural change - UHI
- Recruitment and retention of key staff in remote and peripheral areas; developing local population - UHI
- Skills and competences – multi-tasking in operational roles; commercial outlook in business development positions - UHI
- Online training modules; network of specialist centres - UHI

Investing in Infrastructure and Technology for Enhanced Performance – Trafikverket

- Exploring new technologies – remote air traffic; larger en route centres, smart ticketing –Sundsvall/SFSS
- The challenge of delivering innovative projects at small airports – (New airport partner)/ HITRANS
- Optimising infrastructure resilience and reliability (TBC)
- Exploring the scope for joint procurement – (New airport partner)
- Securing sources of capital investment funding - Project External Expert

Enduring Collaboration and Dissemination – HITRANS

- Exploring organizational structures and potential collaborations - Project External Expert
- External communication, Website/Facebook & Twitter, newsletter, event management, PR, publications – UHI / Project External Expert

- External out-reach programme (Canada, Russia), aviation sector, energy sector, military (e.g. NATO), regional development institutions, NGOs, EU institutions; implications of opening up of Arctic - Project External Expert

Project Management & Communication – UHI

- Administration, partner liaison, internal communication (e.g. agendas/minutes of meetings), programme and timetable, progress reports vs objectives (HITRANS/ Project External Expert)
- Procurement, invoices, budget management, accounts and financial reporting - UHI

PROJECT COSTS AND FINANCING

The total work value of this preparatory project is expected to amount to €42,986. This includes partner match funding of €22,868 and NPP ERDF funds of €20,118.

HITRANS share of projects costs will require a budget allocation of €5,000. This may not be fully drawn down from new budget as staff costs and related in kind expenditure can be used to offset our share of costs. In budgeting for the project the full expenditure has been identified within the Business Plan Research and Strategy Development expenditure to support EU project development.

Recommendations

Members are asked to:-

1. Note the report.

Risk	Impact	Comment
RTS delivery	√	This work supports RTS objectives.
Policy	√	This work is designed to support delivery of our Aviation policy.
Financial	√	The cost of research to support the SPARA 2020 project is included within the Business Plan. This project will attract ERDF funds at an attractive intervention rate.
Equality	-	No impact on Equalities issues.

Report by:
Designation:
Date:

Ranald Robertson
Partnership Director
27th October 2013