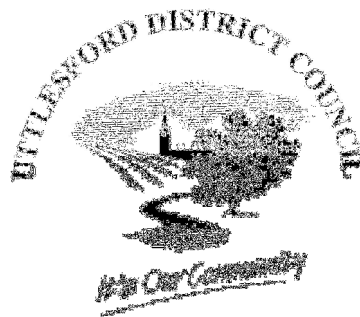


AIRPORTS COMMISSION

DISCUSSION PAPER 06:
UTILISATION OF THE UK'S EXISTING AIRPORT CAPACITY

RESPONSE BY UTTLESFORD DISTRICT COUNCIL

JULY 2014



INTRODUCTION

1. This is Uttlesford District Council's response to the Aviation Commission's Discussion Paper 06: Utilisation of the UK's Existing Airport Capacity.
2. The District Council is the local planning authority for Stansted Airport. This response is based around the contribution that Stansted can make to the UK's existing airport capacity.
3. Expansion of Stansted has been a key local concern for many years. Stansted currently has planning permission to expand to 35mppa. Most recently, a suite of planning applications for the construction of a second runway and associated infrastructure (known as Stansted 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 These applications were withdrawn in 2010 following the Coalition Government indicating that it did not support the then current aviation policy set out in the 2003 Air Transport White Paper (ATWP).
4. This response uses the questions set out in Chapter 7 of the discussion paper. The questions that the Council is not commenting on are omitted. Many of these questions relate mainly or solely to regional (i.e. non-London) and smaller airports. In its response to previous discussion papers the Council has supported the development of these airports where airport expansion would benefit the local economy and is backed by local residents and businesses. This continues to be the Council's position.

THE COUNCIL'S RESPONSE

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 the London system since 2010, affect this analysis?

5. Yes, and between 2007 and 2013 the Commission's analysis shows that Stansted lost domestic routes to Belfast City, Liverpool, Manchester, Newcastle, Newquay and Prestwick. However, there are signs that this trend is starting to reverse, although only on the longer routes. Recently Flybe has started a twice-daily service from Stansted to Dundee. Ryanair has announced that it is to reintroduce domestic flights in the autumn following a decision to abandon these three years ago. From Stansted, flights will be introduced to Glasgow International and Edinburgh. The main reasons Ryanair gives for this are a changing market and its own refocussing on business passengers. Whilst Virgin Red has struggled to fill its flights from Heathrow to Scotland, Ryanair says it is confident that loadings will be good because of its low overheads and competitive fares.

How do respondents view these trends developing in the future?

6. In the discussion paper, the Commission gives a number of possible reasons why air connectivity has reduced between London and the UK regions in recent years. Two of these are improvements in UK rail services and increasingly time-consuming check-in procedures at UK airports. Correctly, the Commission makes a link between these two factors as they reduce the journey time benefits of air travel. But in a healthy and/or growing economy there is still every reason to assume that air travel can compete with rail (and the car) for regional traffic between East Anglia and Scotland. For instance, typical rail journey times between Cambridge - Edinburgh and Cambridge - Glasgow are about 5-6hrs and 6-7hrs respectively depending upon the route that is taken. There is little prospect of a reduction in these rail travel times occurring in the near or medium future.
7. Much may depend upon the absence of external shocks to the aviation industry, including any possible deterrent effect of additional security screening. Over shorter distances it is more doubtful whether air travel can compete effectively against other modes.

What analysis ought the national or local Government undertake when faced with a potential airport closure?

8. The Government should review whether airport closure would result in a material loss of connectivity to the area served by the airport, and the effect this would have on both local residents and the local business economy. In Chapter 2 of the discussion paper, the Commission comments that the majority of the UK population is well connected to several airports, so the closure of a single airport might not be significant from the point of view of connectivity.

In the longer term, what is an appropriate, adequate or ideal shape for the UK's airports system? Is consolidation of the airport network desirable, inevitable, both or neither?

9. This is likely to depend upon which future the aviation industry follows (see the Council's response to Discussion Paper 04: Airport Operational Models). The Council suggested that all three futures are credible and may not be mutually exclusive. If London and the South East remains capacity constrained there will continue to be a high incentive for regional passengers to interline at a European hub (or in the Middle East) and not via a London airport. Assuming a strong level of demand continues to exist for international flights it is also likely that there will be more competition between airports. Whilst Stansted is building on its strength as a low fares airport it is also seeking to diversify, as the Commission acknowledges in Paragraph 5.26 of the discussion paper. Manchester

Airports Group (MAG) has announced that Thomas Cook Airlines will fly direct long-haul services from Stansted to the USA and Mexico for a month during next year's summer season. MAG is also speaking to its family of Manchester airlines (amongst others) about further direct long-haul services from Stansted.

10. Consolidation of the airport network is likely to be a matter for market forces. The recent closure of Manston Airport in Kent for economic reasons raises the issue of whether state intervention to reopen it would be in the public interest.

Are there longer-term or more extensive surface transport improvements and developments (beyond those committed to in the National Infrastructure Plan) that could support the other London airports to make best use of their capacity?

11. In the National Infrastructure Plan, the Government has said that it is committed to taking forward the package of measures for improving surface access to airports that the Commission recommended in its Interim Report. The measures recommended for Stansted include working together to establish a business case for 4-tracking of the West Anglia Mainline to Broxbourne, and improving rail connectivity to London, especially via Stratford. The Council supports all of these measures, and is working with the London Stansted Cambridge Consortium to this end.
12. The Council is taking part in Network Rail's Anglia Route Study Working Group (ARSWG). This Group is looking at what train pattern and associated infrastructure is required up to 2043 to meet the demand identified in Network Rail's marketing studies. The Route Study will also identify the requirements for Control Period 6 (2019–2024), which is the next period for which funding has yet to be allocated. A draft Anglia Route Study is due to be published for consultation in October of this year.
13. The Council is pleased that a new Greater Anglia hourly service between Cambridge and Stansted Airport starts in the inter-peak and evening on Monday 21st July. This service complements the existing Cross Country Trains service from the airport to Birmingham, which travels via Cambridge, effectively giving Cambridge a half-hourly service off-peak. The new service uses the one remaining train path through the Stansted rail tunnel, and is aimed partly at the large "kiss and fly" market which exists between Cambridge and the airport. In common with the Cross Country service, the new service only stops at one intermediate station, which is Audley End (for Saffron Walden). The Council hopes that in the future a business case may exist for a more local stopping pattern, perhaps on the back of local connectivity improvements that are being planned in the Cambridge to Saffron Walden corridor.
14. One measure that would be essential to provide additional rail connectivity at the airport is the construction of the second rail tunnel under the runway. The second tunnel (along with a fourth platform) was included in

the Stansted Rail Improvement Project which was part of the Generation 2 planning application, but it is not part of the planning permission for expansion to 35mppa. Whilst 4-tracking would (depending upon its eventual extent) bring about line-speed and reliability improvements to the Stansted Express, the single tunnel limits the airport to 6 arriving and 6 departing trains per hour. Capacity could be increased by extending Stansted Express services to 12-car, but without the second rail tunnel there would be no connectivity improvements. The second tunnel is something that has featured in discussions at the ARSWG, but it does not appear that any business case for its construction has been established in advance of a second runway which, of course, the Commission has not shortlisted.

15. Currently, about 51.4% of airport passengers travel to and from the airport by public transport, which is the highest mode share in the UK. MAG is currently preparing its Sustainable Development Plan for Stansted Airport, which is due to be published shortly for a 10-week consultation period. At a recent local authority forum meeting hosted by MAG, the Council was pleased to see that retaining this high mode share will be one of the aims of the Plan.
16. One reason for the high mode share has been the success of the bus/coach industry at the airport. In 2000 6.9% of air passengers travelled to and from Stansted by bus or coach, whereas in 2013 the figure was 29.5%. In terms of passenger numbers, this is an increase from about 800k to 4.6m, nearly sixfold. Most of this growth has come from strong competition in the London market from different coach operators, which has brought down fares to £6-£8 for a single ticket to London from Stansted. Previously, the main coach operator was also the rail franchisee which did not incentivise competition between rail and coach at the airport. Coach services can respond relatively quickly to changes in market demand, and the Commission should not underestimate their potential.
17. One challenge for Stansted is to improve east to west surface access connectivity, which will be particularly important if the airport is to grow as a regional airport rather than just a London one. Improving east to west surface access raises two main issues:
 - i) There is no rail connection to the airport from the east. When planning permission was granted for expansion to 25mppa in 2003, one of BAA's obligations was to safeguard land within the airport boundary to the east of the railway station for the construction of a new easterly rail connection. That obligation expired at the end of 2009, and was not repeated in the 2008 unilateral undertaking for expansion to 35mppa. Rail connectivity beyond Braintree is limited to a single track to/from Witham on the Great Eastern Mainline. There is local pressure to improve the Braintree to Witham rail link which, if implemented, could act as a catalyst to strengthen links from the airport to Braintree. Witham is already a rail replacement service link to/from the airport in the event of disruption on

the West Anglia Mainline. Improvements to the Braintree link are being investigated as part of the ARSWG.

ii) Access to the airport from the west from Hertfordshire is difficult because of the radial nature of the county's road and rail links, which are primarily based around access to/from London and the main towns. The Council supports Herts CC's bid to the Hertfordshire Local Transport Body for funding for the Little Hadham bypass on the A120 west of Bishop's Stortford. If funding is approved it is hoped that the new bypass will be open by the end of 2019, alleviating one of the main congestion points on an important road corridor to the airport.

18. The airport is relatively well served to/from the south and east by the strategic road network (M11 and the new A120 East to Braintree), although there is a lack of investment in the A120 east of Braintree. As part of its previous expansion plans, BAA funded south-facing slips from the M11 at Junction 8 and a new east-facing link into the airport from the south along the new A120 East. Planning conditions have also required other mitigation works at M11 J8 (including lining and signing) and the installation of traffic counters to monitor trigger points for further works.
19. M11 J8 is at capacity at peak times, and what needs to be investigated is whether there is a case for providing north-facing slips to the airport at the junction in order to support any further expansion. As part of the Generation 2 project, a new fully faceted junction on the M11 (J8b) would have been constructed north of J8 to provide additional road capacity into the airport without overburdening M11 J8 itself. The proposal was promoted by the Highways Agency under powers contained in the Highways Act 1980, but was withdrawn along with the rest of the Generation 2 package.

Are there any ways that government, or any other stakeholders, could improve airport site access? Are there any innovative ways that airports could resolve site access problems?

20. One measure that the Council negotiated as part of expansion of Stansted to 25mppa was the charging of a levy on each car park transaction to create a fund used for public transport improvements at the airport. Each year the levy realises about £600-£800k, and this money has been used mainly to subsidise local bus services to/from Stansted to meet peak arrival and departure times for both passengers and airport staff who work early and/or late shifts. In some instances, this means that local bus services operate 24hrs/day.

Are there particular pros and cons to airport developments moving through the NSIP or Town and Country planning process for a) developers or b) communities?

21. It is difficult to answer this question because, as the Commission says in Paragraph 6.11 of the discussion paper, no airport developments have so

far moved through the NSIP process.

22. Section 23 of the Town and Country Planning Act 2008 is prescriptive about what constitutes an airport NSIP. It is:

- i) a new airport capable of handling at least 10mppa or 10,000 cargo ATMs per year,
- ii) an airport alteration (runway / building / radar or radio mast) capable of increasing throughput by at least 10mppa or 10,000 cargo ATMs per year, or
- iii) lifting of a planning restriction capable of increasing throughput by at least 10mppa or 10,000 cargo ATMs per year.

There appears to be no discretion as to how an application is dealt with, but an airport operator could of course tailor an application if it so wished so that it either came within the NSIP or planning procedure. The Commission's attention is drawn to the recent letter written by DCLG to Luton Borough Council following a request to call in the planning application submitted in 2012 by the operator of Luton Airport for expansion. The letter said:

"The Secretary of State has carefully considered this case against call in policy as set out in the Written Ministerial Statement by Nick Boles on 26 October 2012. The policy makes it clear that the power to call in a case will only be used very selectively. The Government is committed to give more power to councils and communities to make their own decisions on planning issues, and believes planning decisions should be made at the local level.

In deciding whether to call in this application, the Secretary of State has considered his policy on calling in planning applications. This policy gives examples of the types of issues which may lead him to conclude, in his opinion that the application should be called in. The Secretary of State has decided, having regard to this policy, not to call in this application. He is content that it should be determined by the local planning authority".

23. The Secretary of State based his view principally on the definition of an NSIP contained in the 2008 Act. The current capacity of Luton Airport is between 10-12mppa, and consultants acting for the Council concluded that the development would increase this to somewhere between 18-20mppa by 2028-30. The Council has now imposed a planning condition capping throughput at 18mppa, the level assessed in the environmental statement. The decision not to call in the planning application is therefore unsurprising and is consistent with the view taken on Stansted expansion to 25mppa and to 35mppa, although the latter did end up at inquiry following refusal of planning permission.

24. This Council's experience is that DCLG may well take an interest in an application for planning permission for airport expansion for an extra 10mppa or less (especially when prompted to do so by local concerns and call in requests) and may wish to be kept informed on its progress. The application will nonetheless be left to the local planning authority to determine. One reason given for non-intervention is in case the

application is refused, or is not determined within the statutory time limit, and ends up at a recovered appeal.

25. The Stansted Generation 2 applications for a second runway were called in by the Secretary of State on 28th July 2008 as a Major Infrastructure Project raising planning issues of more than local importance. Although the applications were ultimately withdrawn, they would clearly have constituted an NSIP under the current system and using the definition set out in Section 23 of the 2008 Act.

Could either the NSIP or Town and Country Planning process be improved, either in the process itself or development of supporting policy, to support developers and meet the needs of local communities?

26. In Paragraph 1.8 of its Interim Report, the Commission points out the need for close Government involvement to ensure the process is fair to both communities and developers and that it balances local considerations with the national interest. In the Council's view, this is vital. A major local criticism of the 2003 ATWP was that it did not strike this balance as it was too prescriptive in relation to the second runway proposal at Stansted. As a result, BAA was continually able to dismiss local environmental concerns for reason that the second runway was Government policy. Once it became clear that the new Coalition Government did not support the second runway, the planning applications were unsurprisingly withdrawn.

27. Whilst the Commission's Final Report will be of recommendations status, it will assist the future Government in the preparation of the Aviation National Policy Statement (NPS). There is every reason to believe that the NPS will prove to be as contentious as its predecessor, and the Government will need to bear this in mind when drafting it.

28. In Discussion Paper 05: Aviation Noise, the Commission asked how a system of fair, robust compensation arrangements can be established in relation to the addition of aviation capacity in the UK. In its response, the Council pointed out the very serious concerns that it has with the current arrangements for the payment of compensation under the Land Compensation Act 1973. The Council remains of the view that compensation for future airport development should be tied to throughput and not completion of items of works.

Is there a current case for lifting planning caps for any airports in London or the South East? If not now, when should these caps be reviewed?

29. The Council does not consider that there is a current need for lifting the planning caps at Stansted. Although planning permission for expansion to 35mppa was granted by the Secretaries of State in 2008, the permission has not yet been implemented because of the effect of the economic recession. Passenger throughput is currently at 18.2mppa with a total of 133,900 ATMs (figures to the end of May 2014), well below the 35mppa and 264,000 ATM limits imposed by Conditions MPPA1 and ATM1

respectively. Recently, throughput has started to increase again, albeit slowly.

30. Based on its latest announcement, MAG aims to grow the airport to 35mppa by the mid-2020s. This is quite an ambitious rate of growth, which reflects the growth that was achieved at the airport from 1991 – 2007 prior to the recession. Even under MAG's growth prediction, the airport has sufficient unused capacity with planning permission for about 10 years.
31. The Commission's baseline passenger forecasts are more restrained, with 35mppa being reached in 2040 in both the capacity constrained / carbon traded and capacity constrained / carbon capped central growth scenarios. The Council is aware that MAG believes that the Commission (and the DfT in its 2013 forecasts) underestimates the growth potential of the airport. Forecasting is not an exact science and the aviation industry remains subject to external shocks. Even if the Commission's high growth scenarios are used, Stansted still has unused capacity for 10 years or so.
32. When planning permission was granted for 35mppa, the Secretaries of State decided that it was reasonable to impose Conditions MPPA1 and ATM1 in order to limit the impact of the airport to that set out in the accompanying environmental statement which was dated 2006. This evidence is now quite dated although there were sensitivity tests relating to 40mppa throughput and an increase in long haul (by about 8%). The Council is not aware of any new up-to-date evidence which demonstrates that growth beyond 35mppa can be accommodated without a material detrimental impact on local residents. The Council does not consider that the Commission should be making a judgement on when the planning caps should be reviewed, as the caps are there for a valid planning purpose based on the evidence that was available when they were imposed. The onus is on MAG to provide an up-to-date environmental statement to justify its case should it wish to submit a planning application or engage the NSIP process for further development at Stansted.