

Item: 16

Policy and Resources Committee: 22 September 2020.

Highlands and Islands Airports Limited – Island Communities Impact Assessment on Air Traffic Management Strategy.

Joint Report by Chief Executive and Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider a draft response from the Council to a consultation commissioned by Highlands and Islands Airports Limited to inform an Island Communities Impact Assessment on its Air Traffic Management Strategy.

2. Recommendations

The Committee is invited to note:

2.1.

That consultants have been commissioned by Highlands and Islands Airports Limited to undertake an independent assessment of the impacts of changes to air traffic control arrangements at six airports in the Highlands and Islands, including Kirkwall.

2.2.

That a significant element of the assessment is an Island Communities Impact Assessment, to be conducted in accordance with the provision for island communities impact assessments as set out in the Islands (Scotland) Act 2018 but not yet in force.

2.3.

That the Council has been invited to participate in a consultation exercise, commissioned by Highlands and Islands Airports Ltd, to inform the Island Communities Impact Assessment, for which responses are required by 30 September 2020.

2.4.

That the consultation is concerned solely with the impact on communities of the Air Traffic Management Strategy programme and how outcomes for those communities might be improved or mitigated and is not a review of the Air Traffic Management Strategy programme itself.

2.5.

The Council's draft response to the consultation, commissioned by Highlands and Islands Airports Ltd, to inform the Island Communities Impact Assessment, attached as Appendix 1 to this report.

It is recommended:

2.6.

That the Council's response to the consultation, commissioned by Highlands and Islands Airports Ltd, to inform the Island Communities Impact Assessment, attached as Appendix 1 to this report, be approved.

The Committee is invited to note:

2.7.

That, due to the time constraints involved, the Chief Executive may be requested to exercise emergency powers to authorise submission of the response, referred to at paragraph 2.6 above, prior to approval by the Council, in order to meet the deadline for submission of responses of 30 September 2020.

3. The Air Traffic Management Strategy

3.1.

Air traffic control at Dundee, Inverness, Kirkwall, Stornoway and Sumburgh is currently provided by staff working at a control tower at each airport. They provide an air traffic control service whereby an Air Traffic Controller (ATC) passes instructions and clearances to aircraft using the airport.

3.2.

The Air Traffic Management Strategy (ATMS) Programme will introduce remote integrated air traffic control services at Dundee, Inverness, Kirkwall, Stornoway and Sumburgh airports. This will be delivered via a single Combined Surveillance Centre (CSC) located in Inverness. There will no longer be staff controlling traffic at these airports. Instead the CSC-based staff in Inverness will undertake remote monitoring of cameras based at each of the five airports. ATMS will require high-specification, resilient, reliable and robust digital links between the Centre and the five airport sites, assisted by the CSC's surveillance capabilities, including the use of radar.

3.3.

ATMS will also include the introduction of controlled airspace around those airports that do not presently have it. These are Dundee, Kirkwall and Stornoway. Uncontrolled airspace permits aircraft to fly freely without talking to the Air Traffic Controller, but aircraft that wish to receive a service can do so. In controlled airspace, traffic flying under certain flight rules must abide by the controller clearances.

3.4.

A separate contingency facility will also be created in the Inverness area, providing contingency cover for the main facility. It will offer resilience to enable an ATC service to be provided for a short time after the unexpected withdrawal of the main CSC facility; or provided for an extended period on a planned basis. The contingency facility will contain a Training Centre which will be used to train both existing and new staff on the new equipment and technology used in the CSC.

3.5.

HIAL currently employs 12.5 full time equivalent Air Traffic Controllers at Kirkwall airport, bringing a total of £565,000 in salaries into the local economy. In addition, there are two part time Aerodrome Flight Information Service Officers based at Kirkwall. HIAL envisages that all of these posts would be relocated to Inverness.

3.6.

In late January 2020, the three Islands authorities – Orkney Islands Council, Shetland Islands Council and Comhairle nan Eilean Siar – called for a moratorium on implementation of the ATMS pending an Island Communities Impact Assessment (ICIA) and exploration of other options. The moratorium was requested on the grounds that centralisation of these services would lose skilled island jobs, curtail the future development of the island airports, and was contrary to the aims of island authorities to grow their economies.

3.7.

In May 2020, HIAL issued an invitation to tender for an £8.5 million contract to supply remote tower technology to support the ATMS Programme, covering the design, supply, delivery, installation, commissioning and testing of equipment at Inverness, Sumburgh, Kirkwall, Dundee and Stornoway airports.

4. Island Communities Impact Assessment

4.1.

The Islands (Scotland) Act 2018 (the Act) introduced a statutory requirement for island communities impact assessment (ICIA). Under Section 8 of the Act:

4.1.1.

A relevant authority must prepare an island communities impact assessment in relation to a policy, strategy or service which, in the authority's opinion, is likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities) in the area in which the authority exercises its functions.

4.1.2.

An island communities impact assessment must describe the likely significantly different effect of the policy, strategy or service (as the case may be), and assess the extent to which the authority considers that the policy, strategy or service (as the case may be) can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.

4.1.3.

If a relevant authority does not prepare an island communities impact assessment in relation to a policy, strategy, or service which has an effect on an island community, it must publish, as soon as reasonably practicable afterwards and in such manner as it considers appropriate, an explanation of its reasons for not doing so.

4.2.

HIAL is a relevant authority as defined by the Act, being a public company wholly owned by Scottish Ministers.

4.3.

Section 9 of the Act requires that the Scottish Ministers establish, by regulations, provision about review of decisions of relevant authorities relating to ICIAs. The passing of these regulations has been delayed by Covid-19 but they are currently scheduled to be laid before the Scottish Parliament on 29 October 2020, and to come into force on 23 December 2020. Commencement Regulations are also required to bring into force sections 7 to 14 of the Act, but these do not need any further Parliamentary procedure. Statutory guidance on ICIA is also overdue and is currently being drafted by the Scottish Government's Islands Team.

4.4.

The Section 9 regulations may make provision for retrospective ICIA. Applicants may be able to request the relevant authority to review any decision that it has made relating to ICIA, including a decision not to conduct an ICIA and to request that an ICIA be conducted, and, if after review, applicants remain dissatisfied, they will be able to request Scottish Ministers to review the decision.

5. Consultation

5.1.

Following representations from a number of stakeholders, HIAL has appointed Reference Economic Consultants to undertake a retrospective ICIA of the ATMS. Stakeholders have been advised that the assessment is to be entirely independent and will be based on a review of information and views on the changes to air traffic management provided by HIAL and a range of stakeholders. Comments from HIAL on the draft report of the assessment are to be limited to issues of factual accuracy rather than the overall research findings. The Council was advised of the proposed ICIA on 6 August 2020.

5.2.

On 17 August 2020, Reference Economic Consultants wrote to invite the five relevant local authorities and Community Councils in the areas around the seven affected airports to participate in a consultation exercise to inform the ICIA. A [consultation document](#) and accompanying consultation survey were issued, and a virtual engagement session for participants in Orkney was called for 2 September 2020.

5.3.

Officers from Development and Infrastructure and Elected Members attended the engagement session on 2 September. Following this, a draft response to the consultation survey, attached as Appendix 1 to this report, has been prepared. The closing date for the return of consultation responses is 30 September 2020.

5.4.

In summary, the proposed response presents the detrimental effect the proposal will have on the Orkney economy in both the short and medium terms. The loss of a significant number of well-paid, highly trained, technical positions will have a detrimental impact as families either relocate or take redundancy. The potential for mitigations to reduce this effect are limited and, with the lack of technical detail available from HIAL, is currently unclear. There is also the potential for short term disruptions to the air service as HIAL attempts to implement the proposals on a currently settled and established workforce.

6. Links to Council Plan

6.1.

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Thriving Communities.

6.2.

The proposals in this report relate directly to Priority 3.10, We will continue to make representations to influence the Islands Bill and National Islands Plan to achieve the best possible outcome for our Communities, of the Council Delivery Plan.

7. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of a Vibrant Economy.

8. Financial Implications

There are no direct financial implications arising from the recommendations contained in this report.

9. Legal Aspects

There are no direct legal implications arising from the recommendations contained in this report.

10. Contact Officers

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11. Appendix

Appendix 1: Draft consultation response.

Appendix 1

Thank you for the opportunity to respond to the consultation regarding the changes in Air Traffic Control for Kirkwall Airport in addition to other HIAL assets. Our responses in relation to the questions asked in the consultation are below:

A.1 Please describe the role and importance of air services from your airport. This could include use by both local passengers and those from elsewhere, the trip purposes for which air services are used, and freight as well as passenger traffic.

The air services supported by Kirkwall Airport fall into the definition of 'Lifeline' Services and can be split into two broad categories of Scottish Mainland links and Outer Island links. The lifeline links are a vital part of an integrated communication network to support both the economic and social wellbeing of the Islands.

The Scottish Mainland links provide the travel to and from Health services not available within the islands, for patients with complex and chronic conditions. It also provides the main link for rapid business and tourism travel links to the wider UK mainland and internationally. It is the main freight link for time sensitive and fragile cargoes. The link also provides the main Royal Mail services into and out of Orkney. They also provide critical business and civic connections to the capital city and to our Regional centres. The Hitrans Regional Transport Strategy provides an important reference point in this regard and underlines the critical nature of satisfactory linkages to Scottish cities on a day return basis to viability of Islands.

The Outer Islands link provides essential lifeline and community services between mainland Orkney and the non-linked islands. As with the Scottish Mainland link it provides vital medical connections both for patients, but also for NHS professionals conducting routine and emergency visits to the island communities. The Education service use the links again for both students but also itinerant teachers providing specialist learning skills for island schools. Again, it is also a rapid connection for tourism and business travel as well as providing a freight service to and from island communities.

A.2 How, if at all, does the role and importance of the air services from your airport differ from other forms of transport for your area?

For both the Mainland and Inter Isles services the air service provides the fastest and most reliable method of accessing both specialist services and the wider economy, be that business or tourism. Whilst bulk and heavy cargoes can be moved via Ferry, the services are weather dependent and even once on either Orkney or the Mainland still need to travel considerable distances to their destination.

Within the context of the outer island services, the air services represent the only routine, daily service to access some of the islands. Ferry services can at times be limited to once or twice a week and are lengthy journeys making day return travel unviable.

A.3 What, if any, issues and concerns do you have about ATMS? In responding please indicate how significant these are and which ones are most important.

In order of priority our concerns and issues about ATMS are:

The loss of 12.5 full time equivalent and 2 part time posts to the Orkney economy, with a salary loss of £565,000 annually, not counting the additional economic loss via spousal/partner jobs. These are significant, high worth, technical positions that represent a significant sector of the skilled workforce of the islands that will be difficult to replace in both the short and medium terms. The loss also reflects into the wider economy as both the post holders and their families will be forced to either move away from the island or lose their positions. Whilst HIAL have postulated the ability to commute to the new post location the transport services necessary to do this do not exist and those that do (air) are of such a cost as to make the proposition financially unviable.

There is a strong risk that the proposals will trigger short term industrial action, as seen previously with the affected group. Such action in the current climate could have a devastating effect on the currently much reduced and fragile air services, both on inter Isle and Mainland routes. This would have a significant knock on effect, particularly on North Isles fishers, who rely on the links for transport of their time sensitive goods to market.

With little technical information currently available on the actual technical proposal, the wide ranging caveat that planning restrictions may be needed to ensure the resilience of network connections will have a further detrimental effect on both renewables development on Mainland Orkney and the proposed expansion of the Harbours to facilitate the change to renewable maritime energy resources. These are both significant linchpins for the future prosperity of jobs and industry in the islands and anything that potentially restricts or adversely impacts on such developments will damage the future opportunities for the islands.

The lack of a technical solution also reduces the options to understand what elements of maintenance and technical support will be available on island. This again directly affects the creation of potential replacement job opportunities but also calls into questions the length of time major defect repairs may take. If maintenance, both routine and in case of failure are based, like the ATMS, outwith Orkney resilience and repair timescales will be significantly affected.

A.4 What do you see as the economic impacts - both positive and negative - in your area that could arise from the changes that ATMS will introduce? These could include, for example, the impacts that arise from the movement of passengers and freight and the change in the number of staff employed at the airport. In responding please indicate how significant these impacts are and which ones are most important.

Positive Impacts

There is the potential, provided suitable resilience measures have been put in place, that aircraft movements may become safer, especially if airspace control measures are enabled. This in turn may allow for increased movement densities.

Negative Impacts

In the short term, potential industrial action may have a significant detrimental effect on the economy as such action disrupts vital lifeline services.

There is also the significant, immediate loss of some £565,000 of direct income into the Orkney economy as posts are reallocated or removed. The ability to rebuild this is particularly limited, especially in the current climate and is unlikely to be mitigated in either the short or medium term.

The potential to restrict other developments with constraining planning conditions based on the need to ensure the proposed technical solutions' resilience requirements, e.g. microwave links. These will be a long-term effect, potentially on both the renewables and maritime sectors.

It is unclear if the proposed solution is compatible with an expanding drone/micro aircraft transport system, currently being postulated as a potential freight and personal transport solution in the future. This again may have a detrimental effect on both passenger and freight developments with subsequent restraint on economic growth.

A.5 What do you see as the economic impacts - both positive and negative - in your area that could arise from the changes that ATMS will introduce, compared to those that you might expect from the *alternative to ATMS (Local Surveillance)*? In responding please indicate how significant these impacts are and which ones are most important.

The positive and negative remain broadly similar but without such an initial loss of salary within the wider Orkney economy.

A.6 What do you see as the community impacts - both positive and negative - in your area that could arise from the changes that ATMS will introduce? This could include, for example, impacts on population levels and age profile, resilience of air services, and environmental impacts. In responding please indicate how significant these impacts are and which ones are most important.

There appear to be no wider community impacts in either the short or medium term. Enhanced number of aircraft movements may be possible with enhanced air space management measures, but these are so long term and dependant on the future focus of the aviation industry as to become irrelevant.

The loss of £565,000 of salaries locally will be a significant and immediate impact on both local business as well as the supporting council and private infrastructure. With little to mediate such a loss the recovery will be long and slow. Highly technical and skilled positions tend to attract others as the skill base of an area is deemed to be lifted. Without such on the islands the potential for net outflow of young families is increased as opportunities to advance are seen to reside outside the islands.

A.7 What do you see as the community impacts - both positive and negative - in your area that could arise from the changes that ATMS will introduce compared to those you might expect from the *alternative to ATMS (Local Surveillance)*? In responding please indicate how significant these impacts are and which ones are most important.

The answer is the same as for A6.

A.8 In what, if any, ways could the impacts in your economy/community be different from those that would occur in the economy/community around the other six affected HIAL airports? This could be due, for example, to the specific strengths of your area and/or the unique challenges that it faces.

Being unique in that Kirkwall Airport not only serves the Scottish Mainland to Orkney lifeline services, but also the Inter Isles lifeline services the detrimental effects are doubled. Any negative impact will be amplified with the outer isles taking the brunt of such economic factors, reducing their viability faster than the Orkney Mainland.

A.9 What could HIAL do to improve, or mitigate, the outcomes resulting from ATMS in your area's economy and community?

HIAL must commit to do all it can to mitigate for such a large loss of both jobs and salary within the islands. For example, a direct commitment to relocation of other HIAL jobs to the Islands and a policy to actively encourage all employees, including ATM employees, to relocate/locate in the Isles. Additional benefits from maintenance contracts to local industry would also be a help, although of little real consequence. In the same way if resilience work could also benefit the wider community with increased, more reliable broadband and network speeds that would provide some assistance. Any other benefit is too long term and too uncertain to be worth considering.

A.10 If there are any further comments you would like to make, which have not been addressed in the questions above, please use the space below to provide more detail.

We would also like to comment on the nature and conduct of the Skype discussion with elected members. It did not meet the high standards of both connection or conduct we would have expected for such an occasion. Many members felt unable to comment due to poor connectivity and the ability to hear and understand what was being discussed. It does not bode well for such a technologically dependent solution you are proposing.