

## **SUBMISSION TO THE AIRPORTS COMMISSION**

### **Discussion Paper 6 Utilisation of the UK's Existing Airport Capacity**

Please find below the observations of Peel Investments (DTVA) Ltd and Peel Investments (RHADS) Ltd, both Airports being part of the Peel Group. These responses should be read alongside the Airport Companies' respective cover letters. Key issues have been cross-referenced to Discussion Paper 6, with the relevant paragraph number placed in brackets.

7.3	Questions on the role that non-London airports currently playing in providing connectivity and utility to the UK.
1	Is the Commission correct to identify a reduction in air connectivity between the UK regions and the London airport network over the last decade? How do recent new routes to the capital and the stabilisation in passenger numbers on domestic routes to and from London since 2010 affect this analysis?
	<p>Yes, this is the case. The route from Durham Tees Valley Airport (DTVA), for example, was a long established bmi route (three flights per day), providing links to both long haul services at Heathrow and a connection to London itself (as referenced at para 1.7). It was a staple of the Airport contributing significantly to passenger numbers and revenues (para 1.5). It was withdrawn by bmi in 2009 and the slot used for long haul services of more value to the airline. The Tees Valley lost a vital strategic air connection, yet there was no consultation with regional stakeholders or the Airport. No account was taken in this decision of the integrated transport needs of either the region or the national interest. The statements made at the time of the Heathrow Terminal 5 planning process that this would, through increased capacity, ensure these type of regional services remained turned out to be unfounded as the Airport had no control over the airlines' actions. Many other regional airports suffered similarly (para 1.8).</p> <p>This does raise a crucial issue for the Commission. To whose benefit does the extra capacity upon which it makes its recommendations flow? Is it the Airport owner, the incumbent airlines, or is it for the national benefit? We firmly believe it will need to be the latter.</p> <p>The consideration should start not in the South East, but in the rest of the country. It should be an essential task for the Airports Commission to consider the various regions of the country, assess their needs in terms of connectivity (whether it is to serve key economic sectors or provide access to otherwise isolated communities) and then to assess the South East development options in the light of how they perform against these needs to produce what might be termed "regional performance criteria". It will then be a matter of concluding in planning terms how those criteria are secured through planning conditions. The approach of saying we make a decision and then leave the market to decide will not pass the planning test (nor CPO test, given third party land will need to be purchased) of wider public interest. It would be akin to using powers to build an HS2 high speed rail line to the North and then saying we will leave it to the market to decide whether train services are provided or not, whether trains stop at particular stations, whether they travel fast or not. Airports are part of a public transport system; the South East hub is the bus station, it receives most attention, but the bus stops serving local communities (the regional airports) should not be neglected. The Airport Commission has a real opportunity to integrate and reinvigorate a struggling, but essential, element of the nation's airport infrastructure (regional airports) and it should not let it pass by.</p>

7.3	2	How do respondents view these trends developing in the future?
		<p>The Commission document the loss of the DTVA service to Heathrow in Table 1.1, but it should not be deceived into thinking the problem has gone away, because a number of routes have been reinstated recently (para 1.13). The issue of the loss of accessibility remains for many local communities and sometimes reinstatement has been “facilitated”, driven by other wider political imperatives.</p> <p>There is some suggestion that a certain load factor or density is required to make a route viable. This will, to some extent, be true, but what is material is that the tipping point for this sets too high and limiting a threshold in the current market. It is based on opportunity cost, which favours long haul international routes with larger aircraft when set against regional routes with smaller aircraft. Such regional routes would be profitable, even below this threshold, in their own right if able to operate. If this was not the case, we would not have the situation develop where Amsterdam Schiphol is serving 26 regional airports, including DTVA, whilst Heathrow only provides access to 8, a paltry number for what is meant to be the nation’s airport. This is not the case elsewhere in Europe.</p> <p>This is unlikely to change without positive action and the Airports Commission has the opportunity to address the problem in the national interest.</p>

7.3	3	Is the Commission's analysis of the multiple factors influencing domestic air connectivity between London and the UK regions accurate? Of the factors outlined, which are the most significant or important for explaining how the market has developed? What additional factors, if any, should the Commission be mindful of?
		<p>The Commission identify a number of factors and all have played a role to some extent or other. There has been squeezing out (para 1.17), but this needs to be addressed in policy terms – it is not an answer to the dilemma to say it is acceptable, because the CAA did not rule against it – they are considering economic regulation, not what is required of an integrated national air transport system in policy terms. Reduced demand (para 1.21) is a factor. Some areas, such as the Tees Valley, have suffered more dramatically than others in the economic downturn in this respect. Unemployment is higher, levels of economic activity lower, discretionary spend lower and, as a region, it has long been over-dependent on public sector employment in a period of retrenchment in public spending. As a consequence, demand for air services will take longer to return. But if air accessibility is reduced, it has less opportunity to do so and the area will have less ability to address these fundamental structure weaknesses. The market will not necessarily recognise either economic need or those elements that are essential for local employment. A case in point is the importance of the petro-chemical complex on Teesside; what might be termed a core competency of the economy, high value, but not necessarily high volume in terms of air service demand. Neither will it recognise latent potential for growth (demand yet to be realised) – one of the key drivers to deliver economic success is the future. Having an airport and the platform from which to deliver the air services required will be crucial. If lost, this infrastructure is not easy to replace and it would be costly to do so. An airfield comprises a very valuable capital asset, much of it sunk cost, which should not be lightly put in jeopardy. These are matters which Government policy needs to address.</p>

7.3	4	Is overall transport connectivity between London and the regions at an appropriate level? What are the social or economic consequences of changes to air connectivity? Can respondents provide any comparisons or other evidence to support their response?
		<p>Rail services have improved (para 1.25) and will have had some effect on regional connectivity, but claims that this is an adequate replacement for air services is not true for many journeys. Travelling with heavy luggage from the Tees Valley, for example, by rail to Kings Cross and then across London to Heathrow is not a journey to relish. The Government has made statements almost encouraging such unsustainable journeys. For example, in the Aviation Policy Framework of March 2013, in seeking to encourage a modal shift from air to rail, says:</p> <p><i>“An important part of our approach is to enable more people to take the train, instead of air transport, for domestic and short haul European journeys. The operation of class compatible trains will further reduce journey times ..... to the North East via East Coast Main Line”.</i></p> <p>This seems more about trying to build an economic case for HS2 rather than sustainable journeys for travellers. HS2 will not be delivered in the near term and will not reach beyond Leeds to the North East for many years, so material time savings are uncertain on the East Coast Main Line. This is not to diminish rail improvements, but seeking to play off one mode against another – damaging air in the short term with claims regarding future rail investment is not an integrated transport policy.</p>

7.3	5	What future trends to respondents envisage in domestic air connectivity excluding routes into London? How relevant are the factors explored in relation to London and the regions for these other domestic routes?
		<p>The links from DTVA to Amsterdam Schiphol are essential and reflect the more European integrated approach to air transportation. We are fortunate as a country to benefit from this more enlightened approach and the Airports Commission should take great care not to damage such links. For areas such as Tees Valley, they are a life line and consequently of substantial benefit to the national economy. They should not be put at risk for uncertain benefits. In the Emerging Findings Report, it was stated:</p> <p><i>“Links to other European Hubs from regional airports ..... is not always the best solution, either for passengers or the environment.”</i></p> <p>In the case of DTVA, these links are essential and without this route the Airport would close to passengers. That would be neither sustainable nor help the environment. It is indicative of centralised thinking which sometimes fails to recognise real national interests where it lies outside the South East.</p>

7.3	6	Is the Commission correct in its analysis of changing purposes of travel and routes types at non-London airports? What are the drivers and ramifications of this trend?
		<p>The differential fortunes of large regional airports compared to smaller sites (para 1.38) is a trend that was reinforced in the recession. If the Commission is right to identify a disproportionate effect on business travel (para 1.4), this must be a serious structural concern, given the Government's agenda of rebalancing the economy, both between North and South, but also between manufacturing and financial services.</p> <p>We welcome the recognition by the Airports Commission of the economic importance of regional airports (paras 1.48 to 1.53). We comment further on these issues in our cover letters in respect of both Durham Tees Valley Airport and Doncaster Sheffield Airport and we would be pleased if these were referred to and cross-referenced in respect of this question. We also welcome the specific reference to the fire safety training at Durham Tees Valley Airport (para 1.54) and say more in this respect in our cover letter. In respect of a further example, it should be noted that there is also military activity carried out at regional airports which contributes to national security. The location of Cobham, who conduct training activity at DTVA in association with RAF bases, is an example of this. The aviation system should be regarded as an integrated whole.</p>

7.4	Questions on how the business models of these airports are changing and how they can be expected to change further in time.
7	Is the Commission right to identify particular financial challenges for smaller airports? Can respondents corroborate or refute any of the Commission's evidence on financial pressures at regional airports?
	<p>The recession had a significant effect on regional economies with uncertainty about job security and low wage increases placing pressure on family budgets. People were cautious about discretionary spending on travel and holidays. Tees Valley is a case in point, at the lower end of Gross Disposable Household income per head, with unemployment rates consistently higher than UK levels. The area inevitably has a lower propensity to fly compared to the GB average. Across the country, the recession led to a consolidation in the airline sector at the larger airports leading to falling passenger numbers at smaller regional airports. The emerging recovery will help larger airports, but for those smaller sites the problems are now embedded. The low cost operators who were happy to use smaller airports prior to the recession have now to a large extent reverted to a large airport model.</p> <p>In January 2013, the Department for Transport published their national Passenger Forecasts. For those airport operators in the bottom half of the Table of traffic projections, the future potential for growth is minimal. If 4 mppa was regarded as a notional breakeven level, only half of the UK's airports would reach it by 2020. In terms of an investment proposition, these aviation projections are hardly the greatest incentive to companies looking at the sector. A number of foreign investors, in particular, have decided the regional sector is not attractive and have exited the UK aviation market in recent years.</p> <p>The Government has an aspiration for private investment in airports, whilst in reality, there exists a move back to the public sector. There is therefore now a situation of public sector airports competing with the private sector with no clear national policy for regional airports. Public infrastructure provision is likely to be focused on the publicly owned airports because they are more effectively embedded in the decision-making process.</p> <p>We agree with the analysis of Airports Council International referred to at para 2.2 and also agree that it is more difficult for smaller airports to generate funds from associated activity such as retailing or car parking. The simple fact is with less throughput the rents and concession fees that can be charged are lower (rents or concessions will often be turnover related) – it is the same as the higher retail rents applied in a large regional shopping centre compared to a local shopping centre. We agree with the ACI at para 2.7, which is why it is very important that programmes of aid are targeted at the smaller airports.</p>



7.4	8	Is the Commission accurate in its analysis of the market dynamics affecting the non-London airports sector? Is the commission correct to identify a broad trend, especially since 2007, in larger regional airports retaining or building their route networks, whilst smaller regional airports' route networks shrink? What explanations can respondents provide for this trend?
		<p>The Table below shows the decline in passenger numbers between 2007 and 2013 and how this is "banded" by size of airport – a gravity model effect with a tiered ability to hold passenger traffic according to size. Durham Tees Valley suffered particularly badly, [REDACTED]. There is a problem across the sector which currently the Government is largely blind to in terms of cause and effect.</p> <p>It can be seen from the Table how dramatic the fall has been in respect of the percentage of traffic handled during the recession – 50% losses in throughput for many airports. These are not just cyclical downs, this is a fundamental structural change – what is required is a clear set of policies to support regional airports – and these need to be practical measures. We consider the factors raised in both para 2.13 and para 2.14 are relevant, however, the statement at para 2.13 that the recession is over would not be recognised in many northern areas of the country and where growth is emerging at a much slower rate than in the South East.</p>

Regional Airport Development in the UK, 2006-2012			
Airport	Passenger Numbers		Total % Change
	2007	2012	
Durham Tees Valley	735,000	165,000	-77.6%
Newquay	353,000	166,000	-52.8%
Humberside	466,000	234,000	-49.9%
Blackpool	558,000	235,000	-57.8%
Norwich	699,000	397,000	-43.3%
Doncaster Sheffield	1,074,000	693,000	-35.5%
Exeter	1,012,000	695,000	-31.4%
Cardiff Wales	2,094,000	1,013,000	-51.6%
Prestwick	2,421,000	1,067,000	-55.9%
Leeds Bradford	2,860,000	2,969,000	3.8%
East Midlands	5,407,000	4,068,000	-24.8%
Belfast International	5,236,000	4,312,000	-17.6%
Liverpool John Lennon	5,463,000	4,459,000	-18.4%
Newcastle	5,624,000	4,355,000	-22.6%
Manchester	21,892,000	19,654,000	-10.2%
Gatwick	35,165,000	34,219,000	-2.9%
Heathrow	67,852,000	69,983,000	3.1%
Source: CAA Annual Passenger Statistics, Table 1			

7.4	9	Can respondents provide any evidence to counter or support the Commission's analysis of the UK population having quick access to relatively high numbers of airports, or to build on the Commission's comparison between the UK and other countries' airport networks?
		<p>The Commission suggests that a high percentage of UK passengers may not necessarily lose connectivity in the event of an airport's closure due to the close proximity of alternative airports (para 2.19). Figure 2.3 shows other airports with 1 to 2 hours distance. Given the high value placed on time savings to be delivered by HS2 where a saving of half an hour justifies billions of pounds of expenditure, it is clearly irrational to suggest there would be anything other than significant economic dis-benefits from the extra time people would have to travel to access an alternative airport. If the tables were turned, it is doubtful it would be acceptable to London businesses, so why should it be acceptable in the regions?</p> <p>Many studies have shown the importance to regional economies of connectivity. Accessibility by air is key to higher order economic functions, such as head offices or key production facilities. Because of this importance, they can be proxies for the success of an area and its profile. They are an emotional asset and therefore excite a high degree of political interest. Many are serving less prosperous or peripheral locations (but these areas may possess the greatest potential for economic uplift) and sometimes emerging medium sized cities poised for growth. For companies that trade internationally, they provide convenient and cost effective accessibility to international markets. And encouraging people to fly local maximises the use of airport capacity nationwide as well as delivering environmental advantages by reducing long surface journeys to congested airports. They are also significant local employers and a focal point for economic clusters in their own right.</p> <p>Therefore it is important that the current landscape of regional airports is retained. It is not the airports that are the problem, it is the lack of a national airports' policy.</p>

7.4	10	What analysis ought the national or local Government undertake when faced with a potential airport closure?
		<p>In the devolved administrations of Scotland and Wales, the answer to potential closure has been the nationalisation of Prestwick and Cardiff. In England, no such safety net exists and Plymouth and Manston have closed. The Government has long been in denial over the problems being faced by regional airports. Most of the larger regional airports have a high public sector involvement, i.e. Manchester, Newcastle, East Midlands, Stansted and a number of small ones similarly. The public sector is also supporting other aviation facilities, such as Daedalus (the old Royal Navy Gosport site), where the HCA is funding aviation services. The result is an uneven playing field and arbitrary decision making based on expediency. The two issues that should concern Government and on which the Commission can seek to reflect in its policy recommendations are:</p> <ul style="list-style-type: none"> <li>(i) What is the importance of an airport to its particular regional economy?</li> <li>(ii) How can a viable economic future be secured in a normal operating environment?</li> </ul> <p>That can only be achieved through having a <u>national</u> aviation policy.</p>

7.4	11	In the longer term, what is an appropriate, adequate or ideal shape for the UK's airport system? Is consolidation of the airport network desirable, inevitable, both or neither?
		<p>Many of the problems faced in the airports sector reflect the wider problems in the national economy – an overheated and congested South East, which receives the lion's share of infrastructure investment and a northern economy emerging, but seeing less investment and patchy growth. In their report <i>"Still on the Wrong Track"</i>, IPPR North (2013) considered the distribution of national investment and observed:</p> <p><i>"Where transport infrastructure projects involve public sector spending, the spend per head of population is £2,595.68 in London, but just £5.01 per head in the North East".</i></p> <p>Inevitably, some administrators at the centre will say the regions should be left in managed decline. This view should be resisted as a prescription, as it will lead to even greater imbalance with all the economic and social damage that entails. It is not desirable nor it is inevitable – but it will require the will to address it and for sensible policies to be put in place to deliver it – it will not just happen. Airports' policy needs to play its role.</p>

7.5	Questions on how the connectivity provided by these airports can be enhanced and on the options to intervene in this sector.
12	Has the Commission correctly identified the major options to support or bolster the regional airports sector? Of the options here explored, which have the potential to be most beneficial?
	<p>We note the commentary in respect of State Aid. As referenced at para 3.6, the new EU regulations are in place to help smaller airports in adjusting to change – the type of process DTVA is currently going through. We have been concerned at recent press coverage where larger airports have been pressing for support – that would not fulfil the intended purpose. Support should be limited to loss-making airports.</p> <p>The Commission has rightly identified some of the crucial measures that a national aviation policy should address in a manner which is tailored to the needs of regional airports – reform of Air Passenger Duty (APD), Route Development Funding, targeted tourism marketing, Local Enterprise Zones and slot reservation at the South East Hub.</p> <p>The current arrangements in respect of APD are highly unsatisfactory. The commission has identified the issue of the double whammy on domestic flights (para 3.28). APD has damaged the more marginal routes disproportionately and the effect on regional airports has consequently been dramatic. Given the smaller seat numbers or regional jets on domestic services, it is of a larger next effect overall on the route, particularly given it is charged on both legs of a domestic journey. It is set at a rate for domestic air travel, which is greater than that of international travel and albeit there has been some recent reduction in the tax take, this has been on international routes and has not directly helped the regional sector.</p> <p>We consider that APD should be adapted to help routes serving regional airports. It could be reduced and evidence has been produced to the effect this would actually bring benefits to the Treasury through increased economic activity. Indeed, a report in February 2013 by PriceWaterhouseCoopers LLP stated that new research found that abolishing or significantly reducing APD would result in an increase in the UK's GDP and would result in the creation of tens of thousands of new jobs. It also found that reducing or abolishing APD would actually increase the revenues to the Treasury from other taxes so much that it would pay for itself – increasing the money flowing into the Exchequer. It could be linked to congestion and levied at a lower rate for regional airports than in the South East or it could be reduced in those airports located in Assisted Areas and linked to wider economic regeneration criteria. We would recommend the Commission consider these options.</p> <p>Public Service obligations and Route Development Funding will also be key to supporting those operators able and willing to operate from regional airports and in particular small regional airports.</p> <p>The Commission raises the potential role of tourism inward investment (para 3.29). Reference is made to a Visit England Regional Airports Task Force (para 3.33). We have not heard of this previously, but there is a concern that this will be limited to larger regional airports. There is a tendency for public sector bodies to focus their activity on public sector airports, as they will have existing contacts through other destination marketing conducted by Local Authorities. In terms of smaller airports, we would support targeting support on those airports in Assisted Areas.</p> <p>We agree Local Enterprise Zones are a welcome support to regeneration and economic development activity. A Local Enterprise Zone has recently been approved at Doncaster Sheffield Airport to support the Business Park development. The area is recognised as a growth corridor and we believe the Enterprise Zone will make a material difference. Our experience with other Enterprise Zones is that the incentives are not the only attraction to firms wishing to invest – it is the fact that this is a Government backed indicator of strategic importance, which serves to reduce perceived risk and provide confidence to new investors. We would welcome the designation of a Local Enterprise Zone at Durham Tees Valley Airport.</p>

Surface access is rightly identified as an area where benefits may accrue from co-ordination between a Local Enterprise Partnership, the Highways Agency, the local transport body, the Local Authority and the airport authority.

At Doncaster Sheffield Airport, this form of joint working has functioned to successfully fund the FARRRS link road, which is now being delivered. The Doncaster Lincoln rail line borders the northern edge of the airfield. A new station is planned, which would serve not only the Airport, but a growing local community, including employment sites, schools, community facilities and a park and ride facility. This will require public support for delivery and integration with wider agendas, such as The Northern Hub.

At Durham Tees Valley Airport, delivery of rail services on the adjacent rail line have not progressed, because there is no overall passenger transport executive to co-ordinate between stakeholders, as exists in the metropolitan areas of the country. Therefore the administrative landscape can be an important factor in enabling delivery.

The Stockton to Darlington rail line borders the northern edge of DTVA. Proposals for a relocated railway station have reached GRIP Stage 3. The existing Teesside station has a Parliamentary service with train services stopping on Saturday only. The new station would be located adjacent to the main Airport access road from the A67 and would provide convenient rail access to Darlington Station and the East Coast Main Line. Progression of this scheme would be a significant boost to the Airport and would also improve its connectivity to local communities, particularly Middlesbrough to the east.

In respect of planning policy, we fully agree with the first section of para 3.43. But we disagree with the suggestion the Aviation Policy Framework provides sufficient policy directions. The current wording is positive, but there is no actual policy that flows from the statement and no delivery measures.

We therefore agree that further measures should be introduced. However, we do not agree with the idea of Bristol Airport that regional airports should be burdened with additional security or custom regulation or responsibility before the larger airports - that will make them even more uncompetitive.

Certainly we consider the criteria at para 2.20 are very relevant and we consider that airport business models will need to adapt, as noted at para 2.22. DTVA is an airport where this is happening, but it is currently difficult to achieve – with outdated and inflexible planning policies a particular problem. Again, scale helps – Airport City at Manchester is lauded, attempts to diversity at DTVA are seen as non-compliant with policy. Airports, such as DTVA, which have large land assets, should be allowed to use these imaginatively. It would certainly help smaller regional airports evolve and adjust if the National Policy Statement proposed gave specific support for diversification at regional airports.

We would welcome a National Policy Statement for Airports. The airport/aviation system is integrated and needs to be considered accordingly and at a national level. Albeit the developments at smaller regional airports will not fall to be determined as NSIP development, the NPS will still be seen by both airports and Local Authorities as relevant.

The NPS should specifically deal with the safeguarding of a portion of the new capacity created at an expanded or new hub airport in the South East of England to access the regions - in the form of reserved slots. This would address the situation in which Heathrow is not currently fulfilling a national hub role for large parts of the country. Given the new hub capacity is being promoted on the grounds of its benefit to the UK economy, such a situation could not be allowed to remain the case. It is therefore important that air connectivity to regional airports is addressed in any proposal made by the Airports Commission in respect of the National Policy Statement (NPS). A hub needs spokes and a national hub needs national spokes and if this fundamental is ignored, the policy could not be said to be “national” for the purposes of a NPS, but would purely be about more South East regional capacity.

Whatever the decision of the Airports Commission regarding additional capacity in the South East (and we have no opinion on the merits of the different schemes), access for services from regional airports should be guaranteed through a planning condition specifying that a number of slots shall be ring-fenced for named regional airports.

This is the only way of ensuring delivery. When previous capacity (i.e. Terminal 5) has been built, additional routes to regional airports have been part of the case, but not delivered – this time, the Airports Commission needs to recommend a binding commitment and resolve how it is delivered.

The NSIP system was introduced by the Planning Act 2008 and the relevant NPS is the primary basis for a decision on a NSIP Development Consent Order (DCO) application. However, the Act deals with planning issues wider than the NSIP system and NPSs also have a more general application. There is no provision in the Act that states that a NPS is only relevant to NSIP development. The NPSs published to date state that they are likely to be a material consideration for an authority deciding a non-NSIP application for the types of development to which the NPS relates. Section 120 of the Act provides that a DCO may impose "requirements" in connection with the development for which consent is granted.

There is no reason why a DCO could not set out a requirement that imposes a restriction on the operation of the infrastructure to be constructed. This could take the form of a "Grampian condition", i.e. a prohibition on construction before a given measure has been implemented. For example, a requirement could provide that the development may not commence before the developer has submitted for approval for a binding scheme for deciding how slots are to be allocated for the new airport capacity created. That scheme could specify a percentage or number of slots that would have to be allocated to flights from UK regional airports.

A NPS is also an important document in respect of non-NSIP applications. This was explained in the letter sent by the Chief Planner at DCLG, Steve Quartermain, to Chief Planning Officers dated 9 November 2009 on the interaction between NPSs and the planning process. This stated that:

- *"The new single consent regime for NSIPs will operate alongside the town and country planning regime. Although the two regimes are legally distinct, there are close interactions between them." (Annex A, para 13).*
- *"NPSs are not part of the statutory development plan for the purposes of the town and country planning regime, but are statements of national policy on national significant infrastructure: ... local planning authorities (LPAs) must therefore have regard to NPSs when preparing their plans at regional and local level." (Annex A, para 14).*
- *"Where it is not practical for changes to be made to emerging plans to take account of policy in an NPS, LPAs and responsible regional authorities should consider the steps they will need to take to address any issues arising from emerging policy through an early plan review." (Annex A, para 15).*
- *"In cases where development plans have not yet been updated to take account of a particular NPS, the NPS is likely to be a material consideration which the LPA (and the SoS an appeal or call-in) will have to take into account when determining planning applications." (Annex A, para 16).*
- *"The policies in a draft NPS may also be relevant to planning applications for below-threshold infrastructure or any appeals made under the Town & Country Planning Act." (Annex A, para 17).*

From the above, it is clear a NPS will have a wide applicability to the planning system as a whole. Planning Officers will regard it as a statement of overarching Government policy. If it contains assessment criteria as, for example, seen in other NPS documents (such as that for Ports) they will become the benchmark applied to schemes below the NSIP threshold.

The more specific and comprehensive a NPS, the more likely it is to take precedence over other sources of policy, as it derives authority from being decided at national level. As paragraph 17 of Annex A of the Chief Planner's letter notes, *"NPSs may specifically set out policies which will need to be taken into account by decision-makers other than the IPC. The Ports NPS, for example, has set out the Government's policies for all types of ports' infrastructure - both above and below the thresholds set out in the Planning Act"*.

	<p>The Airports' NPS could be written to be a comprehensive document, the principal source of policy relating to airport development and the Government could, when accepting it, abolish some existing policy which it wishes to replace with the policy in the new NPS, but it could also, where appropriate, cross-refer to other documents, such as the APF. This would be the advisable course, given the difficulties in ensuring all pre-existing policy documents are picked up and referred to.</p>
--	--



7.6	Can respondents suggest means of bringing about positive change in the context of these options? What recommendations could the Commission make in these areas?
	<p>We would also wish to add the case for:</p> <ul style="list-style-type: none"> <li>(i) A more flexible approach to planning policy in respect of diversification proposals for development at regional airports.</li> <li>(ii) A tiered approach to operational requirements to reduce the level of fixed costs for smaller regional airports.</li> <li>(iii) Levying a reduced level of APD at those airports in Assisted Areas to link them to economic regeneration criteria or an APD charge related to congestion.</li> <li>(iv) Targeting Local Authorities and tourism agencies to support marketing focused upon tourism activity to those airports in Assisted Areas or smaller airports.</li> <li>(v) The Commission should recommend the preparation of a National Policy Statement (NPS) for Airports, including meaningful policies to support smaller regional airports.</li> <li>(vi) Within the NPS, specific policies should make clear a criteria for judging the acceptability for planning purposes of new hub development will require the specific ring-fencing of a specified number of slots for named regional airports enforced through a binding planning condition or legal obligation.</li> </ul>