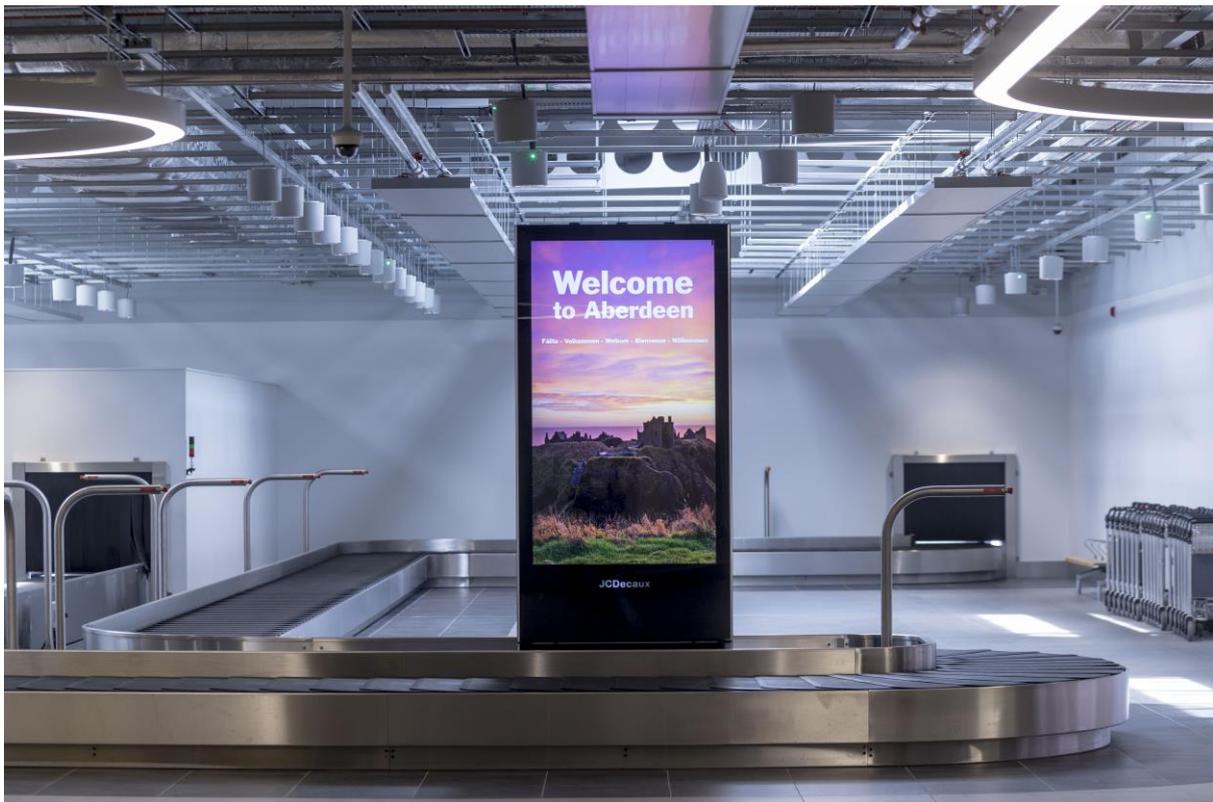


ABERDEEN INTERNATIONAL AIRPORT CONSULTATIVE COMMITTEE



ANNUAL REPORT 2016

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Chairman's Introduction



I am very pleased to present this, the third formal annual report of the Aberdeen International Airport Consultative Committee (AIACC). We believe it is vitally important that we publish a summary of our work over the previous year, to reflect how we seek to influence the operation of the airport for the wider benefit of all of our stakeholders, including local community representatives.

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).

The membership, frequency of meetings and workload of each ACC is determined by the Committee itself, although there are Department for Transport (DfT) guidelines¹ setting out recommendations of best practice within which the AIACC discharges its responsibilities. We have no executive powers within the management structure of the airport, but we have a vital rôle 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 2016.

This annual report summarises our activities during 2016, 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

June 2017

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

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 as mentioned in the Introduction, there are extensive Department for Transport guidelines 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 four 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 Stonywood, 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 currently has one member representing passenger interests, although it is intended to appoint a second passenger representative and one representative for passengers with special needs during 2017.

Current membership

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

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

ABERDEEN INTERNATIONAL AIRPORT CONSULTATIVE COMMITTEE

Membership of the Consultative Committee during 2016

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
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

In attendance

Ms Carol Benzie, Managing Director, Aberdeen International Airport

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

Representative of passengers requiring special assistance

One vacancy

The airport management also provides the secretarial support to the Committee and is frequently represented by other members of staff making presentations on their specialist responsibilities.



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.

The AIACC was first formed in 1953, at the request of the then War Office, and has functioned without break since then. There is no statutory obligation to prepare an annual report, but we felt in 2014 that this would be an important extension of the ways in which we communicate 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; 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 redevelopment of the terminal building to cope with anticipated passenger numbers to 2045.

During 2016, 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.

This trend seemed to be smoothing out towards the end of 2016, and there have been encouraging signs from airlines in starting up new routes.

These have included Wizz Air to both Gdansk and Warsaw in Poland and Icelandair to Reykjavik.

During 2016, RyanAir announced a return to Aberdeen, with twice a week services to Alicante and Malaga in Spain and Faro in Portugal, starting early in 2017. The Committee hopes that these new routes will provide a platform from which further new routes will be started as the economy of the north east of Scotland picks up.

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. Over the past few years, the level of complaints has been relatively static at about 3 to 5 a month, although there were occasional spikes during 2016.

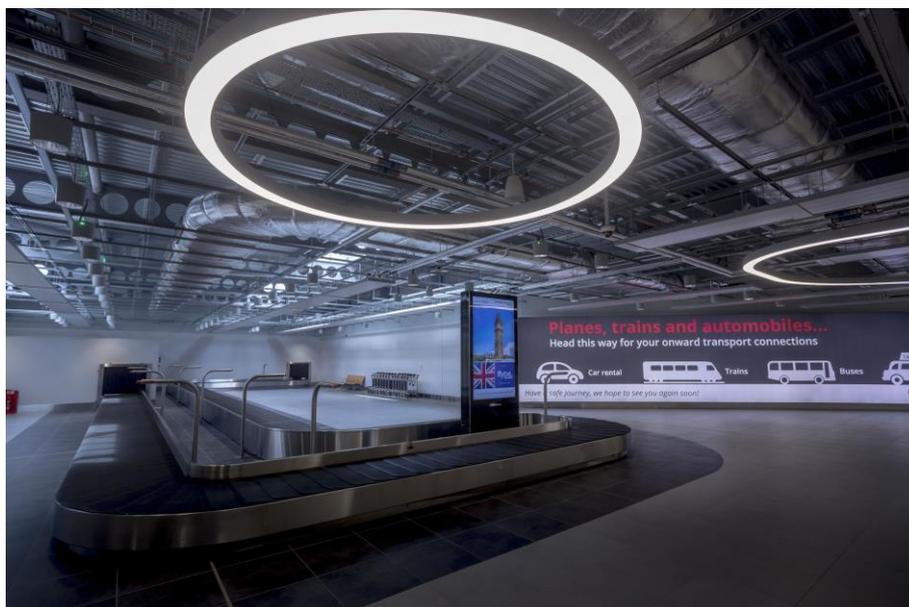
It is rare for a complaint to be received about fixed wing aircraft, since most of the jet passenger aircraft using Aberdeen are equipped with engines much quieter than their predecessors of 20 or 30 years ago.

We welcome the fact that over the past couple of years, the airport has invested substantially in noise reducing barriers which have reduced the impact of ground running helicopters on the east side of the airfield.

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.

We have noted that some of the complaints arise from occupants of homes on new developments to the east of the airfield, where it seems developers make no effort to point out that the houses are built under a helicopter approach path.

However, we are encouraged that such complaints are responded to speedily and, where possible, with an explanation of the facts surrounding the events that led 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 new international arrivals area 2017

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 2016, he attended the annual meeting of the Liaison Group of UK ACCs, hosted by Belfast International Airport in June. The annual meeting offers the chairs of ACCs 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 continues to be available 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 chaired one meeting of the Group.

A major item in 2016 was the implementation of new secretarial support services available to UKACCs that the Working Group hope will prove to be both fit for purpose and cost effective. UKACCs is funded by a small subscription paid by member airports, with airports with smaller passenger numbers paying substantially less than the large hub airports. Its total budget in 2016 was about £14,000, which pays for the support of three part-time staff who also provide secretarial support to the Gatwick, Heathrow and Stansted ACCs.

The Working Group welcomed the UK government's eventual decision in October 2016 on the siting of a new runway in the south east of England and the process that will be followed towards approving its building. In the meantime, the Working Group wrote to the Secretary of State for Transport yet again, 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.



The terminal transformation project

The AIACC is annually consulted on the airport management's proposed capital investment programme (CIP) and over the past decade or so has welcomed investments in the runway extension, the multi-storey car park, the international walkway and other more modest projects designed to make the experience of passengers more pleasant. We were aware that any major expansion of the terminal was contingent on the relocation of DHL from its former facility just south of the current terminal building (which was achieved in 2015) and, of course, funding of a major project by the airport's shareholders.

We therefore celebrated with Carol Benzie, MD, and her staff when approval to the terminal transformation project was granted early in 2016 and have subsequently watched with interest as the new two storey extension rose from the ground and became wind and water tight before the end of the year.



**View over the airfield from the new
Northern Lights lounge - 2017**

We are therefore encouraged that, at the time of preparing this annual report, the new international arrivals facility and international and domestic baggage reclaim are on schedule for opening in May 2017, along with the new executive lounge facilities on the first floor about a month or so later.

These changes will then make room for the phased redevelopment of the current terminal building, to include a more spacious and fit for purpose central search area, new retail and catering facilities and larger seating areas. We look forward to celebrating with the MD the phased opening of all these new facilities. The passengers and airline users of Aberdeen deserve them.

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 2016, the main consultations on which we observed were as follows.

New runway capacity in the south east of England

Throughout the life of the Airports Commission, we lost no opportunity to remind the Commission of the need for sustainable access to London's major airports, particularly Heathrow, both now as well into the future. We stressed the need for connectivity through London for business and leisure travellers, as well as for point to point travel.

We expressed our frustration to the Secretary of State for Transport when the government deferred any decision on new runway capacity in 2015. So we were pleased to note the announcement of the UK government in October 2016 of their support for an additional runway at Heathrow and their intention to consult widely on the procedural arrangements to get to approval of the preferred option. We feel that our efforts, consistently reminding government of the need for connectivity from the peripheral regions of the UK through Heathrow, have been worthwhile.

Just as this report was being written, the details of this latest stage of consultation were announced. We are, of course, encouraged that the government has accepted the case for a substantial increase in the availability of slots to enable an expansion in the number of domestic services to use Heathrow after the new runway has been built. Sadly, unless some interim ring fencing of slots for domestic services is established, it will be around 2024 at the earliest, before any benefit will be felt.

A Scottish replacement for Air Passenger Duty

In the spring of 2016, the Scottish government issued their consultation on a Scottish replacement for Air Passenger Duty (APD), in support of their commitment to reduce the tax in Scotland to 50% of UK APD by the end of the current Scottish parliament (2021), as soon as the responsibility for APD became a devolved power.

The AIACC submitted a detailed response to this consultation in June 2016. We reiterated a view that we had communicated to successive UK Chancellors of the Exchequer, that APD should be reduced or abolished to create a more level playing field with our European competitors, especially in respect of long haul fares, and in relation to the 'double whammy' of charging full APD in both directions on return flights within the UK.

We expressed support for a regime that was simple to administer and sufficiently similar to UK APD, to minimise any confusion on the part of travellers and airlines. We noted the Scottish government's emphasis on a strategy for encouraging more direct long haul services from Scottish airports. We stated that only Edinburgh and Glasgow airports had a sufficient catchment area and facilities for servicing long haul services, and sought an assurance that any change in APD in Scotland would benefit the more peripheral airports as well as those in the central belt.

(continued on next page)

Government and related consultations (continued)

A Scottish replacement for APD (continued)

On 19 December 2016 the Scottish government laid the Air Departure Tax (Scotland) Bill before parliament, as an enabling Bill to take over APD from April 2018 and to permit changes in the rates of ADT (as the new tax will be known) under secondary legislation. At the same time, the Finance and Constitution Committee of the parliament issued its own consultation, to which the AIACC responded early in 2017.

An update on the introduction of ADT will no doubt be given in our annual report for 2017.

Air space change process

The CAA issued a review and consultation on the process that airports and other stakeholders 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, the airport.

With professional guidance from John Millar, Manager, NATS Aberdeen, the AIACC made a submission on what was primarily a very technical document. We chose to do so because the air space change process requires those behind proposed changes to consult with, amongst others, the local ACC. We had experience of this two years ago, when there were proposed changes to air space in the Aberdeen air traffic control area.

We now await the final document to be issued, for implementation not sooner than August 2017.

Assistance to passengers with hidden disabilities

During the summer of 2016, the CAA consulted on the provision of assistance by airports to passengers with hidden disabilities. Generally speaking, in the past, passengers requiring special assistance from airports and airlines have been described as 'passengers with reduced mobility' (PRMs), such as those with mobility challenges, the blind and physically infirm.

The 2016 consultation was the precursor to additional advice from the CAA for passengers with unseen disabilities who require special assistance, such as youngsters with autism, passengers with visual challenges and elderly passengers with dementia.

The AIACC made a submission to the consultation, supporting in principle all that the CAA were proposing, but raising questions on the impact on resources, for example, where the advice being proposed required a one-to-one support to such passengers throughout their whole journey through an airport.

At Aberdeen, there is already a forum, called AccessABZ, which brings together representatives of airport management and those from a number of organisations representing people with disabilities, to discuss ways of meeting their diverse range of needs.

The CAA has now published its definitive guidelines for dealing with people with hidden disabilities. The AIACC looks forward to being briefed on the success that management have in implementing them.

Government and related consultations (continued)

Drones and lasers

On 21 December 2016 the DfT published a consultation on the safe use of drones. Earlier in 2016, AIACC joined the UKACCs Working Group and a small number of other ACCs in putting pressure on the UK

government to take some action to ensure the safety of aircraft from drones. The item effectively transcends two years. Next year's report will detail what action we agreed to take in response to the consultation.

The AIACC website

In last year's report, we noted that one of our priorities was to undertake a thorough review and redesign of our website. During 2016, the airport's webmaster and the chairman have held a number of meetings to identify ways of making the content and presentation of the website more attractive and pertinent to the current work of the Committee. A basic format has been agreed, hosted on the airport's website, and now needs to be populated with relevant content. Sadly, pressures on both the chairman and the staff of the airport precluded the completion of the new site, but we hope to be able to make progress during 2017.



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. As part of the redevelopment of the website, we hope to have agendas and minutes for the recent past posted on line early in 2017, and then to keep this part of the website up to date.

Section 3: Costs of running the Committee

The Committee does not have its own operating 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 shall be launching a new website at www.aiacc.org.uk during 2017. This will provide 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.

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