Airports Commission – Discussion Paper 06

Utilisation of the UK's Existing Airport Capacity

Response from Bristol Airport

Introduction

1. Bristol Airport is the major regional airport for the South West of England and South Wales, serving a catchment area with a population of between seven and eight million people within a two hour drive time. Handling 6.1 million passengers per annum in 2013, Bristol Airport is the ninth largest airport in the United Kingdom and the fifth largest outside London. Flights are available to over 100 destinations across 29 countries, including 86 scheduled services.

2. Plans for the development of Bristol Airport to handle up to 10 million passengers per annum were approved by North Somerset Council in February 2011. The latest of more than 30 phased projects which the development comprises – construction of a central walkway to improve the passenger experience and ease departure lounge congestion at peak times – was completed earlier this month (July 2014). Other major components include extensions to the terminal building to almost double its size; a new multi-level car park with a public transport interchange on its top level; and an on-site hotel. Development is concentrated on existing operational areas and is located almost entirely within the current boundary. A comprehensive package of controls, monitoring and mitigation measures accompanies the development covering noise and night flying, air quality, nature conservation and surface access.

3. The development plan includes a number of minor modifications to the runway and taxiway system which will facilitate the introduction of long-haul services by the latest generation of aircraft being produced by the major airframe manufacturers. The increased range capability of aircraft such as the Boeing 787 will bring new long-haul destinations within realistic reach direct from Bristol Airport.

4. Bristol Airport is jointly owned by Macquarie European Infrastructure Fund (MEIF) and Ontario Teachers' Pension Plan. Although both shareholders have interests in other airports across Europe and the world, none of these are part of the London airport system and Bristol Airport is not operated as part of a wider group.

5. Furthermore, as a result of its geographical location in a region contiguous to the South East, Bristol Airport is not linked to any London airports by scheduled flights. This makes it an exception to the rule referred to in Chapter 1 (paragraph 1.6) that *"in many cases, the key domestic connection for the UK's regional airports is a link to the capital"*. This position outside the London airport system, coupled with the ownership structure described above, differentiates Bristol from most other regional airports and makes it well placed to provide an independent and credible view in relation to the role which regional airports can play in the UK aviation market.

6. A summary of Bristol Airport's recommendations for a balanced aviation policy to make better use of existing capacity follows below. In the remainder of this document we go on to address specific points raised in the Discussion Paper as well as responding to questions posed in Chapter 7 where relevant. We provide evidence to illustrate trends and changes in the aviation market in the South West and Wales, including analysis of journey purpose, consolidation at larger regional airports, and increased use of international hubs, and we comment on the Commission's analysis of potential options to enhance connectivity from non-London airports.

Overview

7. Significant capacity constraints already exist in the South East and, as the Commission stated in its Interim Report, *"problems are starting to emerge and are likely to get worse"*. Heathrow *is "effectively full"* and Gatwick is *"operating at more than 85 per cent of its maximum capacity and is completely full at peak times"*.

8. Any new runway proposal is unlikely to be delivered until the late 2020s at the earliest and there is no certainty that whatever recommendations the Commission makes will be politically deliverable. Until a new runway is operational, congestion at South East airports will continue to worsen.

9. Airports outside London therefore have a vital role to play in meeting demand throughout this period. Aviation policy must create conditions which empower regional airports to better meet demand for air travel in the region in which it arises, recognising the potential negative impacts an enlarged hub could have on airports in neighbouring regions in the long-term.

10. There is already significant surface access leakage from the South West to the London airport system (see Figure 1). An expanded Heathrow, and to a lesser extent Gatwick, would exacerbate this issue, 'sucking in' demand and undermining the position of regional airports.

11. Against this backdrop, it is essential that the Commission fully assesses the potential system-wide impacts of the shortlisted proposals, taking into account any disbenefits, unintended consequences and additional costs that may arise.

12. The recommendations outlined below (based on those initially published in our paper, *Giving wings to airports across the UK*[1]) address these points.

[1] www.bristolairport.co.uk/about-us/planning-and-development/aviation-policy-reccommendations.aspx

Recommendations for a balanced aviation policy

Varying APD to rebalance the economy

Start-up routes from regional airports (to long-haul destinations in particular) are much harder to secure and take longer to mature as airlines cannot rely on the level of inbound and business traffic generated by the London market. As a result, additional costs such as Air Passenger Duty (APD) have a disproportionately damaging impact. Varying APD based on airport congestion, or offering an APD 'holiday' for new long-haul routes from regional airports are potential ways in which aviation tax could be used as a mechanism to encourage better use of capacity and redistribute the benefits of connectivity across the UK, while maintaining a level playing field across the competitive regional airport market.

Investing in surface access to regional airports

Government investment to promote integrated transport should be more evenly dispersed, helping to meet demand for air travel in the region where it arises by improving surface access to airports outside London. Large scale schemes such as Western Rail Access do not always deliver justifiable journey time savings for passengers in regions such as the South West. By comparison, smaller scale schemes to improve access to regional airports can offer potentially greater returns on public money and help make better use of existing capacity.

Supporting inbound tourism to the regions

Bristol Airport is ideally located for visitors to popular tourist destinations including Stonehenge, the World Heritage City of Bath, the Cotswolds, Devon and Cornwall, and the city of Bristol itself. By promoting regional airports as gateways to the UK, VisitEngland and VisitBritain can help to spread the benefit of inbound tourism beyond London, increasing the viability of routes which might not otherwise be sustainable, and relieving congestion in the South East.

Promoting 'fly local' travel policies

Private and public sector organisations should revise travel policies to, wherever possible, encourage the use of airports in the region in which they are located, emphasising the time, cost and emissions savings to be made.

Flexible regulation

Regulation should avoid a 'one size fits all' approach, and a flexible approach should be taken to the introduction of innovative processes and new technology. Regional airports cannot compete with the London system on range of destinations and frequency of flights, but convenience and customer service are major factors in travel decisions. By working with regional airports to pilot schemes to enhance the passenger experience, Government and its agencies can help to strengthen this offer, persuading more people to fly from airports within their own region.

How do non-London airports currently provide connectivity and utility to the UK?

Benefits of regional connectivity

13. The connectivity provided by regional airports such as Bristol increases business efficiency through journey time savings, improves access to markets, allows local business to trade over a wider area, helps to attract investment from globally mobile businesses and supports important economic clusters.

14. Discussing the principles behind good airport location, the economist Tim Leunig describes the best location for an airport as being *"at the end of the road on the day you want to fly and nowhere near where you live on every other day"*[2]. This witty description of the benefits and impacts of airport operations makes a serious point about passengers' preference for flying from their local airport.

15. An independent survey of passengers living within two hours' drive of Bristol Airport (carried out to inform the business case for transatlantic services) found that 76 per cent of those questioned were very or quite likely to use a direct flight to New York for leisure, with the figure rising to 84 per cent for business purposes. Convenience was cited as the main reason by more than 98 per cent of those who said they would use a direct transatlantic flight from Bristol Airport.

16. As well as convenience, flying from a regional airport can generate significant economic benefits. An economic impact study conducted for Bristol Airport's planning application for development to 10 million passengers per annum estimated the time and cost savings accruing from the development would total £133 million.

Impacts of the London airport system

17. The geographical proximity of the Bristol city-region to the South East is reinforced by strong economic links. According to a report by Capital Economics[3], *"although formally in the South West of the UK, Bristol is located on the edge of the South East region, and therefore very much part of the South East in economic terms".*

18. However, because of the reliance on surface journeys to London, the South West does not reap the 'double benefit' described in Chapter 1 (paragraph 1.7), whereby air services to Heathrow provide a gateway to its long-haul network as well as access to the capital's economy. Furthermore, there is an argument that long-haul connectivity from South West airports is hampered by this relative closeness to London, resulting in time and cost penalties for businesses in the region when travelling to key markets such as the US and Middle East.

[2] Bigger and Quieter: the right answer for aviation – Tim Leunig, Policy Exchange
[3] Source: 'UK Cities and Regions Focus' – Capital Economics, April 2013
https://www.capitaleconomics.com/uk-cities-regions/uk-citiesregions-focus-individual-cities-regions/bristols-strengths-the-rightsectors-the-right-location.html

19. Analysis of data from the CAA Passenger Survey indicates that 6.3m passengers travelling to or from the South West AND South Wales used an airport in the South East of England during 2012. Reduction of this leakage (the largest from one UK region to another) can help mitigate congestion at London airports until additional capacity in the South East is in place – a process which is likely to take many years, whichever shortlisted option the Commission recommends to Government.

20. The majority of passenger leakage from the South West and South Wales to Heathrow is accounted for by 'thick' routes including a significant proportion of short-haul traffic. These passengers could be served more efficiently from Bristol but the comparative size and strength of Heathrow is allowing airlines to draw traffic away from neighbouring regions (see Figure1) through a combination of services, frequency and economies of scale.

Figure 1: Leakage from the South West and South Wales to the London airport system

21. Two of the Commission's short-listed options include proposals aimed at increasing this leakage. Heathrow's 'Taskforce for Regional Connectivity' targets traffic from the UK regions, with Western Rail Access one of several publicly funded transport schemes intended to improve market penetration in regions outside the South East (although it is debatable whether the journey time savings it will deliver are justified by the cost of the scheme). Heathrow Hub's submission is also reliant on significant surface access infrastructure improvements to expand the airport's catchment area by accessing the large population base in the West of England.

Domestic connectivity

22. Domestic air traffic movements (ATMs) at Bristol Airport have declined by around 50 per cent since 2006 (from 25,643 to 12,715), primarily as a result of British Airways' withdrawal from the regional market. Although the number of domestic passengers also fell by 18 per cent over the same period, this decline levelled off in 2010/11 and numbers have now started to rise again (see Figure 2). Domestic traffic remains a key element of Bristol Airport's passenger base, accounting for over 1.1 million passengers in 2013 – an increase of 6 per cent over the previous year.

23. Long distance domestic journeys by surface modes from the South West are not practical for most travellers and air links play an important role. Popular routes include Edinburgh, Glasgow, Aberdeen and Belfast – all of which would involve much lengthier journey times using alternative modes of transport. There are no plans for High Speed Rail to the South West, so we do not anticipate surface journey times decreasing significantly in the foreseeable future. Western Rail Access will make no difference to Heathrow's attractiveness for domestic travel from the South West.

24. Business use of domestic services is high, therefore the reduction in traffic identified by the Commission is likely to have been a consequence of the recession. There is no reason to suppose that demand will not continue to grow as economic conditions improve.

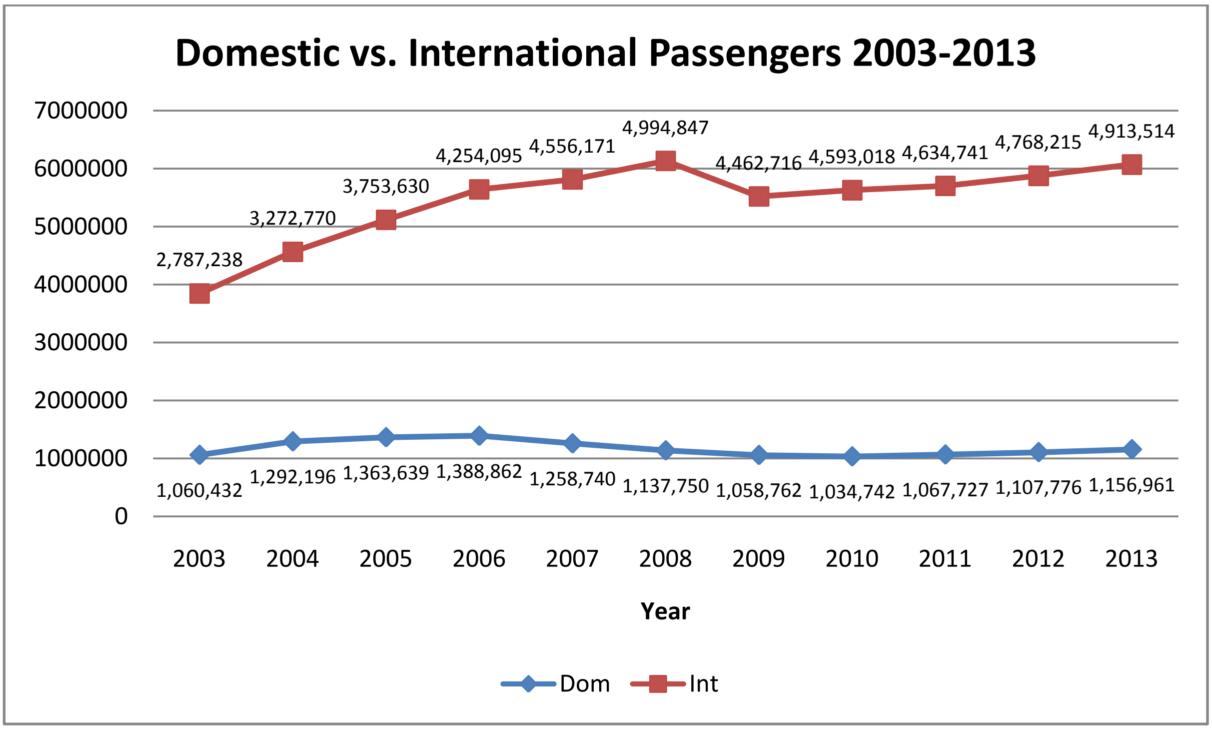

Figure 2: Domestic and international scheduled passengers using Bristol Airport, 2003-13

Business travel

25. The Discussion Paper suggests that business travel from the South West region has reduced. Chapter 1 (paragraph 1.44) highlights a slight decrease in the number of passengers travelling for business purposes from South West airports. Our own analysis of CAA Passenger Survey data suggests that the proportion of passengers from the South West and Wales travelling on business from all UK airports (rather than just those in the region itself) remained approximately the same (15 per cent) between 2008 and 2012. Although the overall number of passengers fell as a result of the recession and changes in airline strategy, there is evidence that numbers are rebounding as low cost carriers try to attract more business traffic by offering more flexible products.

26. Over the period 2008-2012, Bristol Airport's share of business traffic with an origin or destination in the South West region increased from 30 to 32 per cent. Heathrow's

share increased from 39 to 43 per cent, while Cardiff and Exeter airports both saw their share of business traffic fall. This reflects the trend of consolidation to larger regional airports identified by the Commission in Chapter 2 (paragraph 2.10).

27. Data from easyJet, the largest operator at Bristol Airport indicates that business passenger levels have remained constant as a percentage of overall traffic (16.2 per cent for the 12 months to 1 April 2014) since 2008. While this is slightly lower than the network average for easyJet (for whom business travellers account for one in five of all passengers), this variance can be explained by the airline's route mix at Bristol which features a higher ratio of leisure destinations to domestic or city services.

28. Key business routes have been retained and supplemented as a result of the growth of easyJet's operation and the establishment of a base by bmi regional, which in combination have effectively replaced connectivity lost as a result of the withdrawal of British Airways from Bristol Airport in 2007.

Traffic to international hubs

29. Traffic to major European hub airports (including Amsterdam, Brussels, Dublin and Frankfurt) from Bristol Airport has increased. KLM, Aer Lingus, Brussels Airlines and bmi regional (which has a codeshare with Lufthansa) operate multiple daily services to these hubs and all four airlines have increased capacity in the last two years, reflecting growing demand for convenient access to onward connections, including long-haul destinations across the world. For example, in April 2013, KLM introduced a larger Embraer 190 aircraft on its four daily flights from Bristol to Amsterdam, resulting in a 12 per cent increase in connecting traffic on the service[4]. This suggests that passengers find flights from their local airport to European hubs a convenient and competitive alternative to making the surface journey to Heathrow to fly direct.

30. As described in our response to Discussion Paper 04, the market for these services is weighted in favour of UK originating traffic and therefore airlines such as KLM base their crews at UK airports and employ UK staff. We do not believe there is any evidence that the use of international hubs by passengers flying from regional airports disadvantages the UK. Regardless, there seems little Government can do to influence this pattern of travel within a liberalised EU aviation market.

Direct long-haul services from regional airports

31. Long-haul services remain integral to Bristol Airport's future route development plans. Recently completed infrastructure developments have been designed with provision made for the latest generation of aircraft, such as the Boeing 787. These aircraft increase the range achievable from Bristol Airport's runway and the fuel efficiencies they deliver make new long-haul destinations viable.

[4] www.bristolairport.co.uk/media-centre/news-releases/2014/07/klm.aspx

32. Our own assessment of leakage from the South West to the London airports (see Figure 1) and a study by York Aviation[5] for a consortium of regional airports indicate that Bristol Airport's catchment area is sufficient to provide a market for long-haul services to the US, Canada and the Middle East. This was demonstrated by the success of the Continental Airlines service from Bristol to Newark which operated between 2005 and 2010 before falling victim to the economic downturn.

33. This service was operated with a Boeing 757, accommodating premium business traffic but with no first class cabin, suggesting that future services would suit a mid-sized aircraft in a two-class configuration. Availability of aircraft that meet this requirement is therefore a potential limiting factor to the reintroduction of long-haul services. Several US and Middle East airlines continue to retain suitable aircraft in their fleets, and the Boeing 787 provides a potential option for future services.

34. Airports across the UK are competing for the same aircraft so it is important that state ownership of airports and state support for route development does not direct airlines towards less sustainable routes to the detriment of the UK as a whole.

35. As described above, Bristol Airport meets two of the three factors cited by the Commission in Chapter 1 (paragraph 1.41) as necessary for the significant growth of long-haul route networks at regional airports - access to a sufficiently large local market and the ability to generate significant volumes of premium class traffic. The third factor – the ability to attract network airlines or alliances who would supplement local demand with connecting traffic – is less likely. However, there is evidence that unaligned Middle East carriers and US airlines can successfully serve regional markets. 'Thin' routes will continue to be best served via frequent services to overseas hubs.

How are the business models of non-London airports changing, and how can they be expected to change further in time?

36. As an island nation, passengers do not have easy access to airports in neighbouring countries as is the case in continental Europe. This means international comparisons are of limited relevance when analysing the UK airport system.

37. The high rates of growth seen in the regional airport sector during the first decade of the 21st century were unsustainable. It could be argued that there are more small airports in the UK than are required and that some closures are inevitable in the context of the financial challenges referred to below.

Financial challenges and regulatory costs

38. The Commission is right to identify the financial challenges facing regional airports of all sizes (Chapter 2, paragraph 2.2). In addition to high fixed operating costs relating to airport infrastructure, the transfer of responsibility for policing and security regulation, for example, has placed an additional burden on airports which, in many cases, cannot simply be passed onto airline customers.

[5] 'The Potential Impact of an APD Holiday on Long Haul Route Development at Uncongested Airports – York Aviation, October 2013

39. Regulatory costs can be disproportionate for regional airports when a 'one size fits all' approach is taken. Regulation required for a large hub airport may be inappropriate for regional airports where different operational processes apply and external impacts are likely to be on a much smaller scale.

Consolidation at larger regional airports

40. The Commission is correct in identifying a trend in larger regional airports retaining or building their route networks (Chapter 2, paragraph 2.8). Since 2000, the number of international destinations served by direct flights from Bristol Airport has risen from just five to 76 today.

41. Analysis of data from the CAA Passenger Survey 2008 and 2012 indicates that Bristol Airport's market share in its secondary catchment area has increased. For example, 35 per cent of passengers with an origin or destination in Devon use Bristol Airport in 2012 – up from 23 per cent in 2008. Similar increases in penetration have been identified in South Wales, Wiltshire and Gloucestershire, suggesting that passengers previously using smaller regional airports have migrated to Bristol Airport over this period. This consolidation of traffic at larger regional airports results in less route duplication and a more efficient use of infrastructure.

42. While the loss of several airfields in the South West may have local impacts, we do not believe overall regional connectivity has suffered as a result. Bristol Airport remains a more convenient alternative to travelling from London airports for passengers from the South West and South Wales, and market consolidation could be argued to support routes which might otherwise have been marginal or not viable. An example is the closure of Filton Airfield which saw Airbus move corporate shuttle services operated by bmi regional to Bristol Airport, thus providing a catalyst for further growth of that airline's scheduled route network.

43. Passenger behaviour does not recognise regional or national borders. At Bristol Airport, powerful airline brands such as easyJet and Ryanair attract passengers from beyond the traditional catchment area as a result of a combination of competitive fares, convenience and destination choice.

Competition issues

44. It is inevitable that there will be a smaller number of airlines dominating the market at regional airports, but this does not necessarily imply a lack of competition. Although easyJet is the largest operator at Bristol Airport, accounting for more than 50 per cent of passengers, competition between airlines remains intense on the thickest routes. For example, key business destinations such as Amsterdam and Dublin are served by two airlines, as are several popular leisure routes, with Palma a prime example, served frequently by two scheduled and two charter airlines.

45. It is also instructive to consider the routes served by regional airports competing in overlapping catchment areas, such as Bristol and Cardiff. Analysis of the route networks at both airports in February 2014 showed 37 destinations served by both airports, accounting for 79 per cent of the total served from Cardiff. This suggests that overall

regional connectivity may not be threatened by declining passenger numbers at smaller airports as the majority of routes will remain served from within the wider region. In fact, the critical mass created at larger regional airports can help to support net increases in regional connectivity, as suggested in Chapter 2 (paragraph 2.19).

46. Bristol Airport supports the suggestion in Chapter 2 (paragraph 2.21) that regional airports operate in an intensely competitive environment. This is particularly apparent when considering the potential impact of devolution of APD to devolved administrations in Scotland and Wales. The HMRC report, 'Modelling the Effects of Price Differentials of at UK Airports'[6], published in October 2012, concluded that Bristol Airport would see a **25 per cent reduction** in passengers by 2020, with a corresponding **five-fold increase** in passengers at Cardiff Airport, in the event of devolution of APD and its subsequent zero-rating. Such an artificial redistribution of traffic from one airport to another would be entirely inconsistent with the open and competitive aviation market that exists in the UK.

47. Similar market distortion would result from state aid to airports by devolved administrations, something which is a particular concern following the purchase of Cardiff and Prestwick airports by the Welsh and Scottish Governments respectively. There is a danger that if airlines are offered terms which are commercially unsustainable by publicly owned airports in order to attract headline-grabbing new services then the ability of privately owned airports to cover their costs will be compromised.

Can the connectivity provided by these airports be enhanced? What are some of the options for Government and other bodies to intervene in this sector?

State aid

48. The UK aviation market is markedly different from the rest of Europe in terms of ownership of airports. An estimated 68 per cent of UK airports are wholly or partly in private ownership. This contrasts with the situation in Europe as a whole, where airports with private shareholders handled fewer than half of all passengers[7].

49. The geographical proximity of airports in the UK (as illustrated by figure 2.3 in the Discussion Paper) means Government intervention at selected regional airports has a high potential to distort competition. Negative impacts should be carefully weighed up against regional any economic benefits used to justify intervention in the market for air travel.

50. It should also be noted that airports compete for airlines and routes with competitors across the UK and Europe, not just with those in the same or neighbouring regions. Airlines have extremely mobile assets which can be deployed at relatively short notice to serve the most profitable markets. Any public sector support should be proportionate to the economic benefits resulting from a new route or service, and should not be of a scale which makes it the sole or deciding factor in airline decisions.

[6] www.**hmrc**.gov.uk/research/report188.pdf
[7] The Ownership of Europe's Airports – ACI Europe, 2010

51. The Regional Air Connectivity Fund, for which funding was doubled in the last Budget, is well intentioned but could have unforeseen consequences. There are few, if any, UK airports operating in a catchment area that does not overlap with that of a competitor. As a result, the Fund could result in services being diverted to less suitable airports through state intervention. The eligibility threshold of 5 million passengers per annum is arbitrary and potentially disadvantages regional airports such as Bristol which fall just outside the Fund's remit.

52. In addition, analysis of past UK Route Development Funds by the Centre for Aviation[8] shows a high rate of failure. For example, the Air Route Development Fund for Wales (which operated from 2006-07) supported a Thomsonfly service to Barcelona and a Flybe service to Paris, neither of which remain in operation today. Business cases supporting applications to the Regional Air Connectivity Fund should be based on realistic passenger figures, endorsed by independent aviation analysts, which demonstrate the long-term sustainability of the routes in question.

APD 'holiday' for long-haul routes from regional airports

53. An alternative measure which would create a net increase in connectivity rather than simply redistributing traffic between regional airports is an APD 'holiday' for new long haul routes from uncongested airports. A study by York Aviation[9] for a consortium of regional airports, including Bristol, demonstrates that this would bring forward in time the development of long-haul routes from regional airports by effectively enlarging the size of the market, boosting load factors and increasing yields.

54. York's report argues that *"an APD 'holiday' would either support load factors or yields, perhaps pushing airlines into taking an initial risk on the market"* and that *"once a route is proven and the market has grown further, it would remain viable even after the end of the APD 'holiday"*". This approach would help regional airports meet two of the three key factors for the development of long-haul routes identified by the Commission in Chapter 1 (paragraph 1.41) – access to a sufficiently large local market and the ability to generate significant volumes of premium class traffic. We support further consideration of this and other variations of APD which could redress the disproportionate impact this tax has on regional airports.

Targeted international tourism

55. We also support further initiatives to market regional gateways to overseas tourists visiting the UK, highlighting ease of access to iconic attractions (in Bristol Airport's case, the World Heritage City of Bath, Stonehenge, the Cotswolds, Devon and Cornwall, and the city of Bristol itself).

56. Tourists flying directly into a region are likely to stay longer and spend more. By converting day visits into overnight stays, services to regional airports can benefit the

[8] http://centreforaviation.com/analysis/uk-regional-air-connectivity-fund--which-airports-does-it-help-and-what-is-a-region-anyway-160650

[9] 'The Potential Impact of an APD Holiday on Long Haul Route Development at Uncongested Airports – York Aviation, October 2013

local visitor economy and go some way to addressing the imbalance between London and the rest of the UK when it comes to the benefits of inbound tourism.

57. For example, a relatively low-budget marketing campaign to promote the recently launched Scandinavian Airlines (SAS) service between Bristol and Stockholm is already generating positive results. At the time of writing, SAS reports approximately 60 per cent of bookings on this service originate in Sweden, bringing high-spending Swedish visitors to the West of England.

58. The partnership approach highlighted above was, in part, a result of relationships formed through VisitEngland's Regional Airports Task Force, of which Bristol Airport is a member. The Task Force has been effective in raising the profile of regional airports in tourism marketing and fostering relationships between airports, destination management organisations and the English national tourist board.

59. A dedicated marketing fund to promote routes with strong inbound tourism potential operating at airports in this group would go some way to helping regional airports in England compete with Scottish and Welsh airports, which benefit from the large international marketing budgets enjoyed by VisitScotalnd and VisitWales.

Local Enterprise Zones

60. Although not located within in an Enterprise Zone or Enterprise Area, Bristol Airport is well positioned to serve those already established within the West of England. For example, Bristol Airport supports the J21 Enterprise Area in Weston-super-Mare by highlighting the connectivity the Airport provides in marketing materials and at promotional events organised by North Somerset Council's economic development department.

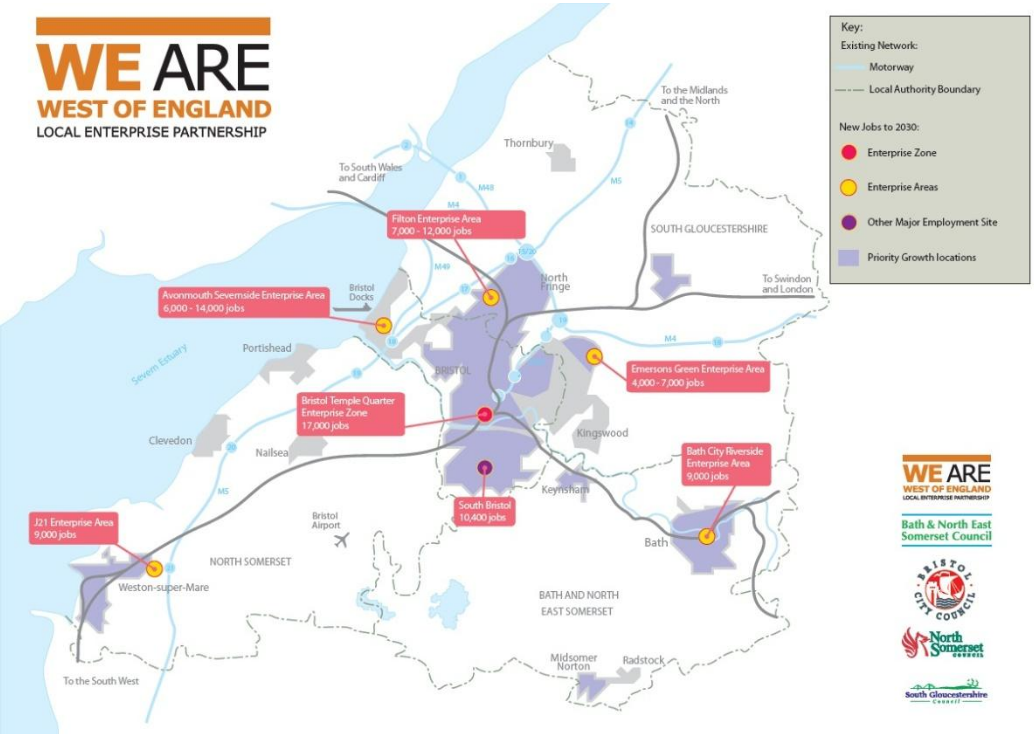

Figure 3: Enterprise Zones and Enterprise Areas in the West of England (source: West of England Local Enterprise Partnership)

61. This role providing connectivity to Enterprise Zones and Enterprise Areas should be taken into account when considering funding for regional transport schemes, and surface access to airports should be a key consideration in scheme design. For example, Bus Rapid Transit schemes in the West of England feature guided bus lanes which can be used by Bristol Airport's Flyer service, reducing journey times and improving reliability.

62. Bristol Airport endorses the Commission's previous recommendation in its Interim Report regarding the important role Local Enterprise Partnerships can play in *"ensuring proper consideration is given to the needs of airport users when prioritising local transport investment".* However, we urge the Commission to strengthen its recommendation for this locally driven approach to ensure schemes that directly benefit regional connectivity are prioritised.

Trialling innovative technology

63. As noted in Chapter 3 (paragraph 3.44), we believe regional airports could benefit from prioritised access to new technologies or processes, while at the same time providing potentially more manageable and measurable environments for pilot schemes. This is particularly relevant in the area of security, where a lack of flexibility and forward-planning can hamper the ability of airports to build new technology into their development plans.

64. For example, extending the terminal at Bristol Airport presents an ideal opportunity to introduce remote screening of cabin baggage, not only for the main passenger search channel but also for flight crew and general aviation facilities at other locations on the airport site. Support from the security regulator for this and other innovations would provide confidence to airport operators when committing substantial investment to long-term construction projects. Another area where regional airports could be used as pilots for new security technology is in the testing of Liquids, Aerosols and Gels (LAGs). However, flexibility in the application of other security measures, where justified by the improvements the new technology delivers, must be considered as trade-offs for the time and costs incurred by pilot airports.

Planning and policy framework

65. The Aviation Policy Framework states (in paragraph 1.24) that:
"The Government wants to see best use of existing airport capacity. We support the growth of airports in Northern Ireland, Scotland, Wales and airports outside the South East of England. However, we recognise that the development of airports can have negative as well as positive local impacts, including on noise levels. We therefore consider that proposals for expansion at these airports should be judged on their individual merits, taking careful account of all relevant considerations, particularly economic and environmental impacts."

66. It would be helpful if national policy went further and provided guidance on the scale of development at regional airports supported within a national context. The 2003 Air Transport White Paper achieved this and removed debate on the general principles of airport development from local planning decisions, leaving local authorities free to consider positive and negative local impacts and the appropriate controls and mitigation required.

67. In the case of Bristol Airport's planning application for development to 10 million passengers per annum, this was accomplished through discussion and debate with North Somerset Council, resulting in local determination of the planning application with 70 planning conditions and a Section 106 Agreement. This may not have been possible without the explicit support for development contained in the Air Transport White Paper.

68. The development of Bristol Airport is of regional and national importance in terms of meeting the demand for air travel but does not meet the criteria of a Nationally Significant Infrastructure Project. Therefore the preparation of a National Policy Statement is unlikely to provide any assistance. Further support in national policy is nevertheless needed to provide the clarity required for local decision makers. Without this there is a risk that development proposals at regional airports could be stymied in the planning system.