

**Response to the Report of the National Assembly for Wales Public Accounts Committee Report on *Intra-Wales – Cardiff to Anglesey – Air Service: Final Report***

**Recommendation 1.** The Committee recommends that when commissioning external advice the Welsh Government should set out in advance the detailed scope of the work required and that any subsequent changes to the scope are supported by a clear business case.

**Response : Accept in principle**

The Welsh Government will, when commissioning any external advice in relation to the Intra Wales Air Service, establish in advance a clear and detailed scope of the work required. The Welsh Government may decide to adjust, amend or increase the scope of work required on the basis of the evidence provided during the commission where this is possible within procurement rules.

**Recommendation 2.** To allow itself flexibility to make timely and effective decisions, the Welsh Government should take a three yearly view of contracts that will expire and when new contracts need to be awarded by.

**Response : Accept in principle**

We will continue to monitor the performance of the Intra Wales Air Service contract to inform any future review regarding the continuation of the service beyond its 2018 expiry date. Any future review will be completed in time to inform a procurement exercise.

**Recommendation 3.** The Committee recommends the Welsh Government, in liaison with the Ministry of Defence, provides an assessment of (a) the costs and impact of opening RAF Valley on weekends, against an appraisal of likely revenue and any other benefits from operation; and (b) the potential modification of Anglesey Airport to accommodate greater passenger numbers, including using the opportunity of the RAF's anticipated improvement works.

**Response : Accept**

The Welsh Government liaised with RAF Valley and Isle of Anglesey council on these issues during the procurement for the current contract. We will continue to explore with all parties the potential opportunities for extending the opening times of RAF Valley, including at weekends. We will also continue to explore the potential for the airport to meet National Aviation Security Programme (NASP) to enable larger aircraft to be used on the route, should passenger and commercial demand support it.

**Recommendation 4.** The Committee recommends that the Welsh Government sets out its plans to ensure that the alteration to the route due to

the temporary closure of RAF Valley is communicated to potential passengers well in advance to ensure minimum disruption to the uptake of the service.

**Response : Accept**

We will ensure that the service operator, Links Air, publicise to passengers any changes to the service due to any temporary closure of RAF Valley. We will also continue to engage with Isle of Anglesey Council, RAF Valley and Links Air on this issue to work together to minimise the impact any temporary closure could have on passengers using the service.

**Recommendation 5.** The Committee recommends that Welsh Government should explore with Links Air other uses for the aircraft between its flights under the PSO, particularly those which may be of benefit elsewhere in Wales.

**Response : Accept**

We will continue to encourage Links Air to develop options for commercial routes using their aircraft based in Wales.

**Recommendation 6.** The Committee recommends that the Welsh Government provide an update on passenger figures and provide an explanation for any discrepancy with the CAA figures in January 2016.

**Response : Accept**

Passenger numbers for the first 6 months of the new contract have been in excess of those for the same period from the previous year. We will publish passenger numbers on an annual basis which will include a comparison with figures published by the Civil Aviation Authority.

**Recommendation 7.** The Committee recommends that the Welsh Government set out how it intends to use the findings from the required passenger surveys to identify how to increase passenger numbers.

**Response : Accept**

The passenger surveys will be an important tool for Links Air to use to identify passenger requirements for the air service. The results should be a valuable resource for the company enabling it to better market the service to increase patronage.

**Recommendation 8.** The Committee recommends that the Welsh Government publish a subsidy cost per passenger periodically, and its assessment of the value-for-money of the service, using suitable comparisons, on an annual basis.

**Response : Accept**

We will include a calculation of subsidy cost per passenger with the publication of annual passenger figures to enable an assessment of the value for money of the service.

**Recommendation 9.** The Committee recommends that the Welsh Government set out how it will evaluate the marketing of the scheme, which should be undertaken early in 2016.

**Response: Accept**

One of the key metrics we will use to assess the success of Links Air's marketing strategy will be the increase in the number of passengers using the service. We will conduct a review of Links Air's marketing strategy, materials produced, budget spent and targets achieved to ensure that they have marketed the service in accordance with the contract agreement.