

ITEM 7: NATIONAL AVIATION POLICY DEVELOPMENT

Recommendations

That SASIG submit to the Airports Commission, in accordance with the deadline of 15 March 2013:

- A suggestions for sifting criteria to identify long-term options that merit more detailed consideration, to be used in developing the Airports Commission's interim report. ('Guidance Document 01: Submitting evidence & proposals to the Airports Commission', February 2013, Airports Commission)
- B comments and evidence to inform development of the Commission's approach to forecasting future patterns of demand for air travel. ('Discussion Paper 01: Aviation Demand Forecasting', February 2013, Airports Commission; and 'UK Aviation Forecasts', January 2013, Department for Transport)

That SASIG consider a second submission to the Airports Commission, in accordance with the deadline of 17 May 2013:

- C evidence and ideas on making the best use of existing capacity in the short- and medium-term.

National aviation policy review

- 1 The national aviation policy review that the Government embarked upon at the end of 2010 is now at the stage where the Airports Commission has issued its first publications.

National aviation policy review programme (items in brackets indicate timetable amendments)

Nov. 2010 – Jan. 2011: Informal engagement with representative stakeholders.
Mar. 2011: publication of 'Scoping Document'.
Mar. – (Sep.) Oct. 2011: 'Scoping Document' consultation.
July 2011: CCC response & SEAT report.
(Mar.) July 2012: Publish draft aviation policy framework.
(Mar. – Jun.) July - Oct. 2012: Consult - draft aviation policy framework.
(Autumn 2012: Call for Evidence – UK aviation hub status)
Sep. 2012: Government announce Airports Commission will be set up.
Nov. 2012: launch of Airports Commission.
Mar. 2013: Adopt 'Aviation Policy Framework'.
By end of 2013: Airports Commission interim report.
Post General Election, May 2015: Airports Commission final report.

- 2 Recent publications forming part of the review are:
 - 'UK Aviation Forecasts', January 2013, Department for Transport;
 - 'Guidance Document 01: Submitting evidence & proposals to the Airports Commission', February 2013, Airports Commission; and
 - 'Discussion Paper 01: Aviation Demand Forecasting', February 2013, Airports Commission.
- 3 The Department for Transport has also published a consultation on night flying restrictions¹. The approach to noise management and reduction is defined and applied through this regime, which is a critical part of aviation operations in a local context. This consultation is reported elsewhere on this meeting's agenda.
- 4 The next awaited publication is the 'Aviation Policy Framework' (APF) due to be published in March 2013. The Parliamentary timetable is such that the APF is likely to be published during the week ending 18 March 2013.
- 5 Once published, the 'Aviation Policy Framework' will replace the 2003 Air Transport White Paper (ATWP)².

Department for Transport (DfT) publication - 'UK Aviation Forecasts 2013'

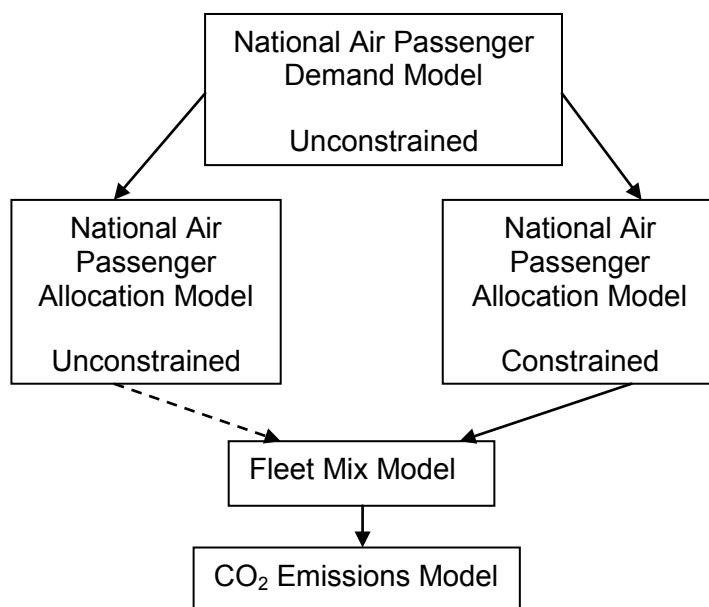
- 6 The DfT published their updated 'UK Aviation Forecasts' on 29 January 2013. Summary figures are at **Annex A** (pg.67). The report is available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69867/uk-aviation-forecasts.pdf
- 7 The passenger forecasts are generated in two stages:
 - the National Air Passenger **Demand** Model (NAPDM) and
 - the National Air Passenger **Allocation** Model (NAPAM).The diagram on the next page illustrates these stages.

¹ 'Night Flying Restrictions at Heathrow, Gatwick and Stansted Stage 1 Consultation', Department for Transport, 29 January 2013.

² 'Night Flying Restrictions at Heathrow, Gatwick and Stansted Stage 1 Consultation', Department for Transport, 29 January 2013, par. 2.7, pg.11.

Overview of the model

(Box 2.1, pg. 12, 'UK Aviation Forecasts 2013')



1. NAPDM forecasts national air travel demand at an aggregated level

2. NAPAM splits the national demand to from airport level forecasts of passengers and air transport movements (ATMs) on either an unconstrained or constrained basis

3. NAPAM ATM outputs are used in aircraft and emissions models

- 8 The forecasting model was peer reviewed in 2010-11 by NERA Economic Consulting³, with the conclusion being that the model is fit for the purpose of providing forecast estimates for policy development.
- 9 Technical peer review to evaluate the techniques has also been provided by a team at the University of Westminster led by Professor Austin Smyth. Professor Joyce Dargay, Emeritus Professor of Transport Econometrics at the Institute of Transport Studies, examined all the models used, endorsed the methods, and made useful suggestions for how to interpret the findings.⁴
- 10 As is often the case, responses to these forecasts differ according to the desired outcome from application of the forecasts.
- The aviation industry regards the forecasts as targets to be met, and plans growth in activity accordingly.
 - Those most concerned about pressure to address climate change impacts regard the forecasts in the context of activity commensurate with what are understood to be safe levels of carbon emissions.
- 11 Overall, the sector is forecast to continue growing, albeit to a lesser extent than previously expected. The downward trend in the long-term forecasts illustrated in the biannual forecasts of the last 6-7 years continues.

³ Letter from NERA Economic Consulting to Department for Transport, July 2011, https://www.gov.uk/government/uploads/attachment_data/file/4505/peer-review-letter.pdf

⁴ 'UK Aviation Forecasts 2013', Department for Transport (DfT), par.A.11, pg.124.

12 Questions raised in discussions to date that are pertinent to SASIG are:

- To what extent does the bulk of passenger demand being in the south east draw traffic away from regional airports detrimentally?
- What is the value of a passenger flying from, for instance, Doncaster Airport, via Paris not Heathrow? (loss?/gain?)
- Does the allocation model apply the IATA-recommended level of 70% capacity utilisation at each airport? (IATA – International Air Transport Association)
- How have the models been improved to more accurately reflect passenger behaviour borne from low-cost carrier service provision? This is in recognition of the fact that the formerly understood patterns of 'normal' behaviour no longer apply.
- How will these forecasts be 'sense checked' in terms of assessing the 'capacity to receive'? (i.e. the capacity of the recipient locale to accommodate inbound travellers)
- How well do these models work in relation to the need to model influences of, and relationships with, hub airports across the globe?
- There are incompatibilities between assumptions made in these aviation forecasts, and the assumptions made in forecasts relating to the new high-speed rail line, HS2. Why is this? How will these incompatibilities be rectified?
- What level of confidence is there in the model inputs that serve to represent our estimates of what the future aviation industry will look like? How accurate are these model inputs?
- Is it clear in each instance what is meant by "UK"?.....UK economy.....UK investment.....UK passengers; business or leisure?.....

'Guidance Document 01: Submitting evidence & proposals' - Airports Commission

13 Chair of the Airports Commission, Sir Howard Davies, says in the Foreword of this document:

“This is the first in a series of papers the Airports Commission will be issuing over the next two and a half years. It explains the Commission’s intended approach to the subject of airport capacity, and in particular how we plan to engage with all the relevant constituencies of interest.”

14 Sir Howard states that “The degree of consensus needed to push through projects of great long-term significance has been lacking.” He considers that this Commission provides the “..best chance of enabling broad agreement to be reached and lasting decisions to be taken” because the Commission offers “A fresh and independent view, at arm’s length from politics.... A body without any vested interests or preconceived views, which is able to review the evidence dispassionately, to engage widely, to exercise its judgement and make well-considered and integrated recommendations...”

- 15 The table below highlights key dates for the first stages of input to the Commission. The **highlighted element** is the first point at which SASIG can assist the Commission in its work – “suggestions for criteria that might be used to identify the most plausible options ahead of the interim report.”⁵
- 16 The **element highlighted thus** is the second stage at which SASIG may input to the Commission – submitting evidence and ideas on making the best use of existing capacity in the short- and medium-term. This element will require further consideration, and coordination amongst the SASIG membership and the SASIG office.

Summary of key dates for input to the Commission⁶

Short- & medium- term measures	Long-term measures
	28 February 2013 – parties with an interest in developing proposals should send notification of their intention to do so.
	15 March 2013 – suggestions for sifting criteria to be used in developing the Airports Commission’s interim report.
17 May 2013 – evidence and ideas on making the best use of existing capacity in the short- and medium-term.	19 July 2013 – outline proposals to have been submitted, giving an overview of the level of additional capacity that would be provided, along with some of the key economic, social and environmental considerations.

- 17 The work of the Commission this year is being driven by production of their interim report by the end of December 2013. This interim report will include the Commission’s recommendations on options for the short- and medium- terms, along with their list of the most plausible options for delivering any additional capacity required in the longer-term.⁷
- 18 The Commission expects to be able to say more about how the initial assessment of options is to be carried out once the awaited ‘Aviation Policy Framework’ is published in March 2013.⁸

⁵ ‘Guidance Document 01: Submitting evidence and proposals to the Airports Commission’, Airports Commission, February 2013, par. 1.19, pg. 10.

⁶ ‘Guidance Document 01: Submitting evidence and proposals to the Airports Commission’, Airports Commission, February 2013, adapted from Ch.4, pg.22.

⁷ ‘Guidance Document 01: Submitting evidence and proposals to the Airports Commission’, Airports Commission, February 2013, par.4.2, pg. 22.

⁸ ‘Guidance Document 01: Submitting evidence and proposals to the Airports Commission’, Airports Commission, February 2013, par.1.19, pg.10.

- 19 The Commission's guidance document indicates that a successful aviation proposal will satisfactorily meet the following criteria:

Economic factors	• Impacts on the UK economy through the provision of international connectivity.
	• Impacts on the local economy through the direct effects of airports.
	• Consumer impacts.
Social factors	• Social & community impacts.
Climate change impacts	
Local environmental impacts	• Noise.
	• Air quality.
	• Other local environmental impacts.
Accessibility	• Impacts on access to aviation connectivity.
	• Surface transport integration and associated infrastructure development.
Feasibility considerations	• Affordability & financeability.
	• Deliverability.
	• Operational feasibility & safety.
	• Adaptability to future demand.

'Discussion Paper 01: Aviation Demand Forecasting' - Airports Commission

- 20 This document has been produced to inform the Commission's interest in the following matters:
- Patterns of domestic and international demand for air travel, how these might change over time, and the implications for UK airports.
 - The competitive landscape for air travel both within the UK and internationally and how this may develop in the future.
 - How to deal with uncertainty.
- 21 The Commission asks a series of questions, alongside inviting input on any other relevant aspects or issues. The questions are set out here at **Annex B** (pg.69); the two questions of most interest to SASIG are:
- Is the DfT model suitable to underpin an assessment of the UK's aviation connectivity and capacity needs?
 - Is the DfT model granular enough to underpin the Commission's assessment of future demand?
- 22 The Commission expects to hold public evidence sessions later this year to help form their assessment of the need for additional capacity.
- 23 The Commission has asked for responses, of no more than 15 pages in length, to be submitted by 15 March 2013.

Development of SASIG submission – critical assessment criteria

- 24 SASIG has produced a number of schedules in the past appropriate for use as the critical assessment criteria that should be promoted to the Airports Commission.
- 25 For instance, the schedule of criteria used by SASIG to analyse development options at the time of the 2003 Air Transport White Paper were:
- number of runways;
 - capacity- both in terms of passenger numbers (mppa – million passengers per annum) and air transport movements (ATMs);
 - 24-hour capability;
 - noise impacts – both in terms of population count affected and area covered (hectares);
 - employment;
 - property take;
 - housing;
 - land take (hectares);
 - air quality – population affected;
 - heritage – listed buildings;
 - ecology;
 - regional planning;
 - surface access;
 - water risk; and
 - net economic benefits.
- 26 **Annex C** (pg.71) and **Annex D** (pg.73) set out two schedules that have recently been supplied by SASIG:-
- **‘UK Aviation provision – critical assessment criteria’**
A SASIG article produced following the Westminster Transport Forum event on 31 January 2013: ‘A fresh look at UK airport capacity: time for a 3rd runway at Heathrow?’
This schedule derives from that submitted by SASIG to inform development of the Department for Transport’s ‘Aviation Policy Framework’.
This schedule has been included with material circulated to event delegates.
 - **London Mayor’s draft assessment criteria for hub airport provision - SASIG comments, 11 February 2013**
As part of his ongoing work to support the Davies Commission, the London Mayor has sought a broad range of views about the objectives of UK aviation policy in increasing capacity.

A series of draft criteria have been developed, with input from an independent peer review panel, to assess a long-list of options for increasing aviation capacity, from which a shortlist of best performing options will emerge. The criteria will then enable the development of the shortlisted options to a greater level of detail.

A final set of criteria, taking on board the consultation responses, will be published in February.

<https://consultations.tfl.gov.uk/aviation/criteria>

- 27 The group's submission to the Airports Commission should also contain reference to:
- night flights – noise & health impacts; improved economic assessment;
 - peak hour constraints;
 - capacity for recipient area to accommodate incoming passengers and freight;
 - radiative forcing; and
 - using appropriate metrics to accurately represent the noise-impacted population.

Conclusions

- 28 There is a clear first point of input for SASIG to the Airports Commission - suggestions for sifting criteria to be used in developing the Commission's interim report (deadline – 15 March 2013).
- 29 The second stage at which SASIG may input to the Commission requires further consideration, and coordination amongst the SASIG membership and the SASIG office – submission of evidence and ideas on making the best use of existing capacity in the short- and medium-term.
- 30 In order for the Government's aviation demand forecasts to be appropriate for informing long-term strategic planning, practitioners must be able to have confidence in the forecasts. Despite ongoing refinement of the modelling for each update published since the 2007 forecasts, confidence in use of the model remains low – both from statistical aviation model specialists, and policy practitioners.
- 31 SASIG should indicate to the Airports Commission where the group has concerns about, or confidence in, the passenger demand and carbon dioxide forecasts.

Contact Officer: Anna Mahoney, SASIG Director
Tel.: (020) 8541 9459 / 07968 832687
Date: 21 February 2013

Email: sasig@surreycc.gov.uk
Web: www.sasig.org.uk

'UK Aviation Forecasts', January 2013, Department for Transport

UNCONSTRAINED FORECASTS

- An assumed gradual maturing of the aviation market and an end to the long-term decline in air fares seen over the previous two decades.
- Growth in passenger numbers predicted to grow in the range of 1-3% a year over the period between 2010 and 2050 - significantly lower than the growth of 5% a year seen over the past 40 years.
- The central case forecast shows passenger numbers rising from 219 million passengers in 2011, to 320 million passengers by 2030 and 480 million by 2050.

CONSTRAINED FORECASTS - i.e. no new runways are built in the UK

- The central scenario indicates constrained forecasts of passenger numbers rising from 219 million passengers in 2011, reaching 315 million passengers by 2030 - i.e. around 5 million passengers fewer than in the unconstrained forecasts, and 445 million by 2050 - i.e. around 35 million fewer passengers than in the unconstrained forecasts.
- These central forecasts are lower than the DfT's previous forecasts:
 - the 2030 passenger number forecast is around 20 million passengers lower than forecast in August 2011, and 90 million lower than the 2009 forecast;
 - the 2050 passenger number forecast is around 25 million passengers lower than forecast in August 2011.
- These lower forecasts and the effect of the recession are discussed in more detail on pg. 8 - Box 3, of the document.
- As all of the major airports are forecast to reach capacity by 2040, it is not possible to extend the forecast further.
- The 2011 forecasts showed the high demand scenario extended beyond the point the model would run (the year 2040) on the basis that this 'off-model' extension was needed to estimate aviation carbon emissions required at the time for the Government response to the Committee on Climate Change.

AIRPORT LEVEL FORECASTS

- In the central forecast, the five largest South East airports** are forecast to be full by 2030, however, the high and low demand scenarios underline the uncertainty around this conclusion - these airports could be full as soon as 2025 (the high case) or take until 2040 (the low case). ** Heathrow, Gatwick, Stansted, Luton, London City.
- Heathrow effectively reached capacity in 2011 and is forecast to remain at capacity in all scenarios.
- In the high and central demand cases, a number of other airports are expected to reach capacity over the forecast period including Birmingham, Bristol, East Midlands and Manchester.

CARBON EMISSIONS

Constrained passenger forecasts lead to a central prediction of carbon dioxide (CO₂) emissions from aircraft departing UK airports growing from 33.3 million tonnes of CO₂ (MtCO₂) in 2010 to 43.5 MtCO₂ by 2030.

The range around this forecast is 39.7 - 48.2 MtCO₂.

By 2050, UK aviation CO₂ emissions are forecast to be 47.0 MtCO₂, with a range around the forecast of 34.7 – 52.1 MtCO₂.

Post 2030, the growth in aviation CO₂ emissions is forecast to slow as the effects of market maturity and airport capacity constraints causes a reduction in the rate of growth of activity at UK airports.

Improvements in aircraft fuel efficiency are expected to continue beyond 2030 and, in the central and high forecasts, a small amount of biofuel use is expected to penetrate the aircraft fleet as kerosene and carbon allowance prices increase.

These projections also assume that the aviation sector pays a price for its emissions in line with projections of traded carbon prices produced by the Department for Energy & Climate Change (DECC).

'Discussion Paper 01: Aviation Demand Forecasting', February 2013, Airports Commission - Questions posed (Ch.6, pg.s 32 & 33)
(Questions of most interest to SASIG **highlighted**)

To what extent do you consider that the DfT forecasts support or challenge the argument that additional capacity is needed?

What impact do you consider capacity constraints will have on the frequency and number of destinations served by the UK?

How effectively do the DfT forecasts capture the effect on UK aviation demand of trends in international aviation?

How could the DfT model be strengthened, for example to improve its handling of the international passenger transfer market?

What approach should the Commission take to forecasting the UK's share of the international aviation market and how may this change in different scenarios?

How well do you consider that the DfT's aviation model replicates current patterns of demand? How could it be improved?

Do you agree with the source of the input data and assumptions underpinning the model?

Do you agree with the choice of outputs modelled?

Do you consider that the DfT modelling approach presents an accurate picture of current and future demand for air travel? If not, how could it be improved?

Is the DfT model suitable to underpin an assessment of the UK's aviation connectivity and capacity needs?

What alternative or complementary approach could be used to assess the impact of international competition?

What factors, if any, are missing from the DfT's modelling approach? How can these be more effectively analysed?

Is the DfT model granular enough to underpin the Commission's assessment of future demand?

Does the DfT approach to demand uncertainty capture a reasonable range of uncertainty? Could the approach be improved?

Would a probability based approach to dealing with uncertainty help the Commission to test the robustness of the model's outputs?

We have reviewed four alternative forecasts. Do you consider that there are others that we should be looking at and why?

SASIG article following Westminster Transport Forum event, 31 Jan. 2013 – ‘A fresh look at UK airport capacity: time for a 3rd runway at Heathrow?’

UK AVIATION PROVISION – CRITICAL ASSESSMENT CRITERIA

SASIG – the Strategic Aviation Special Interest Group of the Local Government Association - represents Local Authorities with an interest in strategic aviation issues.

These Local Authorities are those neighbouring or containing an airport, forming the only major alliance in the country that brings together communities comprising airport users and non-users, airport and airline staff, and encompassing all political parties. This gives SASIG an authoritative voice on airport policy that no other group can claim.

The **critical assessment criteria** that must be used to inform options for aviation provision – of both **existing facilities and new schemes** - are set out here.

- 1/ **Connectivity** in the form of surface access associated with airports, as well as domestic and international flights.
- 2/ An **improved economic assessment** such that a comprehensive, agreed methodology for **calculating** the economic value of connectivity yields robust output for **capturing** the assessed economic gain.

In order to capture the economic benefits of aviation it is vital to consider **the role of airports in local economies**, not just the national economy. Any economic evaluation and assessment of aviation developments needs to reflect the complex relationship between developments and the potential gains in terms of job creation, business attraction and regeneration in each locality. An increase in aviation operations does not automatically lead to the projected gains being delivered.

Such an assessment must incorporate the full **costs of mitigation and compensation schemes**, and the export of economic value in terms of the **tourism deficit**.

- 3/ **Infrastructure provision and capacity on-airport:**
 - number & capacity (passenger numbers and air transport movements) of runways;
 - number & capacity (passenger numbers) of terminals;
 - hours of operation;
 - employment – clearly differentiated into jobs that are essential for safe provision of aviation operations, and those that are ancillary to this core purpose;
 - water risk (runoff; flood protection; groundwater); and
 - construction costs.

Annex C

- 4/ **Infrastructure provision and capacity off-airport**, both for aviation-related and non-aviation related activities, supporting all sectors of the economy, covering:
 - surface access by all relevant modes;
 - employment – clearly differentiated into direct & indirect jobs lost and gained;
 - land take;
 - property take;
 - local air quality impacts;
 - heritage – impacts on land, water & buildings; and
 - ecology - impacts on habitat & nature.
- 5/ The facilitating and blocking effects of **fifth freedom rights & bilateral agreements**.
- 6/ **Airspace implications**, with timescale for designing and implementing revised airspace usage and recognition that maximising the efficiency of airspace will increase airspace capacity and therefore a commensurate increase in aviation's total carbon emissions.
- 7/ **Climate change impacts** – on the domestic, European & international scales. This involves:
 - regular assessment of the progress of the industry in meeting the objectives it sets itself, to act as a useful incentive for progress;
 - progression towards international and European emissions reduction programmes, to inform the likelihood of achievability;
 - recognition that inclusion of aviation in the EU Emissions Trading Scheme (ETS) will not automatically lead to a reduction in emissions from aviation as airline operators are expected to be net purchasers of emissions allowances from other sectors; and
 - Government analysis of how the EU ETS will impact on the aviation industry and emissions reductions once the period of free permits is complete.
- 8/ Further detailed analysis of **aviation's non-CO₂ emissions** impacts in order to provide a more consistent analysis of the impacts of policy measures.
- 9/ Carbon benefits that can be delivered through **projects to reduce the need to travel** (e.g. superfast broadband, videoconferencing) and **investment in cleaner modes of travel**.
- 10/ **Noise burden**, in terms of population affected and land area covered.
- 11/ **Compatibility with planning policy & guidance**.



STRATEGIC AVIATION SPECIAL INTEREST GROUP
of the Local Government Association

SASIG Meeting

Item 7

1 March 2013

Annex D

London Mayor's draft assessment criteria for hub airport provision - SASIG comments

11 February 2013

1 What is your name? Name: Anna Mahoney

2 What is your email address? Email: sasig@surreycc.gov.uk

3 What is your organisation? Organisation: Strategic Aviation Special Interest Group of the Local Government Association (SASIG).

4 Are you: Female

5 What is your age group? 25 to 44

6 Do you agree that there is a need to increase airport capacity serving London and the South East? Not sure

7 How important are Economic criteria in assessing aviation capacity? Important

8 To what extent do you think the proposed economic criteria meet the requirement to maximise economic and social benefits? Agree

9 Do you agree with the proposed metrics? No

10 Are there any further criteria that should be included? Yes

If yes, please add comments:

1B Connectivity which maximises economic benefits to London, the South East and the UK

It is encouraging to see "growth" and "regeneration" policy goals listed as targets/metrics; both approaches must be addressed to spread the gains nationwide, and not leave pockets of the country to slip any further behind.

It must be understood that connectivity is not only about flights, but also the essential links on the ground in local areas around airports. The mix of activity that must be maintained in these localities extends beyond the aviation sector to all sectors active in the UK market, be they aviation-related or not. The domination of any one economic activity in an area produces an unbalanced economy that will by its very reliance be less resilient overall.

In order to assess the extent to which economic benefits can be maximised, an improved economic methodology must be applied that takes account of:

- compulsory purchase of properties, along with the associated loss of community and impacts of blight;
- opportunity costs of sterilised land, i.e. reduced or zero development potential, compulsory safeguarding of land for future airport development;
- mitigation & compensation payments for noise impacts;

Annex D

- social cost of noise-induced health and welfare impacts;
- provision of associated surface access;
- actions to manage associated air quality conditions;
- market price of emissions embedded in energy consumption/fuel usage;
- actual reduction of local unemployment;
- impact on the UK's tourism deficit;
- availability of land for business development attracted to the airport; and
- associated social provision (housing, health, education & recreation).

The following case studies illustrate these issues.

CASE STUDY – Improved economic assessment of aviation Independent expert panel to produce transparent, accepted methodology

The Department for Transport (DfT) 'Air Quality (AQ) Technical Panel' agreed a methodology and part of the process for the air quality dispersion model used to assess proposals for a third runway at Heathrow Airport. The value of this process was having an independent group of experts collaborate on the methodology, set the parameters, agree the inputs and explain the assumptions used in the model. A similar process would lend itself to development of an improved economic assessment of the aviation sector.

The purpose of such collaboration would be to provide an agreed transparent methodology. The group would need to be kept in place throughout the assessment process to ensure application of the methodology was subjected to the same transparent process.

In order to obtain an accepted methodology, it is essential that no one party is involved more than another, as this jeopardises the transparency of the process and fosters mistrust.

CASE STUDY – Broadland DC & Norwich Airport Improved economic assessment of aviation - calculating economic costs & benefits

Significant expansion in the form of an urban extension to the northeast of Norwich is proposed in the Council's adopted Core Strategy. The Core Strategy was prepared jointly with neighbouring Authorities and represents a considered and shared view of the way to meet development pressures in the area. However, the presence of Norwich Airport in the northern urban fringe will have some restrictive effects on the scope and nature of development in this area. The public safety zone (PSZ) will clearly prevent development within its defined area; however, there are areas outside the PSZ that might well have been considered for development had the PSZ not disrupted their connectivity with the urban fringe.

The foregone development opportunities will impact on the landowners not on the airport operator, and compromise the ability of Local Authorities to allocate land for appropriate development. In many ways, this is a disguised economic cost.

CASE STUDY – Uttlesford DC & Stansted Airport Improved economic assessment of aviation - capturing economic benefits

In 2001, BAA Stansted Ltd. submitted an outline planning application to expand the airport from 15 million passengers per annum (mppa) to 25 mppa. The supporting material stated that

Annex D

in 1999 there were 8,770 direct on-airport employees for a throughput of about 9.4 mppa. In the same document, it was estimated that the number of direct on-airport employees would be 16,000 in 2010 for a 25 mppa throughput.

On the basis of this anticipated near doubling of the number of direct on-airport employees by 2010, the outline application included a second office building near to the terminal for airport staff and cabin crew, and a second office building for airline staff and other support functions. Provision was also made for additional flight catering and airline support accommodation a third phase of the industrial development previously permitted in that location. The outline application was approved.

It was anticipated that all this extra accommodation would be required to support throughput of 25 mppa by 2010, and that long-haul passengers would be 17% of the passenger market mix at 25 mppa in 2010. The reality has proved very different.

In 2006, when passenger throughput reached 23.7 mppa, direct on-airport employment was only 11,500. This represented 2,060 passengers/employee compared with the figure of 1,562 anticipated for 2010 in the 2001 application, and reflected 2 main factors. Firstly, a considerable leap in the efficiency of airport operations, brought about to a large degree by the way that low fares airlines operate and, secondly, the almost total absence of long-haul services, reducing the need for cabin crew and on-aircraft catering staff.

Even as 25 mppa was approached, no further applications were submitted by BAA Stansted Ltd. for use of the extra accommodation for airport and airline staff and support functions. Although, applications have been submitted by the operator to temporarily lift airport occupancy conditions, which were refused by Uttlesford Council.

Throughput has now dropped to about 18.4 mppa in the economic recession. The ongoing lack of demand for aviation related office and industrial accommodation is evidenced by the long-term vacant floorspace in office and support accommodation. In summary, the employment uplift anticipated back in 2001 has not been realised due to market conditions and the way in which Stansted Airport now operates compared to how it was envisaged it would operate.

CASE STUDY: Doncaster MBC & Robin Hood Airport Doncaster Sheffield (RHADS) Improved economic assessment of aviation - capturing economic benefits

Robin Hood Airport Doncaster Sheffield (RHADS) opened as a new international airport in 2005. The conversion of the former RAF Finningley base into civilian use included the opportunity to redevelop the airport camp adjacent to the new passenger terminal for a range of business uses including air related, office, training and marketing, residential and general business parks.

Doncaster MBC in partnership with the airport owner, Peel Holdings Ltd., and the Regional Development Agency, Yorkshire Forward, has been proactive in establishing RHADS as a major catalyst for regeneration based around three themes:

- 1) skills and training;
- 2) marketing and inward investment; and
- 3) improving infrastructure.

1) Skills and training

As part of the planning agreement when the airport opened there was a requirement for the airport operator to support activity designed to capture the local economic and social benefits of the airport.

Peel Holdings Ltd. agreed to lease former RAF offices to support this initiative and an informal partnership of key employment and training providers was established in order to respond effectively to the emerging employment and training opportunities arising from the development of RHADS. The initiative was branded 'Directions Finningley'.

With £750,000 of funding provided by Yorkshire Forward the office was remodelled to provide an operational base for the jobs and training facility, which included a common reception area, meeting, seminar and training rooms.

The broad range of services provided included information, advice and guidance, initial handling of all employment enquiries, matching enquiries to notified vacancies, customised recruitment services for employers, access to on- and off-site training provision, work experience and placement opportunities.

'Directions Finningley' established strong relationships between the airport operator, airport-related employers and key delivery agencies. This placed them in a unique position to gain intelligence in relation to new and emerging economic development opportunities within aviation and to make connections with relevant agencies and initiatives beyond the initial employment and training focus for which 'Directions' had been established.

Through one such connection with Marshall Aerospace, 'Directions' became aware of skills shortages within the aviation sector, particularly in relation to qualified certifying engineers and other aspects of aviation engineering. The developing relationship with Marshall Aerospace and others gave RHADS a specific opportunity to redevelop a derelict hangar to provide a specialist environment for the training of aviation engineers in parallel with the creation of a 'live' aircraft maintenance, repair and overhaul operation (MRO).

This concept, funded by the Regional Development Agency, embraced aviation education and training within a setting capable of providing high-level operational experience within an expanding industrial sector. The concept evolved into what became a National Aviation Training Academy, supported by 'Directions' originally in partnership with Marshall Aerospace and now operated by BAE Systems, who have established their national training centre at RHADS and are putting all their apprentices through the facility prior to being seconded to military air bases throughout the UK.

2) Marketing and inward investment

Since its initial inception, Doncaster MBC, has always recognised Robin Hood Airport as a strategically important catalyst for the future economic prosperity of Doncaster with the aviation sector being an important driver for new employment and training opportunities.

Annex D

In 2008, the Council launched a funded programme called 'Take off at the Airport'. This programme was a three-year investment and supply chain initiative aimed at bringing new inward investment into the 100 acres of 'aviation-related' development land surrounding Robin Hood Airport and ensuring that Doncaster businesses and residents benefit from these new investments.

A team was formed, headed up by professionals recruited from within the aviation industry who worked proactively to bring forward new aviation-focused companies on-site at RHADS. The team travelled and exhibited world-wide and made contact with many key individuals within the aviation sector including the British Aviation Group, a number of regional aerospace alliances and key businesses.

The team managed to land a number of key successes on-site including 'Bespoke Training Services', 'Redline Aviation', 'Kinch Aviation', 'ACT Technicians Ltd', 'BAE Systems', and the 'Vulcan to the Skies Trust', all forward-thinking aviation-related companies who have seen Robin Hood Airport as an ideal location to support their future growth. In addition, the team - although not concentrating activity on new route development - have supported the airport operator, Peel Airports Ltd., with funding and route development activities that resulted in new routes and increased business from Easyjet and Air Lingus.

Robin Hood Airport is an airport that right from its inception has been developed in partnership between the airport operator and local support agencies. Based on the above it can clearly be seen that airports can act as a catalyst for significant public and private sector investment and regeneration.

3) Improving infrastructure

Recognising the role of RHADS as a catalyst for growth in the Sheffield City Region, a submission was made to the Government's first round of Regional Growth Fund (RGF) bidding for the 'Gateway to the Sheffield City Region' project, which along with opportunities at the airport will deliver:

- a new strategic road/rail interchange adjacent to the M18 motorway;
- expansion of business parks adjacent to the airport;
- regeneration of a major brownfield former colliery site; and
- new residential developments.

The City Region was able to put forward such a comprehensive package because of the interest and confidence of national private sector companies to commit to major regeneration in this area on the back of the commitments made at the airport.

Collectively these investments are planned to create:

- one million square metres of business space;
- 24,000 private sector jobs;
- 5,000 new homes;
- £1.7bn of private sector investment; and
- £1.1bn added to the region's GVA economic value by 2030 – an uplift of 3% from 2009.

Annex D

In recognition of the above outputs, the Department for Business, Innovation & Skills (BIS) has conditionally offered Doncaster Council and its private sector partners £18m of funding for transport infrastructure to connect the airport to the national motorway network.

1D Local area has the necessary resource capacity The target/metrics associated with this criterion tie in very closely with those related to criterion 1B. Likewise, the target/metrics attached to criterion 1D must be broader in order to inform consideration of whether or not an area has the necessary resource capacity, taking into account not only associated social provision - housing, health, education & recreation – but also:

- capacity to accommodate more surface transport journeys associated with airport operations – airport & airline staff, passengers, and freight carriers – in terms of infrastructure availability, air quality, and successful continuation of non-aviation related activities in the area;
- actual reduction of local unemployment; and
- availability of land for business development attracted to an airport.

11 How important are Airport Infrastructure criteria in assessing aviation capacity? Important

12 To what extent do you think the proposed airport infrastructure criteria meet the requirement to provide competitive, efficient, effective and safe air travel, whilst meeting the needs of airlines, passengers and freight? Agree

13 Do you agree with the proposed metrics? Yes

14 Are there any further criteria that should be included? Not sure

If yes, please add comments:

15 How important are Airspace criteria in assessing aviation capacity? Important

16 To what extent do you think the proposed airspace criteria meet the requirement to support the effective and safe operation of the airspace? Agree

17 Do you agree with the proposed metrics? Yes

18 Are there any further criteria that should be included? Not sure

If yes, please add comments:

19 How important are Surface Access criteria in assessing aviation capacity? Important

20 To what extent do you think the proposed Surface Access criteria enable passenger, staff and freight access from an optimal catchment area, whilst being underpinned by a sustainable mode share? Neither agree nor disagree

21 Do you agree with the proposed metrics? No

22 Are there any further criteria that should be included? Yes

If yes, please add comments:

The local opportunities and need for surface access must be provided for alongside the top-level ambition set out in these criteria. Any new aviation provision - particularly at the outset - will need to accommodate local travel in order for services to reach a viable number of passengers. As activity on-airport increases, the local travel to and from the airport must be continued in order to support reliable, efficient local networks around the airport. Successful examples of public transport provision at airports show that viable public transport services are valuable for those travellers who have no connection with the airport other than using it as an integrated transport location, yielding an airport better integrated into its locality than in the absence of such services.

23 How important are Environmental criteria in assessing aviation capacity? Important

24 To what extent do you think the proposed Environmental criteria help to minimise the impact on local communities and the natural environment? Disagree

25 Do you agree with the proposed metrics? No

26 Are there any further criteria that should be included? Yes

If yes, please add comments:

An appropriate policy threshold has yet to be derived for accurately representing the population negatively affected by aviation noise. Progress must continue in this respect such that the population negatively affected by aviation noise is appropriately protected. The criteria for both noise and air quality should state that safe and healthy limits of these pollutants will not be breached. Merely seeking to minimise the affected population in each respect is not adequate.

27 How important are Deliverability criteria in assessing aviation capacity? Important

28 To what extent do you think the proposed Deliverability criteria demonstrate the capability of being delivered and funded, whilst representing value for money?

Neither agree nor disagree

29 Do you agree with the proposed metrics? Not sure

30 Are there any further criteria that should be included? Not sure

If yes, please add comments:

LGA location map

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Tel: 020 7664 3131

Fax: 020 7664 3030

Email: info@local.gov.uk

Website: www.local.gov.uk

Bus routes – Millbank

- 87** Wandsworth - Aldwych
- 3** Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at www.tfl.gov.uk

Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

Public transport

Local Government House is well served by public transport. The nearest mainline stations are: Victoria and Waterloo: the local underground stations are

St James's Park (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

Bus routes – Horseferry Road

- 507** Waterloo - Victoria
- C10** Canada Water - Pimlico - Victoria
- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car parks

- Abingdon Street Car Park (off Great College Street)
- Horseferry Road Car Park
- Horseferry Road/Arneway Street. Visit the website at www.westminster.gov.uk/parking

