



PUBLIC SERVICE OBLIGATION (BENBECULA - STORNOWAY) AND WESTERN ISLES SPINAL ROUTE

Report by Chief Executive

PURPOSE

- 1.1 This report seeks Comhairle approval to request the Scottish Government to re-examine their policy position regarding the funding of the Benbecula to Stornoway PSO, and provision of funding towards completion of the Western Isles Spinal Route.

EXECUTIVE SUMMARY

- 2.1 Comhairle nan Eilean Siar welcomes the Scottish Government investment in the Northern Isles of £20 million of specific funding in 2025/26 to support and improve inter-island connectivity. The funding support recognises that Scotland's islands face unique challenges, and that Scottish Government is determined to do everything it can to support them.
- 2.2 The Comhairle seeks a similar level of investment to support and develop connectivity in the Western Isles and makes the following points in support of such investment:
 - a holistic approach should be taken to the provision of support for inter-island connectivity, both existing and planned/desirable, through proper and evidenced island-proofing of transport policy. The Western Isles Spinal Route is a Regionally Significant Network Route.
 - the policy position of Scottish Government regarding the financing of the intra-regional PSO (Benbecula to Stornoway) should be reconsidered, noting that the [Guidance](#) currently states that a PSO route that is wholly within a Devolved Administration boundary is the sole responsibility of that DA. The Benbecula – Barra service should be reinstated, as should a 5-day service between Benbecula and Stornoway, with comparable financial assistance towards the cost of subsidy for the services.
 - the Scottish Government contract for inter-regional PSOs has increased in line with inflation from £21m to £31m over the 4-year period, but that there has been no commensurate inflation proofing of the local authority revenue grant that can be used in the subsidy of an intra-regional PSO.
 - a recent report by the Scottish [Human Rights Commission](#) supports improvement in transport connectivity to essential public services and supplies including healthcare.
 - in view of the fact that the majority of passengers on the internal PSO route will be travelling for health purposes and the Comhairle is content to procure and manage the contract, it is a reasonable expectation that there would be direct support along similar lines to the revenue support now being provided to Orkney and Shetland Island Councils for ferries and air services (or fixed links such as tunnels and bridges), to cover or at least support these Councils' essential service costs.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle agree to make representation to the Scottish Government seeking a re-examination in the current Parliamentary term of its policy position regarding the funding of internal PSOs; an extension of the Benbecula -Stornoway PSO to five days; reinstatement of the Benbecula to Barra PSO; and further funding towards completion of the regionally significant Western Isles Spinal Route.**

Contact Officer: Linda Cunningham, Strategy Officer

Background Papers: [Public Service Obligations Guidance on the Protection of Regional Air Connectivity](#)

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	The annual subsidy towards the Benbecula to Stornoway PSO is always vulnerable to budget pressures, as a non-statutory service
Legal	None
Staffing	None
Assets and Property	The Western Isles Spinal Route is a Comhairle responsibility
Strategic Implications	Implications/None
Risk	Transport connectivity does not meet the needs of our communities
Equalities	Sufficient infrastructure is integral to meeting the needs of our communities and deficiencies are increasingly being recognised as a potential Human Rights issue
Corporate Strategy	Support for resilient communities and quality of life
Environmental Impact	None
Consultation	None at this stage

BACKGROUND

- 5.1 Transport Scotland (TS) support air routes from Glasgow to Barra, Tiree and Campbeltown as the number of people using these routes is not enough to make them commercially viable for airlines. However, the routes provide important connectivity to local communities.
- 5.2 TS use Public Service Obligations (PSOs), which are obligations imposed on a route to provide a set specification of service. A PSO imposes obligations to ensure the minimum provision of service on a route in terms of continuity, regularity, pricing or minimum capacity.
- 5.3 PSOs have also been imposed on routes within Shetland, Orkney, Comhairle nan Eilean Siar and Argyll & Bute, all of which are subsidised by the local authorities. The subsidy ensures that these isolated communities have air links with a main centre. The costs of these services were originally met with a payment included in Local Government Grant Aided Expenditure (GAE), but this support failed to be maintained in line with operating costs creating a deficit for local government budgets.
- 5.4 Following the Scottish Government commitment to fully support inter-island connectivity, (including additional funding to Orkney and Shetland), it is an opportune time to revisit the TS policy regarding funding of internal local authority PSOs, and to request further funding towards the completion of the Western Isles Spinal Route.

PUBLIC SERVICE OBLIGATION

- 6.1 **Benbecula to Stornoway PSO** the Comhairle currently receives a non-ringfenced notional allocation of funding from Scottish Government towards the internal PSO. The allocation historically is not index linked and has therefore fallen in value over the years. It is not a mandatory requirement for the Comhairle to provide an air service. The air service is of critical importance particularly for patient and other health transport and following a meeting with the Cabinet Secretary for Health, HITRANS have been tasked with preparing a report for consideration by Government. The report recommendations

should include improvements to the Benbecula Air Service and consideration of patient travel from Barra to Stornoway. This will create an opportunity to make the case for more Government support for this lifeline service.

The removal of the connection from Benbecula to Stornoway has also seen the Stornoway – Inverness air route become commercially unstable with Loganair suggesting publicly that the route may not be sustainable over the long term. The HITRANS report is expected to recognise this concern and set out opportunities to re-connect Benbecula – Stornoway with Stornoway – Inverness.

- 6.2 **Barra to Glasgow PSO** Transport Scotland subsidise this route and funding for the contract which includes routes to Tiree and Campbeltown has been increased substantially to fully reflect the cost of the services. The point is made that there is a lack of ‘Island Proofing’ (Island Communities Impact Assessment under the Islands [Scotland] Act 2018) of Transport Scotland policy with island communities being asked to accept compromises and inconveniences not being required of any other transport user in mainland Scotland.
- 6.3 **Scottish Government Powers and Policy** the Scottish Government holds the same powers for both the inter and intra-regional routes, but it is the policy position that differs in terms of funding, as the policy states that local authorities undertake the role of subsidising intra-regional PSOs such as the Benbecula to Stornoway service.
- 6.4 **Lifeline Services** These service routes are classed as ‘lifeline’ and any potential improvements are a priority of the Comhairle, particularly because of the current sub optimal ferry service and the continuing catastrophic financial loss suffered by businesses in Barra and Uist through the ongoing withdrawal of services. Also, despite the Comhairle, HITRANS and HIE: Innse Gall commissioning a socio-economic report on inter-island connectivity (Sounds of Barra and Harris) which indicated capacity constraints on both routes inter-island capacity remains constrained. The final report was shared with Transport Scotland who had asked for the study.
- 6.5 **Fares and Urgent Travel** There has been an increase in the Benbecula Air Ambulance movements from April to November 2023 and April to November 2024, the cause of this is unknown:
- April 2023 – Nov 2023: 138 Air ambulance arrivals including 36 out of hours movements
April 2024 - Nov 2024: 152 Air ambulances arrivals including 49 out of hours movements.
- Fares for Barra residents have been reduced through the use of a resident's fare card, but this offer is not available for friends and family travelling from Glasgow resulting in some discontent.
- 6.6 **Assets** Providing a comprehensive public transport system in an area of highly dispersed population is extremely challenging, and this results in a high level of reliance on all lifeline services provided in island communities. There has to be as stated a serious attempt at ‘Island Proofing’ transport connectivity within and to Na h-Eileanan an Iar. Regarding the inter-regional routes and the 2023-2027 contract, two of the aircraft are owned by HIAL, on lease to Loganair, and one Twin Otter is owned by Loganair.

WESTERN ISLES SPINAL ROUTE

- 7.1 **Capacity and Demand** The islands are entering into an intensive period of Renewable Energy development with a Converter Station, three Onshore Wind Farms and two Offshore Wind Farms to be built over the period 2026 to 2030. The combined contract value of these developments is £6.2 billion, and millions of tonnes of freight and thousands of workers will have to be transported to and from the islands.
- As well as requiring increased freight capacity there will be an increased impact on the local roads infrastructure. The existence of the new Stornoway Deep Water Port and plans for ‘Deep Water South’, an additional facility catering for offload and storage of Renewable Energy components, will also add pressure to the local roads network as imported components etc are transported to site.

7.2 **Regionally Significant Route** the Comhairle has long advocated for funding to allow completion of the Western Isles Spinal Route to improve inter-island economic trade and improve the experience of the Visitor Economy.

As Scotland's islands face unique challenges and the Scottish Government is determined to do everything it can to support them, the Comhairle wishes to seize the opportunity in seeking a similar level of investment as the Northern Isles have received to support and develop holistic connectivity in the Western Isles.

CONCLUSION

8.1 The Islands Connectivity Plan lacks any serious attempt at Island Proofing of transport policy, and a seeming acceptance of a lesser service for the islands which goes against the ethos of the Islands (Scotland) Act 2018 and the requirement for Island Proofing of all policies.

8.2 The ICP is heavily geared towards ferry services, largely because, with the exception of the two Public Service Obligations, island aviation services are run by private operators and regulated by the market rather than by Government. There is little evidence of inter-modal integration in the ICP, with aviation services or with onward public transport services.

8.3 Recognising that there will be a Scottish Parliamentary election in 2026 the Comhairle seeks a review within the current Parliamentary term, alongside the current HITRANS report to the Cabinet Secretary of the Scottish Government policy position, where local authorities funding of internal PSOs is updated to a position of central funding; reinstatement of the Benbecula to Barra PSO, extension of the Benbecula - Stornoway PSO to five days, and funding towards completion of the Western Isles Spinal Route as this is a Regionally Significant Network.