

PE1804/O

Highlands and Islands Enterprise submission of 30 October 2020

The petition discusses a number of matters relating to HIAL's Air Traffic Management Strategy, including technical, operational and regulatory considerations. These are clearly important issues – safety in particular – that we feel that other stakeholders are better placed to respond to. Consequently, we aim to provide comments in relation to the socio-economic issues raised around employment in remote communities.

HIAL's air traffic management is ultimately an operational matter for the company and approval by Scottish Government ministers. However, we are naturally mindful of the potential for unintended socio-economic impacts resulting from proposed changes to the present arrangements.

HIE contributed to the consultation that informed HIAL's 'Locations Study' in 2018, acknowledging HIAL's need to ensure the ongoing sustainability of air services that play a vital role in regional connectivity – a key component of regional economic growth. However, we also stressed the important contribution made by the company's employment and economic impact, particularly in more remote and fragile areas, which we felt should be given due consideration when considering its future air traffic management plans.

We understand that up to 86 HIAL staff could be affected under HIAL's planned changes to their air traffic control arrangements. For the Highlands and Islands airports that would see a reduction in ATC jobs under the changes – i.e. Sumburgh, Kirkwall, Stornoway, Benbecula and Wick John O'Groats – the loss of highly paid jobs within the local communities would most likely have detrimental socio-economic implications. HIAL's published 'Locations Study', undertaken by EKOS in 2018, notes that the relocation of jobs from remote and rural locations will have a negative effect on fragile local economies, and out-migration of skilled workers is a particularly important consideration for those communities that have a declining and ageing population¹.

We welcome that HIAL have committed to exploring these considerations in more detail through the independent Islands Community Impact Assessment which is ongoing, and which we expect will be valuable in helping to inform actions to ameliorate the impact that the loss of these jobs will have on their communities.

In terms of the current wider economic context, it is undoubtedly the case that economic and labour market conditions have deteriorated across the Highlands and Islands due to Covid-19. There continue to be a number of opportunities that will support the recovery of the Highlands and Islands' economy. Natural assets such as the marine economy, for example, are expected to generate many new economic

¹ 'Location Options Appraisal' (2018), EKOS on behalf of Highlands & Islands Airports Limited, pp75-76
<http://www.hial.co.uk/wp-content/uploads/2018/07/HIAL-Location-Options-Scoping-Final-Report-4-July-2018-v2-Redacted-for-Publication.pdf>

opportunities in relation to the green recovery and drive towards the net-zero targets. However, a recent report by HIE² examining the impact of Covid-19 on the Highlands and Islands economy indicates that the road to recovery will be a long one. The report shows a disproportionate impact on the region compared with other parts of the country, including a forecast decline in GDP of between £1.5bn and £2.6bn in 2020.

Also to avoid any potential confusion, we would like to clarify a factual point, which is that the EKOS report referred to in the petition was not as suggested a HIE report – it was a HIAL-commissioned report³ and HIE’s input to this was as a consultee only.

² ‘The Impact of Covid-19 on the Highlands and Islands Economy’ (September 2020), HIE
<https://www.hie.co.uk/research-and-reports/our-reports/2020/september/16/the-impact-of-covid-19-on-the-highlands-and-islands/>

³ ‘Location Options Appraisal’ (2018), EKOS on behalf of Highlands & Islands Airports Limited