

**ARGYLL AIR SERVICES - PUBLIC SERVICE OBLIGATION CONSULTATION**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Argyll Air Services Public Service Obligation (PSO) contract is up for renewal. Similar to previous contract renewals Strategic Transportation undertook a public consultation to determine the key priorities of the communities using the air service. Potential bidders have been given access to the consultation's findings in order to assist them with their bid submissions. The consultation ran from 8<sup>th</sup> April 2022 until 1<sup>st</sup> May 2022. The consultation was advertised extensively across a range of platforms and each Community Council was directly contacted for response. Respondents had access to the consultation online using Survey Monkey, which was made up of 63 questions on the Air Service.
- 1.2 There were a total of 135 responses to the consultation and made up of 90% individuals; 5% community organisations; and 5% businesses.
- 1.3 The consultation revealed that the main uses of the air service is to access health facilities, access shops/leisure facilities, for tourism, and for business purposes. The most significant use was for access to health facilities which is particularly significant given that 56% or 26,000 referrals made in Argyll and Bute are for referral to hospitals within the central belt.
- 1.4 Nearly all respondents felt that the Argyll Air Service was vital to the community and that same day return was very important.
- 1.5 The recommendations to improve the service from the respondents included: access to the central belt; better advertisement; larger aircraft for greater number of passengers; higher fares for tourists; and flight times better aligned with other transport.
- 1.6 A majority of respondents also expressed optimism about the proposed UAV hub at Oban Airport which is currently subject to a 'Levelling Up' bid to the UK Government and the benefits that drones could bring to island communities, meaning there is a general consensus of the benefits this new technology could bring.

## **RECOMMENDATIONS**

We request members of the Environment, Development and Infrastructure Committee to note the content of the report, which is a summary of a recent online Argyll Air Services PSO consultation.

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**2.0 INTRODUCTION**

- 2.1 Aviation forms a crucial, often lifeline, element of the transport network in many parts of the Argyll and Bute area. The airports in Oban, Coll and Colonsay are owned and operated by Argyll and Bute Council. These air services along with a service to Tiree provide lifeline connections to the mainland for island residents to access healthcare and education and are currently subsidised by Argyll and Bute Council, however Tiree Airport is operated by Highlands and Islands Airport Ltd (HIAL). There is no High School on Coll and Colonsay and the pupils from the islands use the air services to access education from the mainland Oban High School.
- 2.2 The input of the public through a consultation is crucial to ensure that the service is meeting the needs of the community. The consultation ran from 8th April 2022 until 1st May 2022. It was accessible through a link to the website, where Survey Monkey is located. Each Community Council was contacted individually, and the consultation was widely publicised on a variety of media. The consultation consisted of 63 questions designed to gather data regarding Argyll Air Service.
- 2.3 There were a total of 135 responses, 90% of which were individuals; 5% were community organisations; and 5% were businesses.
- 2.4 58% of respondents were above the age of 55, 33% of respondents were between the ages of 35 and 54, and 9% of respondents were under the age of 34, making up the respondents' age demographic.
- 2.5 30% of respondents live on the Isle of Coll, 30% live on the mainland, 25% live on the Isle of Colonsay, 11% live on the Isle of Tiree, 7% live on the Isle of Islay, and 3% responded "other."
- 2.6 According to the consultation, the primary uses of the air service are for access to medical facilities, to access to retail and leisure facilities, for travel, for business use, for employment, and for school/further education.

- 2.7 The responses showed that the Argyll Air Service were deemed to be more important compared with Loganair Air Service where both services were available.
- 2.8 Twice or more each year was the most common frequency of travel, followed by once per month. The Argyll Air Service was deemed essential for the community by 93% of respondents, and the same number of respondents either strongly agreed or agreed that it is crucial to be able to make a return trip on the same day.
- 2.9 From the consultation, the predominant recommendations for better practice were access to the central belt; better advertisement; larger aircraft for greater numbers of passengers; higher fares for tourists; a greater number of flights; and flight times better aligned with other transportation.

### **3.0 RECOMMENDATIONS**

- 3.1 We request members of the Environment, Development and Infrastructure Committee to note the content of the report, which is a summary of a recent online Argyll Air Services PSO consultation.

### **4.0 DETAIL**

- 4.1 The consultation identified the main applications of the air service. According to 63% of respondents, the service was mostly utilised to access medical services. Other common uses included access to stores and recreational facilities, tourism, business use, and employment. This shows how the community uses the service in a variety of ways and how important it is to the residents of the communities it serves.
- 4.2 The main use of the air service was for “access to health facilities” with 63% of respondents noting this as their use of the service. Meaning that the NHS are making significant use of the service to give patients access to medical facilities and healthcare. Despite this use, Argyll Air Service is not linked directly to the central belt which is particularly salient given that 56% or 26,000 of annual referrals in Argyll and Bute are to hospitals within the central belt.
- 4.3 The consultation also demonstrated other uses of the service. These include for “site visits”, for “veterinary services”, for “training” and for “consulting visits to the islands”. These responses represent the variety of both personal and business use of the service.
- 4.4 A significant point from the consultation was that the Argyll Air Service is the preferred airport option compared with Loganair Air Service with a higher proportion of individuals choosing Argyll Air Service as their preferred transport compared to Loganair Air Service.

- 4.5 The reason that Argyll Air Service was chosen include that it is “Much faster. It allows you to go out and back in the same day” and “It is an essential service to these isolated islands which can be cut off by ferry cancellations”.
- 4.6 The overall preferred mode of transport was the CALMAC ferry service due to “ferry important obviously because of ability to get car to and from the island” and “cost – cheap for foot passenger”.
- 4.7 There were, however, criticisms about the lack of reliability of the ferry, the length of time it takes, irregularity of the service and lack of transport links when on the mainland.
- 4.8 Comments also indicated ways to improve the Argyll Air Service and make it more favourable and these included “a definite schedule link between Hebrides airways (Coll/Tiree) and Loganair therefore offering a link to Glasgow/London and beyond so promoting businesses commerce and other lifeline services”.
- 4.9 The most common frequency of travel was twice or more annually or monthly. The most common mode of transport was the CALMAC ferry service, followed by Argyll Air Service, Loganair Air Service and finally other non-CALMAC Ferry service.
- 4.10 CALMAC Ferry Service, followed by Argyll Air Service, with a difference of about 5%, is the most popular form of transportation for those who go twice or more annually. In contrast, people who travel on a regular basis were substantially more likely to use the CALMAC Ferry service, which was then followed by the Argyll Air Service, with a difference of almost 17%.
- 4.11 The consultation revealed that 93% of respondents either strongly agreed or agreed that Argyll Air Service was vital for the community.
- 4.12 Argyll Air Service allows residents to complete a return journey within the same day of travel, 93% of the respondents either strongly agreed or agreed that it is important to be able to complete a return journey in a single day.
- 4.13 There were a number of barriers to travelling using Argyll Air Service. The most prominent was due to timetabling followed by availability of seats, cost of tickets, integration with bus/train and reliability of service. A small proportion of respondents had issues booking a ticket. 16% of respondents felt they had no barriers to travel.
- 4.14 Some of the other barriers discussed are mostly related to timetabling and the lack of a direct link to Glasgow commenting “The service stopping in Oban. There has to be a through to Glasgow.”
- 4.15 The largest benefit to the community was seen to be enabling pupils to get to/from school. This is followed by the links to hospital/healthcare, then supporting businesses, tourism, visits from friends/family and then finally helping residents go on holiday.

- 4.16 The consultation revealed the most prominent recommendations to improve the service, these include: Access to the central belt; better advertisement; larger aircraft for greater numbers; higher fares for tourists; a greater number of flights; and, flight times better aligned with other transportation.
- 4.17 There were further recommendations which includes suggesting greater funding commenting “Approach the Scottish Government, Transport Scotland and HIAL to seek out capital or operational funding. It is their National Transport strategy that seeks equitable access to services for the islands. It seems the other Island Councils are more equitable than A&B islands!”
- 4.18 In order to enhance the community benefits, the suggestions recommend extending the timetable during the summer months, a more regular service in general and better advertisement of the service with information on the flight times and fare cost.
- 4.19 Argyll and Bute Council is working in partnership with Skyports, to develop a West Coast Advanced Air Mobility Logistics Innovation Hub and Training centre. The new infrastructure at Oban Airport will support the operation of electrically powered UAVs including cargo drone deliveries, and other advanced air mobility (AAM) use cases. Royal Mail are also interested in UAVs as part of their service delivery and have undertaken trials with Skyports from Oban out to the island of Mull.
- 4.20 In the consultation, when asked if they believed the UAV hub would be ideal environment in Argyll and Bute and that it can provide real benefit, 74% of respondents either strongly agreed or agreed with this statement showing a positive response to the UAV Hub. Further to this, 78% strongly agreed or agreed that the UAV Hub would benefit islands in the future.
- 4.21 The reason that people were optimistic about the UAV hub included that it would add resilience, it is quicker than the ferry, better for the environment, and it is vital to embrace new technologies.
- 4.22 However, there were other people who were hesitant of the new technology and believed that it would not be appropriate in the area due to the frequently inclement weather and that they were unsure of the new technology. Furthermore, some people were concerned about the noise of the drones, the reliability and were concerned it would replace existing services and not interested in deliveries using drones.
- 4.23 The Scottish Government conducted a public consultation on an Aviation Strategy for Scotland and encouraged response from all. The consultation asked the respondents their awareness of the Scottish Aviation Strategy. 30% of the respondents were aware that the Scottish Government are developing an aviation strategy. In addition, just 12% of respondents to this consultation submitted a response, which means that 88% of the respondents did not.

## **5.0 CONCLUSION**

- 5.1 The public consultation for the Argyll Air Services revealed the perspective of the public on the Air Service and the priorities for the communities utilising the service.
- 5.2 The main takeaway from the consultation shows that the Air Service is used most often for access to health facilities, this is particularly salient given that 56% of annual referrals in Argyll and Bute are to hospitals in the central belt and the Air Service does not link directly to the central belt.
- 5.3 The other prominent uses of the air service include access to shops/leisure facilities, tourism, for business use and employment showing that the service supports the key businesses and sectors such as tourism.
- 5.4 A key part of the service is the ability to complete same-day return, one of the main attractions for use of the service by customers.
- 5.5 The consultation revealed clear recommendations for improvements to the service including access to the central belt, better advertisement, increased flights and better timetabling as well as better links with other transportation.

## **6.0 IMPLICATIONS**

- 6.1 Policy - Argyll and Bute Council provide PSO air services to some of our fragile Island communities.
- 6.2 Financial - Argyll and Bute Council has a budget of £512,207 available per annum (2019-2022) for the provision of air services. This contract is coming up for renewal for the period 16<sup>th</sup> September 2023 – 15<sup>th</sup> September 2027 and is currently going through procurement.
- 6.3 Legal - Tenders for PSO air services must be compliant with Scottish Government regulations.
- 6.4 HR - None
- 6.5 Fairer Scotland Duty:
  - 6.5.1 Equalities - Air services provide connections to rural island communities primarily for scholars but are also used by public and private sector services e.g. NHS, ABC, and Housing Associations.
  - 6.5.2 Socio-economic Duty – The air service supports an equitable standard of living for island residents.
  - 6.5.3 Islands - The air service supports vulnerable island populations and is a lifeline service. There is a chance that if this service isn't provided, people won't want to live or work there as much, which could affect the SOA's goal of population growth.

- 6.6 Climate Change - Multiple passengers on a one-hour flight may have less of an environmental impact than those travelling by vehicle and ferry for six hours.
- 6.7 Risk - Risk of break in air services as a result of requirement to retender.
- 6.8 Customer Service – None.

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