

Report to Partnership Meeting 4 April 2014

EU Funding

SPARA 2020

PURPOSE OF REPORT

To update Members on the progress made in developing the SPARA 2020 INTERREG IVB Northern Periphery Programme project that has secured funding from NPP's preparatory fund.

NPP PREPARATORY ROUND PROJECT – SPARA 2020

Peripheral and Remote Airports face a range of very special challenges that the SPARA 2020 project endeavours to address. These airports are usually loss-making and subject to low traffic volumes, which often have a strong seasonal component. The cost of safe and regulatory compliant airports continues to climb with practices and procedures developed that often have to also cover major airports with very different sets of challenges, largely focussing on significant congestion and environmental impacts. NPP peripheral and remote airports have the additional challenge of changeable and extreme weather, low temperatures and challenging terrain. All remote and peripheral communities recognise that transport connectivity is critical for their wellbeing and future viability. Public funds are usually additionally required to support and maintain airport infrastructure in such areas. Indeed many of the air services are also subsidised under EU Public Service Obligation framework.

The preparatory project aims to develop a framework for a main funding round project that will develop Smart and Sustainable Airports in Remote Regions. This will be pursued by maximising revenues, controlling costs, increasing self sufficiency and resilience, and by the creation of a forum for raising standards and improved interactions with each other, with common challenges, with suppliers, and with regulators and government transport policy planners

Northern Periphery Programme Preparatory Project - Update April 2014

Since last reporting on progress on this project in October there have been a number of developments.

In November we attended a meeting with Northern Periphery and Arctic (NPA) Programme team in Reykjavik, which was well attended by all our prospective participating partners. Our challenge at that point was that we had 22 relevant activities that seemed worthy of consideration, and part of the advice received in Reykjavik was to either shorten the list, or break it up into two or even three different and sequential NPA projects, which we are still considering. We were also encouraged to think more broadly, and consider other transnational and research programmes for different aspects of the remote and peripheral aviation challenge.

Partly under the encouragement of our Swedish partner Trafikverket we opened up other investigations into Horizon 2020, SESAR, and other transnational programmes such as the North West Europe Programme. This also opened up other conversations for us with, notably Eurocontrol and Borders, Midlands and Western Assembly in Ireland, who have both become

interested in being project partners. There are a range of other contacts and medium term speculative conversations that have also been opened up.

In early February 2014 a partner meeting was held in Inverness and the focus of this event was to narrow down to a single set of key project aims. We refined the activities and came up with the approach of work packages underpinned by some cross cutting themes, which has eventually turned into our matrix approach which is presented below.

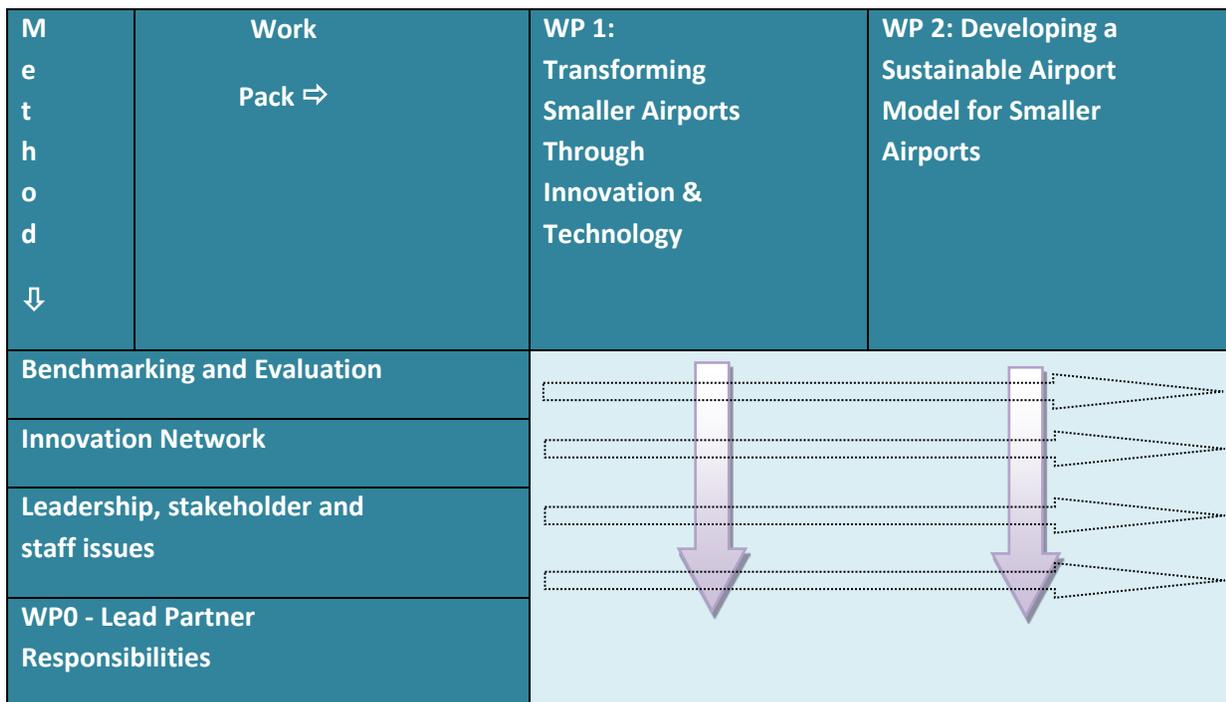
We are now asking the various potential partners to come back to us with detailed information on the Actions they would hope to pursue within the proposed work packages and to give an indication of the resource they would seek in a main project application and indeed the resource they could commit as their contribution to match funding. This main project application will then be developed after completion of the preparatory project with a view to submission to the Northern Periphery and Atlantic Area call for projects which is anticipated for Autumn 2014.

Project Matrix Approach

It is proposed that SPARA 2020 comprises two vertical 'work packages', which are intended to form the core of the initiative, complemented by three main horizontal 'methodological themes' that are designed to be cross cutting (as will be the NPA project administration) and thereby contribute positively to each of the principal work packages.

The latter will primarily be focused on selecting, preparing and managing a series of pilot projects, before evaluating and disseminating their outcomes with the cross cutting themes under-pinning that work as appropriate.

We do suggest, however, that the benchmarking activity will explore beyond the boundaries of the two vertical work packages in an attempt to identify any other promising opportunities to offer the work packages and more generally to contribute to SPARA's overarching aims; notably to enhance the role of aviation in remote and peripheral areas by making its infrastructure and operations smarter and more commercially sustainable.



- **Public sector partners** will offer cash and contributions in kind in proportion to their ability to fund, their available human resources, and their jurisdiction's presence/benefit from the work packages and workstreams.
- **Academic Institutions** will be partners in lieu of offering man hours as contributions in kind.

See detailed project matrix below:

M e t h o d ↓	W o r k P a c k ⇒	WP 1: Transforming Smaller Airports Through Innovation & Technology	WP 2: Developing a Sustainable Airport Model for Smaller Airports
Pilot Projects ⇒ Cross- cutting themes ↓		<p>360 degree evaluation of emergent & potential technologies compatible with SPARA Airports</p> <p>Long term vision for SPARA airports of the future (2050)</p> <p>Optimise multi-tasking and operational flexibility❖</p> <p>Enhance sustainable surface transport to remote and peripheral airports (e.g. electric taxis, hybrid buses, real time information systems and cross-modal ticketing)</p> <p>Guide airport's through an 18 month 'innovation window' by helping to select and implement pilot projects</p>	<ul style="list-style-type: none"> - Identify successful non-aeronautical revenue, property and asset utilisation initiatives suitable for SPARA airports - Draw up land bank and asset optimization and development strategies (see relevant elements in other work packs)♦ - Re-positioning SPARA airports as community focused employment, business and service clusters♦ - Self-generating and energy efficient airports♦ - Increase bio-fuels use, supply and production at airports - Guide airport's through an 18 month 'transition window' by helping to undertake commercial and environmental sustainability audits, develop transformation strategies, draw up action plans and implement selected pilot projects

Benchmarking and Evaluation	Initial benchmarking-sector wide and also project specific. Quantitative and qualitative evaluation of projects	Undertaking sustainability audits, building business cases and assessing economic impact
Innovation Network	Information gathering from NPA airports, external stakeholders and commercial interests. Refining regulation so that it is risk based, proportionate and affordable.	Advice and advocacy on regulatory issues and industry trends. Central voice for NPA Airports. Dissemination of information, external outreach and industry/regional PR.
Leadership, stakeholder and staff issues	Building capacity and leadership capability to manage change effectively. Facilitating multi-tasking ❖ (see above) and the elimination of restrictive practices.	Engaging stakeholders and encouraging team playing and partnership working.
WP 0	NPA financial, procedural and reporting structures; project management and administration; communication strategy and implementation	

PROJECT COSTS AND FINANCING

The total work value of this preparatory project is expected to amount to €42,986. This includes partner match funding of €22,868 and NPP ERDF funds of €20,118.

HITRANS share of projects costs will require a budget allocation of €5,000. This is the net contribution with an initial outlay being higher until the grant claim has been submitted and the ERDF contribution has been paid out.

Recommendations

Members are asked to:-

1. Note the report.

Risk	Impact	Comment
RTS delivery	√	This work supports RTS objectives.
Policy	√	This work is designed to support delivery of our Aviation policy.
Financial	√	The cost of research to support the SPARA 2020 project is included within the Business Plan. This project will attract ERDF funds at an attractive intervention rate.
Equality	-	No impact on Equalities issues.

Report by: Ranald Robertson
Designation: Partnership Director
Date: 14th March 2014