

ABERDEEN INTERNATIONAL AIRPORT CONSULTATIVE COMMITTEE



ANNUAL REPORT 2017

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Chairman's Introduction



This is the fourth formal annual report of the Aberdeen International Airport Consultative Committee (AIACC). Every UK airport of any size is required under civil aviation legislation to provide an appropriate mechanism for consultation on its activities with representatives of the communities most affected by its activities. In practice, this requirement is universally discharged by setting up an airport consultative committee (ACC) that meets local needs.

The Aberdeen Committee has a history spanning more than 60 years, from when it was first established in 1953 at the request of the government of the day. The airport's operations have grown exponentially since then and the airport continues to make an invaluable contribution to the economy of the north east of Scotland.

We believe it is vitally important that we publish a summary of our work over the previous year. We pride ourselves on being one of the more proactive airport consultative committees in the UK. On the one hand, we seek to influence the operation of the airport for the wider benefit of all our stakeholders, including the local communities affected by the business. On the other, we have gained a reputation at UK and Scottish government level for making time to submit considered responses to a whole range of consultation documents affecting aviation strategy and practice. We are never more pleased than when we can see our views taken into account in government decision making.

This report summarises our activities during 2017 and assesses the influence we have been able to bring on issues relating to aviation at the UK level as well as on matters at a more local level. We trust that you will find the contents of this report of interest.

Peter Smart
CHAIRMAN

March 2018

Section 1: Why do we have an airport consultative committee?

There are about 50 airports and airfields in the UK that are required under civil aviation law to consult with local stakeholder interests on their activities. This includes all the major airports offering scheduled passenger flights, as well as some of the larger general aviation aerodromes. It is the statutory responsibility of the airport operator to set up and maintain the consultative arrangement. Although there is no specified format that consultation should take, in practice all the main airports discharge their responsibility through an airport consultative committee.

There is no prescribed structure for the way in which Consultative Committees work, although there are extensive Department for Transport guidelinesⁱ setting out recommendations of best practice for the conduct of ACCs. The guidelines suggest the types of issues Committees might wish to consider and the range of organisations that might constitute their membership. Ultimately, though, the constitution, membership, frequency of meetings and workload of each ACC is determined by the committee itself: there is no 'one size fits all' approach.

In the case of AIACC, we operate under our Constitution, which was last amended in 2014, in response to the latest DfT guidelines, and is published on our website.

Features of the AIACC

The AIACC has three important features. First, we are, as our name implies, 'consultative'. This means we have no executive powers within the management structure for the operation of the airport. But we expect to be consulted by the operator on any issues that might impact on the quality of life of local communities or the economic development of the north east of Scotland.

We are also kept up-to-date on the progress of and challenges facing the airport by the Managing Director's quarterly presentation.

Second, we are independent of the airport management, although the Managing Director (MD) has a major role to play in presenting reports and advising on issues under discussion. The Chair sets the agenda for each meeting, in consultation with the MD, and the stakeholder organisations appoint their own representatives. The only members who are directly appointed by the airport management are the Chair and the passenger representatives (including a representative of passengers with special needs).

Third, we have a vital role in reflecting to management the views of stakeholders in relation to everything from noise management to the interests of passengers with special needs.

We met on four occasions during 2017 and copies of our agendas and minutes and other relevant documents are available on our website.

Section 2: Who is on the Consultative Committee?

Our membership is set out in our Constitution. There are four main clusters of members: local authority and community representatives, local business, economic development and trade organisations, aviation and travel management interests, and passenger interests.

local authority and community representatives

It is essential that the communities most affected by the operation of the airport are represented on the AIACC. This representative role is discharged by elected representatives from the City and Shire Councils.

Aberdeen City Council has four seats and Aberdeenshire Council has three. In addition, the Dyce and Stoneywood, and Newhills and Bucksburn, Community Councils, each has one seat.

The local authorities and the community councils appoint their representatives to the Committee.

local business, economic development and trade organisations

It is vital for the Committee to include representatives of organisations involved in economic development, the promotion of trade and commerce and the development of public transport strategy within the region.

These include the Aberdeen and Grampian Chamber of Commerce, Oil and Gas UK, the North East Scotland Transport Partnership (NESTRANS) and the Scottish Council Development and Industry (SCDI), each of which has one seat on the Committee.

aviation and travel management interests

The Airport Operators' Committee, the Association of British Travel Agents/Scottish Passenger Agents' Association (ABTA/SPAA), the Helicopter Operators and NATS bring the professional knowledge of diverse aviation interests and customer preferences in terms of air services from Aberdeen.

passenger interests

Ultimately, the customer for aviation services from the airport is the passenger. We have provision for two passenger representatives along with one representative of passengers with special needs, both apparent and hidden.

Current membership

A full list of current members is set out on page 5.

ABERDEEN INTERNATIONAL AIRPORT CONSULTATIVE COMMITTEE

Membership of the Consultative Committee during 2017

Chairman – independent of all other stakeholder interests

Dr Peter Smart

Aberdeen City Council

CLlr Barney Crockett
CLlr Graeme Lawrence (to May 2017)
CLlr Avril Mackenzie (from May 2017)
CLlr Neil MacGregor
CLlr Gill Samarai

Aberdeenshire Council

CLlr Geva Blackett
CLlr John Cox
CLlr Michael Roy

Dyce and Stoneywood Community Council

Dr William Harrison

Newhills and Bucksburn Community Council

Mr Michael Baker

Aberdeen and Grampian Chamber of Commerce

Mr James Bream

Association of British Travel Agents/ Scottish Passenger Agents' Association

Mr Gary Hance (vice-chairman of the Committee)

Airport Operators' Committee

Ms Phyllis Stuart

British Helicopter Operators' Association

Mr Adrian Thomas (to June 2017)
Mr Robert Dyas (from September 2017)

National Air Traffic Services (NATS)

Mr John Millar

NESTRANS

Mr Eddie Anderson

Scottish Council Development and Industry

Mr Ian Armstrong

UK Oil and Gas

Currently vacant

Passenger Representatives

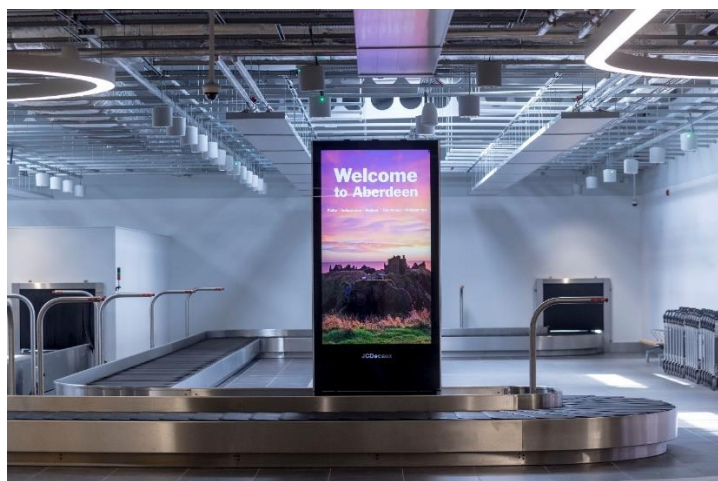
Mr Jeremy Wood
One vacancy

Representative of passengers requiring special assistance

One vacancy

In attendance

Ms Carol Benzie, Managing Director, Aberdeen International Airport



Section 3: What do we do?

In providing the following overview of the work of the Committee, it is important to stress that, in common with all airport consultative committees, we are, as our name says, 'consultative'. We have no executive powers as a Committee, but we hope that our opinions are persuasive to decision-making by the airport management, and that our views are taken as those of a 'critical friend'. When we seek to express a considered view, for example, in response to a government or similar consultation, we are normally successful in achieving consensus through amicable discussion. All members of the Committee, including substitute members, are required to sign a 'non-disclosure agreement', under which they guarantee not to disclose any matters that have been discussed that are commercially confidential or sensitive, or that would otherwise be embargoed from the press and the public.

There is no statutory obligation on ACCs to prepare an annual report, but we felt in 2014 that this would be an important extension of the ways in which we communicate, and raise our profile, with stakeholders and the general public.

Recurring items

There are a number of standard items on our agendas, as follows.

Managing Director's quarterly report

Each quarter, the Managing Director of Aberdeen International Airport Limited provides us with a detailed presentation on the operation of the airport, including passenger figures; route developments; complaints, compliments and questions raised by passengers; and the extent to which the airport is meeting the strict targets that it has set for itself. More recently, the MD has also kept the Committee apprised of progress on the redevelopment of the terminal building to cope with anticipated passenger numbers to 2045.

In our report for 2016, we reported how the drop in global oil and gas prices continued to impact adversely on passenger numbers using the airport, affecting both helicopter and fixed wing services.

Fortunately, during 2017 there were signs of passenger numbers returning towards previous levels on domestic and international services operated by fixed wing aircraft. Recently introduced leisure routes operated by Ryanair to Mediterranean destinations, in response to local demand, have shown excellent load factors.

On the other hand, the number of helicopter movements continued to be down throughout the year, reflecting changes in staffing practices by energy companies. This has had a knock-on effect on some UK domestic routes used by energy employees to get to Aberdeen from their home airports.

We noted that the airport management continue aggressively to seek new routes in response to local demand.

Recurring items (continued)

Noise reporting

The Committee takes the issue of noise generated by ground running of aircraft engines and by overflying residential areas very seriously. Each quarter, the MD submits a report on noise-related complaints from the general public, as part of the airport's Noise Action Plan. As in recent years, the level of complaints has been relatively static at about 3 to 5 a month.

The majority of complaints about overflying arise because the complainant does not appreciate that every aircraft, whether fixed wing or rotary (helicopter) has to follow very clearly defined 'highways' in the sky. There is no room for these lines to be varied to avoid over-flying a specific property.

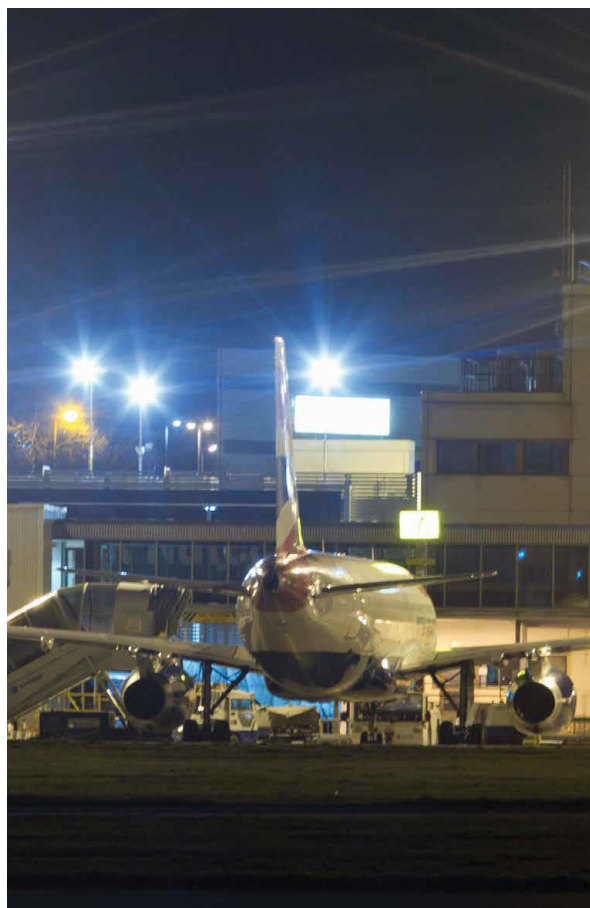
We are concerned that some complaints are being received from occupants of some of the new housing developments to the east of the airfield.

We would prefer that at the planning stage, the existence of the airport and the line of approach paths are taken into consideration before permission is granted, and that at the marketing stage developers make prospective purchasers aware of the possibility of aircraft noise.

We are encouraged that all noise complaints are responded to speedily and, where possible, with an explanation of the facts surrounding the events that gave rise to the complaint.

We know also that airport management and NATS Aberdeen are prepared to engage with complainants where a meeting will lead to a greater understanding of why aircraft approaching Aberdeen fly where they do.

The airport's website has created informative pages about noise management and mitigation (see <https://www.aberdeenairport.com/about-us/community-matters/noise/>), including answers to many of the most frequently asked questions about noise.



British Airways' Airbus
on stand for the night

Recurring items (continued)

Chairman's quarterly report

The Chairman provides a quarterly briefing on any activities or events that he has attended on behalf of the Committee.

In June 2017, he attended the annual meeting of the Liaison Group of UK ACCs, hosted by Glasgow Airport. The annual meeting offers the chairs of ACCs of the 23 largest airports in the UK a chance to network and discuss issues of common interest.

Items on the agenda of the annual meeting included aviation noise controls, changes in airspace management, the interests of special needs passengers and the impact of the UK government decision that the additional runway in the south east of England should be located at Heathrow.

Then, as Chairman of the UKACC's Working Group, which discharges UKACC's work between annual meetings, he chaired one meeting of the Group in February 2017 and attended a day of meetings hosted by the Department for Transport (DfT) and the CAA in October.

UKACCs is funded by a modest subscription paid by member airports, with airports with smaller passenger numbers paying substantially less than the large hub airports. UKACC's total budget in 2017 was about £14,000, which pays for the support of a small part-time secretariat and other related costs.



An international line-up awaiting the first departures of the day

Recurring items (continued)

The terminal transformation project

This of course is an item of continuing great interest to the Committee. We have naturally watched with interest as the airport's terminal transformation project has progressed over the past two years.

We were offered a chance to visit the new Northern Lights executive lounge, in the two storey extension of the terminal building, shortly after it opened its doors to passengers. We were impressed with the design and furnishing of the Lounge and by the standard of catering offered to customers, the local menus inspired by 'the kilted chef', Craig Wilson, and the 'whisky wall'. We also noted the expansive views of the runway from the Lounge's windows.

The international arrivals area is substantially larger than the previous facility, with more space for immigration and a much enlarged baggage reclaim belt and area. At our December 2017 meeting, the head of UK Border Force for Aberdeen told the Committee that her staff, as well as colleagues from other locations, are impressed with the new area, which is able to handle several international arrivals at more or less the same time.

Royal opening of the new extension

The £20 million extension was formally opened by HRH the Duchess of Rothesay on 4 October 2017. During her visit she met airport workers, contractors and members of the local business community, including Gary Hance, our vice chairman on behalf of the Committee.



HRH The Duchess of Rothesay officially opens the new extension
4 October 2017

The terminal transformation project (continued)

The project continues

By the time you read our annual report for 2018, the second phase of the terminal transformation should be completed and fully operational (scheduled for June 2018). This phase includes the enlargement and re-arrangement of the central security area, designed to handle up to 4.5 million passengers a year (compared with the current throughput of just over 3 million) and a remodelled retail area.

The final phase will include a new food hub and additional seating for passengers airside and is scheduled for completion during 2019.



Other moments from the Royal visit

Recurring items (continued)

Assistance to passengers with special needs

In our report for 2016, we reported on the implementation of new EU regulations in relation to the provision of services to passengers with special needs by airports and airlines. One aspect of implementation was the introduction by the CAA of an annual report and rating scheme comparing the performance of individual airports in providing services to special needs passengers.

We receive a regular update on the performance of services provided by AIA to passengers with special needs, both apparent (for example, ambulatory impairment) and 'hidden' (such as autism or dementia).

We noted with pleasure that in 2017, the CAA's rating of services provided by the airport and G4S, their service supplier, was 'Good' and hope that the rating will rise to 'Very Good' (the highest level) in 2018.



View across the airfield from the Northern Lights lounge

Government and other related consultations

Aberdeen International Airport Consultative Committee continues to be amongst the most proactive UK consultative committees in responding to government, CAA and other related consultations. Whenever possible, we take the opportunity to remind these bodies of the needs of the more peripheral regions of the UK. During 2017, the main consultations on which we observed were as follows.

A Scottish replacement for Air Passenger Duty (APD)

We recorded in our annual report for 2016 that the Scottish government laid the Air Departure Tax (Scotland) Bill before parliament on 19 December 2016. The aim of the Bill was to enable the Scottish government to take over APD from the UK government from April 2018 and to permit changes in the rates of airport departure tax (or ADT as the new tax was to be known) under secondary legislation.

During 2017, we wrote to Humza Yusaf MSP, Scottish Minister for Transport and the Islands, expressing concern at what we saw as the lack of a level playing field in the proposed ADT scheme between Aberdeen and Inverness airports. All flights from Aberdeen have been subject to APD since its introduction, whereas all flights from Inverness have always been exempt from APD, based on the relevant remoteness of all highland and island airports and the size of its catchment area. However, we felt that, with the growth of services from Inverness to London and other UK provincial destinations, and Amsterdam, there should be parity of treatment between Aberdeen and Inverness in relation to flights to destinations outside the highlands and islands exemption area.

The Minister responded that in the Scottish government's point of view, Inverness should continue to have full exemption because of the sparsely populated area that it serves.

The Minister also referred to the requirement of the EU on the Scottish government to seek approval to the transfer of exemptions from UK APD to Scottish ADT, and indicated that no action would be taken to transfer the APD powers to Scotland until this situation had been resolved.

Air space change process

We reported in our annual report for 2016 on the CAA review and consultation on the process that airports and other stakeholders, such as air traffic control, are required to follow when they seek to make changes to the use of air space, such as proposals to change flight paths on the approach to, and take off from, UK airports.

After a period of delay in publication of the revised process, the new guidance was issued at the end of 2017 for implementation during January 2018. Air space change proposals can be controversial and therefore the new guidance stresses the need for consultation by the promoter of the change with all affected parties.

The new guidance includes specific points in the process where the CAA foresees a role for ACCs, particularly in facilitating the consultation process. The Committee will review the new provisions during 2018, although we shall only need to take action if the airport or any other relevant party proposes to make changes to the use of airspace in the Aberdeen area, and none is foreseen at the moment.

Government and related consultations (continued)

A draft National Policy Statement on aviation

In the spring of 2017, the UK government issued a draft National Policy Statement (NPS) on runway capacity and infrastructure at airports in the south east of England.

Once approved, the NPS will be the policy under which the UK government will confirm the proposal to build an additional runway at Heathrow (the so-called 'North West runway'). In our response to the consultation, we welcomed the focus within the draft NPS on connectivity into and through Heathrow, and the benefit that an additional runway will offer for services from an increased number of UK provincial airports. It appears that the operators of Heathrow have acknowledged the importance of connectivity.

In the autumn, the government issued a further, revised, consultation but the Committee concluded that we had said all we wished to in response to the first round.

'Beyond the Horizon': Consultation on a new aviation strategy for the UK

During 2017, the UK government started a multi-stage process of consultation towards the development of a new aviation strategy for the UK. The first stage, to which the Committee responded, covered a wide range of topics in a fairly general way.

The Committee responded to this consultation, stressing a number of points, including:

- that whilst we supported the need to give due consideration to aviation-related noise in any new strategy, the

- that a critical balance was required between the interests of people living close to the UK's major airports and the importance of aviation to the sustained economic development of the country;
- that even before the construction of any additional runway capacity in the south east of England, the needs of the further regions of the UK for connectivity to the rest of the world for business purposes should be met by some form of ring-fencing of slots at the UK's major airports for UK domestic feeder services.

The second stage of the consultation process, including six subject specific papers, including the consumer interests in aviation, and aviation noise, was due to be launched in the autumn. However, this timetable has slipped and the Department for Transport are now proposing to issue these papers from May 2018 onwards.

DfT Consultation on the Safe Use of Drones in the UK

We submitted a response in summer 2016 to the DfT consultation on the safe use of drones, following wide-spread expressions of concern regarding the conflict of drones and aviation. In our response we confirmed that we were encouraged at the UK government's attempts to address the issue.

In our discussion on this item, we were advised that commercial drone operators in the Aberdeen area demonstrated rigorous attention to safety, but that there was concern that some amateur operators of drones for leisure purposes paid less attention to safety. We have since noted with pleasure that the government and CAA

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primary consideration must be the safety of aspects of aviation;

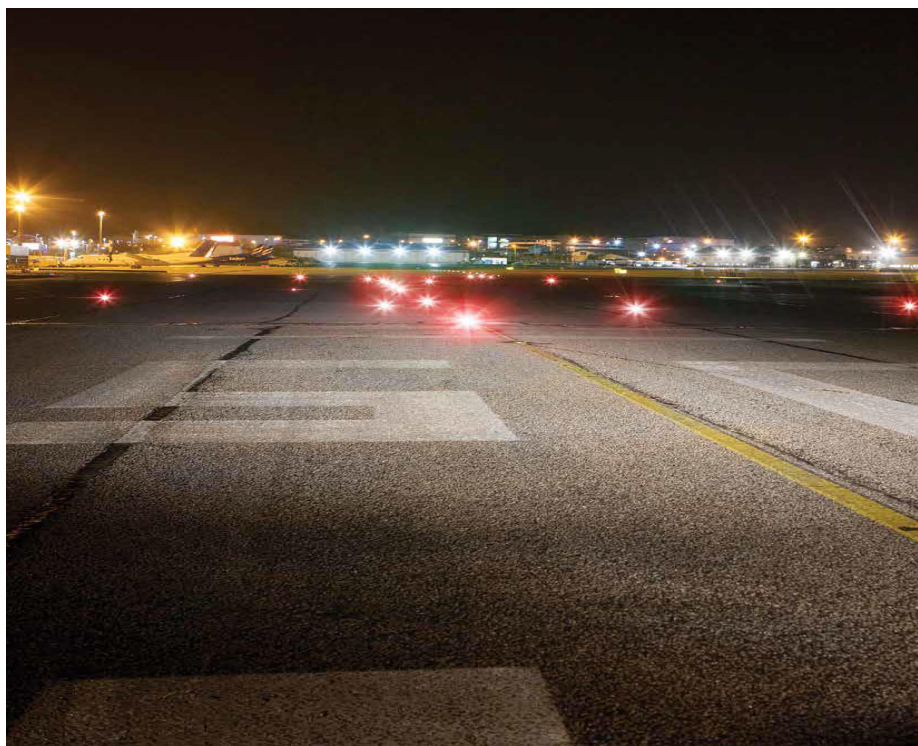
are making progress towards the better control of drones.

Government and related consultations (continued)

CAA Consultation on Aviation Noise Impacts

In September 2017, the Committee noted that the CAA had launched an on-line public survey on people's perceptions of aviation noise. The survey was quite simplistic in nature and was available for anyone to complete. It was agreed that the Community Councils represented on the AIACC were best placed to bring this survey to the attention of residents and other community councils.

At our December 2017 meeting we received an interim report from CAA which highlighted the fact that almost all respondents were from London and the south east of England, together with a number from the catchment areas of airports undergoing air space change consultations. There was also a cluster of responses from people complaining about helicopter noise in the London area, which appeared to relate to the activities of police helicopters and air ambulances. There had been no responses from the Aberdeen catchment area.



Other items:

In addition to the various items already referred to, the Committee considered a range of miscellaneous items during 2017, some of a national nature and some of a more domestic nature.

BREXIT

The Committee has been concerned at the continuing lack of clarity on the impact that BREXIT will have on air services after March 2019, particularly between the UK and its 27 former EU partners, bearing in mind the importance of interlining services from Aberdeen to the rest of the world via European hubs such as Amsterdam, Dublin and Paris, and on the leisure routes that have been developed over the past two years.

We considered a paper in which the DfT summarised the factual position relating to air service agreements, prepared specifically for ACCs, and another, prepared for the Gatwick ACC, which extended to issues surrounding border control, customs and APD.

We look forward to greater clarity being forthcoming during 2018, in the hope that no BREXIT-related decisions put these air services in jeopardy.

DfT and CAA COMMUNITY DISCUSSION FORUMS

The chairman reported on his attendance at meetings of the recently established DfT aviation noise and environment group (ANEG) and the CAA Community Discussion Forum, in October 2017.

We supported the new commitment to consultation with 'communities' by both the DfT and the CAA. However, we also heard the chairman's reservations that the so-called 'communities' that had the single largest number of seats on the groups were all south east of England centric, that three of the four were effectively single airport, single issue organisations; and one of these three appeared to be largely a self-appointed lobby group. By comparison, ACCs were allowed one seat to represent the ACCs of the 23 largest airports in the UK, despite their legal status and representing communities across the UK.

Cancellation of bus service 80

On a more domestic level, the Committee expressed concern at the termination of bus service number 80, which provided a regular link between Dyce railway station and the AIA terminal building. It was explained that the service was withdrawn due to extremely low passenger numbers which regrettably did not present a viable demand for the service at that time.

Section 4: The internal affairs of the Committee

From time to time we are also required to consider matters related to the internal affairs of the Committee.

Membership of the Committee

We said farewell to two members of the Committee during the year.

The first, in May, was former councillor Graeme Lawrence, following the local government elections. Graeme was a regular attender and contributor to discussion at meetings during his term of office as a councillor.

The second was Adrian Thomas, who had represented the UK Helicopter Operators' Association for 'more years than I can remember', to quote his words. Adrian, who was Vice Chairman of the Committee, brought to the table an encyclopaedic knowledge of almost everything to do with aviation, having been a fixed wing and helicopter pilot. Adrian retired from the Committee as he and his wife relocated south.

We have welcomed Cllr Avril Mackenzie as Graeme's replacement on the Committee, and Robert Dyas of Babcock International's helicopter division as Adrian's.

In addition, Gary Hance, the ABTA/SPAA representative on the Committee was appointed Vice Chairman to replace Adrian.

Draft revised Constitution for AIACC

The Committee approved a revised Constitution which was implemented from our December 2017 meeting. A copy of the Constitution may be found on the Committee's website.

Agendas and minutes of the AIACC

The agenda for each meeting of the AIACC is posted to our website about one week before the meeting. The minutes of each meeting are also posted to our website, shortly after the meeting at which they are approved. These documents remain live on the website for about 15 months (that is, for the next upcoming meeting, and for the four meetings prior).

The dates of our meetings are normally fixed at our June meeting for the following calendar year. Meetings are normally held on the first Friday of March, June, September and December each year, but occasionally dates deviate from this pattern for operational reasons: check on the website.

The AIACC website

During the year, we made progress in setting up our new website, although some aspects are still a work in progress because of time pressures on the chairman and the staff of the airport who are doing the technical work.

Costs of running the Committee

The direct costs of running the Committee are modest. The main item is the honorarium of £3000 paid to the Chairman, together with his approved travelling expenses for meetings and events that he attends. Other items include a sandwich lunch after each meeting and reimbursement of parking charges for members attending the Committee.

Section 5: Further information about the Committee and requests to attend meetings

Our website provides a wide range of background information to the Committee, dates of upcoming meetings and the agendas and minutes for meetings. The website includes a copy of the DfT Guidelines for ACCs, under which we operate; a copy of our Constitution; and a list of members with a short biopic for each.

We do not operate an 'open door' to meetings, but we are always willing to welcome members of the public and the media on prior request. In the past, members of the public with a specific interest in an agenda item have been permitted to attend and have been invited to speak on the issue of special interest to them. They have also been welcome to attend the whole of the meeting, although we would reserve the right to ask them to leave if a matter under consideration is of a commercially confidential or sensitive nature.

If you wish to attend a meeting, please contact the Secretary at secretary@aiacc.org.uk, ideally at least a week before the meeting you wish to attend, indicating whether you wish to speak on a particular issue, or simply want to see what goes on at meetings of the Committee.

The photographs used in this annual report
courtesy of Aberdeen International Airport
