

**ARGYLL AIR SERVICES**

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**1. SUMMARY**

A progress report relating to the scholar flights.

**2. RECOMMENDATIONS**

It is recommended that the Mid Argyll, Kintyre and the Islands Area Committee note the content of this Report.

**3. DETAIL**

The Council accepted a tender for the PSO contract based upon pupil numbers expected to attend Oban High School in each of the three years and at the time it appeared that there would be no demand for a scholar flight to Colonsay. In consequence a qualified tender was accepted that suited the perceived demand.

It quickly became evident that the figures provided for pupil numbers were incorrect and a demand to comply with the PSO was made. The Council approached Highland Airways to supply an estimate for the additional flights which was duly given and representation was made to the Scottish Government for approval to incur additional Grant Aided Expenditure over the period of the PSO. The response was an emphatic rejection quoting the outcome of the Spending Review 2007 and the signing of the Concordat with Local Government which directs any requests for additional funding through COSLA.

At present a supplementary estimate has been prepared as part of the 2008/09 Revenue budget monitoring and this will be submitted to the relevant Committee for approval as soon as possible; if agreed the additional flights can commence. For 2009/10 and future years, a service bid will be made as part of the budget process.

**4. IMPLICATIONS**

- 4.1 Policy – None
- 4.2 Financial – Supplementary estimate required for 2008/09 and service bids for subsequent years.
- 4.3 Personnel – None
- 4.4 Equalities Impact Assessment – None
- 4.5 Legal – It is necessary to ensure that the PSO requirements are met.

For further information please contact Martin Gorringe, Operations Manager (Marine and Airports) , Tel. 01546 604656.

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