

ABERDEEN INTERNATIONAL AIRPORT CONSULTATIVE COMMITTEE

ANNUAL REPORT 2015

Chairman's Introduction



I am very pleased to present this, the second formal annual report of the Aberdeen International Airport Consultative Committee (AIACC). The membership of the AIACC represents well over a dozen stakeholder interests, including Aberdeen City Council and Aberdeenshire Council, the two local Community Councils most affected by the airport's operations, and a range of organisations concerned with economic and business development, aviation, transport strategy and travel management, as well as the passenger interest.

We believe that it is vitally important that we should publish a summary of our work over the previous year, for reference by our stakeholder organisations and the general public.

The Committee met on just three occasions during 2015: the December meeting being held over to the New Year to ensure a full agenda of important items. During the year the Committee has continued to put pressure on the UK government to come to a conclusion on where a new runway should be built in the south east of England and asked them to seek ways in which air links with London, particularly Heathrow, may be secured for our future.

After last year's record breaking year for the airport, 2015 has sadly seen a decline in passenger numbers and flight movements, as a result of the dramatic drop in oil prices on the international market. Despite this, the total passenger numbers for 2015 were still at the second highest level ever. With the opening of new leisure and business routes the Committee hopes this downward trend will be reversed in 2016. We also note the confidence of the Board of AGS Ltd in the airport, through their commitment to the terminal transformation project, which was formally announced as this report was being completed.

Peter Smart
CHAIRMAN

May 2016

Section 1: Who is on the Consultative Committee?

There are more than 50 airports and airfields in the UK that are required by law to consult with local stakeholder interests on their activities. This includes all the major airports offering scheduled passenger flights. In almost every case, this duty is discharged by airport management through a Consultative Committee. There is no prescribed structure for the way in which Consultative Committees work, although there are extensive Department for Transport guidelines¹ that recommend the types of issues Committees might wish to consider and the range of organisations that might constitute their membership. Ultimately, though, it is up to each airport and its committee to set the agenda and agree the membership.

The membership of the AIACC

The membership of the AIACC is set out in our Constitution, which was last amended in December 2014, to take account of the DfT Guidelines for ACCs issued earlier that year.

There are three main clusters of members:

local authority and community representatives

Aberdeen City Council has four representatives and Aberdeenshire Council has three. In addition, the Dyce and Stoneywood, and Newhills and Bucksburn, Community Councils, being the community councils for the areas of the City most affected by the operations of the airport, each has one.

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, NESTRANS and Scottish Council Development and Industry, each of which has one seat on the Committee.

aviation and travel management interests

The Airport Operators' Committee, ABTA/SPAA², 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

The Committee recently appointed its first member representing passenger interests, and it is hoped to appoint a second passenger representative and one representative for passengers with special needs in the near future.

Current membership

A full list of current members is set out on page 3.

¹ Guidelines for Airport Consultative Committees, Department for Transport, April 2014

² ABTA/SPAA: Association of British Travel Agents and Scottish Passenger Agents' Association

Membership of the Consultative Committee during 2015

Chairman – independent of all other stakeholder interests

Dr Peter Smart

Aberdeen City Council

Cllr Barney Crockett
Cllr Graeme Lawrence
Cllr Neil McGregor
Cllr Gill Samarai

Aberdeenshire Council

Cllr Geva Blackett (from Dec 2015)
Cllr John Cox
Cllr Alastair Ross (retired Aug 2015)
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 Robert Collier (retired Dec 2015)
Mr James Bream (from Dec 2015)

Association of British Travel Agents/ Scottish Passenger Agents' Association

Mr Gary Hance

Airport Operators' Committee

Ms Phyllis Stuart

British Helicopter Operators' Association

Mr Adrian Thomas (vice chairman of the Committee)

National Air Traffic Services (NATS)

Mr John Millar

NESTRANS

Mr Eddie Anderson

Scottish Council Development and Industry

Mr Ian Armstrong

UK Oil and Gas

Mr Gary Davidson

Passenger Representatives

Mr Jeremy Wood
Plus one vacancy

Representative of passengers requiring special assistance

One vacancy

In attendance

Ms Carol Benzie, Managing Director, Aberdeen International Airport

Ms Alison Sharp, Secretary to Committee (retired June 2015)

Note of Appreciation

The Committee records its appreciation to Cllr Alastair Ross, who retired in August 2015, and also to Ms Alison Sharp, who retired as Secretary to the Committee after 25 years' outstanding support and service to the Committee, the Rev Louis Rose, who retired as Airport Chaplain in December 2015 and Mr Robert Collier on his retirement as Chief Executive, Aberdeen and Grampian Chamber of Commerce in December 2015. We are grateful for all the hard work and contributions they put in to the work of the Committee.

Section 2: 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.

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 update on the operation of the airport, including passenger figures, route developments (and, sadly, occasionally news of the demise of a route); on 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 transformation plans that have now been approved for the airport terminal.

During 2015, the economies being made by the energy sector, arising directly from the dramatic drop in global oil and gas prices, has had a major impact on passenger numbers at the airport, affecting both helicopter and fixed wing services. Despite this trend, which has continued into 2016, a number of new route announcements were made during 2015, including the opening of a twice weekly service to Gdansk, provided

by Wizz Air, and the introduction of a service five days a week from March 2016 to Reykjavik, provided by Icelandair.

On the other hand, the major route demise was the closure of all domestic routes operated to Heathrow by Virgin Atlantic, under the 'Little Red' banner, including from Aberdeen from September 2015. There have also been a number of changes in frequency on some routes, including Aberdeen to Gatwick.

Noise reporting

Each quarter, the MD also submits a report on noise related complaints from the general public, as part of the airport's Noise Action Plan. Over the past few years, the level of complaints has been relatively static at about 3 to 5 a month, most frequently about helicopter overflying and helicopter ground running. The Committee is concerned to ensure that such complaints are responded to speedily and, where possible, with an explanation of the facts surrounding the events that led to the complaint.

The majority of complaints about over-flying 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 in order to avoid over-flying a particular property.

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 2015, he attended that annual meeting of the Liaison Group of UK ACCs, hosted by Manchester International Airport in June. The annual meeting offers the chairs of the 22 largest airports in the UK a chance to network and discuss issues of common interest. For the airports from the further regions of the UK, including Aberdeen, support has been obtained from all member airports for sustainable services from the provinces into London's main airports, particularly Heathrow. Aviation noise controls, changes in airspace management, the interests of special needs passengers and the location of the proposed additional runway in the south east of England, were all part of the agenda on the annual meeting.

Then, as Chairman of the UKACC's Working Group, which discharges UKACCs work between annual meetings, he has also chaired two meetings of the Group.

A major item in 2015 included a review of the internal secretarial support available to UKACCs, the allocation of duties to ensure that the service is sustainable, and discussion on how the support service can be made even more proactive and fit to serve the interests of member airports.

The Working Group has also maintained a watching brief on the final report of the Airports' Commission and the subsequent delay in a decision from the UK government on their preferred option from the three proposed in the report. The Working Group wrote to the Secretary of State for Transport for one more time, stressing the need for sustainable air links to London not only when an additional runway is completed at some as yet undetermined date in the future, but also right now, despite the current pressures on runway access at both Heathrow and Gatwick.

Government and other related consultations

The Aberdeen International Airport Consultative Committee is one of the most proactive UK consultative committees in responding to government, CAA and other related consultations, frequently as a means of reminding these bodies of the needs of the more peripheral regions of the UK. During 2015, the main consultations on which we observed were as follows.

The Airports Commission

Throughout the life of the Airports Commission, the AIACC took a proactive approach in seeking to promote the interests of Aberdeen City and Shire specifically, and the interests of the UK's peripheral airports in general. We lost no

opportunity to remind the Commission of the need now as well as in the future, for sustainable access to London's major airports, particularly Heathrow. We stressed the need for connectivity through London for business and leisure travellers, as well as for point to point travel.

In our responses to the Commission's various consultative documents, we also suggested that they should recommend that a specific proportion of slots at Heathrow should be safeguarded to UK domestic flights – although we appreciated that both the airport, and the airlines serving Heathrow, are operating in a free market.

When the Commission published its final report, with two options for additional runway capacity at Heathrow, and one option at Gatwick, we did express the view that additional capacity must be provided at Heathrow, all the time it remains London's, and the UK's, primary airport.

Late in 2015, we wrote a joint letter, with a number of other Aberdeen City and Shire organisations, to the Secretary of State for Transport, expressing our disappointment at the deferral by the UK government of their decision on where the additional runway should be located until the summer of 2016 at the earliest. We received an anodyne response.

The National Connectivity Task Force

At our March 2015 meeting, the Committee received a presentation on the work of the National Connectivity Task Force by Mr Derick Murray, Director of NESTRANS, who had been the Scottish regional representative on the NCTF.

The NCTF had been set up during 2014 as an independent body under the chairmanship of Lord John Shipley, to examine ways in which the UK's regions could be better connected to London and onward to the rest of the world.

Occasional items

The AIACC also considers occasional items, either as they arise, or on a pre-planned basis. During 2015, these included the following.

The AIACC website

We noted that the Committee's present website, which was maintained by a member of the UKACC's secretariat, needed a thorough review and redesign to bring it in line with 21st century practice.

The NCTF sought to stress that the proposed new south east runway capacity must benefit the whole of the UK and not just London and the South East.

The options had been whittled down by the Airports Commission to a new runway at either Gatwick or Heathrow. An alternative option identified in The Task Force's report was to make use of spare capacity at RAF Northolt to serve as a regional satellite, capable of providing acceptable access to Heathrow's long haul network.

The AIACC had made a submission to the NCTF towards the end of 2014, which had been well received by the NCTF.

Devolution of Air Passenger Duty

During 2015, the Scottish government had made a commitment that, at such time as Air Passenger Duty was devolved from HM Treasury, the Scottish government would reduce the current levels of APD by 50%. At our June 2015 meeting we noted the concern that had been expressed by the operators of Newcastle and Manchester airports, fearing that following a reduction in APD in Scotland, the airports in the north of England would lose passengers, who would migrate to Edinburgh and Glasgow.

It was agreed that the Chairman would write to the Chancellor of the Exchequer, reconfirming the long-held belief of the AIACC that APD should be reduced very substantially, or ideally abolished, across the UK.

The Chairman explained that he had a number of options under consideration and hoped that during 2016 the website would be completely updated.

Services to passengers with special needs

Mr Kevin Douglas, Terminal Operations Manager, made a presentation to our September 2015 meeting, outlining the services provided at AIA to passengers with special needs (commonly referred to as PRMs, passengers with reduced mobility). The regional manager for G4S, the company responsible for delivering services for PRMs at AIA, was also present.

The presentation referred to the latest European requirements for pre-notification of intention to fly by those requiring special assistance, the monitoring that the CAA was now undertaking as to how the EC requirements are being met by airlines and airports, how the service was provided at AIA by G4S, and some data as to numbers of passengers requiring the service, the proportion who meet the 48 hour pre-notification requirement, and the proportion of pre-notifications who became 'no-shows'.

This presentation is an example of a planned item on the Committee agenda, asked for by Committee members keen to ensure that AIA is meeting and exceeding its statutory obligations.

Mr Douglas also referred to the small group of representatives of PRMs and other special needs passengers who would meet with him twice a year to advise on needs, and the work done by airport staff to introduce potential passengers with special needs to how the airport operates so that, when they need to fly, they are reassured as to how their needs would be met.

The potential impact on the operation of AIA by drones

We held a discussion at the September 2015 meeting on the impact of drones on aviation and the potential hazard that they pose to aircraft close to airports. Mr John Millar, NATS, reassured us that there had not to date been any hazards posed by drones in the Aberdeen air traffic area.

Those operating drones for legitimate purposes, such as filming, tended to notify NATS if they were close to the airport. The CAA were now determining the best ways of dealing with drones.

Terminal redevelopment

During the year, we were kept fully informed by airport management of the proposals being developed for the terminal transformation project. The relocation of the DHL facility from the warehouse at the southern end of the present terminal, and the subsequent demolition of the warehouse, were encouraging signs that land was now available to increase the footprint of the terminal building quite substantially.

Drop-off charge

We received an update from the MD on the effectiveness of the drop-off charge that had been introduced by the airport at the beginning of 2015. Mrs Benzie advised that there had been a significant reduction in the amount of vehicles in the inner forecourt and cars doing loops round the road waiting for arriving passengers. More people had been opting to park more safely in the short term car park where charges had been amended to encourage parking there for up to 15 minutes, and using the free drop-off area in the long stay car park.

Fly parking

The MD reported on an increase in fly parking, on roads by the new hotels and on Kirkhill Road, where offshore workers were abandoning cars on the grass banks.

The airport's community fund

The MD advised that some funds raised from the drop-off charge are being invested in local community groups through the airport's Community Fund. In particular, the airport has chosen the Friends of Anchor as its principal charity partner.

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. Our new website address is www.aiacc.org.uk.

Section 3: Costs of running the Committee

The Committee does not have its own operating budget, and it has been agreed with the airport operator that we do not seek our own budget, in view of the relatively low expenses of running the Committee.

There are few expenses directly attributable to the running of the Committee, of which the main one is the honorarium of £3000 paid to the Chairman, travelling expenses for the Chairman to chair meetings of the Committee and to attend meetings of the UKACCs Liaison Committee and Working Group, a sandwich lunch after each meeting of the main Committee and reimbursement of parking charges for members attending the Committee.

Section 4: Further information about the Committee and requests to attend meetings

We have a new website at www.aiacc.org.uk. This provides a wide range of background information to the Committee, dates of upcoming meetings and the agenda for meetings.

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, operating within the spirit of the local government arrangements for attendance of the public and press at meetings.

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.