

Submitted by James Hose Ref MANS-S57179 in time for deadline 8

Dear Sirs,

I write to draw your attention to the announcement made today, 13th June, of the Scottish Governments decision to put up for sale the Prestwick Airport. Both Prestwick and Manston airports were sold in 2013 for a nominal sum of £1 each by Infratil. While the Scottish government tried to save Prestwick airport by pumping in £40million of taxpayers money Ann Gloag decided to cut her losses by closing Manston. It now transpires that neither airports have proved to be viable.

**BBC News 12 November 2013**

**New Zealand firm Infratil has written off the assets of its UK airports, Glasgow Prestwick and Manston in Kent.**

The company said it had reduced the value of both assets from £14.5m a year ago to zero.

The announcement comes as the Scottish government continues talks with Infratil over buying the unprofitable Prestwick operations. Manston Airport is being bought for £1 by Ann Gloag, who co-founded the Stagecoach Group. Prestwick is also expected to be sold for £1, according to the company.

In its interim results for the six months to the end of September, Infratil said: "Following a drawn-out process, Infratil has agreed to sell Kent Airport and is working towards the sale of Prestwick Airport to the Scottish government. "It is hoped both transactions are concluded later this year."

The Scottish Herald 13th June 2019

## Scottish Government puts debt-laden Prestwick Airport up for sale

By [Tom Gordon](#)

Scottish Political Editor

### **DEBT-LADEN Prestwick Airport is being put up for sale by the Scottish Government after costing taxpayers £40m.**

**SNP** ministers bought the loss-making operation for £1 in 2013 to prevent its closure and safeguard jobs. However they have since been forced to extend it around £39.9m in loans to keep it afloat. Transport minister Michael Matheson said he wanted the facility back in the private sector.

The government has been under pressure to cut its ties to Prestwick since **Nicola Sturgeon** declared a “climate emergency” last month, raising questions about its ownership of a facility linked directly to greenhouse gas emissions from flights.

The First Minister’s official spokesman was unable to say if the taxpayer loans would ever be repaid, and said the airport’s debt would be part of negotiations with potential bidders. But he said the government would aim to get “the best deal possible” for the public purse. An advert will now be placed in the Official Journal of the European Union inviting expressions of interest to “test the market”.

Mr Matheson said: “Since the Scottish Government bought **Glasgow** Prestwick Airport in 2013, we have been clear that it is our intention to return the business to the private sector when the time is right. “The senior management team at the airport has continued to engage with potential buyers and investors to discuss proposals for developing the business under new ownership.

“Good progress continues to be made by the airport to increase revenue, deliver operating efficiencies and pursue exciting opportunities for the future, including Spaceport. “In light of that progress, the airport will shortly place an advert in the Official Journal of the European Union inviting expressions of interest. “Any proposals submitted as a result of the advert would be considered carefully before any decision was taken to divest our shareholding in the airport or any part of the business.”

The Scottish Conservatives welcomed the move. John Scott, the Tory **MSP** for Ayr, said: "It is good news that Prestwick Airport is now being actively marketed for sale and I hope that a buyer can be secured at the earliest opportunity. “Despite the problems the airport has faced over recent years, and the need for it to be taken over by the government in 2013, I have always firmly believed that it has the potential for a bright future.

“Prestwick has all the foundations for success; the longest commercial runway and parallel taxiway in **Scotland**, a reputation of being Britain's only fog-free airport, its own dedicated railway station and a thriving aerospace campus. “What it now needs is an owner prepared to put in the investment to take the airport forward as the major economic asset it undoubtedly is.”

**Labour** MSP Colin Smyth said: "The government were far too slow in making the changes needed to turn Prestwick around when they bought it and as a result it's doubtful they will get back the £50 million they have put in. "However, the Government cannot simply wash its hands of Prestwick. "They have a responsibility to ensure that if a buyer is actually found, any sale must secure the jobs at Prestwick. "Anything else would be an economic tsunami for Ayrshire and beyond."

LibDem MSP Mike Rumbles added: "The purchase of Prestwick has been an absolute disaster for the Scottish Government. It has lost taxpayer's money hand over fist. "The Government have put forward a series of over-optimistic proposals for Prestwick and then failed to deliver. "I hope that the site can be put to good use by its new owner and that as much taxpayer's money as possible can be recouped by this sale."

Ms **Sturgeon**'s official spokesman was unable to say what had prompted the move, or whether it was linked to the climate emergency. Ministers have also been embarrassed by the failure of Prestwick's independent management to pay the real living wage in recent years. The Scottish Government bought Glasgow Prestwick in November 2013 after its New Zealand-based owner Infratil tried in vain to sell it for more than a year.

The Government paid a nominal £1 to protect what it saw as strategic infrastructure asset, despite knowing the worsening economic outlook and a question mark over its viability.

The site, which includes the longest runway in Scotland, supports around 300 jobs directly and up to 1500 indirectly.

Under the ownership of a new government-owned company, TS Prestwick Holdco Ltd, the airport calculated it would need £39.6m in loans from the government by 2021/22. However its continued losses saw the government loan it £39.9m by March 2019. In 2017/18, Prestwick made a £7.6m loss on a turnover of around £18.2m and had total liabilities of £46.5m compared to assets of £8.3m.

Ryanair is its last main commercial carrier, and it is increasingly reliant on cargo flights and refuelling services for business. Ms Sturgeon recently held Prestwick up as an example of positive nationalisation.

Accused by Labour of failing to step in to save the threatened Caledonian Railway Works in Glasgow last month, she told MSPs: “It is obviously not true that the Government does not do nationalisation. We nationalised Prestwick airport to prevent it from being closed, and we have been willing to step in in other instances as well.”