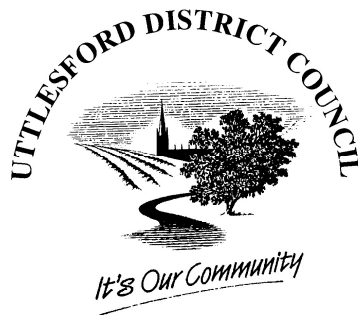


**AIRPORTS COMMISSION**

**DISCUSSION PAPER 02:  
AVIATION CONNECTIVITY AND THE ECONOMY**

**RESPONSE BY UTTLESFORD DISTRICT COUNCIL**

**APRIL 2013**



## **INTRODUCTION**

1. This is Uttlesford District Council's response to the Aviation Commission's Discussion Paper 02: Aviation Connectivity and the Economy. The District Council is the local planning authority for Stansted Airport. The Commission will be aware that the airport has planning permission to expand to 35 million passengers per annum (mppa). Current throughput is about 17.5mppa, having declined from just under 24mppa in 2008. Stansted has just been sold to the Manchester Airports Group (M.A.G), which has given an initial indication of wanting to grow the airport by about 5mppa to 22.5mppa by 2018.
2. Expansion of Stansted Airport has been a key issue of local concern for many years. Most recently, a suite of planning applications for the construction of a second runway and associated infrastructure (known as Generation 2) was submitted in 2008 to enable 68mppa to be reached by 2030. These applications were withdrawn in 2010 following the Coalition Government indicating that it did not support the then current aviation policy set out in the 2003 Air Transport White Paper.
3. In preparing this response, the Council has borne in mind the questions set out in paragraphs 5.4 – 5.6 of the Conclusions section of the discussion paper. As some of the questions appear to be linked, the Council's response uses subject headings to try to avoid any repetition.

## **THE COUNCIL'S RESPONSE**

### **4. *Defining and assessing connectivity***

The Commission's definition of connectivity appears to be comprehensive and, importantly, it includes accessibility of the airport from / to the passengers' origin or destination. The definition also includes the cost of the flight, but the overall cost of the journey from origin to destination would more closely match the Commission's definition of connectivity.

5. At Stansted Airport, over 50% of passengers currently travel to / from the airport by public transport. In relation to travel to and from London there is a highly competitive coach market, and now that the principal coach operator has lost the rail franchise there is genuine fares competition developing between coach and rail. It does appear that the low fares airlines at Stansted are becoming more willing to work with coach operators on through-ticketing and booking facilities. The Council welcomes the support that the Government gives in the new Aviation Policy Framework (APF) towards identifying short and long term targets for increasing the proportion of journeys made to airports by public transport.

6. When assessing connectivity, care needs to be taken over Table 2.1 because the assessment is being made using the UK's five London airports compared to three for Paris (Charles de Gaulle, Orly and Le Bourget) and the airports at Frankfurt, Madrid and Amsterdam. Whilst the table presents a healthy picture of UK connectivity to other European destinations, these destinations are spread across the five London airports. If a particular destination is only served by one airport, connectivity will be partly judged by how easy it is for a passenger to travel to and from that airport, especially if they have to cross London.
7. UK connectivity is the product of history/culture, geography, business and leisure. It is unsurprising for historical/cultural reasons that Heathrow has more available final destination seats to Commonwealth countries such as India, Canada and South Africa than it does to other countries beyond the EU (Figure 3.1). All four factors could explain the 15 million seats to the USA from Heathrow each year, and business and leisure links will mostly explain the number of seats offered to EU countries, especially Germany and the Mediterranean.
8. M.A.G has indicated that it wishes to develop Stansted more as a regional airport and not just as a point-to-point airport for low fares airlines. In the APF, the Government has announced that Fifth Freedom Rights will be extended to Stansted on a case-by-case basis. This is something that the Council has cautiously welcomed, particularly if it increases the range of business destinations from the airport.
9. Indirect connectivity has to be taken into account in connectivity assessment. If someone is flying from the north of the UK to the Far East or Australia, it could be just as easy for them to interchange at Frankfurt (or indeed Dubai) than at London. Table 2.1 indicates that Frankfurt serves more Asian destinations per week (42) than the five London airports combined (33).

10. Likely changes to connectivity in the future

Much will depend upon decisions that this or future Governments make about UK airport capacity and when / where growth should occur. Increased connectivity in terms of extra destinations served and more frequent flights will have an environmental cost, particularly if additional capacity is required. The Government will have to decide whether that is a cost that is worth paying.

11. The DfT's 2013 forecasts predict that the SE airports will be full by 2025-2040 depending upon the rate of actual growth. Stansted Airport is predicted to reach 35mppa shortly after 2030. Unless further major capacity in the SE is provided, it is likely that the number of destinations served from the SE will reduce as the value of scarce slots increases, resulting in a predominance of business destinations such

as the USA. Mainly for environmental reasons, the Council does not support any growth at Stansted beyond 35mppa.

12. The 2013 forecasts predict increased regional airport growth beyond 2030 / 2040, giving the prospect of a larger number of destinations being served by regional airports.
13. Paragraph 2.10 raises the issue of geographical location. The UK will remain an important transfer point for traffic to the USA simply because it is on the Atlantic side of Europe and is “on the way” for central European travellers. On the other hand, it is not likely that passengers from Central Europe wanting to travel to Asia would wish to spend time travelling in the wrong direction to transfer at London.
14. In a scenario where the UK becomes increasingly capacity constrained, direct connectivity is likely to be affected. In this scenario, an increased number of UK passengers who currently connect via a UK hub either choose or have to use an overseas hub. Also, overseas passengers who currently connect via a UK hub may cease to do so. Finally, there may be some passengers who decide not to fly at all. In all cases, the viability of UK hub operations might be reduced if decreased passenger loadings on international flights to / from the UK and on regional feeder flights result in services being withdrawn or frequencies reduced. The Council notes that the Commission comments on this issue (trip displacement effects) in the recently published Discussion Paper 03: Aviation and Climate Change, as it also has implications for assessing the UK’s aviation CO<sub>2</sub> and other emissions.
15. Does the need for additional connectivity support the argument for additional capacity?

Not necessarily. Table 3.10 of the DfT’s 2013 forecasts indicates that in 2050 in a maximum use scenario, all the UK’s airports could handle 492mppa. In 2050, the DfT’s unconstrained central forecast indicates that demand would be 480mppa, and 445mppa in the constrained central forecast. Looking in more detail at Table 3.10, London airports capacity peaks at 196mppa in 2030, after which growth is directed to the main regional airports, in particular Belfast International, Birmingham, Edinburgh, Glasgow and Manchester. In 2050, the table shows that Manchester would handle 55mppa (more than Gatwick and Stansted) and Birmingham 37mppa (more than Stansted).

16. If the Government decides to plan for central forecast growth, it therefore appears entirely feasible that demand could be met by using existing runway capacities. In the demand vs capacity debate there would, of course, be a need to consider some built-in resilience against external shocks. There is clear Government support for the development of regional airports in the APF (Paragraphs 1.20 – 1.24), including an acknowledgement that this would help accommodate the

wider forecast growth and take pressure off the main London airports.

17. If a higher level of growth is to be accommodated, more capacity would be needed post-2040. The high end unconstrained forecast in 2050 is 660mppa, which is 170mppa above the estimated maximum capacity of UK airports, (170mppa equates to about 2.5 times the current throughput of Heathrow).

## **CONCLUSIONS**

18. The Commission's definition of connectivity appears to be comprehensive. There are many reasons why the UK has the pattern of connectivity that it does. UK connectivity may change in the future, especially if capacity constraints act to increase the value of scarce slots. It will be important to fully understand the behaviour of transfer passengers, especially if indirect connectivity is to increase. Looking at the DfT's 2013 forecasts, there is a case for arguing that central demand can be met from existing available UK unused capacity. Building in resilience to external shocks is an issue to consider in the demand vs capacity debate.
19. Stansted Airport has sufficient unused capacity through to 2030 and beyond. M.A.G's aspiration to grow Stansted as a regional airport within its 35mppa constraint should improve connectivity for those residents and businesses within its catchment area.