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## 8 Information Bulletin

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- Purpose of Report

The purpose of this report is to provide information and updates for the Board on a number of matters not requiring decision.

- ScotRail Customer Forum (Rescheduled to 13 June 2012)

At the last meeting of the Nestrans Board, it was indicated that First ScotRail's next Customer Forum meeting to be attended by senior ScotRail management would be held at the Station Hotel in Stonehaven at the end of May. This meeting was in fact held on Wednesday 13<sup>th</sup> June. A verbal report on the consultation will be available at the Board meeting.

- New flights to London City/ easyJet event in Parliament

On 25 April 2012 BA CityFlyer announced that they would begin a three flights daily return service between Aberdeen and London City Airports. BA have said that the new service would “complement” its service between Aberdeen and Heathrow.

This service will provide passengers from Aberdeen who wish to travel into central London with additional choice providing services nearer to the heart of London than currently exists. It builds upon services to Gatwick & Luton as well as services to Heathrow. There may also be an advantage in reducing London bound passenger numbers on the Heathrow service creating seat space for passengers wishing to interline through Heathrow to worldwide destinations.

However it is also likely that there will be some reduction in Aberdeen to Heathrow service after the summer time due to the BA takeover of BMI which could counter the benefit discussed above. At this time it is not yet known what BA plans are for the BMI Aberdeen to Heathrow service. It is also not yet known whether any airline will use the BMI slots offered by BA to the European Commission to counter competition concerns on the route.

On Wednesday 16<sup>th</sup> May, Kirsty Morrison attended an evening reception in the Scottish Parliament, hosted by Maureen Watt MSP and Easyjet. The event was an opportunity to network with EasyJet staff, other members of the aviation industry and MSPs. Representatives from Aberdeen Airport, including Derek Proven, also attended the event. Easyjet used the event to re-affirm their commitment to the Scottish market although made no specific announcements on routes.

- Aviation consultation update/ UK All-Party Parliamentary Group on Aviation

On 26 March 2012 the UK All-Party Parliamentary Group on Aviation issued a call for evidence on an inquiry into “Maintaining the competitiveness of the UK in global aviation.” Responses were required by 16 May 2012 and a number of questions were asked relating to Air Passenger Duty, Economic Impact of the Aviation Sector and Environmental Impact of Aviation. Nestrans submitted a response which considered the first two questions. A copy of the response is attached as Appendix A.

## Evidence note on access to London from the North of Scotland

Nestrans, along with fellow RTP, Hitrans, have commissioned an evidence note from consultants to determine the importance of access to London from the North of Scotland. This has been produced to create an evidence base as a core response to the forthcoming publication of the UK's draft Aviation Policy document.

There is a current perception in the "corridors of power in London" that the construction of a high speed rail network, particularly if it extends to Scotland, will reduce significantly the need for short haul flights within the UK which in turn will reduce pressure on the overcrowded runways in the south east of England.

Nestrans has supported the construction of a high speed rail network and called for Scotland to be included in the network. Nestrans has however accepted that the cost of extending such a network north of Edinburgh and Glasgow (£10billion), with the population base in this area, is not viable. Such a network though does bring Edinburgh and Glasgow within the time range for transport to London or Heathrow by high speed rail meaning that there would be a significantly reduced need for air transport between Edinburgh/ Glasgow/ Newcastle/ Manchester and London. Even if high speed rail reached Aberdeen the time for travel to London via rail would still be longer than the cut off point of around 3 ½ hours that foreign experience shows is the limit for transference of passengers from air to rail.

Nestrans has however argued that the whole country should benefit from such a significant investment (after all we will be paying our share of the cost of the network) and that for the more remote parts of the UK which will not directly benefit, a strategy should be agreed that allows these regions to be in a position where they are not disadvantaged by their relative increase in peripherality compared to those areas directly benefiting from high speed rail.

Nestrans position has been to argue that in our case this assurance of not being disbenefited would be resolved by:

- Upgrading the conventional rail line to the central belt to reduce journey times by 20 minutes as agreed in the strategic transport projects review
- Reserving some slots at Heathrow for Aberdeen services to remove the pressure on these slots from airlines and airport operators wanting to remove this service to create new services to longer haul destinations in the emerging economies (e.g. India & China) which would be served by bigger and more profitable planes

The evidence note commissioned by Nestrans and Hitrans has focused on the areas of the UK where high speed rail won't benefit, namely the north of Scotland, Northern Ireland and Cornwall and their regional airports at Aberdeen, Inverness, Belfast & Newquay.

The study identifies the importance of Heathrow to the UK economy, noting that although Aberdeen is well connected to the European hubs (Paris, Amsterdam & Frankfurt) there are more passengers traveling to Heathrow than all the other hubs combined. This is despite other hubs serving a greater number of destinations. The report highlights that this is because:

- There is a very high percentage of business passengers from Aberdeen airport (double that of Edinburgh or Glasgow)
- There is a high percentage of through passengers from Aberdeen at Heathrow (accessing various destinations across the world)
- Heathrow serves the North American market very well – a significant market for the Aberdeen business community
- Heathrow serves the oil producing regions of the world well

But, perhaps significantly for the mainly business market from Aberdeen, Heathrow has the highest “connectivity” score of all the hub airports. This is calculated from not only the destinations served but also the frequency of flights which is important in a business context.

The report identifies that our proposal does not cost the country in money costs but simply asks that a number of slots be reserved to ensure that the whole country has good access to the national hub – some by rail and the most remote regions by air. For the north of Scotland this amounts to under 2% of the available slots at Heathrow – not a highly significant amount to secure the economic prosperity that this region provides to the UK economy.

An extract from the Executive summary of the report is attached as Appendix C. The full report will be published on the Nestrans website and a link will be provided at the meeting.

- English review of Strategic Road Network

The Department for Transport in England has been examining the role of the Highways Agency in managing the Roads network. (This is not applicable to Scotland where trunk roads are managed by Transport Scotland who are carrying out their own National Roads Maintenance Review) A report was prepared by Alan Cook which the Department published in November.

The Department has now published its response to that report (<http://www.dft.gov.uk/publications/roads-reform>) including actions to be taken forward. The table below outlines the actions proposed:

Actions	Timeline
Undertake a feasibility study of alternative ownership and financing options for the strategic road network	We will provide a report to the Prime Minister in autumn 2012.
Set out a long term strategy for the strategic road network	We will start consultation on the strategy by the end of 2012.
Set out an outcome based performance specification for the strategic road network	We will aim to have a first version of the specification in place from the beginning of the 2013/14 financial year
Adopt a more strategic role as champion of the road user - defining the interests of users in the performance specification and long term strategy	We will ensure that this is taken forward in parallel with production of the strategy and performance specification.
Identify and take forward a number of route based strategies with the Highways Agency and local stakeholders	We will agree the locations with the Highways Agency by June 2012. The Highways Agency will then be responsible for setting out how it proposes to deliver this suite of route based strategies by 2013. A further programme of strategies will then be agreed for delivery.
Work with the HA and Treasury to build and consider the evidence for embedding greater certainty and flexibility into the funding regime of the strategic road network	We will seek to complete this work ahead of the next spending review
Revising the existing framework document	We will ensure a revised framework document is introduced alongside the introduction of the performance specification.

The study into alternative ownership and financing options of the strategic road network has been started with the following questions to be considered:

- **How different models could apply to roads:** a range of options will be explored and compared, ranging from greater contracting and concessions via the Highways Agency, through to a regulated utility option similar to those used for existing privatised utilities (water, gas electricity). The study will consider these from the perspective of government, business and motorists.
  - **The investment needs of the road network:** the study will explore the investment opportunities present in the existing road network – identifying the priorities for any future private investment that would benefit the motorist.
  - **Payments and the impact on the motorist:** The study will consider how the different models would need to be financed and the investment in the road network paid for and the impact this has on the motorist. This will explore a range of options and how these interact with existing motoring taxation, but will not consider road pricing. It will also determine the role of tolling in the provision of new infrastructure, but it will not consider tolling existing capacity.
  - **The role of regulation and performance frameworks:** how a regulator and performance framework could be designed to protect the interests of motorists and ensure that the roads continue to be managed efficiently and to a high standard.
  - **Value for money and efficiency:** exploring the relative value for money of different options, including the cost of financing greater investment in the roads set against the efficiency gains that could be secured from a different delivery model.
  - **Practical delivery issues:** the study would consider how a change could be delivered, including legislative and administrative requirements and any potential timetable.
- Scottish Government review of Community Planning

The Scottish Government and CoSLA have been carrying out a review of Community Planning. This is of interest to Nestrans as Nestrans is a Member of the Aberdeenshire Community Planning Board and Aberdeen Community Planning. A copy of a letter from Scottish Government and CoSLA outlining progress of the review is attached as Appendix B.

- Update on Northern Isles Ferry Services Tender

Members may be aware that the existing contract to operate ferry services between Aberdeen, Kirkwall and Lerwick (along with Pentland Firth crossings) is scheduled to expire on 5 July 2012. Transport Scotland have been conducting a retendering exercise, and on 4 May announced that they had let the contract to Serco Ltd for a period of six years.

However, one of the competing tenderers, Streamline Ltd., challenged that award and the case was heard in the Court of Session on 29 May. The Court found in favour of the Government and Serco are therefore confirmed as the new Northern Ferries operator and will commence operations on 5 July 2012. They intend to keep the Northlink brand and have committed to maintaining timetables and prices for the remainder of 2012, thereafter a new timetable offering an enhanced timetable at peak season and holidays will operate along with a revised fare structure to better meet the needs of islanders and visitors.

Northlink Ferries staff will transfer to the new operator under TUPE regulations. The biggest changes will be on the freight side, with the summer freight timetable increased from 18 sailings per week to 22. However, between January and May it is intended to operate a more restricted freight service using a single vessel, although the second ship will be available if demand necessitates additional sailings.

- Bridge of Dee Study

A pre-appraisal assessment, in accordance with the Scottish Transport Appraisal Guidance (STAG) methodology, has been completed for the Bridge of Dee Study. The pre-appraisal report has been published on the Aberdeen City Council website alongside all other information relating to the study that is already available there and can be viewed at:

[http://www.aberdeencity.gov.uk/transport\\_streets/roads\\_pavements/transport\\_projects/roa\\_acc\\_ess\\_from\\_south\\_home.asp](http://www.aberdeencity.gov.uk/transport_streets/roads_pavements/transport_projects/roa_acc_ess_from_south_home.asp)

A link to this site is also given from within the project pages of the Nestrans website.

Nestrans has allocated a budget of £175,000 to progress the formal STAG assessment in 2012/3 and proposed work packages to be undertaken using this funding are being determined. It is intended that a letter will be sent to the stakeholders involved in the pre-appraisal process to advise them of the publication of the pre-appraisal report and the proposed programme of further work once this has been agreed.

- ScotRail timetabling

Regional Transport Partnerships meet with ScotRail on a regular basis to discuss timetabling matters. The most recent meeting was held in Glasgow on 23 May and was attended by Rab Dickson.

ScotRail are currently developing the December 2012 timetable and confirm that it is likely to be able to include additional stops at Portlethen, Stonehaven and Laurencekirk having agreed with Nestrans and Tactran an improved stopping pattern between Aberdeen and Dundee. This has now been accepted in principle by Transport Scotland and agreement with Network Rail should be forthcoming within a few weeks.

Services on the Aberdeen-Inverness line are however proving more difficult. The joint proposal from Nestrans and Hitrans to provide additional Sunday services to address overcrowding issues and provide further travel opportunities has yet to be confirmed due to lack of availability of drivers.

- A944/ B9119 junction improvement

Aberdeenshire Council have approved a planning permission for new development at Westhill. As part of this permission the developer will have to replace the current roundabout at the A944/ B9119 junction at the eastern end of Westhill with a traffic signalled junction.

This important junction lies within the Aberdeen City Council area. There have been discussions between the two authorities regarding these proposals including high level impact assessments.

From a Nestrans perspective it is worth highlighting that the proposed junction is relatively close to the proposed A944/ AWPR junction and that care would be needed in the detailed design to ensure that the proposed signals do not generate queuing lengths that reach the A944/ AWPR junction with consequential possibility of queuing back onto the AWPR. These comments have been passed onto the two Councils.

- Nestrans Press Releases

Since the last meeting of the Board in April, there have been press releases on the following (more details can be accessed by clicking on the title):

**[20/04/2012 Nestrans welcomes Inveramsay Bridge announcement](#)**

Regional Transport Partnership Nestrans has welcomed the announcement that a contractor has been selected to take forward ground investigation work as part of the Inveramsay Bridge improvement works.

**[09/05/2012 New busport at Aberdeen Royal Infirmary](#)**

An £84,000 project to transform the busport at Aberdeen Royal Infirmary is nearing completion, with the turning circle due to re-open tomorrow, Thursday 10 May 2012.

**[29/05/2012 Common Wheels Car Club launches in Laurencekirk](#)**

The Aberdeen Car Club operator has branched out and now has two cars in the Mearns town of Laurencekirk. A Ford Zetec and Galaxy will be based in the town allowing members to rent the cars with as little as a minute's notice.

- Getabout events

Launch of Aberdeen City Car Club, outside Marischal College - Including Council and Nestrans employees, around 170 drivers have already signed up for the scheme. This was supported by radio adverts on both Northsound and Original and ads in ScotAds magazine and at Union Square, supported by bus back advertising.

A Business Breakfast meeting to publicise the Aberdeen City Car Club was held in the Park Inn Hotel. Attended by 50 or so businesses and interested parties, the event was extremely successful with standing room only in the room.

Cycling Roadshow – The Getabout events kit and Cycling Roadshow were displayed at the Balmoral Runs on the weekend of 28 and 29 April. Despite the weather, the roadshow attracted large numbers of spectators and participants trying the bikes.

Prizes were awarded to children in four schools in Aberdeen City who had won an art competition about walking and cycling to school, supported by the Council's Active Schools Coordinator.

Launch of hydrogen cars - Two hydrogen cars had been leant to the Car Club to promote alternative fuels as part of the CARE North project, supported by both Aberdeen City Council and Nestrans.

NHS Walk to Work 14-18 May - For Walk to Work Week, a joint week-long promotion was conducted, encouraging NHS staff to consider travel options for their commute to work. Sites were Glen o' Dee at Banchory, Banff Chalmers Hospital, Huntly Hospital, Inverurie Hospital and Aberdeen Royal Infirmary. This included an hour-long slot on Shmu Radio promoting "health hour".

Sustainable Transport Planning at All Energy Exhibition, including promotion of the two hydrogen-powered cars.

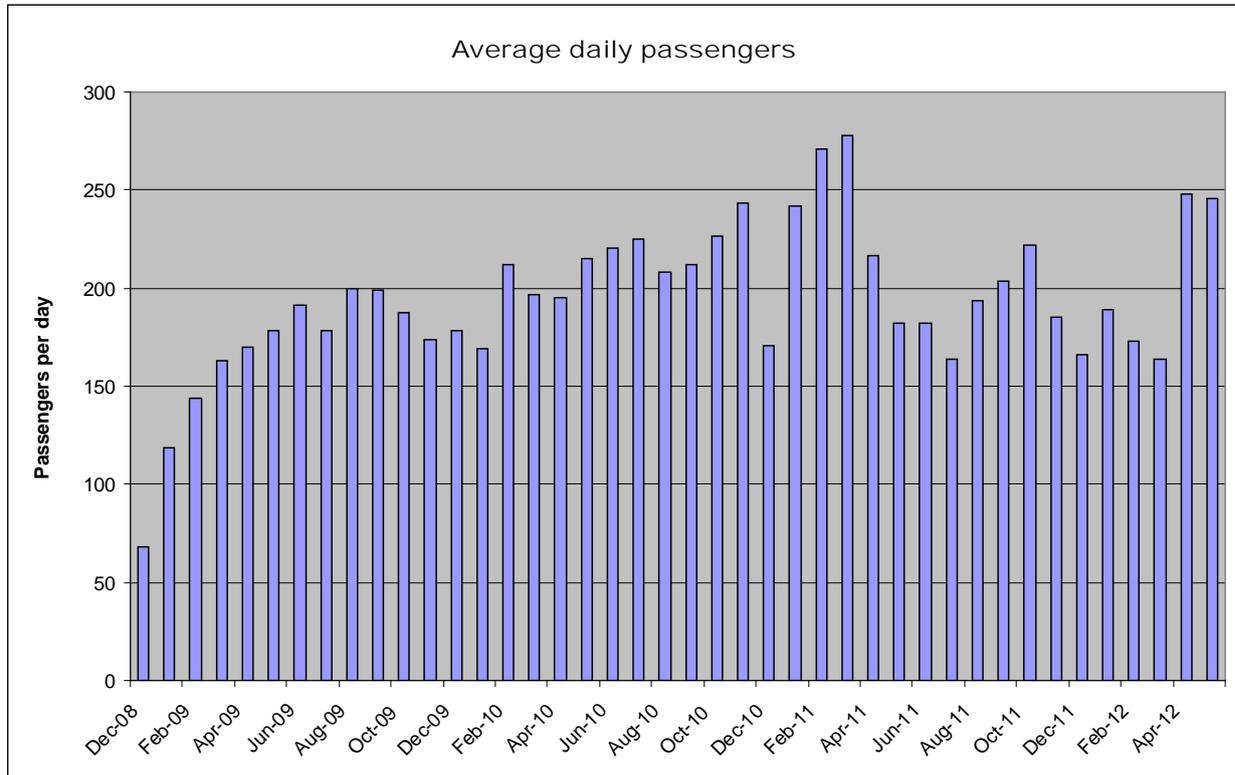
Foyer displays in Nexen at Altens, promoting sustainable travel and travel planning.

Mearns Car Club launch. Getabout supported the launch of the rural car club in Laurencekirk.

Foyer displays in Aker Solutions in Dyce and Aberdeen, promoting sustainable travel and travel planning.

- Dyce Shuttle Bus

After the retendering of the Dyce shuttle bus and the award to Stagecoach Bluebird, numbers have seen an encouraging return to figures close to 250 passengers per day.



As can be seen from the graph, April and May have experienced daily usage of almost 250 single journeys per day, almost as high as levels were when two buses operated in spring 2011. Monitoring of usage continues to ensure that overcrowding and/or timetabling issues are managed.

- Recommendation

It is recommended that the Board note the contents of this report.

**The All-Party Parliamentary Group on Aviation  
Call for Evidence 26 March 2012**

Nestrans is the statutory Regional Transport Partnership for the North East of Scotland covering the areas of Aberdeen City and Aberdeenshire Councils. Together this amounts to just under 10% of Scotland's land mass and population. Aberdeen is some 550 miles by road from London and over 7 hours by train. Travel by air to London and the UK hub airport is therefore disproportionately important to the North East of Scotland.

Aberdeen City and Shire is the world's eastern hemisphere centre for the oil and gas industry and is fast developing into an all energy centre including renewables. These are very international business sectors and as a result Aberdeen sees double the number of business travellers (at around 56%) than other Scottish Airports with a disproportionately high 22% of all Scotland to Heathrow traffic being from Aberdeen. This is due largely to interlining through Heathrow to global destinations.

Through this relationship with energy the North East of Scotland economy is a significant contributor to the UK economy with a GVA second only to Inner London. The future for this industry is further expansion into international markets building upon the region's world class leadership in sub sea technology and supply chain logistics. Central to this expansion is the ability to travel to/ from these global markets.

Nestrans welcomes the opportunity to contribute to this inquiry.

1. Air Passenger Duty:

- a) Does the level at which APD is levied, place the UK at a competitive disadvantage internationally?
- b) Please quantify the benefits and / or disadvantages, as you see them, resulting from the APD that is levied on passengers departing UK airports.
- c) Should the Treasury commission an independent analysis of the economic impacts of APD? If so, please provide more details about what you think such a piece of research should include / cover.

Taking these questions together there are three issues with respect to APD. Firstly there is the level at which this tax is applied. The Scottish Airports recently carried out a study into this issue and identified the detrimental impact that the UK levels of tax will have. The report estimates that Scottish Airports could see a reduction of 1.2 million passengers over the next three years with the possibility of a 5% reduction on longer haul flights. This could severely damage the economy. This study can be found at:

[http://www.aberdeenairport.com/static/Aberdeen/Downloads/PDF/APD\\_study-York\\_Aviation.pdf](http://www.aberdeenairport.com/static/Aberdeen/Downloads/PDF/APD_study-York_Aviation.pdf)

Secondly, Nestrans has argued that there should be consideration given to the geography of the UK and the transport projects designed to encourage use of more sustainable forms of transport. The Government (both in the UK and Scotland) are proposing to invest in a high speed rail system which will encourage train travel within the UK to Heathrow. This is supported but doesn't help the most peripheral regions where HSR won't reach due to costs and population density. Therefore for business travel to/ from our region, still a minimum 2 ½ hours from a high speed train should it reach central Scotland, aviation will continue to be the only viable option. We have therefore argued that APD for internal flights should be applied at a differential rate to reflect these differences within the country.

Thirdly we have argued that APD should be devolved to the Scottish Parliament to give that Government the opportunity to vary the tax to encourage more point to point flights rather than use of the overcrowded national hub.

## 2. Economic impact of the aviation sector:

- a) What are the constraints which inhibit the growth of the sector, and therefore its ability to help grow the economy?
- b) Should it be the role of the Government to manage aviation demand? (please expand)

Aberdeen City and Shire Economic Future (ACSEF) along with Aberdeen Airport commissioned a study to identify the economic impact that Aberdeen Airport has on the North East of Scotland economy. The energy industry in Aberdeen City and Shire supports 44,000 jobs and for Scottish users alone, the present value of journey time savings created by having the airport and its connections over the period of study would be between £859 million and £1.7 billion depending on assumed passenger behaviour. This study can be found at:

<http://acsef.org.uk/uploads/reports/27/Aberdeen%20Airport%20Economic%20Impact%20Final%20Report.pdf>

Nestrans, along with Hitrans (the statutory Regional Transport Partnership for the Highlands of Scotland), have commissioned a study to show the importance of air travel to/ from Heathrow for our more remote peripheral regions. This will shortly be published on the Nestrans website.

The Scottish Council for Development and Industry carried out a survey of businesses in the North East in relation to their view of air connectivity and its importance which was summarised into their submission to the UK Government on aviation policy. This can be found at:

[http://www.scdi.org.uk/pi/2011/Sustainable\\_Aviation\\_Framework.pdf](http://www.scdi.org.uk/pi/2011/Sustainable_Aviation_Framework.pdf)

The evidence in the preamble above and the studies listed highlights the importance of international business air travel to the North East economy and therefore the UK economy. The evidence gathered shows the many and diverse destinations reached by the businesses in our region, mainly into the oil and gas producing regions of the world. These business trips are part of a significant and growing internationalization of our economy. Whilst the numbers to the various destinations are relatively small the returns from these trips are a major part of the export drive of this country resulting in significant impacts on the economy. For example the supply chain businesses have an international turnover of £7.6 billion from a turnover in the industry of around £16.3 billion and an annual growth rate of 4.5%. (<http://www.scottish-enterprise.presscentre.com/Press-releases/Scottish-oil-gas-exports-increase-by-4-5-in-2010-11-4bf.aspx>) The biggest threat to this business growth is access to markets. Failure to ensure adequate access will result in the loss of businesses to overseas destinations.

Whilst there is great merit in increasing point to point travel the numbers travelling to the numerous destinations do suggest that travelling via the hub airport is the most advantageous solution for most destinations. Given the constraints on growth at the South East airports and the desire to increase connections to the developing world there is a place for Government policy to ensure that the more peripheral regions of the UK can still effectively connect to all parts of the globe served by the national hub.

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Chief Executives of Health Boards

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Clerks to Police Boards

Chief Fire Officers

Clerks to Fire Boards

Chief Executive of Scottish Enterprise

Chief Executive of Highlands and Islands Enterprise

Lead Officers of Regional Transport Partnerships

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COSLA

Copy to Community Planning Managers

10 May 2012

## **REVIEW OF COMMUNITY PLANNING AND SINGLE OUTCOME AGREEMENTS: UPDATE**

As you will know, the Scottish Government and COSLA have been jointly leading a review of Community Planning. This has focussed on revising and strengthening the current approach in the face of financial and other challenges to ensure that community planning partnerships are a cornerstone of the outcomes focussed and partnership based approach to public service reform in Scotland.

We would like to thank you for the contributions that CPPs have made to this process to date. This update is intended to help you interpret the changes that are intended, and to highlight the next steps that we will be taking to implement these.

The review produced a Statement of Ambition for Community Planning that was published on 15 March.<sup>1</sup> This sets out clear shared aspirations for Community Planning in the context of public service reform, and how the existing Community Planning/SOA framework needs to develop in order to meet those aspirations.

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<sup>1</sup> The Statement of Ambition can be accessed here: <http://www.scotland.gov.uk/Topics/Government/local-government/CP/soa>

## **Strengthening duties and accountability**

The Scottish Government and COSLA have now agreed three core proposals for implementing the Statement of Ambition. These proposals build on the existing duties of community planning partners and clarify the responsibilities of Community Planning Partnerships.

They comprise three key elements:

1. *Strengthening duties on individual partners through a new statutory duty on all relevant partners, (whether acting nationally, regionally or locally), to work together to improve outcomes for local communities through participation in community planning partnerships and the provision of resources to deliver the SOA.*

The aim is to maximise the contribution that public sector bodies make to the delivery of local outcomes and to sharpen partners' focus on that core purpose of community planning. Where it is agreed, (by local partners and/or in line with national guidance), that a partnership-based or integrated approach is required, contributing to community planning would become one of the activities that a body would be expected to deliver as part of its objectives.

These proposals will be implemented within the existing lines of accountability of partner organisations. For the avoidance of doubt, those existing lines of accountability, such as those of NHS Boards to Scottish Ministers, or a Council Leader to their Council, will not be changed. Rather, Scottish Ministers will use existing lines of accountability to hold appropriate individual partners to account for the effective discharge of the shared duty.

2. *Placing formal requirements on Community Planning Partnerships by augmenting the existing statutory framework to ensure that collaboration in the delivery of local priority outcomes via Community Planning and the SOA is not optional and is made as effective as possible.*

Complementing the duty on partners themselves, these proposals are intended to give CPPs clarity about their role and functions as Boards, enable each CPP to undertake effective planning and resourcing of local priority outcomes through its SOA, and allow it to satisfy itself that it has the right delivery mechanisms and resource allocations in place.

The proposals also recognise that the autonomy of CPPs and the flexibility they afford local partners to assess local needs, engage with communities and build relationships is fundamental to the success of community planning. CPPs will therefore continue to have flexibility to decide how best to organise themselves in order to deliver improved outcomes. Similarly, national bodies and local partners will have flexibility to determine how to deliver improved outcomes that require a partnership-based or integrated approach. The new health and social care partnerships, for example, will take forward the integration of adult health and social care within a specific framework of governance and accountability designed for this purpose.

The intention is to address the type of formal requirements needed for CPPs to operate with joint and collective accountability at a local level, and to deliver effectively. That does not mean that CPPs will have to be legally constituted bodies. They will not employ staff or hold budgets, and decisions about resources will remain a matter for individual partners. However, where a partnership-based or integrated approach is required, the CPP will be

expected to ensure that the development of robust and appropriately resourced plans and delivery arrangements for agreed outcomes are in place, and to exercise appropriate oversight over these.

### *3. Establishment of a joint group at national level to provide strategic leadership and guidance to CPPs.*

We anticipate that effective national arrangements will make a vital contribution to the overall effectiveness of CPPs and SOAs at local level. They will do this by providing strategic leadership and guardianship of the process, by mobilising resources and expertise for its development, and by setting expectations and finding appropriate balances between local and national priorities in the content of SOAs.

We therefore envisage the establishment of stronger national arrangements through a new board or group with a remit to develop and communicate the overarching vision for community planning and SOAs and to oversee tasks such as the development of guidance; the interface with the wider public service reform agenda; building skills and capacity to support improvement, and the framework for SOA reporting.

CPPs will not be formally accountable to the new national group, nor would these arrangements restrict the focus on localities which is properly delivered through CPPs. However, such arrangements are intended to help focus the efforts of relevant partners consistently and over time in relation to agreed national priorities such as early years; health inequalities; youth unemployment; economic growth and stronger and safer communities.

The membership of the new group has yet to be decided but it will draw together the range of community planning partners required to give leadership to the agenda, including politically elected and politically appointed members.

### **Next Steps and Transition Arrangements**

Further work is required to determine the precise scope of these arrangements and an implementation plan will now be put in place. The detailed considerations that will inform this process will be informed by a programme of evidence gathering and will require appropriate scrutiny and agreement through the usual decision making channels within Scottish Government and COSLA.

That activity will be developed in a number of ways:

#### New SOAs

Although we know from survey work conducted by the Improvement Service that many of these changes complement and reinforce the work already being undertaken within CPPs to review and refresh their SOAs in line with existing guidance, we also understand that embedding the new arrangements will require a preparatory period.

Whilst it is important to move forward quickly, it is also essential that we engage in proper discussion and debate to prepare the ground for implementation. In particular, the reshaping of SOAs will require new guidance and this will be an early focus for new national oversight arrangements. We therefore anticipate refreshed guidance being available in autumn 2012 to inform a new set of SOAs to be in place for April 2013.

CPPs are already refreshing their SOAs in the light of existing guidance, (including the Scottish Government's letter of 26 October 2011 on SOA reporting), and the forthcoming formation of new council administrations. The Scottish Government will continue to work with CPPs on these plans through Location Directors.

### Legislation

Many of these changes can be introduced without legislation. However, some of the changes will require legislation and formal consultation around specific recommendations. Initial consultation on these will begin as soon as possible.

### Capacity Building and Scrutiny

Partnerships will need to be properly resourced and supported if they are to continue to address the challenging demands described in the statement of ambition and above. All relevant local partners have responsibilities here. In partnership with CPPs, the new national group will also oversee and facilitate wider projects to enhance collaborative working and put in place appropriate knowledge and skills across a range of key areas.

The local government Improvement Service is also working in partnership with other improvement agencies and with Scottish Government to build the collective contribution that those agencies can offer to this process.

A key element in this capacity building activity will be the implementation of new arrangements for scrutiny of CPPs which are being developed by the Accounts Commission. This new scrutiny regime, a key element in supporting CPPs build capacity and effectiveness, will complement wider developments in scrutiny and will not duplicate existing approaches. Further details of the emerging proposals will be made available shortly.

### **Link to other Reforms**

The Review identified the need to work through how community planning feeds into and supports wider aspects of the reform agenda, particularly the integration of adult health and social care services and the establishment of single police and fire services. As noted above, national bodies and local partners will have flexibility to determine how to deliver improved outcomes that require a partnership-based or integrated approach. The new health and social care partnerships, for example, will take forward the integration of services within a specific framework of governance and accountability designed for this purpose. Whatever specific arrangements are developed, each CPP will provide a focal point for all relevant partners to ensure a strategic overview of initiatives and resources, and to consider whether connectivity across (and where appropriate, within) partnerships is as effective as it should be and that opportunities for collaboration are fully exploited across the locality and within specific communities.

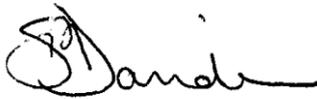
### **Conclusion**

We hope that this update has been helpful in setting out where we have reached with the review of Community Planning and SOAs and how we propose to proceed. There are many questions to be answered and complex issues to be addressed as this work develops. However, the Scottish Government and COSLA Leaders are clear that these changes are required as part of the public service reform agenda and are determined to ensure, in partnership with CPPs and their constituent partners, that the framework of community planning and single outcome agreements remains a central and effective part of the response to these challenges. Location Directors; COSLA; the relevant professional associations; Scottish

Government sponsor teams and the policy team within the Scottish Government's Local Government Division will of course remain in touch with you.

Finally, we very much welcome your contribution to the review and would encourage you to remain closely involved in shaping the plans. As part of that process, COSLA and the Scottish Government have agreed that a joint leadership event, bringing together relevant Scottish Government Cabinet Secretaries and Ministers, new Council Leaders and relevant appointed chairs of public bodies should take place on 12<sup>th</sup> June, in order to take stock of developments and agree how best to lead their implementation in practice. Formal invitations to that event will follow very shortly.

Should you have any questions in the meantime, then of course please get in touch.



**SARAH DAVIDSON**



**RORY MAIR**

**Air Links to London from the North of Scotland  
Report for Hitrans & Nestrans  
By MVA Consultancy in association with Northpoint Aviation**

**An extract from the Executive Summary**

HITRANS and Nestrans have major concerns about the prospects for retaining high quality air links to London in the medium to long term, if the Government maintains its agreed policy stance of not supporting the development of any new runways in the South East of England. In the increasingly constrained capacity environment that would result from this slots at the UK's two most important gateway airports, Heathrow and Gatwick (LHR and LGW), would be at a premium. Those currently used by domestic services would be under severe pressure from airlines seeking slots for new long haul services that offer the prospect of higher margins.

With this in mind, and given the importance of existing air links to LGW and LHR to their respective regional economies, HITRANS and Nestrans commissioned MVA and Northpoint Aviation Services to prepare an 'evidence based' case for the retention, and in HITRANS case expansion, of services to these gateways from Aberdeen and Inverness. Based on detailed analysis of current schedules and markets for air travel between London and the North of Scotland and an assessment of the role of such connectivity for the principal economic sectors in the North of Scotland, this 'Evidence Note' forms HITRANS and Nestrans response to the Department for Transport's consultation on its 'Sustainable Aviation Framework for the UK' to be published in June 2012.

**Inverness**

In the case of Inverness the principal arguments which make retention of the existing core services to London Gatwick essential are:

- The absence of any viable surface transport alternatives (travel times are between eight-10 hours by rail or road) to London, the UK's capital city and global business centre, a problem that will continue to exist even if HS2 is eventually extended to southern Scotland;
- Gatwick dominates the point-to-point aviation market between London and the Highlands, both in terms of the scale and consistency of volumes it attracts and the share of its market (28%), which is business orientated;
- The important, though sub-optimal when compared to Heathrow, opportunity it offers for interlining traffic (which makes up 20% of the total of 220-240,000 passengers pa), despite the relatively poor onward connectivity it offers;
- Gatwick's provision to Highland employers of an air travel gateway to London and wider international markets for outward facing and exporting sectors in the region (eg Whisky, Optical and Medical Equipment Manufacture and the Energy Sector), and also ready access to specialist external expertise which growth sectors such as life sciences need to help grow their businesses;
- The inadequacy of other London airports (such as Stansted, Luton and London City) as an alternative to Gatwick because of their more limited and leisure orientated connectivity, longer access into the heart of London and in City's Airport's case, the operational restrictions and expensive charges it levies on airlines; and
- The strategic importance of not having to rely solely on foreign hubs for global connectivity and the difficulty of expanding the new Amsterdam link to a sufficient level of frequency to

make it a genuine alternative because lacks an underlying point-to-point market on the scale available to the London market.

Notwithstanding which, the case for re-introducing flights to Heathrow in parallel are also strong, not least because of:

- The inconvenience and economic inefficiency of up to 60,000 outbound passengers from the Highlands and Islands, being forced to make surface journeys of 3.0-3.5 hours to a Lowland Scottish airport to secure access to global connectivity via a hub;
- The disincentive too many inbound visitors to the Highlands of having to make similar surface journeys from a Lowland Scottish airport, or travel between London Airports, to access the Highlands, creating significant barriers to attracting additional international tourists and increasing their average length of stay and spend; and
- The fact Heathrow continues to dominate airfreight exports from the UK, making access to this form of distribution system sub-optimal for Highland based firms in the absence of service to the UK's primary air cargo hub. This is particularly significant for the high value seafood export markets that local firms would like to access, because in 2011 Heathrow accounted for 95% of UK long haul seafood exports by air.

The arrival of Inverness's new Amsterdam service, does not solve the ongoing problems of access to global connectivity caused by the lack of air services between Inverness and Heathrow, not least because the single daily frequency it offers remains far from ideal for onward connectivity. Re-introducing morning and evening services to Heathrow would not only capture leaking traffic and stimulate the overall air market between the North of Scotland and London it would also provide far better global connectivity particularly to the North American market that is so important for businesses and the tourism industry within the Highlands.

## Aberdeen

In the case of Aberdeen, arguments based on the absence of viable surface alternatives, the inconvenience of the Scottish Lowland airports, the inadequacy of other London and regional airports as hubs and the need for good overseas access for Aberdeen and Grampian Region's principal economic sectors are common to those associated with Inverness and the Highlands. But Aberdeen's case, there is also compelling evidence highlighting the essential role of existing links to Heathrow and the frequency of services to it from Aberdeen. This is not only because of:

- The high proportion of business traffic (around 55%) that Aberdeen to Heathrow services cater for, more than double that of other Scottish Airports; and
- the unusually high onward connectivity quotient it offers. It is also because of:
- Its primacy in the high value North American long-haul market; and
- its ability to offer good quality access to several major oil producing regions, more than any of its competitor hubs in Europe to which Aberdeen is already, though much less well, linked.

In many ways, Aberdeen Airport offers an archetypal example of the kind of 'network' solution the CAA is advocating for regional air access, whilst its economy exemplifies the kind of privately driven, high skill, high value and export focused approach which the Government is seeking to foster. With an economy dominated by the oil and gas sector, but seeking to diversify into 'new' sectors such as life sciences, and renewable energy, whilst increasing the international market for its tourism offer, geography makes high quality air 'connectivity'

essential to the functioning of what currently is one of the most prosperous part of the UK and a major source of exports and tax revenues for UK plc. This requirement cannot be met adequately by reliance on foreign hubs or regional hubs elsewhere in the UK; continued high frequency access to Heathrow is demonstrably the key to maintaining access both to London, the number one World City, and to the wider global economy.

Analysis of the impact of cannibalisation of Heathrow slots on the point-to-point market to London, demonstrates the material impact continuation of laissez-faire policies will have on Aberdeen's economy. And that is before the deleterious affects reduced hub-connectivity that diminution of access to Heathrow from Aberdeen will have on:

- Access to global markets for one of the UK's most important economic sectors;
- One of the few regional economic hotspots outside the South East of England; and
- On the Government's own future revenue streams, given that according to Oil and GasUK, production from the UKCS in 2008 contributed £12.9 billion in corporate taxes, 28% of total corporation taxes received by the Exchequer.

### **A Proportionate Policy Response**

There is, therefore, the need for DfT and Whitehall more generally to recognise the importance of maintaining, or even improving either in:

- Supporting new runway capacity in the South East – ideally at Heathrow, but failing that at Gatwick or a new Thames hub airport and of facilitating regional access to it; or
- If no new runways are permitted – by pro-actively intervening in the existing slot market to iron out market distortions its own policies have potentially created for crucial regional air links to London such as those to Aberdeen.

Collectively, the regions making up the North of Scotland, alongside their counterparts in the far South West England and Northern Ireland, have a strong claim for a measure of prioritisation within the regional air access component of the Government's forthcoming aviation policy framework. This is because:

- High-speed rail will provide considerably improved access to London, and prospectively Heathrow or a new hub airport in the Thames, for all English regions except the far South West of England;
- HS2 will particularly benefit the Midlands and North of England and electrification of the Great Western Mainline could materially cut journey times from Bristol and South Wales; and
- These schemes, will draw heavily on the Exchequer for their funding and therefore will be contributed to by taxpayers across the UK, including those in peripheral regions such as the North of Scotland for whom there will be little or no benefit.

In recognition of this and the duty Government has to provide adequate transport access and socio-economic connectivity, both within the UK and internationally, to all its citizens, HITRANS and Nestrans believe the UK Government should be willing to accept a small amount of prioritisation at the UK's hub airport and at Gatwick in order to guarantee fair and equitable treatment in terms of connectivity and market access for those living in more peripheral regions.

Such a policy does not require subsidy; the routes themselves are commercially viable. It therefore provides a well-targeted and low cost solution to the important problem of

geographical remoteness, which the population and economies of peripheral regions such as Aberdeen and the Highlands face.

### Proposed Slot Reservations for the UK's Most Peripheral Regions

Airport	Heathrow		Gatwick	
	Current	Proposed	Current	Proposed
Aberdeen	11	11	4-5	5
Inverness	0	2	4-5	5
Belfast	9-10	10	9	10
<b>Total</b>	<b>20-21</b>	<b>23</b>	<b>17-19</b>	<b>20</b>

If for example, the slot reservations set out in the Table above, were to be made at Heathrow and Gatwick for the UK's four most peripheral regions, the total claim on the slot portfolio at the two airports would be:

- Heathrow: 9,125 pairs of slots per annum, or 3.8-3.9% of currently available annual capacity (470,000 ATMs); and
- Gatwick: 8,395 pairs of slots per annum, or 6.3% of currently available annual capacity (265,000 ATM's).

The North of Scotland's share of that would be around half (ie 1.9% and 3% respectively). This amounts to a very small policy intervention for maintaining viable transport connectivity between all parts of the Union and between the UK's peripheral regions and the wider world.

In this context, the Evidence Note also highlights that even though there are already high frequency High Speed Train (HST) services to Brussels and Paris from London offering attractive travel times for point-to-point journeys between these cities, air services on these routes still absorb 372 slots per week (or over 50 per day) at Heathrow alone, 10 times more than the extra slots needed to meet the service levels for UK peripheral regions proposed above.

Imposing some form of modest route based frequency cap on these routes, or others such as Amsterdam and Dusseldorf which should be reachable from London by HST within three-four hours, in conjunction with appropriate changes to the Government's regional air access guidelines and the slot allocation rules appertaining at Heathrow and Gatwick, would seem the most easily achievable, and least disruptive way of generating the small supply of additional slots required to meet the needs of the UK's most peripheral regions, while protecting those which already exist. As such, it represents in our view a proportionate policy response to what for the regions concerned is a critical infrastructural and economic issue and one which should also be of strategic importance to the UK as a whole.