National Assembly for Wales Public Accounts Committee PAC(4)-32-14 Paper 1

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

Cyfarwyddwr Cyffredinol • Director General



Llywodraeth Cymru Welsh Government

Darren Millar AM Chair, Public Accounts Committee

Our Ref/Your Ref:

Date 27 November 2014

Dear Mr Millar

I thought you may appreciate an update on the North – South PSO. We have now let the next Intra Wales Air Service to LinksAir who will operate the service for four years from 10 December 2014. The appointment of LinksAir follows a procurement exercise in which contact was made with every eligible UK-based air operator to make them aware of the opportunity. This led to 23 organisations registering an expression of interest in the tender.

LinksAir will continue to operate two daily return flights between Anglesey and Cardiff, but from Spring 2015 they will alter the schedule to allow passengers to have a longer working day in both North and South Wales. In addition, LinksAir have committed to develop and operate commercial routes from Cardiff Airport from Spring 2015.

The procurement has sought to address the recommendations made by the Public Accounts Committee. For example, the new contract includes a requirement for an independent audit of passenger numbers and a requirement to conduct passenger surveys to better understand passengers purposes of travel.

As part of a bid based on increasing the patronage of the service, LinksAir have committed to the recruitment of a "route co-ordinator". This role will be tasked with leading on the marketing of the service. With a budget of approximately £70k per annum, the investment in marketing will be around three times greater than that in the current contract.

I am pleased to advise that these improvements to the Intra Wales Air Service will be implemented whilst delivering a 20% reduction on the total price of the previous four year contract.

Yours sincerely

James Price Director General



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