AIR SERVICES FROM SKYE

Assessment of proposed services

Final Report

November 2004

Prepared for:

HITRANS

Prepared by:

Steer Davies Gleave
68-70 George Street
Edinburgh
EH2 2LR

[t] +44 (0)131 226 9500
[i] www.steerdaviesgleave.com

Contents

Page

FIGURES

TABLES

EXECUTIVE SUMMARY

Introduction

The proposed services between Skye and Glasgow, Edinburgh and Luton have been considered with the objectives of assessing likely demand and the relationship between this estimated demand and the services proposed by West Highlands Air Transport (WHAT). The scale of likely demand has also been considered in relation to the HITRANS proposals for services to Skye. Work has focused on comparisons with services to/from other Highlands and Islands airports, and propensity to fly analysis.

Comparison with services to/from other airports

Given the proximity of Glasgow and Edinburgh to each other, and to enable comparison with other Highland airports, the Skye-Glasgow and Skye-Edinburgh services have been considered together as Skye-Central Belt services. Comparison of the proposed capacity for Skye-Central Belt with that from other Highland and Islands airports shows that WHAT proposes to operate a capacity 15% greater than that to/from Inverness, Scotland's 5th city. Proposed load factors for Year 5 are also greater than the present load factors for the other airports.

Forecasts

Our estimations of demand for services from between Skye and Central Belt are show in Table A. These are based on no other services operating from Skye. Other services would have the effect of reducing demand. Our estimations are shown in relation to the operator's proposed number of one-way trips, shown in italic.

TABLE A ESTIMATED AND PROPOSED TRIPS BETWEEN SKYE-CENTRAL BELT

Estimated / proposed	Skye-Central Belt One-way trips
Estimated low-case	18,500
Estimated mid-case	23,150
Estimated high-case	27,750
Proposed service Yr 1	*30,700*

These figures are shown in round numbers, to the nearest 50.

Our estimations for services from between Skye and Luton are show in Table B. These are based on services also operating between Skye and Central Belt, but not other airports. Our estimations are again shown in relation to the operator's proposed number of one-way trips.

TABLE B ESTIMATED AND PROPOSED TRIPS BETWEEN SKYE-LUTON

Estimated / proposed	Skye-Luton One-way trips
Estimated low-case	6,950
Estimated mid-case	8,700
Estimated high-case	10,400
Proposed service Yr 1	*10,500*

These figures are shown in round numbers, to the nearest 50.

Interpretation

Proposed operations between Skye and the Central Belt (Glasgow and Edinburgh) look achievable only if no other services from Skye are operated, and characteristics of the service are fine-tuned to maximise the non-VFR market. Extensive destination marketing of Skye combined with attractive air packages would also be required. However, the suggested growth rates appear extremely difficult to attain.

Analysis suggests that if operations were to only one Central Belt airport (i.e. half the proposed capacity), there would be sufficient demand for the service. This is in line with the HITRANS proposals for services to Skye.

Successful operation of the proposed service to London would also require fine-tuning and substantial marketing to maximise the non-VFR market. Concern arises over the viability of this however given the proposed use of turbo prop aircraft on a long sector flight.

The number of other proposed services and destinations affects the viability of the services discussed above. Thus demand for Skye-Central Belt would be detrimentally affected by London and Manchester services, and an Inverness shuttle would affect the demand for a Skye-Luton service.

1. INTRODUCTION AND METHODOLOGY

Background

1.1 West Highlands Air Transport (WHAT) has put forward proposals for the introduction of air services between Skye (Broadford) and Edinburgh, Glasgow, Inverness, Manchester and Luton. These proposals are now being reviewed by HITRANS and this report is an output of that review.

1.2 A service to Skye has also been considered by HITRANS as part of the development of new routes. This service is not the focus of this report, but the report's findings are briefly considered in relation to it.

Purpose of this study

1.3 The purpose of this study is to take an independent view of the demand forecasts for air services between Skye and Glasgow and Skye and London. The objectives are:

- To assess whether there is sufficient demand to operate at the proposed capacity; and
- To assess what the likely demand for the proposed new services will be.

Methodology

1.4 To provide a robust demand forecast for these air services we have undertaken analysis including propensity to fly analysis for different market segments within the overall demand. Our methodology, in summary, has involved:

- Understanding the tourism, population and employment context of Skye;
- Comparing airports in the Highlands and Islands;
- Using propensity to fly to identify comparable airports to Skye;
- Identifying propensities of different market segments of comparable airports;
- Estimating demand for Skye, informed by these propensities; and
- Assessing the estimated demand in relation to the demand proposed by WHAT.

1.5 The methodology is described in more detail in the following chapters.

1.6 The report is divided into four sections:

- Context: Chapters 2 and 3;
- Assessment of Skye-Central Belt services: Chapters 4, 5 and 6;
- Assessment of Skye-Luton services: Chapter 7; and
- Summary of forecasts and recommendations: Chapter 8.

1.7 Skye-Central Belt analysis has been undertaken instead of Skye-Glasgow since for some passengers Edinburgh, Glasgow and Prestwick are interchangeable and so analysis for Glasgow alone is misleading. Taking Central Belt as one location also allows comparison between flights from Highlands and Islands airports.

1.8 Analysis has been based on assuming fare levels to be similar to those for flights from comparator airports. Sensitivities in relation to the WHAT proposed fares have not been undertaken.

2. SKYE TOURISM CONTEXT

Overview

2.1 This chapter provides the tourism context of Skye. A summary of the general economic context of Skye is available from various sources and so is not summarised here. The size of population and employment is provided in Table 5.1.

Tourism to Skye

2.2 Skye is a popular tourist destination. The scale and characteristics of its tourism are discussed below under the following headings:

- Volume of tourists to Skye
- Character of visit (business / leisure)
- Seasonality
- Origin of tourists
- Other locations visited.
- Mode of transport of tourists
- Forecasts

Volume of tourists to Skye

2.3 The volume of tourists (stay visitors) to Skye is not recorded directly, however information can be used from the Scotexchange statistics publication 'Tourism in Highlands of Scotland (HOST) 2002' and the Highland Visitor Survey (HVS) for 2002/2003 for the HOST area. With 2.8 million tourist trips estimated to be made to HOST and 26% of HVS respondents staying in Skye & Lochalsh at some point during their stay, the estimated number of tourists to Skye & Lochalsh is 728,000.

2.4 A number of area reports also form part of the HVS. The HVS for Skye & Lochalsh reported that 3% of visitors are day trippers and 97% stay visitors. These figures lead to an estimated 22,500 day visitors and a total of **750,500 tourists and day visitors**.

Character of visit (business / leisure)

2.5 The report for the Skye & Lochalsh area (refered to below just as Skye) as part of the HVS reported the following information:

- Of all visitors to Skye the following types of holiday were found: Holiday 86%; Visiting friends & relatives 10%; Day out from home 3%; On business away from home 2%.
- The mean number of nights stayed in Skye was 3.9.
- The mean number of visits to Skye in the last 10 years was 2.5.

Seasonality

2.6 Tourism to Skye is highly seasonal. Indications of this can be drawn from the accommodation occupancy data for the Skye and Lochalsh Enterprise Area. This shows that, for hotels for example, bed occupancy in 2003 was 92% in August and 22% in January.

2.7 Information for the Highlands of Scotland[1] shows that 85% of overseas tourist trips and 58% of UK tourist trips to the highlands occur between April and September.

2.8 There are no seasonality figures available for Skye and Lochalsh specifically and calculation of them from the occupancy data available for different accommodation types is beyond the scope of this study. As an approximation however, we estimate that about two-thirds of tourist trips to Skye and Lochalsh take place between April and September.

Origin of tourists

2.9 The report for the Skye & Lochalsh area as part of the HVS reported the following information:

- Of all visitors to Skye & Lochalsh areathe following origins of visitors were found: Highlands 6%; Edinburgh 6%; Glasgow/Clyde Valley 5%; Rest of Scotland 12%; South East England 11%; Midlands 5%; North East, North West and Other UK 16%; and Overseas 34%.

Other locations visited

2.10 The Skye & Lochalsh report states that of those visiting Skye & Lochalsh area, 44% were also visiting Inverness & Nairn; 51% Lochaber; 20% Wester Ross and 20% Argyll & the Islands.

Mode of transport of visitors

2.11 The report for the Skye & Lochalsh area (refered to below just as Skye) as part of the HVS reported the following information:

- 1% of non-Highland residents visiting Skye fly to Skye. This proportion is seasonally variable with 1% in high season (May-October) and 3% in low season. It is also lower than the 3% of non-Highland resident visitors to the whole Highland area who use air travel to get to the Highlands.
- Taking the sample of all visitors to Skye the following modes were used for transport whilst in the Highlands: Private car 53%; Hired car 23%; Public bus/coach 11%; Private bus/coach 6%; Train 4%; Motor home 4%; Walk 3%; and Boat/Ferry 2%. (Multi coding means the total is not 100%).
- Of overseas visitors, the ports of arrival were found to be the following: Glasgow Airport 17%; Edinburgh Airport 16%; Prestwick Airport 7%; Heathrow, Gatwick or Stanstead 30%; Other Airport 8%; and Seaport 20%.

2.12 All those interviewed on Skye for the Highland Visitor Survey who did not live in the Highlands were asked if they were travelling to Skye again how likely they would be to consider flying if there was a scheduled air service to Broadford in Skye. No information was supplied regarding potential costs or flight times and it is very likely

[1] Tourism in Highlands of Scotland (HOST) 2002, Visit Scotland

that respondents will have over-expressed their likelihood, the results nonetheless are interesting: Very likely 14%; Quite likely 15%; Neither likely nor unlikely 5%; Quite unlikely 12%; Very unlikely 44%; and Don't know 11%.

Forecasts

2.13 No forecasts for tourism to Skye and Lochalsh are available and it is beyond the scope of this study to produce them in detail. Various sources of information can be used however to inform an indication:

- The Highlands of Scotland information shows that UK tourism trips in 2002 were slightly less than in 2000, but equal to levels in 1998.
- Overseas trips were stable between 2000 and 2002, but slightly less than 1998.
- The average annual hotel room occupancy for the Skye and Lochalsh Enterprise Area has been relatively stable between 2000 and 2003 (55% 2000, 53% 2001, 55% 2002 and 56% 2003).
- The document 'Tourism in the Highlands – towards 2005' suggested a target for visitors to the highlands in 2004 to be approximately equal to 1999. This follows a decline in visitor numbers in 2000 and 2001 and so relates to growing the market in 2003 and 2004.
- It is VisitScotland's target to increase revenue from tourism by 50% by 2015.

2.14 This information leads to the suggestion that, based on the present infrastructure, tourism to Skye will increase very slightly over the next five years. Intervention in the form of transport and additional marketing could impact on this rate of growth however.

2.15 The Skye and Lochalsh Area Profile 2003[2] indicates the direction of change in visitor types to Skye. The profile states:

"Recent years have seen a number of changes in visitor profile, which has been matched by the response of the sector locally. There has been a marked decline in traditional coach-based tourism, and an increase in numbers of back-packers and visitors by private car. Short-break holidays have grown in significance and important niche markets have been developed, catering particularly for activity holidays, including walking and marine leisure, cultural tourism, and for those seeking high quality food and drink."

2 Skye and Lochalsh Local Economic Forum, Strategy for Economic Development, May 2003

3. PROPOSED SERVICES FROM SKYE

Outline

3.1 The proposed services from Skye and forecasts analysed in this report are presented to us on 3rd August 2004 by West Highland Air Transport Ltd. These are significantly different from the original proposals in the WHAT Business Plan that was reviewed by aviasolutions.

3.2 Figures based on WHAT's proposed services are shown in italics in this report.

3.3 The proposed services are shown in Table 3.1.

TABLE 3.1 PROPOSED FLIGHTS PER WEEK TO/FROM SKYE

Destination	Single flights / week				Total single flights / year	Return flights / week				Total return flights / year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Glasgow	*14*	*24*	*24*	*14*	*988*	*7*	*12*	*12*	*7*	*494*
Edinburgh	*14*	*24*	*24*	*14*	*988*	*7*	*12*	*12*	*7*	*494*
Luton	*8*	*18*	*18*	*8*	*676*	*4*	*9*	*9*	*4*	*338*
Manchester	*6*	*14*	*14*	*6*	*520*	*3*	*7*	*7*	*3*	*260*
Inverness shuttle	*28*	*38*	*38*	*28*	*1,716*	*14*	*19*	*19*	*14*	*858*

3.4 The proposed aircraft for the Glasgow, Edinburgh, Luton and Manchester service is a Dash 8 – 200 with a seat capacity of 37. A smaller 18 seat capacity aircraft is proposed for the Inverness shuttle route.

Glasgow service

3.5 It is proposed that the Glasgow service will operate once daily in low season (Quarters 1 and 4), and during high season operate twice daily on Saturdays, Sundays and three week days, and once daily on two week days.

3.6 The flight from Skye to Glasgow would be 40 minutes and the proposed fare is £39 single. The forecast load factors are shown in Table 3.2. The same load factors are forecast for each destination.

TABLE 3.2 FORECASTED LOAD FACTORS FOR SKYE AIR SERVICES

Year	Q1	Q2	Q3	Q4	Weighted average
Year 1	*25%*	*40%*	*60%*	*35%*	*42%*
Year 5	*45%*	*70%*	*90%*	*55%*	*69%*

3.7 Using 37 seats as the aircraft capacity and the load factors, the forecasted number of passengers is shown in Table 3.3.

TABLE 3.3 CAPACITY AND FORECAST PASSENGER NUMBERS TO/FROM GLASGOW

Year	Capacity		Forecast passenger numbers	
	Annual	November	Annual	November
Year 1	*36,556*	*2,217*	*15,354*	*776*
Year 5	*36,556*	*2,217*	*25,224*	*1,219*

3.8 The service and forecasts (as stated by the operator) for Edinburgh are the same as those for Glasgow. The capacity and forecasts for the Central Belt are therefore twice the above figures. These are shown in Table 3.4.

TABLE 3.4 CAPACITY AND FORECAST PASSENGER NUMBERS TO/FROM CENTRAL BELT

Year	Capacity		Forecast passenger numbers	
	Annual	November	Annual	November
Year 1	*73,112*	*4,434*	*30,708*	*1,552*
Year 5	*73,112*	*4,434*	*50,448*	*2,438*

Luton service

3.9 It is proposed that in low season the Luton service will operate four times a week, including a Saturday or Sunday. In high season a once daily is proposed on Saturdays, Sundays and three week days, with a twice daily service on two week days.

3.10 The flight from Skye to Luton would be 2 hours 15 minutes and the proposed fare is £69 single. The forecast load factors are shown in Table 3.2 above.

3.11 Using 37 seats as the aircraft capacity and the load factors above, the forecasted number of passengers is shown in Table 3.5.

TABLE 3.5 CAPACITY AND FORECAST PASSENGER NUMBERS TO/FROM LUTON

Year	Capacity		Forecast passenger numbers	
	Annual	November	Annual	November
Year 1	*25,012*	*1,267*	*10,505*	*443*
Year 5	*25,012*	*1,267*	*17,258*	*697*

4. COMPARATOR AIRPORTS TO SKYE

Overview

4.1 This chapter considers the position of Skye airport and the proposed services by making comparisons with other airports in the Highlands and Islands (H&I) and use of other H&I air services. The chapter considers flights to/from the Central Belt. (Flights to/from London are considered in subsequent chapters.)

4.2 The chapter considers firstly the number passengers flying to/from the H&I to/from the Central Belt, and then estimates the propensity of residents to fly. Using this information the most comparable airports to Skye are identified to assist further analysis in Chapter 5.

4.3 The data for comparing scheduled flights from Highlands and Islands regional airports has been kindly supplied by HIAL. Data for Kirkwall and Sumburgh has not been included since the majority of flights these airports to the Central Belt touch down at Inverness and so passengers are not recorded as taking two flights. These means the Inverness figures incorporate a significant amount of traffic from Kirkwall and Sumburgh, and the figures for Kirkwall/Sumburgh to the Central Belt are misleading.

Regional airports

4.4 The airports from which comparators to Skye have been selected are shown in Table 4.1. This table provides details of the destinations served from these airports, and the other transport modes available for accessing the airport.

TABLE 4.1 COMPARATOR AIRPORTS

Airport	Location	UK destinations served from airport by scheduled flights	Other transport modes to access airport
Campbeltown	SW Mainland	Glasgow, Islay	Road, Ferry+Road
Wick	NE Mainland	Aberdeen, Edinburgh, Glasgow, Inverness, Kirkwall, Sumburgh	Road, Rail
Islay	Argyll & Bute island	Campbeltown, Glasgow	Ferry
Tiree	Inner Hebrides	Glasgow, Islay, Stornoway	Ferry
Barra	Outer Hebrides	Benbecula, Glasgow	Ferry
Benbecula	Outer Hebrides	Barra, Glasgow, Inverness, Stornoway	Ferry
Stornoway	Outer Hebrides	Benbecula, Edinburgh, Glasgow, Inverness, Kinloss, Prestwick	Ferry
Inverness	Mainland	Glasgow, Gatwick, Heathrow, Luton, Stanstead	Road, Rail

Flights data for flights to/from the Central Belt

4.5 HIAL holds a comprehensive database of every flight to and from these airports. HIAL kindly provided these data to us for the year 2003-04. From this we extracted data on the scheduled flights to the Central Belt airports. Since the data include the date of flight, we were able also to extract information for November flights only, to show a typical low season tourism month.

4.6 The number of single flights, capacity and total passenger numbers to/from these airports are shown in Table 4.2. The load factor has also been calculated.

4.7 These figures can also be compared to the proposed services to Skye. These are shown in Table 4.3.

4.8 Comparison within and between the tables highlights the following points:

- The load factor for mainland airports is lower than island airports.
- By far the greatest number of passengers is carried to/from Stornoway (~65,000/yr). Other large numbers of passengers are carried to/from Islay (21,000/yr), Benbecula (21,000/yr) and Inverness (18,000/yr).
- The data for November flights show similar comparative characteristics as the annual data.
- We calculate that the proposed capacity for Skye to and from the Central Belt is 15% greater than the combined capacity for Inverness, Scotland's 5th city, and flights through Inverness to the Central Belt from Kirkwall and Sumburgh .
- The proposed load factor for in Year 1 for Skye lies midway in the range experienced at other airports. The operator's load factor for Year 5 is greater than any of the present load factors for any of the other airports.

TABLE 4.2 CAPACITY, PASSENGERS AND LOAD FACTOR FOR FLIGHTS TO/FROM COMPARATOR AIRPORTS TO CENTRAL BELT

Airport	Single flights		Capacity		Total passengers		Load factor	
	Annual	November	Annual	November	Annual	November	Annual	November
Campbeltown	964	73	22,264	1,606	8,417	610	38%	38%
Wick	600	48	21,529	1,728	6,860	607	32%	35%
Islay	1,113	90	37,975	2,985	21,222	1,578	56%	53%
Tiree	605	50	14,067	1,100	5,340	387	38%	35%
Barra	647	44	12,906	880	6,020	371	47%	42%
Benbecula	882	130	47,437	5,094	20,808	1,758	44%	35%
Stornoway	2,125	169	119,540	9,260	64,889	4,701	54%	51%
Inverness	1,400	100	63,295	3,606	17,527	801	28%	22%

TABLE 4.3 CAPACITY, PASSENGERS AND LOAD FACTOR FOR FLIGHTS TO/FROM SKYE TO CENTRAL BELT

Year	Single flights		Capacity		Total passengers		Load factor	
	Annual	November	Annual	November	Annual	November	Annual	November
Year 1	*1,976*	*120*	*73,112*	*4,434*	*30,707*	*1,552*	*42%*	*35%*
Year 5	*1,976*	*120*	*73,112*	*4,434*	*50,447*	*2,439*	*69%*	*55%*

Catchment area populations

4.9 It is valuable to identify comparator airports for Skye-Central Belt services. This can be done by considering the propensity of residents to fly to the Central Belt. This requires knowledge of the population of the catchment area of each airport and the division of the market between residents and non-residents.

4.10 For islands, identifying the catchment area is quite straightforward. For mainland airports it is less defined. In these cases, either a judgement has been made based on local knowledge or the population resident within a certain drive time has been selected. The catchment populations used for this analysis are shown in Table 4.1. The Census 2001 was used to identify the population size of the catchments.

TABLE 4.4 AIRPORT CATCHMENT POPULATIONS

Airport	Catchment description	Population (Census 2001)
Campbeltown	Population of Kintyre resident in and south of Tarbert	8,563
Wick	Population 50 minutes drive time from Wick	25,000
Islay	Population of Islay and Jura	3,645
Tiree	Population of Tiree and Coll	934
Barra	Population of Barra and Vatersay	1,172
Benbecula	Population of Benbecula, North Uist, South Uist, Berneray and Grimsay	4,724
Stornoway	Population of Lewis, Harris, Scalpay and Great Bernera	20,473
Inverness	Population 1 hour drive time from Inverness	155,639
Skye	Population of Skye plus population on mainland within 45 minutes of Broadford	11,326

4.11 The following points should be noted with regard to catchment populations.

- For the purpose of this study all population sizes have been assumed to be static.
- The charge for the Skye Bridge has been assumed to be zero/minimal.

Resident passengers on flights to/from the Central Belt

4.12 Calculation of the propensity of residents from each regional airport’s catchment area to fly to/from the Central Belt also requires an estimation of the number of residents travelling on flights.

4.13 This estimation has been made through understanding the significance of tourism in the destination annually and in the low season month of November. This estimation has been informed by the 2001 CAA Passenger Survey data reported in the A&TC report[3], stated preference surveys undertaken for HITRANS by Steer Davies Gleave in early 2004 for a separate project, and other tourism studies. Use of information from these sources provided a valuable indication, however some of the sample sizes used

[3] An Expanded Air Services Network for the Highlands and Islands, for HITRANS, by A&TC, February 2003.

in the CAA data and other data are extremely small and so were treated with caution. Consultants' judgement was therefore also applied.

4.14 Table 4.5 shows the estimated proportion of residents on flights for November and annually. This proportion may at first appear relatively low for November; however it should be borne in mind that non-residents do not just comprise 'traditional tourists' but also non-residents travelling on business and non-residents visiting friends and relatives (VFR). These latter two activities are less seasonal than 'traditional tourism'.

TABLE 4.5 PASSENGERS TO/FROM CENTRAL BELT WHO ARE RESIDENTS

Airport	Key points re: relationship between resident and non-resident travel	Estimated proportion of November passengers who are residents	Estimated proportion of annual passengers who are residents	Estimated annual passengers who are residents
Campbeltown	High VFR in; low residents out	55%	48%	4,026
Wick	High business in	50%	53%	3,642
Islay	Moderate tourism & business in	60%	54%	11,362
Tiree	Moderate VFR & business in	70%	61%	3,251
Barra	Tourism in but low business	65%	48%	2,894
Benbecula	Moderate tourism & business in	55%	56%	11,603
Stornoway	High VFR & business in	45%	39%	25,385
Skye proposed	High tourism including high VFR and some business in	45%^	27%^	*8,380*

^ No source information is available for Skye. Estimates are based comparison to other airports and consultants' judgement. The annual percentage reflects the significance of tourism and its seasonality.

4.15 Inverness airport has not been included in this analysis since the airport demonstrates a different role to the other comparators given its flights to London on jet aircraft. (Comparisons between Skye and Inverness with regard to London are considered in Chapter 7.)

Propensity of residents to fly to/from Central Belt

4.16 Using the population data and the estimates of passengers to/from the Central Belt who are residents, the residents' propensity to fly one-way to/from the Central belt can be calculated by dividing the passengers by the population. The results are shown in Table 4.6.

TABLE 4.6 PROPENSITY TO FLY TO/FROM CENTRAL BELT

Airport	Residents' propensity to fly one-way to/from the Central Belt	Other transport modes to access airport
Campbeltown	0.47	Road, Ferry+Road
Wick	0.15	Road, Rail
Islay	3.12	Ferry
Tiree	3.48	Ferry
Barra	2.47	Ferry
Benbecula	2.46	Ferry
Stornoway	1.24	Ferry

4.17 If the same calculation is applied to the proposed services one-way to/from Central Belt to/from Skye, the propensity is *0.74* in Year 1. If population is stable and the same estimation of proportion residents on flights is assumed, the propensity for Year 5 is *1.16.*

Comparison of propensity and airports

4.18 The information shown is Table 4.6 is also shown graphically in Figure 4.1 and Figure 4.2.

FIGURE 4.1 RESIDENT PROPENSITY TO FLY TO/FROM CENTRAL BELT

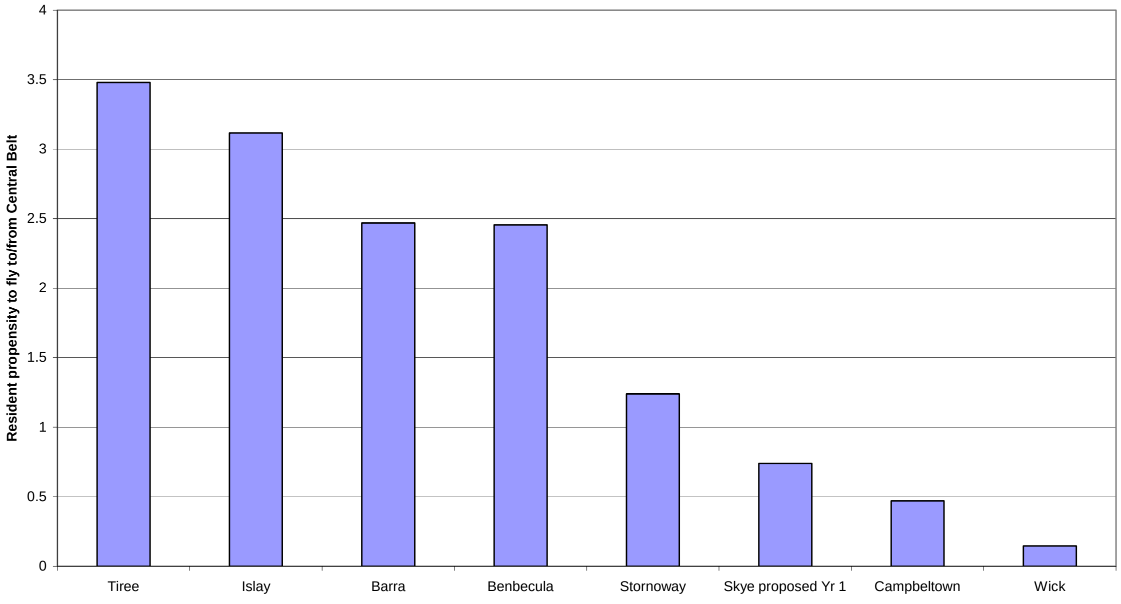
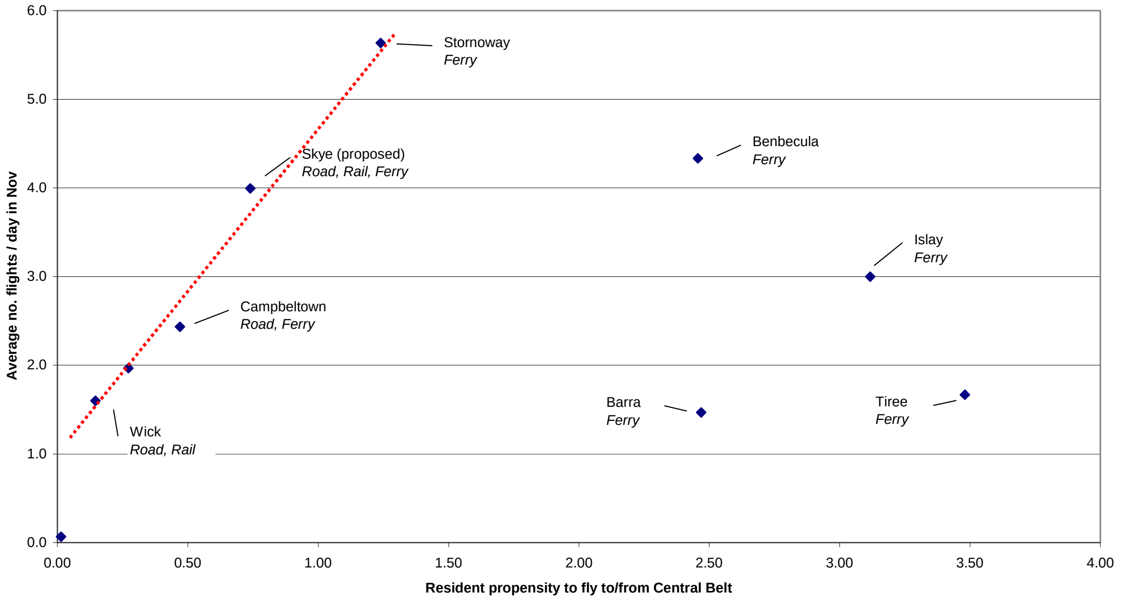


FIGURE 4.2 RESIDENT PROPENSITY TO FLY TO/FROM CENTRAL BELT IN RELATION TO FLIGHTS PER DAY



4.19 Figure 4.2 shows two distinct groups of airports, namely:

- Lower propensity: Wick, Campbeltown, Stornoway, and potentially Skye; and
- Higher propensity: The smaller islands of Barra, Tiree, Islay and Benbecula.

4.20 Campbeltown and Wick are similar to Skye in that they have land access, by road in all cases and rail in the case of both Skye and Wick. This contributes to a lower propensity to fly, as there are good competing surface modes. Stornoway also shows a low propensity to fly, which we believe is related to having a self-contained service centre and thus appears to emulate the characteristics of the airports with land access to services rather than island airports.

4.21 The smaller islands of Barra, Tiree, Islay and Benbecula have a higher propensity to fly and this is believed to be largely related to a lack of depth in the provision of certain services, such as health-care, on the islands. Thus, whilst Skye in many respects is similar in character with the smaller islands given its relatively small centre, its propensity to fly is expected to be more like the lower propensity group because of surface access links.

4.22 Campbeltown, Wick and Stornoway have thus been selected as comparator airports to Skye for flights to/from the Central Belt. The characteristics of the passenger make up to/from these airports is analysed in Chapter 5.

5. MARKET SEGMENTATION TO ESTIMATE TRIPS TO SKYE

Overview

5.1 Having identified Campbeltown, Wick and Stornoway as valuable comparator airports to Skye, further analysis was undertaken with regard to market segments. This allows a better understanding of potential market for Skye, and adjustment for factors specific to Skye as a location, such as its high tourism draw.

Segmenting the market

5.2 For further analysis the market was segmented by type of trip (business or leisure) as well as origin (resident and non-resident – although for ease of use, the terms local and non-local are now used). The four segments are:

- Non-local origin, business travel;
- Local origin, business travel;
- Non-local origin, leisure travel; and
- Local origin, leisure travel.

5.3 Propensities to fly for these segments were calculated for each of the three comparator airports. The propensities were calculated as follows:

- Business travel: CAA passenger survey information 2001 of business travel between the airport and Central Belt, divided by the total employment in the catchment. This propensity is used since business travel is related to the employment base; and
- Leisure travel: CAA passenger survey information 2001 of leisure travel between the airport and Central Belt, divided by the total population in the catchment. This is used since local travel and non-local VFR travel is related to the population base.

5.4 Due to the way data is recorded, it is unfortunately difficult to obtain population and employment data for exactly the same catchment area. To get the closest match, 1998 travel to work areas (TTWAs) and LEC areas have been used to provide employment data, which has been sourced from the Annual Business Inquiry 2000 data. To ensure the employment and population figures being used are appropriate, it was checked that the relationship between the two figures was similar for each airport. The figures used are shown in Table 5.1.

TABLE 5.1 POPULATION AND EMPLOYMENT DATA

Airport	Population in airport catchment	Employment catchment	Employment (2000)	Ratio employment to population
Campbeltown	8,563	Campbeltown TTWA	3,040	0.36
Wick	25,000	Wick and Thurso TTWA	9.037	0.36
Stornoway	20,473	Lewis and Harris TTWA	8,353	0.41*
Skye	11,326	Skye & Lochalsh Enterprise Area	4,185	0.37

* The difference of this figure to the others is as expected given Stornoway's business role. There is little discrepancy between the population and TTWA catchments and the fact that the ratio is different is not a concern.

5.5 The calculations of propensities discussed above were used to produce the propensities shown in Table 5.2.

TABLE 5.2 PROPENSITIES TO FLY TO/FROM THE CENTRAL BELT

	Business		Leisure	
	Non-local	**Local**	**Non-local**	**Local**
Campbeltown	0.81	0.00*	0.41	0.20
Wick	0.71	0.38	0.02	0.01
Stornoway	1.15	1.27	1.01	0.54
Average	0.89	0.55	0.48	0.25

* This figure is highly suspect and is a consequence of the extremely small sample size used for some of the CAA survey data. Given the range of figures for local origin business travel between the airports however, it is not considered that the resultant average need be a concern.

5.6 The average of these propensities have also been calculated and are shown in the table. With the exception of 'non-local origin leisure travel', these averages are considered acceptable estimations of a mid-case estimate for the propensities applicable to Skye.

5.7 'Non-local origin leisure travel', or essentially tourists coming to Skye for holidays and visiting friends and relatives (VFR), is considered to be much more significant for Skye than the comparator airports. A higher propensity has therefore been estimated based on information from the Highland Visitor Survey to estimate the number of non-business tourists who fly to the Skye and Lochalsh area. The propensity calculated in this way is 1.26.

5.8 The propensities for single flights between Skye and the Central Belt that have been used in this work are shown in Table 5.3. The mid-case estimate uses the average figures and the new non-local leisure figure. The low and high cases show figures 20% below and above the mid-case figure.

TABLE 5.3 PROPENSITIES TO FLY BETWEEN SKYE AND THE CENTRAL BELT

	Business		Leisure	
	Non-local	**Local**	**Non-local**	**Local**
Low-case	0.71	0.44	1.01	0.20
Mid-case	0.89	0.55	1.26	0.25
High-case	1.07	0.66	1.51	0.30

5.9 Taking the population and employment figures for Skye from Table 5.1, the following estimates of single trips to/from Skye can be calculated. The numbers of persons travelling would be half of the totals shown in Table 5.4, assuming all trips are return trips.

TABLE 5.4 ESTIMATED ONE-WAY TRIPSTO/FROM SKYE BY SEGMENT

		Business	Leisure	Total
Local origin	Low	1,841	2,270	4,111
	Mid	2,302	2,838	5,139
	High	2,762	3,405	6,167
Non local origin	Low	2,979	11,415	14,394
	Mid	3,724	14,269	17,992
	High	4,468	17,123	21,591
TOTAL	Low	4,820	13,685	18,505
	Mid	6,025	17,107	23,132
	High	7,230	20,528	27,758

5.10 On this basis, total one-way trips would be between 18,500 and 27,750 in round numbers, or between 9,250 and 13,900 people travelling, as shown in Table 5.5. The mid-point is 23,132 single trips (11,566 persons), but even the upper estimates are below the first year target of proposed services between Skye and the Central Belt of *30,708* one-way trips (*15,354* persons).

TABLE 5.5 ESTIMATED AND PROPOSED TRIPS BETWEEN SKYE-CENTRAL BELT

Estimated / proposed	One-way trips	Persons (Return trips)
Estimated low-case	18,500	9,250
Estimated mid-case	23,150	11,550
Estimated high-case	27,750	13,900
Proposed service Yr 1	*30,700*	*15,350*

These figures are shown in round numbers, to the nearest 50.

5.11 This chapter concludes that the operator’s proposed services and forecasts of passengers travelling between Skye and the Central Belt are greater, and, based on our average estimates, considerably greater, than the passengers numbers estimated in this study. The potential to reach the proposed levels of passenger numbers is considered in Chapter 6.

6. COMPARING ESTIMATIONS WITH THE PROPOSED SERVICES

Overview

6.1 The previous chapter has shown that the proposed services between Skye and the Central Belt may represent a level of overprovision which, in the absence of rapid passenger growth and/or a considerable generation and/or diversion of in-bound tourism traffic, would be unsustainable.

6.2 However Skye is a key tourism destination in Scotland and is likely to generate some additional leisure trips if direct air links are available. This chapter considers whether this additional travel will be sufficient to fill the gap between the estimated passenger numbers of Chapter 5, and the operator's proposed passenger numbers. Recommendations and cautions with regard to the services are also highlighted and the growth projections considered.

Filling the gap

6.3 The most flexible market and the one that could potentially be developed most is the in-bound leisure market. Within this market the most potential lies in the section that is not based on visiting friends and relatives (VFR). This is because the VFR market is related to the population base on Skye (and the extent to which residents would "allow" such visits) and so is relatively inflexible.

6.4 The CAA survey data provides information on journey purpose within the business and leisure categories and these data were used to look at non-local VFR and non-VFR travel to comparator destinations. The base data showed wide variations, probably due to the small sizes of samples at airports. Accordingly an average figure was used for the ratio of VFR travel to population size, as shown in Table 6.1.

TABLE 6.1 RATIO OF NON-LOCAL VFR ONE-WAY TRIPS, TO POPULATION

Airport area	Ratio
Campbeltown	0.39
Wick	0.02
Stornoway	0.90
Average	0.43

6.5 Applying this ratio to Skye, leads to an estimate of 4,920 VFR single trips (2,460 VFR visitors) and 9,349 single non-VFR trips (4,675 non-VFR visitors). The non-VFR travel represents the sector of the market where there should be greatest potential to develop new trips, for various leisure purposes. These could include weekend breaks, climbing days or short breaks and distillery tours.

6.6 The number of new trips needed is calculated by looking at the gap between the estimates and the operator's proposed Year 1 target of *30,708* trips. This gap is shown in Table 6.2.

TABLE 6.2 GAP ANALYSIS FOR SKYE-CENTRAL BELT

	Low	Mid	High
Extra one-way trips needed to reach target	12,203	7,576	2,950
Extra persons (rtn trips) needed to reach target	6,101	3,788	1,475
% increase in non-VFR inbound by air market needed to reach target	131%	81%	32%
% of non-VFR market to Skye from Central Belt area needed to fly to reach target	3.6%	2.2%	0.9%

6.7 The gap analysis when shown in relation to the non-VFR inbound market looks substantial, even based on the high traffic estimates. However, the total non-VFR market to Skye from all origins is estimated to amount to some 660,500 person trips and from the Central Belt area (Edinburgh, Glasgow/Clyde Valley and overseas visitors entering Great Britain in the Central Belt area) some 171,500 person trips[4].

6.8 An alternative way to look at this is in terms of market share. The estimated non-VFR traffic amounts to 2.7% of the Central Belt area non-VFR travel to Skye, and therefore if the service were able to capture an additional 2.2% of the Central Belt area non-VFR market to Skye to 4.9% (based on the mid estimates) the target traffic could be achieved. This is still an 81% increase, but as a share of the market 4.9% does not look out of the question. This can also be viewed from an overall market perspective, as the services could be attractive for non-VFR travel from outside the Central Belt area, through intra-lining[5] at Glasgow / Edinburgh. Taking the overall non-VFR market, the market share required (base estimate plus the gap) on the mid estimates is 1.3% of the total non-VFR market.

6.9 The potential to achieve all of the above, and especially to fill the estimated gap by capturing a larger than estimated share of the non-VFR market, depends on a range of factors, including:

- Flight frequencies: the estimates have been based on 4 single-way flights per day off peak and just under 7 per day in peak season (Glasgow and Edinburgh combined);
- Fares: broadly similar fares to those on the comparator routes have been assumed but lower fares would expand numbers but lower yields;
- Timings: services need to fit well to arrival / departure times of London and other services and suit market needs (potentially for day trips and weekend breaks, say);
- Destination marketing: unlike Campbeltown and Wick, Skye has a highly marketable tourism product and is one of the most recognisable Scottish destination brands: strong promotion and development of high quality products such as tours would expand demand.

4 Based on Tourism in the Highlands of Scotland (HOST) 2002 produced by VisitScotland, and the Highlands Visitor Survey (HVS) 2002/3 for the HOST area as a whole and individually for the Skye and Lochalsh area.

5 The term inter-lining is more commonly used, but strictly speaking this means changing aircraft but with the same carrier. Intra-lining includes changing flights and carriers, which is likely to be the norm here.

6.10 Accordingly while there is a gap between estimated demand and the targets set by the potential operator, it is considered that the gap could be bridged provided the whole package meets market needs, is priced competitively and is backed up by strong destination marketing.

6.11 It is very important to note however that these calculations and conclusions are based on there only being services from Skye to Glasgow and Edinburgh. As such, it includes intra-lining traffic from overseas and the UK. Services to Luton and Manchester would have a strong impact on the intra-lining market from London and overseas, and from the North West of England. We estimate that at least 5% of the Skye residents on a Skye-Central Belt service would make an onward trip to the London area, and the Highland Visitor Survey suggests that approximately 27% of visitors to Skye are residents of the South East of England or Midlands, or have entered Great Britain via London. We assume that just under half of these visitors to Skye would travel to Skye directly, rather than via Edinburgh or Glasgow, if they could. By applying these percentages, weighted in relation to the size of the applicable market, we estimate that a Skye-Luton service would decrease demand for Skye-Central Belt services by at least 10%.

One destination only

6.12 An alternative to seeking to bridge the gap, by fine tuning the product and marketing Skye for air travel, would be to serve one rather than two Central Belt destinations. This would obviously lead to some Central Belt demand being lost, but it is unlikely that demand would be halved as parts of the Scottish market would be prepared to travel to Edinburgh (Glasgow) even if their preferred airport were Glasgow (Edinburgh) and, in addition, part of the market is intra-line both outbound and inbound, and both Edinburgh and Glasgow offer a wide range of services with which to intra-line.

6.13 It is estimated that, based on the mid estimates, a target of 15,354 single-way trips (half the combined Central Belt target) could be achieved provided 70% of total demand is retained. Again however this is based on no other destinations being served from Skye.

Growth projections

6.14 The potential operator has suggested that traffic could grow fairly rapidly on the Central Belt services. The compound rate of growth used in the operator's forecasts is *13.2%* per annum however, which appears very high compared with the range of growth rates provided by A&TC and aviasolutions of 3.5% per annum and 1% per annum respectively for 2005 – 2008.

6.15 Taking the above mid estimate of single-way trips of 23,132, and treating this number as a first year figure, compound growth at 15% would be required to achieve the operator's *first* year target in Year 3; or 7.3% compound growth to reach the *first* year target in Year 5. These represent ambitious targets in themselves; although a significantly expanded non-VFR market may make them attainable. Obtaining the proposed Year 5 passenger numbers in the fifth year of operating does not appear achievable however.

HITRANS proposals

6.16 The services proposed by HITRANS as part of the development of new routes present a target that, with good destination marketing, is more achievable at approximately 17,000 passengers per year initially. These proposals are for only one Central Belt airport to be used for flights to Skye, two return flights per day to be operated and no services to England.

7. SERVICES BETWEEN SKYE AND LUTON

Overview

7.1 The analysis in the previous chapters has been based on only services to the Central Belt operating, and not services Luton, Manchester and Inverness. Each service however has some impact on the other services operating: they are not mutually exclusive markets.

7.2 This Chapter considers the proposals for a Skye-Luton services, based on Skye-Central belt services operating, but not Manchester or Inverness services. The basis for this analysis is information included in a report about the easyjet Inverness-Luton service.

Propensities to fly

7.3 The propensity to fly calculations follow the same methodology as previously and have been undertaken for the Inverness-Luton service. The population catchment used in 155,639, which is the population within 1 hour's drive time of Inverness; and the employment catchment used is 64,113, which is based on the TTWA and scaled up to the 1-hour drive time area. The ratio between employment and population figures is 0.41. The propensities for single flights between Inverness and Luton are shown in Table 7.1.

TABLE 7.1 PROPENSITIES TO FLY ONE-WAY BETWEEN INVERNESS AND LUTON

	Business		Leisure	
	Non-local	Local	Non-local	Local
Inverness-Luton	0.27	0.19	0.37	0.18

These figures use the passenger numbers for Inverness-Luton presented in the 2002 study 'Economic and Social Impact of No Frills Air Services in the Highlands and Islands' for HIE and HIAL.

7.4 There are differences between the present Inverness-Luton service and a potential Skye-Luton service, however and so the propensities shown in Table 7.1 require further consideration before being applied to Skye's employment and population base. These considerations are:

- Those suggesting a *greater* propensity for Skye:
  - The Skye-Luton service would be the only service to London, whereas there are other Inverness-London services (to Gatwick, which is a major hub especially for leisure travel)[6].
- Those suggesting a *lower* propensity for Skye:
  - Skye-Luton will not attract all potential Skye-London traffic; for flights such as overseas charter flights from Gatwick, many Skye residents would use Inverness-Gatwick or other services;

[6] § Lack of other London airport destinations from Skye means Skye-London traffic is not split between services. This would tend to reduce the total traffic using a direct service to London, but would leave the Luton service with more passengers than if there were other competing London services.

- The Skye service would not allow passengers a choice of London airports and Luton is not convenient for travel to areas other than north west and central London, and destinations on the Thameslink rail services corridor;
- Skye would not have a role as an intra-line hub in the way that Inverness does for services to the islands, particularly Kirkwall and Stornoway;
- The Skye service to London would provide fewer flight and fare options than the Inverness-London services;
- The Skye service would be operated by a relatively slow turbo-prop aircraft while Inverness services are operated using jet equipment; other attempts to introduce prop services over similar sector lengths have generally revealed a degree of market resistance to this type of aircraft;
- Skye is not a major service and business centre like Inverness which is a regional "capital", and so the relation between flights and the employment base would be different;
- The business type is also different between Skye and Inverness, with Inverness having greater links to London-based business;
- Due to the differences in their economic bases, it is reasonable to assume that disposable income levels will be higher in Inverness; Inverness is therefore likely to generate greater leisure travel per capita;
- Car hire is easily available for inbound travellers at Inverness, making the airport attractive. Skye is unlikely to be able to develop the same car hire options and packages given its seasonality and lower passenger numbers.

7.5 Following these considerations, propensities for low, mid and high case scenarios for Skye-Luton services were estimated and are shown in Table 7.2. The low and high cases are 20% below and above the mid-case estimate.

TABLE 7.2 PROPENSITIES TO FLY ONE-WAY BETWEEN SKYE AND LUTON

	Business		Leisure	
	Non-local	**Local**	**Non-local**	**Local**
Low-case	0.18	0.12	0.36	0.14
Mid-case	0.22	0.15	0.45	0.18
High-case	0.26	0.18	0.54	0.22

7.6 Application of these propensities to the employment and population base of Skye allows estimation of the number of one-way trips between Skye and Luton. These are shown in Table 7.3.

TABLE 7.3 ESTIMATED ONE-WAY TRIPS BETWEEN SKYE AND LUTON

	Business		Leisure		Total Single trips
	Non-local	**Local**	**Non-local**	**Local**	
Low-case	737	502	4,077	1,631	6,947
Mid-case	921	628	5,097	2,039	8,684
High-case	1,105	753	6,116	2,446	10,421

7.7 The estimated total number of trips can be compared with the operator's proposed trip numbers. These are shown in Table 7.4, in rounded numbers. The table shows that the mid-case estimate is 83% of the proposed trips, but the high-case is 99%.

TABLE 7.4 ESTIMATED AND PROPOSED TRIPS BETWEEN SKYE-LUTON

Estimated / proposed	One-way trips	Persons (Return trips)
Estimated low-case	6,950	3,450
Estimated mid-case	8,700	4,350
Estimated high-case	10,400	5,200
Proposed service Yr 1	*10,500*	*5,250*

These figures are shown in round numbers, to the nearest 50.

7.8 The relationship between the estimated and proposed trip numbers suggests that the targets may be achieved if considerable additional focus is placed on the market which has most potential to generate growth: the non-VFR inbound leisure market.

Filling the gap

7.9 Similarly to approach used for Skye-Central Belt services, the potential for growing the non-VFR market has been considered. To identify the VFR/non-VFR split within the non-local leisure market, the VFR market has been estimated by taking the inbound VFR propensity to fly from the Inverness-Luton service and applying this to Skye. This produces an estimate of 2007 one-way trips by non-local VFR passengers. By then taking the estimates from Table 7.3 and subtracting these VFR passengers, we estimate that 3,090 one-way trips will be undertaken by non-local non-VFR passengers.

7.10 The gap between the estimates and the operator's proposed Year 1 target of *10,505* one-way trips are shown in Table 7.5.

TABLE 7.5 GAP ANALYSIS FOR SKYE-LUTON

	Low	Mid	High
Extra one-way trips needed to reach target	3,558	1,821	84
Extra persons (rtn trips) needed to reach target	1,779	911	42
% increase in non-VFR inbound by air market needed to reach target	115%	59%	3%
% of non-VFR market to Skye from Scotland needed to fly to reach target	1.0%	0.5%	0.02%

7.11 The gap analysis when shown in relation to the non-VFR inbound market looks high for the mid estimate, but small for the high estimate. The total non-VFR market to Skye from all origins is, as stated earler, estimated to be some 660,500 person trips.

From the London area (South East England, the Midlands and overseas visitors entering Great Britain in the London area) it is estimated to be 180,000 person trips[7].

7.12 Look at the figures therefore in terms of market share, the estimated non-VFR air traffic amounts to 0.9% of non-VFR travel to Skye from the London area, and therefore if the service were able to capture an additional 0.5% of the London area non-VFR market to Skye to 1.4% (based on the mid estimates) the target traffic could be achieved. This is still a 59% increase, but as a share of the market 1.4% looks attainable. This can also be viewed from an overall market perspective: the market share required (base estimate plus the gap) on the mid estimates is 1.4% of the total non-VFR market.

Growth projections

7.13 Similarly to the proposed Skye-Central Belt service, the operator's forecasts suggest a *13.2%* per annum compound rate of growth, which again appears very high.

7.14 Taking the above mid estimate of single-way trips of 8,684, and treating this number as a first year figure, compound growth at 10% would be required to achieve the operator's *first* year target in year 3; or a slightly more realistic 4.9% compound growth to reach the *first* year target in year 5. Without focused attention of expanding the non-VFR market, these look quite ambitious, but with attention, they may be attainable. Obtaining the proposed Year 5 passenger numbers in the fifth year of operating, based on our Year 1 estimates would require a growth rate of 19%.

7.15 In summary, the proposed growth rates appear extremely difficult to attain.

Interpretation

7.16 The analysis suggests that the operator's proposed services for Year 1 could be reached, but only if services are finely-tuned to demand and strong marketing of Skye as a destination for holidays and weekend breaks (non-VFR) takes place. This scenario is not dissimilar to that for Skye-Central Belt services. A key issue for the success of increasing the non-VFR inbound market from London however is the 2 hour 15 minute journey on a turbo prop aircraft. Firstly, this flight time from London puts Skye in competition with already popular European destinations, and turbo prop aircraft have proved to be less acceptable by the market for such sector lengths, as they are perceived to be noisier and less comfortable than jet aircraft.

7.17 Further, demand for a Skye-Luton service would also be detrimentally impacted if a Skye-Inverness shuttle service were also operating, since this would allow passengers to fly a jet service with more frequent departures and airport choices between Inverness and London, and then intra-line to Skye. Demand for this shuttle service itself has not been considered in this study, however it should be borne in mind that the service may not attract the extent of business travel experienced on other shuttle services in the Highlands.

[7] Based on Tourism in the Highlands of Scotland (HOST) 2002 produced by VisitScotland, and the Highlands Visitor Survey (HVS) 2002/3 for the HOST area as a whole and individually for the Skye and Lochalsh area.

8. SUMMARY OF FORECASTS AND INTERPRETATION

Forecasts

8.1 Our estimations of demand for services from between Skye and Central Belt are show in Table 8.1. These are based on no other services operating from Skye. Other services would have the effect of reducing demand. Our estimations are shown in relation to the operator's proposed number of one-way trips.

TABLE 8.1 ESTIMATED AND PROPOSED TRIPS BETWEEN SKYE-CENTRAL BELT

Estimated / proposed	Skye-Central Belt One-way trips
Estimated low-case	18,500
Estimated mid-case	23,150
Estimated high-case	27,750
Proposed service Yr 1	*30,700*

These figures are shown in round numbers, to the nearest 50.

8.2 Our estimations for services from between Skye and Luton are show in Table 8.2. These are based on services also operating between Skye and Central Belt, but not other airports. Our estimations are again shown in relation to the operator's proposed number of one-way trips.

TABLE 8.2 ESTIMATED AND PROPOSED TRIPS BETWEEN SKYE-LUTON

Estimated / proposed	Skye-Luton One-way trips
Estimated low-case	6,950
Estimated mid-case	8,700
Estimated high-case	10,400
Proposed service Yr 1	*10,500*

These figures are shown in round numbers, to the nearest 50.

Interpretation

8.3 Proposed WHAT operations between Skye and the Central Belt (Glasgow and Edinburgh) look achievable <u>only if</u> no other services from Skye are operated, and characteristics of the service are fine-tuned to maximise the non-VFR market. Extensive destination marketing of Skye combined with attractive air packages would also be required. However, the suggested growth rates appear extremely difficult to attain.

8.4 Analysis suggests that if operations were to only one Central Belt airport (i.e. half the proposed capacity), there would be sufficient demand for the service. This is in line with the HITRANS proposals for services to Skye.

8.5 Successful operation of the proposed service to London would also require fine-tuning and substantial marketing to maximise the non-VFR market. Concern arises over the viability of this however given the proposed use of turbo prop aircraft on a long sector flight.

8.6 The number of other proposed services and destinations affects the viability of the services discussed above. Thus demand for Skye-Central Belt would be detrimentally affected by London and Manchester services, and an Inverness shuttle would affect the demand for a Skye-Luton service.

CONTROL SHEET

Project/Proposal Name:	AIR SERVICES FROM SKYE
Document Title:	Assessment of proposed services
Client Contract/Project Number:	
SDG Project/Proposal Number:	205532-B

ISSUE HISTORY

Issue No.	Date	Details
Draft summary	**29/10/04**	
Draft final report	**5/11/04**	
Final report	**26/11/04**	

REVIEW

Originator:	Jessica Bertram	
Other Contributors:	John Stephens	
Review By:	Print:	John Stephens
	Sign:	Reviewed remotely

DISTRIBUTION

Clients:	Howard Brindley, HITRANS
Steer Davies Gleave:	JCB, JBS

C:\Users\Ranald\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\DR8LSFIV\Skye Air services SDG final report.doc