



Provision of Air Services between Oban and the Islands of Coll, Colonsay and Tiree

16th October 2019 – 15th October 2023

1. BACKGROUND

- 1.1. Argyll and Bute Council has a **fixed** subsidy of **£2,048,828** to provide air services between Oban and the islands of Coll, Colonsay and Tiree over the next four years 16th October 2019 – 15th October 2023. This equates to a **fixed subsidy** of **£512,207** available per annum.
- 1.2. Although at present the impact of Brexit is unclear, tenderers should note that the funding for this service is **fully funded** through Argyll and Bute Council's budget.
- 1.3. At present the current contract will expire on 15 May 2019 with the new contract commencing 16 October 2019. Although Argyll and Bute Council continue to explore options to allow for an interim air service during this period, tenderers should be aware that there may be a temporary break in service from one contract finishing to the next starting.
- 1.4. **Operators are therefore free to develop their own proposals on:**
 - The aircraft type they wish to use;
 - The service timetable they wish to implement;
 - Any seasonal variation to the service timetable they wish to implement;
 - Months of service operation e.g. spring to autumn service only;
 - The pricing schedule they wish to implement;
 - The marketing and advertising approach for the service.
- 1.5. **In addition** to the above **Argyll and Bute Council** will provide the following in order **to further aid and support** potential Operators of the routes:

- **Fuel Price Increase**

Argyll and Bute Council are offering to take on the risk of increased fuel costs by underwriting a proportion of the cost implications of any future fuel price changes. This will enable the Operator to better estimate costs without having to account for unknown risks connected with long term fuel price changes.

- **Additional Revenue**

Should the predicted revenue increase throughout the duration of the contract the **Operator will keep** in its entirety **all additional revenue generated** – Argyll and Bute Council's subsidy will remain fixed per annum **with no claw back**.

- **Landing/Passenger Fees**

Argyll and Bute Council **will waive all landing fees/passenger fees** for all PSO passenger flights between Oban, Coll, Colonsay and flights returning from Tiree.

- **Office Premises at Oban Airport**

Argyll and Bute Council will provide the Operator, **free of charge**, the use of a self-contained **office premise within Oban airport terminal** (including all running costs) for the purpose of undertaking the operation of the air services.

- **Reception Area at Oban Airport**

In addition to the above, Argyll and Bute Council will provide the Operator, **free of charge**, a **reception desk for administrative duties** involving handling passengers, check-in and luggage in the main entrance area of the terminal.

- **Air Ground Communication Office – Coll/Colonsay**

On the island airports of Coll and Colonsay Operator's pilots will be able to share the Air Ground Communication Office to undertake all necessary duties as they operate the scheduled service.

- **Luggage Scales and Wheelchairs**

Argyll and Bute Council has available luggage scales and wheelchairs for passengers that have mobility restrictions, at all three airports for Operators use.

- **Airport Staff**

When available and where possible, airport staff will assist **at no extra cost** with ground handling.

1.6. Further to the above Operators should note:

- **Site Visit to View the Airport Facilities During the Tender Period**

During the tender period Operators have the opportunity to undertake a familiarisation site visit at any of the three airports, to view the facilities on offer. If you would wish to take up this opportunity to arrange for a site visit please contact:

Christine.Todd@argyll-bute.gov.uk

Tel: 01546 604 239

Any tender queries and responses provided during any of the above familiarisation site visits will be posted on PCS-T for all Tenderers information.

- **Business Park Development Opportunity**

Argyll and Bute Council have a **Business Park Development Opportunity** adjacent to the airport. The business site extends to 3.5 ha and has the potential for a range of business, office, industrial, storage and distribution uses subject to appropriate permissions and masterplan Airport related uses encouraged. Argyll and Bute Council have already invested over £330,000 in spine road infrastructure (service ducting, drainage and lighting) within the site. Please refer to Appendix 9.

- **Rural Growth Deal**

Oban Airport is one of 16 projects that form a £178.5M Rural Growth Deal bid submission to both the UK and Scottish Governments. The £3.5M bid submission for Oban Airport includes investment in new airport infrastructure and development of air service routes to the central belt. Oban Airport has the potential to act as the regional Highlands and Islands/West Coast Hub, serving the Western Isles and potentially offering connections to Glasgow/Edinburgh. <https://www.argyll-bute.gov.uk/news/2018/oct/council-agrees-multi-million-pound-rural-growth-deal-bid>

- **Oban and the Isles Airports**

For further details of the Oban and the Isles airports please visit the following website: www.obanandtheislesairports.com.



Discover the Isles by air...
www.obanandtheislesairports.com

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