

Report to Partnership Meeting 15 September 2023

RESEARCH AND STRATEGY DELIVERY

Security of Lifeline Air Services

PURPOSE OF REPORT

To invite Members to consider work that HITRANS and partners should undertake to help secure lifeline air services both within and to / from the region in the future.

Background

The HITRANS Regional Transport Strategy gives recognition to the importance for each region within the Highlands and Islands to be able to access the key urban centres that are essential for helping to sustain the local economy, delivery of key public and private services and on which its ability each regions ability to develop is critical. On many of these lifeline routes, air services offer the only means by which people are able to travel to or from a regional centre to Scotland's main cities and back in a day.

These connections are secured through a number of forms of support including:

- Highlands and Islands Airport Ltd (HIAL) subsidy providing necessary infrastructure at 11 airports with Orkney, Shetland and Argyll and Bute Councils providing similar support to sustain a number of smaller airfields that have scheduled services.
- Public Service Obligations (PSO's) providing services that would not be economically viable for commercial provision on a frequency that meets community needs (facilitating social and economic development combined with the notion of providing a minimum level of provision).
- Air Discount Scheme (ADS) - supporting social inclusion ADS reduces the cost of air travel for those whose permanent/main residence is in an eligible area of the Highlands and Islands. It provides a discount of 50% on the core air fare (i.e. the total fare excluding airport charges and government taxes).
- Air Passenger Duty (APD) or its replacement Air Departure Tax (ADT) - Airports in Highlands and Islands are exempt from a tax payable by aircraft operators and charged on the carriage of chargeable passengers on chargeable aircraft by air from airports in Scotland / United Kingdom.

Recent Service Changes

Concerns have recently been raised over the decision by Loganair to bring forward the winter timetable schedule on the Benbecula to Glasgow and Kirkwall to Edinburgh routes. This change is the result of delayed aircraft deliveries as Loganair introduce a newer fleet of larger ATR aircraft. Loganair had expected to take delivery of further ATR aircraft into the fleet to fully replace the Saab 340 aircraft. Of the incoming ATRs, an aircraft expected to be in service from March 2023 may potentially arrive by February 2024 and others due this summer will be arriving

in October and December. The early introduction of winter timetables on these two routes follows on from a reduction in service on the Kirkwall to Inverness route that has reduced the ability for people to undertake a day trip to Inverness for business.

Calls have been made for the opportunity to secure service levels through a PSO to be looked at on each of the routes affected by the early introduction of winter timetables and the Kirkwall to Inverness route. Other route development aspirations include connecting Wick to Edinburgh and there remains an interest in re-introducing a Stornoway to Aberdeen route.

Consideration of a PSO needs to recognise the existence of commercial services on some of the routes and the different regimes that have a role in the existing air networks both commercial and those operated under PSO. The development of low carbon aviation solutions also offers a pathway to a lower operating cost for air services although at the moment the cost of new technologies is uncertain and could in the short term be high.

Recommendation

Members are asked to;

1. note this report
2. consider how HITRANS and local partners best engage with HIAL, Transport Scotland and the wider aviation sector to secure lifeline air services within the region and to other key destinations within Scotland.

RTS Delivery

Impact - Positive

Comment – This work supports RTS Strategic priority enhance regional connectivity.

Policy

Impact - Positive

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

Financial

Impact – Neutral

Budget line and value – An allocation from HITRANS Research and Development Budget for 2023/24 has been identified.

Equality

Impact –neutral

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