

Item: 13

Development and Infrastructure Committee: 11 September 2018.

Inter-Island Air Services – Proposed Summer 2019 Timetable.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider the summer 2019 timetable for the inter-island air service.

2. Recommendations

The Committee is invited to note:

2.1.

That the inter-island air services timetable for summer 2019 is scheduled to operate from 25 February to 26 October 2019 inclusive.

2.2.

That the Air Services Consultative Forum met on 22 August 2018 to discuss the summer 2019 timetable, with details of the main comments arising outlined in section 4 of this report.

2.3.

That the proposed timetable, attached at Appendix 1 to this report, is largely consistent with the service operated during summer 2018, with the exception of amendments to the last two timing points on a Saturday for operational reasons.

2.4.

That, in advance of a service budget being established as part of the budget setting process for 2019 to 2020, the level of service provision is subject to an adequate budget being made available.

It is recommended:

2.5.

That the summer 2019 timetable in respect of the inter-island air service, to be operated by Loganair Limited, attached as Appendix 1 to this report, be approved.

3. Background

3.1.

The inter-island air service operates to six Outer North Isles under a Public Service Obligation which establishes the minimum frequencies and capacity and sets the maximum fare levels provided to each of the isles.

3.2.

In December 2016 the Inter-Island Air Services Public Service Obligation Contract 2017 to 2021 was awarded to Loganair Limited with a commencement date of 1 April 2017.

3.3.

The six Outer North Isles Community Councils each appoint a Transport Representative to represent their respective communities on the Inter-Isles Air Service Consultative Forum.

4. Air Services Consultative Forum

4.1.

Following a proposal from Loganair Limited, the timetable was amended to incorporate slight timing changes on a Saturday, with the departure time from Kirkwall to North Ronaldsay changed from 14:20 to 15:00 and the North Ronaldsay/Papa Westray departure from Kirkwall changed from 16:30 to 16:00. These changes allow for more time during the middle of the day for ad-hoc flights or to allow for delays. An earlier departure in the evening will provide an opportunity to operate a service if delayed rather than the service being cancelled as Kirkwall Airport closes at 17:45.

4.2.

The Monday morning North Ronaldsay flight shared with Eday on an on-request basis was raised. It was noted that the on-request flight to Eday shall remain within the timetable however, this can be reviewed annually.

4.3.

It was noted that the ground crew on Eday require sufficient time to mobilise on Monday morning and therefore it would be beneficial if there was a cut off time for bookings made on the Monday morning flight. As Eday residents are currently only permitted to book from 15:00 on the Sunday, it was suggested that this time should be pulled forward to allow for a cut off for bookings to be made. It is therefore proposed that Eday residents can book on the Monday morning flight from 12:30 to 18:00 on Sunday, the day before departure. This proposal will be trialled during 2019.

4.4.

A request was made at the Consultative Forum meeting in February 2018 for an additional Sanday/Stromsay flight on a Sunday. The quote received from Loganair Limited, taking into consideration fare revenue, was £66.42 per flight, totalling £3,453.84 per annum. On 27 March 2018, the Development and Infrastructure Committee agreed that the additional service could be incorporated in the timetable if funding was found. As this additional service is outwith the scope of the service specification and budget, it was noted at the Forum that these costs would need to be met by the local communities and would be subject to sufficient aircraft hours during the year. It was agreed that the Council would facilitate these discussions if required.

4.5.

The islands of Sanday and Stromsay can currently book on the Sunday 17:30 North Ronaldsay flight to Kirkwall on an on-request basis. The North Ronaldsay Transport Representative has however noted that this flight should remain a dedicated flight for North Ronaldsay as they have no other means of travel that day. As a compromise, it was agreed that bookings from Sanday and Stromsay residents could only be made between 09:00 on Friday until 12:00 on Sunday.

4.6.

The timing changes referred to at section 4.1 above have been incorporated in the timetable, attached as Appendix 1 to this report, with the points raised at sections 4.3 and 4.5 above included as footnotes.

5. Links to Council Plan

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

6. 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 Strong Communities.

7. Financial Implications

7.1.

A growth bid was submitted in respect of the annual inflationary uplift within the air services contract and aviation gas mechanism for the inter-island air services budget during 2018 to 2019 although this request for additional funds was not approved.

7.2.

The proposed summer 2019 timetable is consistent with previous years. Against a flat cash budget of £1,037,200 for financial year 2018 to 2019, a requirement exists for the Service to identify compensatory savings or alternatively absorb the annual Retail Price Index (all items) uplift as required by the current service contract for the year 2018 to 2019, at 3.95% or £40,969.

7.3.

The probable outturn position for the year end is expected to be an overspend of £50,000, due to the annual uplift, noted above, and the Aviation Gas mechanism within the Contract whereby the Council pays the operator additional funds should the fuel rate increase. Whilst a saving has been achieved in previous years, it is likely that Aviation Gas rates will result in additional spend incurred to the Council during 2018 to 2019 due to recent fuel increases. These factors must be considered as part of the future budget setting process.

7.4.

As there are no proposals to scale back the inter-island air service to remain within budget, the overspend will be absorbed within existing Development and Infrastructure budgets during 2018 to 2019 with a virement from the service yet to be identified.

7.5.

In advance of a service budget being established as part of the Council's annual budget setting process for financial year 2019 to 2020, the level of service provision is subject to an adequate budget being made available.

8. Legal Aspects

8.1.

The Civil Aviation Act 1982 enables the Council to establish and maintain aerodromes.

8.2.

On 21 December 2016, the Inter-Island Air Service Contract 2017 to 2021 was awarded to Loganair Limited with a commencement date of 1 April 2017.

8.3.

The contract between the Council and the operator states that the operator shall carry out the services in accordance with the timetable agreed with the Council.

9. Contact Officers

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10. Appendix

Appendix 1: Inter Island Air Services Timetable – Summer 2019.