

Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

27 January 2016

Dear Mr Millar

I am writing to follow up on your letter dated 5 November to James Price requesting further information on the Intra Wales Air Service.

I have enclosed a document which attempts to do this as fully as possible, and which reflects the latest position with the service following events on Friday 22 January. Please let me know if you require any further information.

Yours sincerely

Simon Jones

Welsh Government response to the PACs request on 5 November 2015 for further information to the Welsh Government response dated 28 October 2015.

PAC comment:

The Committee considered the response on 3 November and wish to request a further update by 1 February 2016 on progress made exploring the potential opportunities to extend the opening times of Anglesey Airport and how the Welsh Government intends to undertake its review of the marketing strategy.

WG response:

Through a competitive procurement process, the Welsh Government has procured the services of expert aviation specialists Northpoint Aviation to explore the potential opportunities for expanding operations at Anglesey Airport, including extending operating hours. The work will involve demand forecasting; economic analysis; engagement with key stakeholders such as the RAF at Anglesey, Anglesey Council, the operator and Cardiff Airport; and consideration to onward connectivity from North West Wales. Receipt of a draft report is anticipated by the end of March.

The review of marketing strategy is on hold until a new permanent operator for the route is appointed.

PAC comment:

In addition, and I would welcome an early response on this matter, the Committee has noted, following the announcement on 21 October, that LinksAir has had its safety licence revoked by the Civil Aviation Authority to 'protect the travelling public'. Whilst noting that the Danish Airline North Flying has taken over the route as an interim measure, I would welcome your comments on how long the interim measures will last for, the liability arrangements and the action the Welsh Government is taking to appoint a permanent carrier for this route.

WG response:

Until 22 January 2016 the contract for the Intra Wales Air Service remained with Links Air. Links Air had arrangements with other suitable airlines to provide the service while it worked to resolve the issues relating to the suspension of its Air Operator Certificate. Additional costs incurred for the temporary arrangements were met in full by Links Air.

The Welsh Government put in place a Supplemental Agreement with Links Air for these interim arrangements that were to remain in force until the end of January 2016. If the AOC were not re-instated by then, the Welsh Government would have served termination notice to Links Air. The Supplemental Agreement gave Links Air over 3 months to remedy their AOC status with the Civil Aviation Authority.

On Friday 15 January, in line with EC Regulations, the Welsh Government launched an emergency procurement (through open competition) for a 7 month contract to operate the PSO. Had Links Air's AOC been re-instated by 31 January, the 7 month procurement would have will ceased and Links Air could have continued to discharge the PSO contract for the remainder of the 4 year term.

However, on 22 January Links Air decided to unilaterally withdraw from its obligations to provide the service, without notice.

To avoid disruption to passengers, the Welsh Government has awarded a short term contract to City Wings/North Aviation to operate the PSO between 25 January and the time that the 7 month emergency contract is awarded, ensuring that there will be no break in service.

In line with EC Regulations, once the 7 month contract is awarded, a conventional open tender will be launched to procure a long term operator for the PSO service beyond the term covered by the emergency procurement process.