

**AGENDA ITEM 10
REPORT ITEM SR/16/17**

HIGHLAND COUNCIL

Committee: Isle of Skye and Raasay Committee

Date: 11 September 2017

Report Title: Skye Aerodrome Update

Report By: Director of Development & Infrastructure

1 Summary

- 1.1 The report covers three aspects of activities at Skye Aerodrome: Skye Air Services; Infrastructure and Users Update; and Commercial Opportunities and Charging.
- 1.2 An update report for the Skye Air Services Project to the first meeting of the new HITRANS Board is attached at **Appendix A**.
- 1.3 Officers are preparing a programme of maintenance works (valued up to £15k).
- 1.4 Further turbine blade laydown operations are scheduled between September 2017 and November 2018.
- 1.5 A number of findings from a review of comparable airfields are recommended to be taken forward:
 - use a simpler category system (Non Commercial/Commercial);
 - a single parking fee for overnight stay;
 - remove the passenger load charge as part of the overall landing charge increases; and
 - introduce Landing Loyalty Card to customers – pay for four and receive one landing free.

In addition a daily fee for other uses of the aerodrome is proposed at a level of £1950 (including VAT). The fees are set out in **Appendix B**.

2 Recommendations

- 2.1 Members are asked to:
 - note the contents of the report;
 - approve the proposed development of an on-line PPR system and cessation of the existing honestly payment system; and
 - approve the proposed new charges set out in **Appendix B** to be introduced in January 2018.

3 Background

- 3.1 This report brings together an update on matters relating to Skye Aerodrome. It is split into three sections covering the following:
- Skye Air Services;
 - Infrastructure and Users Update; and
 - Commercial Opportunities and Charging.

4 Skye Air Services

- 4.1 Reports relating to the Skye Air Services were presented to the Isle of Skye & Raasay Committee (3 October 2016) and the Planning, Development & Infrastructure Committee on (25 January 2017).
- 4.2 Following an initial meeting with Transport Scotland and Highlands and Islands Airports (HIAL) in November 2016, a series of further liaison meetings have been held with HIAL to discuss the technical issues associated with the potential development of scheduled air services between Skye and Glasgow, or elsewhere.
- 4.3 An update report was submitted to the first meeting of the new HITRANS (Regional Transport Partnership) Board on 23 June 2017. The report is attached at **Appendix A** to this report. The report confirms that further work is under way reviewing the comprehensive technical information provided by HIAL.
- 4.4 The opportunity to develop an indicative airfield layout plan, based on the essential infrastructure required to support scheduled air services, is being investigated by the cross agency officer group (THC/Hitrans/HIE).

5 Infrastructure and Users Update

- 5.1 Through the work associated with the development of Skye Air Services, a Maintenance Inspection was carried out. The report recommends various maintenance works to areas of the aerodrome estimated to be up to £15k.
- 5.2 Officers are preparing a programme of works and intend to proceed with the repairs by the end of this financial year.
- 5.3 The Aerodrome has in the past been used for wind turbine blade laydown operations. Scottish and Southern Energy (SSE) have delivered improvements to the access junction to the aerodrome and also provided contributions towards the above runway repairs. The most recent laydown operations ceased in May 2017. Negotiations with SSE are expected to be completed by the time of this report to allow further turbine blade laydown operations between September 2017 and November 2018.
- 5.4 Skye Flying Club (SFC) has renewed their arrangements to use the aerodrome. The Club has brought a 'Bulldog' (an aircraft type that has been used by the RAF for flight training) to Skye. This particular 2-seater trainer was previously used by 'Aerobility', a registered charity that offers disabled people the opportunity to fly an aeroplane. Through the support of SSE a major barrier to the club becoming the northern outpost of Aerobility has been removed through the installation of new disabled toilet facilities at the aerodrome.
- 5.5 Other users of the aerodrome include private and commercial fixed wing aircraft and helicopters. Recent feedback from some customers indicates a need to review the Prior

Permission Required (PPR) booking system. As a short term modification the Council primary contact centre telephone number (01349 886606) is now being promoted to customers. The potential changes to the PPR system will be covered in the next section below.

6 Commercial opportunities and Charging

6.1 The Skye Aerodrome is used by private and commercial aircraft. A review of comparative airfield charges has been undertaken.

6.2 There are a number of findings from the review that are recommended to be taken forward:

- use a simpler category system (non commercial/commercial);
- a single parking fee for overnight stay;
- remove the passenger load charge as part of the overall landing charge increases; and
- introduce a landing loyalty card to customers – pay for four, and receive one landing free.

6.3 The proposed charging arrangements are set out in **Appendix B** attached to this report.

6.4 In addition to wind turbine blade laydown activities, the aerodrome has been used for other activities such as sporting and musical events. A recent request for a wedding service was received, but unfortunately could not be approved. No recent contact has been received for any filming activities, however, officers are aware that approaches have been made in the past. It is proposed to set a charge for appropriate use of the aerodrome at £1950 (including VAT) per day.

6.5 The review of arrangements at other airfields has identified an example of an on-line PPR system in operation for pilots. Preliminary discussion with colleagues dealing with Digital Services has begun to investigate the introduction of an on-line PPR system. The intention is to link charging arrangements more directly with the PPR system and cease the current 'honesty' system.

7. Implications

7.1 Resource

Funding of up to £30k has already been approved by committee, towards the Skye Air Services Project. Funding for repairs to the aerodrome surfacing is covered by a contribution received from a user of the aerodrome.

7.2 Legal and Gaelic

There are no implications arising from this report.

7.3 Community (Equality, Poverty and Rural)

The aerodrome provides opportunities for flights to provide flying lessons to disabled trainee pilots.

7.4 Climate change / CARBON CLEVER

Skye Aerodrome has a very low level of flights.

7.5 Risk

The PPR system is part of the management of activities of the aerodrome. Without the introduction of a new PPR system there is a chance that landing requests will be missed,

and income may be lost.

Designation: Director of Development & Infrastructure
Date: 25 August 2017
Author: Richard Gerring Transport Planning Manager
Background Papers: Committee Reports

Isle of Skye and Raasay 03 October 2016

http://www.highland.gov.uk/download/meetings/id/70934/item_8_skye_air_services_business_case_2016

Planning & Development 02 November 2016

http://www.highland.gov.uk/download/meetings/id/71139/item_14_skye_air_services_business_case_2016



Report to Partnership Meeting 23rd June 2017

Skye Air Service Update

PURPOSE OF REPORT

The purpose of this report is to provide Members with a progress report on the work of HITRANS and its partners, The Highland Council and Highlands and Islands Enterprise to re-introduce scheduled air services between Skye airport and the central belt.

Background

At the HITRANS Partnership Meeting in September 2016, HITRANS members approved the Executive Summary and Development Strategy within the Skye Air Services Business Case.

The updated Business Case undertook the following;

- Updated 2013 forecasts (section 4.2) to produce a new 'unconstrained demand' figure that takes into account the latest available data
- Updated CAPEX and OPEX assessments based on infrastructure/equipment changes, updated rate information and work undertaken since 2013. In particular, addressing uncertainty around the approach procedures and air traffic control.
- Updated the wider economic benefit analysis and long term forecast with new data including the Economic and Social Benefits appraisal commissioned by Highlands and Islands Enterprise.
- Set out different options for the operational model
- Provided a business case for the most viable Option/s for re-introducing air services from Skye to the central belt.
- Provided a detailed and costed development strategy that will enable investment decisions to be made.

In parallel to this commission, the Skye Airport Working Group (comprising officer representation from HITRANS, The Highland Council and Highlands and Islands Enterprise) also engaged transport consultants AECOM to undertake a survey of the airfield pavement and lighting to inform the likely capital expenditure figures within the overall business case.

Since the original feasibility study was undertaken in 2013, there have been two significant developments which have impacted on the proposed development model for the airport and the business case for reintroducing scheduled air services to Skye.

The first relates to the development of GNSS (Global Navigation Satellite System) technology which should enable Instrument Approach Procedures (IAP) to be adopted at Skye. IAPs using GNSS will require risk assessment based arguments to be presented to the CAA and their approval sought. The publication of CAP1122 'Application of Instrument Approach Procedures to Aerodromes without an Instrument Runway and/or Approach Control' by the CAA in May 2014 provides a process for doing this and based on precedents established at other airports it is considered reasonable to assume that agreement can be gained to adopt this approach at Skye.

The second significant area of new information relates to the inclusion of a detailed assessment of the wider socio-economic benefits outlined in the business case which were informed by the Ekosgen report commissioned by HIE on behalf of the Working Group in 2016.

As a result of the increased confidence in adopting Instrument Approach Procedures for Skye which would enable a cloud base minima of approximately 500-600ft, The Business Case focussed on two principle options – A.1 and A.2. Both options are based on the upgrade and utilisation of the existing runway and facilities to support a 9-seater and 19-seater aircraft respectively. The Business Case identified that the capital investment required to accommodate either of these options ranges between £3.1million and £5.0million.

The Benefit-cost analysis for Option A.1 (9-seater aircraft) ranges from between 1.41 and 1.52 depending on the modelling of high or low capital / operational costs and high or low economic benefits. The benefit-cost ratio for Option A.2 range from 1.87-2.21.

Next Steps

On finalising the Business case in November 2016, the Working Group met with representatives from Transport Scotland's Aviation team and Highlands and Islands Airports (HIAL) to discuss the findings of the report and how the Development Strategy may be progressed. It was agreed that appropriate officers from HIAL, with the necessary technical and operational expertise, would review the Business Case and provide feedback to the working group.

Following receipt of this information, the Working Group is engaging with ARUP and RDC Aviation who undertook the Business Case to consider the HIAL input and update any aspects of the report as required. It is not intended to update the Business Case at this stage but this review should help provide more certainty around some of the infrastructure and operational costs required to satisfy the necessary CAA licences and reintroducing scheduled air services to Skye. The Working Group will also work with other key agencies to identify if there may be any opportunities to deliver services in partnership.

Recommendation

Members are invited to note the progress report on reintroducing air services to Skye and support the Working Group in implementing the Development Strategy.

Risk Register

RTS Delivery

Impact - Positive

Comment – This work supports RTS Strategic priority S11a to reintroduce scheduled air services between Skye and the Central Belt. The reintroduction of air services at Skye Airport is also included within the Delivery Plan of the draft Regional Transport Strategy update.

Policy

Impact - Positive

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

Financial

Impact – Positive

Budget line and value – Funding to support the development of Skye Airport has been allocated within the 2017/2018 Business Plan.

Equality

Impact – Positive

Comment – Improves connectivity to the population centre within the HITRANS area which has among the longest journey times to the central belt of Scotland.

Report by: Neil MacRae

Designation: Partnership Manager, HITRANS

Date: 23rd June 2017

APPENDIX B

| Current Charging Levels | | |
|-------------------------|---|--------------------------|
| | Maximum Total Weight Authorised (Kg) | Charge Including VAT (£) |
| Private | 0 - 500 | 6.92 |
| | 501 - 1500 | 16.44/20.39 |
| | 1501 - 3000 | 20.39 |
| Commercial | 0 - 3000 | 8.59/17.18/25.77 |
| | above 3000 | 42.97/ 60.17 |
| Parking | beyond 2 hours per tonne per 24 hour period | 1.89/3.79/5.69/7.58 |
| Passenger load | Per passenger over 3 years | 3.22 |

| Proposed Charging Levels (January 2018) | | |
|---|--------------------|---|
| Category | Type/ Period | Charge Including VAT (£) |
| Non Commercial | Single | < 500kg 10.80/ > 500kg 16.80 |
| | Twin | 28.80 |
| | Helicopter | 16.80 |
| Commercial | Fixed wing | 66.00 |
| | Helicopter | 66.00 |
| Parking | Per overnight stay | 10.80 |
| Passenger load | | To be ceased as part of the landing charge review |

| | | |
|-------------------------|---|---|
| Rental of the Aerodrome | Per 24 hour period | 1950.00 |
| Landing Loyalty | a non-transferrable annual landing loyalty card offering aircraft a free fifth landing after four full price landings | Non Commercial 9.60 Commercial 36.00 |