



House of Commons  
Transport Committee

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# Surface transport to airports

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First Report of Session 2015–16





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**First Report of Session 2015–16**

*Report, together with formal minutes  
relating to the report*

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## Transport Committee

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Evidence relating to this report is published on the [inquiry page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Gordon Clarke (Committee Clerk), Gail Bartlett (Second Clerk), Adrian Hitchins (Committee Specialist), Emma Gordon (Committee Specialist), Stewart McIlvenna (Committee Assistant) and Estelle Currie (Media Officer).

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## Summary

Good surface access to airports is crucial. Where it works well, it can have significant positive impacts, both economically and environmentally. Limited or poor surface access can constrain growth, adversely affect the passenger experience, and force passengers, employees and freight operators to choose modes of travel to and from airports that exacerbate environmental problems and congestion.

In the last Parliament, the Transport Committee recommended that the Government should develop a coherent strategy to improve road and rail access to the UK's major airports, and stressed the need for greater connectivity between airports outside South East England. Our inquiry shows that Government has made little headway with this agenda. The absence of a decision on airport expansion in the South East is a major obstruction to progress, and without a master plan for the country, the regions cannot be expected to deliver effectively their own pieces of the jigsaw.

Government must take a clear lead on integrated transport planning which will benefit airports and the country as a whole. The Government is working on a draft National Policy Statement on airports. While, for the Government, this is driven primarily by the need to deal with airport expansion in South East England, the NPS must help to clarify how planning decisions will be made in relation to surface access improvements. Decisions about new transport infrastructure need to be taken far enough in advance that their implications can be taken into account in local development plans. Network Rail, Highways England and their counterparts across the rest of the UK should reflect these decisions in their long-term plans and funding commitments.

Government, local authorities and airports need to do more to encourage modal shift from private vehicles to public transport, particularly rail. The Department should have a strategic plan for modal shift across the Strategic Road Network which underpins the development of national transport networks as well as airport Surface Access Strategies. In terms of accountability, Airport Master Plans and Surface Access Strategies provide a useful policy lever, but are not subject to sufficient scrutiny. The Government should look again at institutional and governance changes to ensure that airport operators are working towards ambitious and realistic targets, and are held to account for their delivery.

The devolution agenda stands to improve local planning and economic development. Some Local Enterprise Partnerships have proved to be very effective in developing local economies. However, as more devolution deals are struck, we are concerned that a potentially complex and confused picture is emerging as to how significant transport projects will be delivered. Some of the most important factors in improving surface access to airports—such as integrated ticketing across different modes of transport—will require a tightly coordinated approach. Under the patchwork of combined authorities, statutory transport bodies (including Transport for the North) and the National Infrastructure Commission—all of which have responsibility for aspects of regional connectivity and smart ticketing—it is difficult to see where any ultimate decision-making power lies and how funding streams will be accessed. Major cross-boundary transport projects will not, in all likelihood, make progress unless the responsibilities and powers of all the different actors are clarified. With different devolution deals across

the country these will vary from place to place; which could be more challenging for the national network operators who may have different levels of responsibility in different parts of the country. The Government needs to ensure that Transport for the North (and other similar bodies) are given adequate powers to provide effective leadership.

The principle that airports pay for the surface access improvements from which they directly benefit should be retained, but the Government should be clearer about where the boundary lies between this and improvements to rail and road infrastructure adjacent to an airport and within its catchment area. Where there is compelling evidence that airport expansion would act as a catalyst for significant local economic development, the Government should ensure that local authorities, airports, and the national network operators can work together to identify relevant surface access infrastructure improvements and the means to fund them.



# 1 Background

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1. The Transport Committee's 2013 *Aviation Strategy* report highlighted the importance of good quality, efficient and reliable rail and road access to airports which "contributes greatly to the experience of passengers, freight operators and airport employees". It concluded that surface connections to major airports in the south east are poor and recommended that the Government "develop a coherent strategy to improve road and rail access to the UK's major airports", to include an assessment of "the surface access requirements from the growth of aviation, and in particular, the changes to surface access infrastructure that will be necessary if Heathrow expands". The report referred to the "ample" airport capacity that exists outside the south east of England and the need for greater connectivity between these airports and those in London. The report concluded that "good surface access is crucial to ensure that airports outside the south east are more attractive both to potential passengers and to the airlines providing services".<sup>1</sup>

2. Prior to the publication of the Airports Commission's Interim Report in December 2013, Sir Howard Davies wrote to Chancellor George Osborne to highlight some emerging conclusions of the Commission's work. His letter explained that "the UK airports sector is experiencing worsening capacity constraints, which are already affecting performance at Heathrow Airport. These constraints are expected to become more widespread over the coming decades, particularly at airports in the South East of England".<sup>2</sup> Improving surface access to the UK's airports was highlighted as a key priority for Government.

3. Sir Howard argued that "there is a strong case for attaching a greater strategic priority to transport investments which improve surface access to our airports", adding that "if we are to reconcile the twin objectives of meeting aviation capacity needs and remaining on course to meet the UK's environmental goals, we need to do more to support a shift towards the use of public transport, particularly rail". He warned that "even modest enhancements to road and rail links take some time to bring on stream" and recommended that Government "consider schemes specifically related to airport access in the context of [its] future spending plans".<sup>3</sup>

4. Sir Howard did not make specific recommendations on proposals for smaller and regional airports in his final report.<sup>4</sup> Instead he emphasised the point that "the UK's regional airports have an important role to play in the UK's overall connectivity [...] Ensuring that the London system is able to provide this connectivity, and that it is accessible from every region of the country, will deliver benefits across the UK as a whole".<sup>5</sup> The Transport Committee's 2015 report on *Smaller Airports* stressed the role of smaller airports as "economic enablers" which are "crucial to the maintenance and growth of regional economies".<sup>6</sup> The importance of good connectivity to regional airports is clear.

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1 Transport Committee, First Report of Session 2013-14, *Aviation Strategy*, HC 78

2 Airports Commission, [Letter regarding surface access from Sir Howard Davies to the Chancellor of the Exchequer](#), 4 December 2013

3 Ibid

4 There has been some debate about the use of the term 'regional airports' to describe any airport other than Heathrow and Gatwick. Section 1 of the [House of Common Library's paper on regional airports \(SN323\)](#) provides a useful guide to how the term came about and how it is used.

5 Airports Commission, [Airports Commission final report](#), 1 July 2015

6 Transport Committee, Ninth Report of Session 2014-15, [Smaller Airports](#), HC 713

## Why is good surface access important?

5. Limited or poor surface access to airports can constrain growth, adversely affect the passenger experience, and force passengers, employees and freight operators to choose modes of travel to and from airports that exacerbate environmental problems and congestion. The Airport Operators Association has recently described surface access to and from airports as “perhaps the single most important area” to address to spread tourism across the regions.<sup>7</sup>

6. The Chartered Institute of Logistics and Transport commented that “poor surface access inhibits an airport’s ability to compete”<sup>8</sup>, citing Bristol and Leeds Bradford as examples. Manchester Airport explained that, despite its comprehensive surface transport infrastructure and plans for an £800 million business park adjacent to the airport, the lack of further improvements to the surrounding road and rail network could become “a major limiting factor in seeking to maximise the airport’s potential”.<sup>9</sup>

7. Aside from reasons of airport and local economic growth, good surface access to and from airports addresses a range of other factors. It can encourage a shift from private to public transport by airport passengers and local people. ABTA explained that modern integrated transport systems can play a decisive role in “offering greater accessibility for passengers of reduced mobility [...] and easing surface transport disruptions for the local population near transport hubs”.<sup>10</sup> In October 2015, the Civil Aviation Authority (CAA) published data that showed a marked difference in the way passengers travel to airports, with a much higher proportion using public transport to get to the five airports in London<sup>11</sup> compared to airports elsewhere in the UK. The CAA’s policy director said that this raised the question whether regional airports have “the optimum balance of public and private transport options, and whether passengers are aware of all their options for getting to the airports”.<sup>12</sup>

## Our inquiry

8. The Committee’s inquiry set out to examine whether strategic connections to UK airports, which handle at least 1 million passengers per annum, fulfil current and future requirements in terms of range and capacity. The inquiry sought to assess the Government’s approach to planning surface access to airports, as well as understanding whether the Government was making full use of its powers to influence the selection of infrastructure and accompanying modes of transport to and from airports. Non-surface access modes of transport—such as domestic flights—and air quality issues were not included in the inquiry’s terms of reference.

9. We are grateful to the organisations and individuals who submitted written evidence to our inquiry, and would like to extend our particular thanks to those who provided oral evidence.<sup>13</sup>

7 Airport Operators Association, [A Key Year for UK Tourism and Aviation](#), accessed 3 February 2016

8 The Chartered Institute of Logistics and Transport ([STA0030](#))

9 Manchester Airport ([STA0059](#))

10 ABTA ([STA0010](#))

11 City, Gatwick, Heathrow, Luton, and Stansted

12 CAA, [Public or private transport, how do you get to the airport? Latest CAA passenger survey highlights stark regional variations](#), accessed 3 February 2016

13 Witness names are printed in this report and can be found on the [Committee’s webpages](#)

## 2 Passenger preference and modal shift

### Passenger needs and preferences

10. Surface transport around airports serves airport users and staff, local commuters, and air passengers. The needs of these different groups should be taken into account when planning surface access and making choices about improvements to existing services and infrastructure.

11. Passenger demand models published by the Airports Commission show that both speed of access and the complexity of journeys to airports affect passenger choice.<sup>14</sup> The number of interchanges on a trip to the airport (and associated increased risk of delay) can be an important factor. The Independent Transport Commission quoted research which showed that adding an interchange to a rail service, despite journey times remaining the same, can reduce demand for a service by 40%.<sup>15</sup> London Travelwatch noted that the London airports with the highest proportion of public transport use—London City and Stansted—are those that have the largest number of direct services and connections where only one change of service or mode is required. It added that “inconsistency in surface access to airports reduces the efficiencies of the airline and airports sector [...] passengers may end up choosing airlines on the basis of airport proximity and ease of access, rather than the offerings of the airlines themselves”.<sup>16</sup>

12. The West Yorkshire Combined Authority highlighted the fact that outward UK travellers and inbound international travellers have different surface access requirements, with the former tending to be more reliant on car-based travel, and the latter on good public transport.<sup>17</sup> The Airport Operators Association explained that business travellers tend to favour speed in their choice of surface transport, whilst leisure travellers tend to favour cost.<sup>18</sup> A good illustration of this is the Heathrow Express, for which the passenger profile is 69% business and 31% leisure.<sup>19</sup>

13. Chris Chalk of engineering and consultancy firm Mott MacDonald stressed the importance of reliability, explaining that “most people travelling are doing so for leisure, so they are unlikely to have a flexible ticket. They need to get that flight. If they do not [...] they lose their holiday and everything else”.<sup>20</sup> As London Travelwatch explained, “journey time reliability on the road network serving [London] airports is in many cases less than 60%”. It argued that “there is a powerful case for investment in those modes of transport that are most likely to deliver reliable journey times. This points above all to investment in rail, in bus priority on the road network, and in improved interchanges to maximise the catchment area of airports within one easy change of mode”.<sup>21</sup>

14 Airports Commission, [Discussion Paper 06: Utilisation of the UK’s Existing Airport Capacity](#), June 2014, para 6.4

15 Independent Transport Commission, [Surface Connectivity: assessing the merits of the Airports Commission’s options for UK aviation](#), October 2014, para 2.13

16 London TravelWatch ([STA0011](#))

17 West Yorkshire Combined Authority (WYCA) ([STA0050](#))

18 Q5 [Darren Caplan]

19 Heathrow Express, [‘Facts and figures’](#), accessed 5 February 2016

20 Q2 [Chris Chalk]

21 London TravelWatch ([STA0011](#))

14. Public transport is not always a suitable—or available—option for travel to and from airports. Passengers with large amounts of luggage and those with reduced mobility may still rely on private modes of transport. Moreover, some customers show a preference for using private transport despite it having the greatest relative impact on traffic and congestion, and so on air quality and carbon emissions.

15. The lack of availability of round-the-clock rail connections to airports was cited by several witnesses as being a key barrier to modal shift for passengers and airport staff arriving or departing from an airport early in the morning or late at night. Jacobs Engineering Group argued that government policy should prioritise public transport provision to airports, “with an ultimate objective of reliable 24-hour public transport connections with daytime service frequencies of 10 minutes or less”.<sup>22</sup>

### Effectiveness of policies for modal shift

16. The Aviation Policy Framework endorsed the recommendation in the Labour Government’s 2003 White Paper that airport operators produce Master Plans in which they set out their future aims, including any airport development proposals and surface access initiatives, along with their related local environmental impacts and proposed mitigation measures. These plans should be updated at least every five years, though many date back before 2010. The Department recommends that Airport Surface Access Strategies (ASASs) include an analysis of the existing surface access arrangements and targets for increasing the proportion of journeys made to the airport by public transport, cycling and walking. It suggests that ASASs should contain actions, policies and proposals to deliver on the targets. Although the Government looks at data from airports, it does not currently have a role in monitoring or enforcing the appropriateness or effectiveness of airports’ plans in relation to modal shift.<sup>23</sup>

17. Evidence from the London Borough of Hounslow suggested that Airport Transport Forums (which deliver ASASs) should have “improved governance, linked to binding targets around modal splits and actual sanctions if these are not met”.<sup>24</sup> Jacobs agreed, stating that airports are required to set targets specifically related to public transport mode share, but “very little is included in the Aviation Policy Framework on the appropriateness of those targets or the implications for operators if they are not delivered”.<sup>25</sup> Grant Brooker of the architecture and design firm Fosters and Partners pointed out that airports agree service standards in contracts with airlines, but do not have the same service standard contracts with passengers. Mr Brooker suggested this was an area which could be explored further with, for example, airport operators setting service standards for passenger journey times between airport terminals and public transport nodes.<sup>26</sup>

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22 Jacobs ([STA0083](#)), para 4.2.2

23 Q188-190

24 London Borough of Hounslow ([STA0049](#))

25 Jacobs ([STA0083](#)), para 4.4.2

26 Q16 [Grant Brooker]

18. Data from the CAA shows the modes of transport used by arriving and departing passengers in the UK:

Airport	Terminating passengers (000's)	Private %	Public %	Other %
Gatwick	34,994	58.3	41.4	0.2
Heathrow	46,991	58.6	41.0	0.3
London City	3,533	52.9	46.3	0.8
Luton	10,186	70.9	28.8	0.3
Stanstead	18,855	48.5	49.6	1.9
Birmingham	8,976	76.5	22.7	0.9
Doncaster	714	90.8	9.0	0.2
East Midlands	4,374	92.4	7.4	0.3
Leeds Bradford	2,879	88.5	11.3	0.1
Liverpool	3,752	79.3	20.4	0.3
Manchester	20,830	83.5	16.2	0.2

Source: Mode of transport used at the 2014 survey airports. Source: CAA Passenger Survey Report 2014, tables 7.1 and 7.2

19. As Jacobs' evidence described, despite long-term downward trends in the use of private vehicles to access airports, there has been a recent increase in private vehicle mode share, notably at Stansted, Gatwick and Luton. However, Jacobs concludes that this is due to "increased car usage in Greater London since 2012 as the economy recovers from recession", and that "recent growth is related to absolute traffic volumes as a result of high growth rather than a mode shift towards private vehicles".<sup>27</sup> In other parts of the UK, "dispersed regional catchments and relatively high proportions of passengers travelling in off-peak hours are two key drivers explaining the predominance of the private vehicle" for travel to airports.<sup>28</sup>

20. London Travelwatch explained that "In the London Railway area (that includes five major airports) [...] poor passenger experiences are limiting the effectiveness of policies designed to encourage a shift towards using public transport to get to or from airports".<sup>29</sup> ABTA added that, despite several airports offering good rail services to city centres, many lie on busy commuter lines where crowding at early morning peaks coincides with the airport's peak arrivals of long-haul aircraft,<sup>30</sup> and concluded that "crowding on board trains won't incentivise air passengers to use trains to travel from/to the airport".<sup>31</sup> This point was made by many witnesses to our inquiry, particularly in relation to the Brighton Main Line, although ABTA acknowledged "the difficult task Network Rail faces in striking a balance between the aspirations of the different stakeholders: commuters, air

<sup>27</sup> Jacobs ([STA0083](#)), paras 3.1.6-3.1.7

<sup>28</sup> Jacobs ([STA0083](#)), para 3.1.5

<sup>29</sup> London TravelWatch ([STA0011](#))

<sup>30</sup> ABTA ([STA0010](#))

<sup>31</sup> ABTA ([STA0010](#))

travellers and airport staff alike, and the need to make best use of the available capacity on the rail network and to identify priorities for investment”.<sup>32</sup> Dedicated services for airport passengers with no through stops are one way to address these issues but, as they are often priced at a premium, leisure travellers in particular choose other services or modes.

21. Some airports—notably Stansted—have used coach services to increase public transport usage. The airport achieved a public mode share of 49.6% in 2014, approximately 30% of which was attributable to coach services.<sup>33</sup> However, as the Stansted Consultative Committee warned “if the bus and coach sector were to carry any substantial percentage of the increased number of passengers forecast to use the airport, then large numbers of additional vehicles would need to operate”, which would have adverse environmental impacts and contribute to congestion on London’s roads,<sup>34</sup> notwithstanding the environmental impact of aviation per se.

22. Modal shift may be easier to achieve by targeting airport employees travelling to and from airports as they often account for a high proportion of car journeys being made to airports each day. For example, estimates derived from research conducted by the Independent Transport Commission in 2014 show that Heathrow Airport’s 76,000 staff account for 42.9% of all trips to the airport, with just over 50% of these being recorded as single occupancy car journeys.<sup>35</sup> As Jacobs described, surface access catchments for employees also tend to be local, in contrast to the regional catchments for passengers:

“in 2012, 35% of staff at Gatwick Airport lived in Crawley, the local authority within which the airport is located. [...] 28% of Heathrow staff in 2013/4 were resident in the London Boroughs of Hillingdon (where the airport is located) and Hounslow (the adjacent borough to the east). An additional example is Manchester Airport, where a staff survey in 2010 indicated that 56% of staff were resident in the three boroughs of Manchester, Stockport and Trafford”.<sup>36</sup>

23. Jacobs observed that “daily demand for surface transport among staff at airports is also typically more peaked when compared with airport passengers”. At Gatwick Airport, for example, 49% of staff travel to work between 6am and 9am; at Heathrow, the proportion is 29% at the same time of day.<sup>37</sup> Private vehicle use is a more significant component of the mode share of airport staff than for passenger mode share.<sup>38</sup>

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32 ABTA ([STA0010](#))

33 Airport Operators Association ([STA0079](#))

34 Stansted Airport Consultative Committee ([STA0026](#))

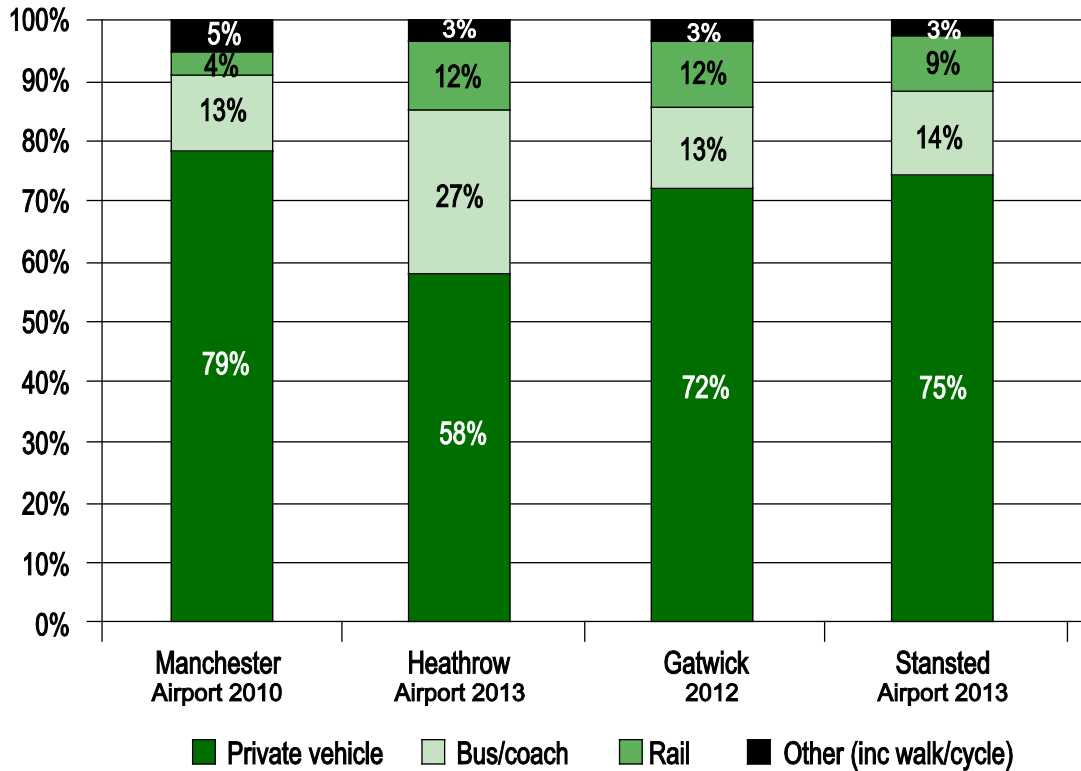
35 Independent Transport Commission, [Surface Connectivity: assessing the merits of the Airports Commission’s options for UK aviation](#), paras 3.13-3.14

36 Jacobs ([STA0083](#)), para 3.2.1

37 Jacobs ([STA0083](#)), paras 3.2.2-3.2.3

38 Jacobs ([STA0083](#)), para 3.2.4





Staff mode share at major UK airports (various sources: ASASs and published Airports Commission submissions). From Jacobs ([STA0083](#)), 3.2.4

24. The West Midlands Integrated Transport Authority observed that modal shift for staff “achieves very high levels of benefit and consideration should be given to policies which can encourage this, including subsidy of early morning services when demand at airports is very high”.<sup>39</sup> Grant Brooker of Fosters and Partners agreed, suggesting that mandating operators to cooperate with local transport operators to address employee travel needs was “an obvious and softer target” rather than focusing on airport passenger travelling behaviours.<sup>40</sup> The Minister, Robert Goodwill, concurred that daily journeys made by airport staff were “low-hanging fruit” for encouraging modal shift, highlighting the fact that 25% of all journeys to and from Heathrow airport are made by staff.<sup>41</sup>

25. Heathrow Airport’s success in reducing staff private vehicle mode share to under 60% is down to the introduction of measures such as subsidised public transport routes and ticket costs for staff, along with encouragement of more walking and cycling.<sup>42</sup> This is encouraging, but the airport will need to keep up the momentum if it is to grow. Indeed some witnesses, including the Chartered Institute of Logistics and Transport, recommended that “careful monitoring” of staff mode share would be required if permission is given for a third runway and a sixth terminal.<sup>43</sup>

26. Local authorities have a range of ‘carrots and sticks’ available to them to encourage modal shift.<sup>44</sup> One such ‘stick’, which has been used by airports such as Luton, is charging cars for passenger drop-offs and picks-ups. Jacobs’ evidence stressed the “disproportionate

39 West Midlands Integrated Transport Authority ([STA0041](#))

40 Q11 [Grant Brooker]

41 Q171 [Robert Goodwill]

42 Jacobs ([STA0083](#)), para 3.2.5

43 The Chartered Institute of Logistics and Transport ([STA0030](#))

44 Q6 [Dave Haskins]

impact” of taxi and drop-off journeys on the road network due to the number of empty return vehicle trips generated by these journeys compared to on-site parking activity.<sup>45</sup> The Minister recognised charging schemes as one way to “nudge behavioural change”, explaining that these fees can raise revenue for airports whilst encouraging modal shift.<sup>46</sup> However, these schemes are often contentious. In January 2016, just prior to the publication of this report, the CAA launched a review into the market structure for surface access, and in particular how competitive conditions for road and forecourt access affect outcomes for consumers. The review set out to provide a better understanding of the market structure for surface access and assess whether transparent information was in place to ensure consumers are aware of the choices available to them for accessing UK airports, along with associated charges (including car parking).<sup>47</sup> Prior to the launch of the review, *The Times* reported that the CAA’s remit would cover “aggressive ‘no-stopping’ policies at airports that have hit motorists with £100 penalties for pausing for a matter of seconds to read signs or pick up relatives”.<sup>48</sup>

27. Jacobs’ Demand Management Study<sup>49</sup> for the Airports Commission looked at measures to reduce car use at Heathrow. Jacobs concluded that additional charges on car users at Heathrow could have a significant impact on car mode share and overall traffic demand at the airport. A flat £10 access charge (at 2015 prices) could, by 2013, see passenger car mode share decrease by just over 8% and a reduction of 17.5% in the number of morning peak hour journeys.<sup>50</sup>

28. However, if employees were exempt from the charge, and no reduction in employee car usage was achieved, a £40 charge on all vehicles would be needed to reduce 2030 morning peak traffic to 2013 levels. If employee car usage could be reduced by 20% from the core scenario, then a £20 charge covering all vehicle trips would be required.<sup>51</sup> Jacobs acknowledged the potential impact of car charging schemes on airport employees—many of whom are in low-paid jobs—and stressed the need for “flexible and low cost public transport to serve dispersed local catchments” to address this challenge.<sup>52</sup>

29. Demand management measures affecting car use tend to lead to increased pressures on public transport. Heathrow would be no different: a charge could see capacity problems develop on Crossrail and the Piccadilly Line.<sup>53</sup> This, combined with Jacobs’ analysis for the Airports Commission, which predicted very high background non-airport-related demand forecasts for the next fifteen years for rail and road connections serving Heathrow and Gatwick, demonstrates the critical need for integrated transport planning in the South East to accommodate both background and airport-related demand.<sup>54</sup>

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45 Jacobs (STA0083), para 3.3.1

46 Q191 [Robert Goodwill]

47 Civil Aviation Authority, [Consultation on issues affecting passengers’ access to UK airports: a review of surface access](#), January 2016

48 “Airports face crackdown over train costs and rip-off parking”, *The Times*, 12 January 2016

49 Airports Commission, [Appraisal Framework Module 4. Surface Access: Demand Management Study](#), May 2015

50 If taxis were exempt from paying the £10 charge, car mode share would reduce by less than 4% and overall passenger vehicle trips would reduce by only 7.5%

51 *Ibid*, para 3.3

52 Jacobs (STA0083), para 4.3.1

53 Jacobs (STA0083), paras 4.2.12-13

54 Jacobs (STA0083), para 4.1.2



30. Airports with good public transport links see a greater proportion of passengers choosing to use trains, light rail, coaches and buses in preference to private cars to get to and from the airport. Not only can airports with good surface access make more of the opportunities they have to grow and contribute to the economy, but they can also play a part in achieving wider policy objectives such as reducing congestion and improving air quality. Government, local authorities and airports need to do more to encourage modal shift from private vehicles to public transport, particularly rail. Where rail is not appropriate, buses, coaches and other transport should be encouraged. Airports' Master Plans and Airport Surface Access Strategies provide the Department with a useful policy lever but only if the Department undertakes better scrutiny of the plans and holds airports to account. The current system where airports set their own targets and assess their own performance is unlikely to deliver all of the Government's objectives as the responsibility for delivering modal shift rests with airports. The Department can do more to support airports and relevant local authorities in making plans for modal shift and in ensuring that such plans take into account the needs of passengers, people employed at airports, freight operators and other users of airports.

31. *We recommend that the Department require airport operators to update any plans and surface access strategies that have not been updated in the last five years by the end of this year. There is too little scrutiny of individual strategies and plans which is akin to letting airports set and mark their homework themselves. We recommend that the Government consult on the institutional and governance arrangements needed to ensure airport operators are setting meaningful targets and being held to account for their performance. Any arrangement for greater scrutiny should provide the Department with an assurance that such targets and actions are aligned with the Department's own policy objectives on modal shift.* We return to this point later in our report.

32. *We welcome the Civil Aviation Authority's review of the market structure for surface access, but urge the need for it to strike a careful balance between fairness to motorists and deterring any increase in the number of private vehicle journeys to airports that might be a result of a loosening of the penalty regime. The Government must also plan for the effects of any significant transfer from car to public transport as a result of demand management measures on cars. Integrated transport planning around airports will ensure that an appropriate balance between public transport and car is achieved. The Government should prioritise integrated transport planning for airport surface access for this reason.*

## Ticketing

33. In Europe, rail service provision is increasingly integrated with air-rail passenger facilities and ticketing arrangements. In Germany, for example, tickets can be purchased which are valid for Lufthansa and over 70 partner airlines, and are valid for connections on the Deutsche Bahn rail network.<sup>55</sup>

34. Conversely, in the UK poor and sometimes expensive ticketing and fare arrangements can deter passengers from using public transport. The lack of availability of London's Oyster and Contactless system to London's peripheral airports is an example. London Travelwatch advised that, prior to the "long overdue" extension of the Oyster network to

<sup>55</sup> Jacobs ([STA0083](#)), para 4.2.4

Gatwick in January 2016, over 5,000 passengers a year were given a Penalty Fare at Gatwick Airport station because they had started their journey using Oyster or Contactless without realising that it was not accepted at the airport terminus.<sup>56</sup>

35. As the Minister explained, there are major challenges to implementing fully integrated ticketing schemes across different modes of domestic transport, even more so across different countries:

“I would like to see more improvement in terms of better connectivity [...] so that one can purchase a ticket from York to Los Angeles including rail and underground, but that means that there has to be better co-ordination between the different transport providers. And who picks up the bill? If one misses one’s plane because of a London Underground problem, would London Underground be expected to pay for the replacement flight?”<sup>57</sup>

36. The Minister concluded that “there are contractual situations that need to be looked at”.<sup>58</sup> He also stressed the need for better information to be made available about the different public transport options available at airports, explaining that “if you arrive at Heathrow it is not made quite clear to you that you could get a National Express coach or an underground ticket. They are very keen to sell you tickets on the Heathrow Express. Part of choice is having good information on which to base it”.<sup>59</sup>

37. The DfT is looking at options for rolling out smart ticketing and contactless payments throughout the country and across different transport operators. All but one of the Government devolution deals signed to date contain powers to introduce “smart ticketing” systems similar to the London Oyster card. The creation of a legislative framework for a nationwide smart payment mechanism to support integrated ticketing has been included in discussions about the imminent Buses Bill.<sup>60</sup> This would probably require the creation of a single national platform to operate effectively, which means that some kind of national steer from Government would be essential. This will be particularly important as the Government signs more local devolution deals across the country. It will be even more important in the North where Transport for the North (TfN) has been given responsibility for implementing smart ticketing at the same time as combined authorities are receiving devolved powers for the same. The National Infrastructure Commission complicates the picture further as its remit also includes “improving connectivity between cities in the north of England”.<sup>61</sup> As TfN does not have the same integrated transport planning powers as Transport for London, (and will not obtain statutory status until 2017<sup>62</sup>), and combined authorities may choose to operate different franchising models under the provisions of the Buses Bill, it is difficult to see how systems will be integrated without clarification of the roles, responsibilities and powers of all the actors.

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56 London TravelWatch ([STA0011](#))

57 Q193 [Robert Goodwill]

58 Q193 [Robert Goodwill]

59 Q193 [Robert Goodwill]

60 Department for Transport, [Bus Reform Workshops Background Document](#), September 2015

61 National Infrastructure Commission, [National Infrastructure Commission Call for Evidence](#), November 2015

62 The Cities and Local Government Devolution Act was passed on 28 January 2016. The Act enables the establishment of regional transport bodies such as Transport for the North as a statutory bodies. Plans are in place to develop TfN into a statutory body by 2017.

38. Richard de Cani of Transport for London explained that TfL is advising urban areas and combined authorities in other parts of the country to help them introduce new ticketing arrangements for public transport, similar to the Oyster and contactless schemes in London.<sup>63</sup> TfL is also working with DfT and rail operators to investigate how Oyster can be extended to Stansted and Luton airports.<sup>64</sup>

39. **We and our predecessor committees have been calling on the Department for Transport to introduce smart ticketing to a nationally recognised standard for almost a decade. Delivery has been patchy. Oyster and contactless go from strength to strength across Greater London and we welcome Transport for London’s enthusiasm for rolling it out across all modes of transport and beyond the traditional London boundaries. We also support the work of other conurbations, particularly as part of their devolution deals, to extend urban smart ticketing to local airports. The Department has been slow to act, choosing to wait for other bodies and for the commercial sector to act; it should do more to lead. *We recommend that the Department work with airport operators, airlines and others to devise a workable and affordable system for offering integrated ticketing across all public surface transport modes and airlines for inbound passengers to the UK. The Department must clarify how combined authorities, LEPs, regional transport bodies (including Transport for the North) and the National Infrastructure Commission will work together—and where the ultimate decision-making power lies—to integrate ticketing systems, especially in the North. As a first step the DfT should publish plans which show how it will improve signposting to, and information about, public surface transport options to and from UK airports.***

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63 Q103 [Richard de Cani]

64 Q104 [Richard de Cani]

### 3 Planning for future demand

40. If UK airports are to remain competitive, they, the Government and local authorities must address the surface access needs and preferences of current and future airport customers. This includes passengers and cargo operators.

41. Airport passengers are often not the main source of pressure on transport systems around airports. Growth in non-airport related passenger journeys around airports often has a much more significant impact on surface transport infrastructure than airport-related journeys. Evidence from Network Rail points to a “clear” and “growing”<sup>65</sup> demand for rail travel to airports, but argues that rail passengers travelling to airports “do not represent a game changer for rail demand at the busiest time of day on the train network”.<sup>66</sup> It adds that “The increase in demand faced by the railway is driven by the commuter market, which is creating peak passenger growth as high as 5-6% annually on some routes”.<sup>67</sup>

42. Modelling future demand for surface transport around airports requires accurate predictions of future airport-related journeys (staff, passengers and other services) as well as the impact of increased local journeys due to factors such as population growth and local housing and business development. Evidence to our inquiry demonstrated overall confidence in the models the government has used to predict future demand for surface transport to and from airports. Chris Chalk of Mott MacDonald pointed out that “the UK does more research on this than any other country in the world”.<sup>68</sup> However, Dr Matthew Niblett of the Independent Transport Commission told us that the ITC “would like to see more work on future demand modelling and on the implications for national networks on road and rail”.<sup>69</sup>

43. Dr Niblett referred to work the ITC was undertaking with DfT to improve the Department’s forecasting methodology for road and rail, explaining that “some of the projected secular demand shifts are very dramatic, particularly in the South East”, and that “at the moment it is not entirely clear whether we have the information or the modelling required to properly understand what the impact of that is going to be on airport usage”.<sup>70</sup>

44. The predicted pressures on transport networks in the South East are of particular concern. On 18 November 2015, Transport for London warned of congestion “on a scale we have not seen” on road, rail and Tube corridors into central London if a third runway at Heathrow were not supported by “massive” investment to improve surface transport.<sup>71</sup> This concern was reflected in evidence from Surrey County Council, which argued that it was essential that the Government and other bodies commit “to funding the core and extended baseline of strategic road and rail improvements identified by the Airports Commission for Heathrow and/or Gatwick to expand”.<sup>72</sup>

65 Network Rail ([STA0070](#)), para 2.2

66 Network Rail ([STA0070](#)), para 4.3

67 Network Rail ([STA0070](#))

68 Q27 [Chris Chalk]

69 Q49 [Matthew Niblett]

70 Q119 [Matthew Niblett]

71 “Cabinet ‘falling behind’ on Heathrow expansion decision”, Evening Standard, 11 November 2015

72 Surrey County Council ([STA0046](#))

45. The Airports Commission concluded that, regardless of decisions on airport expansion, “many key road and rail links in the [South East] are expected to be close to capacity by 2030, even assuming the delivery of the Commission’s extended baseline”. It added that the scale of growth in background demand means that all three shortlisted schemes would impact on congestion on most routes and warned that Government will need to take decisive action to address long-term capacity issues arising from background demand growth, regardless of airport expansion. This may involve the provision of “new infrastructure, demand management, or a combination of the two”.<sup>73</sup>

46. There is currently a patchwork of plans to address long-term capacity issues around airports and to take account of the effects of background demand growth, in the South East. *We recommend that, in its forthcoming draft National Policy Statement on airports, the Department set out its policy for addressing long-term airport capacity issues and the surface access implications of these. This policy should include measures for improving access to airports with existing spare capacity.* We return to this later in our report.

47. **We are concerned at the lack of coordination that is sometimes evident when infrastructure operators and local authorities plan renewal and enhancement works to the Strategic Road Network, the local road network adjacent to airports and the rail routes serving airports. The closures of the Gatwick and Heathrow Express services for engineering works over Christmas 2015—and the ensuing disruption to airline passengers—highlighted the importance of having a range of coordinated surface transport options in order to provide adequate resilience in the surface transport network. We recommend that the Department sets out, in its response to this Report, how it expects local authorities, Highways England and Network Rail to cooperate to keep the existing networks operating effectively and what steps it will take towards eliminating planned road and rail closures on the same route at the same time.**

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73 Airports Commission, [Airports Commission: Final Report](#), July 2015, paras 8.20, 8.25

## 4 Planning surface access schemes

### The national planning framework

48. The Government does not have an overarching strategy for planning airports and the connections to them, and between them. Various policies relate to the development of airports and their surface access infrastructure. The Government's 2013 Aviation Policy Framework sets out the Government's policy "to allow the aviation sector to continue to make a significant contribution to economic growth across the country"<sup>74</sup> and commits to supporting the integration of airports in the wider transport network and improving surface access to airports. Specific commitments include:

- working with airport operators, the rail industry, local authorities and Local Enterprise Partnerships (LEPs) to improve rail access to airports in coming years;
- working with airport operators, transport operators, local authorities and LEPs to improve surface access to airports across the country, whilst taking into account the associated environmental impacts, including encouraging greater use of low carbon modes of transport to reduce emissions and congestion, and improve air quality; and
- aligning its national strategies for aviation and high-speed rail.<sup>75</sup>

49. Government can set national policy through National Policy Statements (NPS) and White Papers. The National Networks NPS was designated on 14 January 2015. It sets the policy for nationally significant infrastructure projects (NSIPs) on the road and rail networks.<sup>76</sup>

50. Under the Planning Act 2008, as amended by the Localism Act 2011, the Secretary of State is empowered to publish an NPS on airports, setting out his assessment of the need for NSIPs. In the context of airports, "nationally significant" is defined in legislation as any development that would increase the capacity of an airport by more than 10 MPPA [million passengers per annum] or 10,000 traffic movements. As yet, no NPS on airports exists. However, in his December 2015 statement to Parliament the Secretary of State for Transport, Patrick McLoughlin, said that: "the mechanism for delivering planning consents for airport expansion will be an airports national policy statement (NPS), following which a scheme promoter would need to apply for a development consent order".<sup>77</sup>

51. The Minister told the Committee that the NPS "may have [...] knock-on effects for connectivity around the country".<sup>78</sup> The Campaign for Better Transport argued that a future NPS on Airports should be closely integrated with the NPS on National Networks to ensure the country's airports have adequate public transport connections, including rail. It added that the absence of good existing or potential surface access in plans to increase airport capacity should be a barrier to building additional capacity.<sup>79</sup>

<sup>74</sup> Department for Transport, *Aviation Policy Framework*, Cm 8584, March 2013

<sup>75</sup> Department for Transport, *Aviation Policy Framework*, Cm 8584, March 2013, paras 1.92-1.108

<sup>76</sup> Department for Transport, *National Policy Statement for National Airports*, December 2014

<sup>77</sup> "[Government confirms support for airport expansion in the south-east](#)", Department for Transport press release, 10 December 2015

<sup>78</sup> Q239 [Robert Goodwill]

<sup>79</sup> Campaign for Better Transport ([STA0063](#))



52. For developments at airports that do not fulfil nationally significant infrastructure project (NSIP) criteria, planning consent needs to be sought through the Town and Country Planning process, which allows local councils to determine which developments they feel are appropriate for the area and are in line with their Local Development Frameworks and other spatial development plans. NSIPs have a set timeline to follow, but processes under the Town and Country Planning process do not.

53. On 5 October 2015, the Government announced the creation of a new National Infrastructure Commission.<sup>80</sup> Its remit is to provide unbiased analysis of the UK's long-term infrastructure needs and hold the Government to account for non-delivery. Transport infrastructure forms a major part of the Commission's remit, including:

- Northern connectivity, particularly identifying priorities for future investment in the north's strategic transport infrastructure to improve connectivity between cities, especially east-west across the Pennines;
- Priorities for future large-scale investment in London's public transport infrastructure, including Crossrail 2; and
- How to ensure investment in energy infrastructure can meet future demand in the most efficient way.<sup>81</sup>

54. The Commission's remit will not cover Heathrow and airports in the South East of England more generally, or re-examine the work of the Airports Commission. Several witnesses to our inquiry saw the Commission as key to creating better integration between national networks and airport planning. However, Darren Caplan of the Airport Operators Association expressed concern that the NIC would be focusing only on the North and London, concluding that "if they are a truly national infrastructure commission, they should look nationally and identify priorities and how they can be delivered in that time horizon".<sup>82</sup>

## Road and rail planning

55. Strategic rail improvements are planned through the quinquennial Periodic Review. Improving railway links to major ports and airports is one of the Government's strategic priorities for the rail industry's current Control Period (CP5, 2014-19).<sup>83</sup>

56. Rail connections are often a focus of discussions about improved surface access to airports. It is no coincidence that Gatwick Airport, with its direct rail connection, has the highest rail mode share of any UK airport. Network Rail referred to the "vital" importance of good rail connectivity to airports for "supporting economic growth, productivity and social mobility",<sup>84</sup> and points to a "clear" and "growing" demand for rail travel to airports.<sup>85</sup> However, the Campaign for Better Transport pointed out that, of the 21 UK airports which

80 National Infrastructure Commission, [National Infrastructure Commission: terms of reference](#), October 2015

81 National Infrastructure Commission, [National Infrastructure Commission: terms of reference](#), October 2015

82 Q13 [Darren Caplan]

83 Department for Transport, [The High Level Output Specification \(HLOS\) 2012: Railways Act 2005 statement](#), July 2012

84 Network Rail ([STA0070](#)), para 1.1

85 Network Rail ([STA0070](#)), para 2.2

saw more than 1 million passengers in 2014, only nine have direct rail connections.<sup>86</sup> The Airport Operators' Association and National Express emphasised that many of the UK's airports are located on "some of the most congested routes in the country".<sup>87</sup> The DfT's 2014 study on rail overcrowding showed that four out of ten of the most congested train services in the UK serve an airport, with Glasgow Central to Manchester Airport and London Heathrow to Paddington featuring in the top five.<sup>88</sup>

57. Rail services tend to be successful when they are versatile and serve multiple markets. Network Rail must therefore balance sometimes competing and sometimes complementary demand, particularly in the complex market around London. There has been a reticence to provide dedicated rail lines to airports (for example a Heathrow spur for HS2), but bespoke airport services on shared lines (such as Gatwick Express and Stansted Express) are very popular and help to siphon off demand from otherwise overcrowded services.

58. The London Borough of Hounslow highlighted the drawbacks of dedicated airport transport infrastructure:

“Left to their own devices, any airport operator is likely always to support a dedicated and prestige service such as Heathrow Express even though this generates limited wider benefits for the UK economy and—given that it actually takes up valuable infrastructure capacity— may actually inhibit improvements to public transport that would help increase local sustainable transport options. This means that it is crucial that surface access is planned with due regards to regional and national connectivity requirements and not just by airport operators in isolation”.<sup>89</sup>

59. The first Roads Investment Strategy (RIS)—a five-year plan to deliver £15bn of investment in the strategic road network (SRN)—was published in 2014. The RIS includes proposals for a number of schemes to improve the strategic roads to airports including Gatwick and Manchester airports, and any capacity requirements brought about by an expanded airport in the South East. The RIS was informed by Route Based Strategies which were developed by Highways England, with input from local authorities and LEPs. A planned second Road Investment Strategy for the period 2020-25 will be under-pinned by another programme of investment.

60. Ginny Clarke of Highways England explained that the involvement of relevant stakeholders (including airports) in the future planning of routes is a new approach. When the process started two years ago, “it was the first time they had the opportunity to talk to us about the future”.<sup>90</sup> Ms Clarke added that Highways England is planning “for a much longer period [and looking] at the sorts of things we should be preparing in the next five years, which we will be delivering in the five years after that”. She stressed the fact that Highways England was now looking at the demands on both the road network and on other transport modes in an attempt to “marry up those forecasts against the

86 Campaign for Better Transport ([STA0063](#)); however this excludes consideration of some centrally located airports such as London City which has a direct light rail connection into the centre of London and to the Canary Wharf business district

87 Airport Operators Association ([STA0079](#)), para 3; [STA0039](#), para 1.5; e.g. Birmingham on the WCML and Gatwick on the BML

88 Rail Executive, [England and Wales 'top 10' overcrowded train services: autumn 2014](#), September 2014

89 London Borough of Hounslow ([STA0049](#)), para 2.6

90 Q50 [Ginny Clarke]



generalised forecasts”.<sup>91</sup> Ginny Clarke said that airport operators already had longer term plans and that Highways England had to become “more receptive” to fitting into their cycle of planning for the longer term.<sup>92</sup> She added that airports are the sorts of organisations that will be invited to planning forums for the next round of Route Strategies in 2016.<sup>93</sup> In conclusion, Ginny Clarke felt that Highways England was operating from “a much stronger strategic perspective” due to these conversations.<sup>94</sup>

61. Road and rail enhancements take time to bring on stream. Sir Howard Davies therefore recommended that both local and central Government give greater priority to airport access in their spending plans.<sup>95</sup>

## Integrated transport planning

62. There are long-standing concerns that the UK’s major transport infrastructure is not planned in a joined up way. Our predecessor Committee made recommendations to the Government on this point several times:

- a) In its 2013 *Aviation Strategy* report the Committee criticised the Government for not going far enough in its strategic planning of road and rail networks to major UK airports, and recommended that Government develop a “coherent strategy” to include assessment of the surface access requirements from the growth of aviation; inclusion of the service requirements of major UK airports in future rail franchise agreements; and a HS2 Heathrow spur if Heathrow were to expand;<sup>96</sup>
- b) The Committee’s April 2014 report on the National Networks NPS concluded that the NPS should specify more types of transport scheme which the Government thinks are needed—including better road and rail connections to ports and airports;<sup>97</sup> and
- c) Its 2015 report, *Investing in the Railway*, recommended that rail links to ports and airports for both passengers and freight should be prioritised.<sup>98</sup>

63. Because of the complexities of the planning process, airports need to plan several years in advance in order to secure their strategies. Grant Brooker of Fosters and Partners commented that “most other countries have successful transport plans. We are in a difficult place because we don’t know where our hub should be [...]. If we were serious, we would know where our hub was and [...] that would be the start of a transport plan”.<sup>99</sup> Mr Brooker added that planning airports and rail links requires “overarching guidance” and a central steer to ensure that all passenger needs are supported.<sup>100</sup> Jacobs recommended that

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91 Q73 [Ginny Clarke]

92 Q81 [Ginny Clarke]

93 Q82 [Ginny Clarke]

94 Q80 [Ginny Clarke]

95 Airports Commission, [Letter from Sir Howard Davies to The Right Honourable George Osborne MP](#), 26 November 2013

96 Transport Committee, First Report of Session 2013-14, [Aviation Strategy](#), HC 78-I, para 86

97 Transport Committee, Sixteenth Report of Session 2013-14, [National Policy Statements on National Networks](#), HC 1135, para 14

98 Transport Committee, Seventh Report of Session 2014-15, [Investing in the Railway](#), HC 257, para 86

99 Q38 [Grant Brooker]

100 Q43 [Grant Brooker]

the Aviation Policy Framework’s “aspiration” to align its national strategies for aviation and high-speed rail<sup>101</sup> “should be strengthened in future government aviation policy”.<sup>102</sup>

64. Dave Haskins of the West Yorkshire Combined Authority told us that “There are many things that we need to join up around Highways England, Network Rail, local authorities and the airports. Some of those connections are being made, but there is nobody overseeing them to make critical strategic decisions and to decide on the funding that comes with them at the end of the day”.<sup>103</sup> Mr Haskins told us that the National Infrastructure Commission would be well placed to provide national coherence. This view was supported by Darren Caplan of the AOA, who pointed to the urgent need for DfT to start a national dialogue now in order to keep pace with the predicted “massive” increase in aviation passenger and freight demand over the next 35 years.<sup>104</sup>

65. The Minister took a different stance, arguing that there was no place for “Government dictating from above” in a dynamic, predominantly privately owned, aviation sector as “the market will deliver what customers want”.<sup>105</sup> The Minister concluded that the UK has delivered “better than in many countries around the world where they have had a master plan at national level and tried to control how the whole situation operates”.<sup>106</sup> In September 2015, the Minister reiterated the Government’s approach, as set out in the Aviation Policy Framework:

“The Government has not made a general assessment of the adequacy of road and rail access to regional airports. It is for regional airports to work with their local authorities, local bus and rail companies and Local Economic Partnerships to identify opportunities to promote access to airports. Where the scheme has a wider range of beneficiaries, the Government will consider, along with other relevant stakeholders, the need for additional public funding on a case-by-case basis”.<sup>107</sup>

66. The fact remains that, under this model, some airports remain completely disconnected from major road and rail infrastructure. Bristol Airport, for example, remains the only top ten UK airport without access to a road of at least dual carriageway standard or a direct rail link. The Airport points to “the absence of a firm commitment in Government policy to improving transport links to regional airports”.<sup>108</sup>

67. In evidence to our inquiry, Leeds-Bradford Airport suggested that an insufficient surface transport infrastructure had led to a “leakage” of passengers to other airports, which had significant economic and environmental impacts on the Leeds City Region.<sup>109</sup> This theory was supported in evidence from Jacobs, which explained that “the passenger surface access catchment of UK airports is generally regional in nature, with relatively few trips made between regions”. Jacobs added that “even at Heathrow, the UK’s only hub airport, around three-quarters of all trips made to the airport originate in London or the

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101 Department for Transport, *Aviation Policy Framework*, Cm 8584, March 2013, para 1.100

102 Jacobs ([STA0083](#)), para 4.2.5

103 Q15 [Dave Haskins]

104 Qq16-17

105 Q181 [Robert Goodwill]

106 Q181 [Robert Goodwill]

107 [PQ6770](#) [on Regional airports], 21 July 2015

108 Bristol Airport ([STA0004](#))

109 WYG ([STA0015](#)), paras 3.4-3.5

South East of England”.<sup>110</sup> Liverpool John Lennon Airport is attempting to better serve its catchment area through plans for the ‘Halton Curve’. This rail scheme would allow trains to travel from Liverpool and the airport to North West Cheshire, North Wales and beyond. This will help to improve transport links within—and expand—the airport’s catchment to allow existing spare capacity at the airport to be accessed. The project is highlighted as a key project in the Liverpool City Region’s Long Term Rail Strategy.<sup>111</sup>

68. This reinforces the point made earlier that, everything else being equal, people tend to choose to travel from their ‘local’ airport due to convenience. This has been one of the arguments for linking Manchester and Birmingham airports to London with HS2, in the hope that a fast, convenient single railway journey could drive some demand away from the overcrowded south east and towards airports where there is spare capacity. However, there is a counterargument that it could work the other way—better links to London could drive more people to London airports rather than away from them.

69. There is no direct rail link to Leeds-Bradford Airport: the Minister argued that a heavy rail connection to the airport would not have as wide a regional benefit as it would in places such as Luton, Stansted and Gatwick, so the airport would be expected to pay for its own rail link.<sup>112</sup> This has led to the Leeds LDF core strategy and surface access strategy to focus on developing a link road to the airport, in the absence of any rail link.<sup>113</sup> As indicated above, this could have a negative impact on modal shift, generating more private vehicle journeys with no alternative means of accessing the airport.

70. This is symptomatic of what Dave Haskins of the West Yorkshire Combined Authority described as the fact of “a greater quantum of funding [being] required to deliver strategic connections and the nationally important infrastructure that comes with them”.<sup>114</sup> The question of who should—and can—pay for surface transport improvements has long been one of the major stumbling block for airports wanting to grow. We discuss this in the next chapter of our report.

71. Jacobs concluded that Government policy should recognise “the benefits of a fully integrated approach to national transport planning incorporating access to airports, and the opportunities associated with embedding airports into strategic transport networks (for example by connecting them directly to rail mainlines wherever possible)”. Jacobs stressed that, in many locations, “airport-related use of transport networks represents a small overall proportion of total demand”, particularly during standard commuter peak times.<sup>115</sup>

**72. This Committee and its predecessors have pressed consecutive Governments to improve their integrated transport planning. We are persuaded that more integrated transport planning will deliver benefits, including modal shift, and we are concerned that the failure by successive governments to act on this means that the full benefits of some projects cannot be realised. It remains an issue of concern to us that having committed to spending £55 billion on the HS2 rail project—which we welcome—the Department has provided no evidence of how it plans to best leverage the new**

110 Jacobs (STA0083), 3.1.2

111 Liverpool John Lennon Airport (STA0047)

112 Q178 [Robert Goodwill]

113 West Yorkshire Combined Authority (WYCA) (STA0050), paras 2.5-2.9

114 Q16 [Dave Haskins]

115 Jacobs (STA0083), para 4.1.1

capacity generated by the project to deliver improvements to our key international gateways, particularly our airports. *We recommend that the Government draw up plans showing how the HS2 network will link to regional airports so that the plans being drawn up by airports, local authorities and Network Rail can take this into account and individual projects can be prioritised accordingly. With reference to the Airports Commission report, we call on the Government to explain how it will address the reduction in domestic connectivity caused by a loss of domestic air slots at Heathrow and how it will develop the subsidised public service operator network set out in the Airport Commission's report.*

73. Traffic to and from airports may be only a small component of the total traffic on the network and these routes may not get the attention from the network operators they need. *The Government should require Network Rail and Highways England to demonstrate in their strategic business plans how they have considered airport surface access strategies, making clear which plans for improvements to surface access will be progressed and how they have consulted airport operators, LEPs and local authorities, on the relative priority that should be given to such schemes.*

74. The Department should set out more clearly its policy on, and expectations for, modal shift. *We recommend that the Department develop a strategic plan for modal shift across the whole road network, with feeder routes to airports being a key part of that. This policy should underpin the development of national transport networks, as well as airport Master Plans and Airport Surface Access Strategies. We welcome the creation of the National Infrastructure Commission and recommend that it work with local organisations to optimise connectivity between regional transport hubs across the country. This will provide much needed national coherence on transport planning matters.*

## 5 Who pays?

75. Richard de Cani of TfL told us that Government policy provides “a very clear emphasis on modal shift away from private car to public transport”, but that “clearly that has to be matched by commitment to investment to deliver that for airports across the UK”.<sup>116</sup>

76. Where an airport is privately owned (as nearly every airport in the UK is), there is a well-established principle, reiterated in the Aviation Policy Framework, that the costs of providing or enhancing surface access will be met by the airport operator. In some cases, a degree of public expenditure may be considered. In the case of airport expansion or enhancement, it is assumed that surface access enhancements required to deal with background demand on the transport networks already exist.<sup>117</sup> For regulated airports, surface access investment is also subject to CAA price regulation.

77. Leeds-Bradford Airport explained that “local planning policy [...] makes airport development dependent on the delivery of major public transport infrastructure and surface access improvements, of which the airport would be one beneficiary”. It adds that, “In practice, the costs of significant improvements in surface access go well beyond the capacity of most small regional airports to provide”.<sup>118</sup> Several airports including London City and Gatwick Airport claim that the policy of ‘operator pays’ risks “unfairly burdening airport users with a greater share of cost than is appropriate as it leaves doubt as to how dual beneficiary schemes would be funded”.<sup>119</sup>

78. Several pieces of evidence to our inquiry highlighted the role of airports as “key enablers” nationally and locally.<sup>120</sup> Leeds Bradford Airport added:

“There is a fundamental issue around how surface access schemes are viewed and delivered. The focus should not be around identifying the impact of an airport and requiring it to mitigate that impact, as set out in the Aviation Policy Framework, but instead on identifying the key conditions that will support airport growth and its wider economic benefits of which surface access is a critical element”.<sup>121</sup>

79. In response to these arguments, the Minister warned that airports “will of course be working very hard to make the case for the wider economic benefit to the area, because every penny that comes in from central Government, a local enterprise partnership or a combined authority is a penny less that comes from the airport”.<sup>122</sup> The Minister’s view was supported by East Sussex County Council, which argued that “Government needs to ensure that airports should bear the responsibility of covering the majority, if not all, of the costs of transport schemes which are required (in part or in their entirety) as a result of airport expansion”. It added that “an over-reliance on the public purse to fund transport schemes attributable to airport expansion is likely to be to the detriment of funding towards local authority, LEP or Highways England/Network Rail promoted major transport infrastructure schemes which are equally important at supporting growth,

116 Q120 [Richard de Cani]

117 Department for Transport, *Aviation Policy Framework*, Cm 8584, March 2013, paras 5.11-5.13

118 WYG (STA0015), para 4.2

119 London City Airport (STA0025), para 3; Gatwick Airport Ltd (STA0054), para 6

120 Q5 [Darren Caplan]

121 WYG (STA0015), para 4.9

122 Q210 [Robert Goodwill]

creating jobs and providing new homes”. East Sussex Council concluded that “the DfT should liaise with the relevant LEPs to identify which transport schemes are linked to airport growth, and engage with appropriate local authorities to ensure that a joined-up approach between these transport authorities is undertaken”.<sup>123</sup>

80. The Aviation Policy Framework sees a limited place for “dual beneficiary” scheme development insofar as it recommends that, at airports outside the South East, “scope exists for LEPs to develop local strategies to maximise the catalytic effects of airports to attract business and support growth”.<sup>124</sup> An example of this would be Manchester Airport, where an £800 million business park is to be built, to take advantage of the excellent air, road and rail links in the airport’s vicinity. However, evidence to our inquiry shows that the practical application of this policy is often extremely complicated. A further complication arises in the form of what constitutes ‘state aid’.

## State Aid

81. The Airports Commission observed that, if an airport benefits from surface transport paid for by the taxpayer, this “may mean that a contribution from the scheme promoter to these costs is justified.” State Aid rules may also require an airport operator to make an appropriate payment if it benefits from a surface access scheme. The Airports Commission concluded that “the Government would need to reach its own view on the level of public investment that can be justified” for any particular scheme.<sup>125</sup>

82. The European Commission explains that airports with more than 5MPPA that are planning infrastructure developments can receive state aid only “under very exceptional circumstances”. These “exceptional circumstances” are not clearly defined, but the guidelines explain that these circumstances arise when:

- there is a clear market failure;
- it has not been possible to finance investments on capital markets; *and*
- where a very high level of positive externalities is associated with the investment.<sup>126</sup>

83. The Government’s guidance states that for State Aid to be present, the following criteria must all be fulfilled:

- “State resources” have been involved;
- The resources have been given to “certain undertakings” (e.g. specific businesses) – i.e. it is selective;
- The effect is one of “favouring” those undertakings – i.e. it conveys an advantage;
- It “distorts or threatens to distort competition”; and
- It “affects trade between Member States”.<sup>127</sup>

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123 East Sussex County Council ([STA0013](#))

124 Department for Transport, *Aviation Policy Framework*, Cm 8584, March 2013, para 5.22

125 Airports Commission, [Consultation Document: Gatwick Airport Second Runway; Heathrow Airport Extended Northern Runway; Heathrow Airport North West Runway](#), November 2014, para 2.48

126 Oxera, [Turbulence ahead? The new state aid guidelines for aviation](#), March 2014

127 Airports Commission, [13. Cost and Commercial Viability: Literature Review](#), November 2014



84. A recent judgement of the Court of Justice of the European Union in Leipzig/Halle found that not only the operation of airport infrastructure but also the construction of infrastructure with public funds linked to its later operation constitutes economic activity and therefore is subject to the State Aid controls of the European Commission.<sup>128</sup>

85. Based on these criteria it is difficult for larger airports to demonstrate that state funding for infrastructure developments are compatible with the law. Evidence from DfT claimed that “where the analysis shows that state funding would result in state aid, compliance with the EU law can usually be achieved with a cost contribution from the airport operator which negates any state funded advantage it would otherwise receive”.<sup>129</sup>

86. In answer to a question on 16 September 2015 as to whether the Government will introduce a cap on the amount of public money used to fund surface access costs arising from the construction of a new runway at Heathrow and/or Gatwick, the Minister said:

“In terms of surface access proposals, the Government has been clear that it expects the scheme promoter to meet the costs of any surface access proposals that are required as a direct result of airport expansion and from which they will directly benefit”.<sup>130</sup>

87. Nevertheless, some have highlighted uncertainty in the Airports Commission’s final report as to “whether the taxpayer should pay for some or all of the £5bn or more of surface access infrastructure required as a direct result of the Heathrow proposal”.<sup>131</sup> London Stansted Airport warned that:

“Given the potential for surface access improvements to distort competition between airports, the Government should be careful to ensure that any public funding for such schemes is compatible with European State aid guidelines. These issues are of particular significance for the Government’s response to the Commission’s recommendation for a new runway at Heathrow, which could require up to £6 billion of funding for new surface access infrastructure. State aid issues are also of much greater relevance now that London’s major airports are separately owned, a significant change in circumstances since these issues were last considered”.<sup>132</sup>

**88. The Department is understandably wary about falling foul of the state aid rules and successive Governments have held a settled view that where the primary beneficiary of a surface access improvement is the airport, the airport should pay. *We recommend that this principle is retained and the Department should develop clear guidance as to how it and other public bodies (LEPs, councils, combined authorities etc.) should assess the benefit of new surface access schemes to (a) airports and (b) the wider community. We accept that there is a lack of clarity about the point at which any improvement can be said to be mainly for the benefit of the airport. We recommend that the Government clarify what constitutes a transport scheme that is primarily for the benefit of a private party, as opposed to providing a benefit secondary to a wider public interest, using real examples to illustrate where, in its view, the boundary sits.***

128 Airports Commission, [13. Cost and Commercial Viability: Literature Review](#), November 2014

129 Department for Transport ([STA0037](#)), para 26

130 [PQ10490](#) [on London Airports: finance], 14 October 2015

131 Gatwick Airport Ltd ([STA0054](#))

132 London Stansted Airport ([STA0058](#)), para 6.3

89. We accept the point made in the evidence we have received that suggests that any airport expansion and growth in passenger numbers could have a damaging effect on public transport networks in an area much wider than an airport’s immediate environs. In other policy areas developers can be required to pay towards relief measures under Section 106 agreements or the Community Infrastructure Levy. *We recommend that the Government require any airport operator making a successful application to expand their airport to assess the effect of their plans on local transport networks, to work with infrastructure operators on the measures needed to provide relief for any damaging impact, and to make a contribution to the cost of such improvements. In cases where there is compelling evidence that airport expansion would act as a catalyst for significant local economic development, the Government should work in partnership with local authorities and airports to identify relevant surface access infrastructure improvements and help to develop a multi-party funding solution.*

## Devolution

90. The Government’s devolution agenda has changed the way local transport projects are planned and funded. The first ‘devolution deal’ was announced by the Government and the Greater Manchester Combined Authority in November 2014. Several other deals have been announced since. The Cities and Local Government Devolution Act 2016<sup>133</sup> gives a statutory foundation to various aspects of the devolution deals.

91. Dave Haskins of the West Yorkshire Combined Authority spoke in support of devolution, telling us that “in theory, it has become easier in the last couple of years [to drive local decisions through]. With the establishment of combined authorities and their alignment to the LEPs, the strategic economic plan for the region has really come together. Transport and economics are not looked at in silos, and that is really key”.<sup>134</sup> Bristol Airport also viewed the devolution agenda as “a potential opportunity to take a new approach, placing airport[s] at the heart of long-term strategic infrastructure planning in order to maximise the value they generate for regional economies”.<sup>135</sup>

92. Ginny Clarke of Highways England told us that LEPs have been good at holding national transport infrastructure providers to account on this front,<sup>136</sup> whilst Paul Harwood of Network Rail added that devolution will help with long term rail planning as “the information is richer and the understanding of what improvements are wanted going forward is richer [...] local enterprise partnerships, for example, are a very effective way of working with local authority and local business perspectives”.<sup>137</sup>

93. Many areas across the country have published bids or ‘prospectuses’ for devolution deals, but this does not guarantee that the Government will agree a deal with them. The Government’s assessment of LEP and combined authority past performance may explain its reticence to devolve power in some cases: in oral evidence to our inquiry, the Minister described LEPs’ performance as “patchy”, and combined authorities as being in their “early days”.<sup>138</sup>

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133 [Cities and Local Government Devolution Act 2016](#)

134 Q23 [Dave Haskins]

135 Bristol Airport ([STA0004](#)), para 2

136 Q77 [Ginny Clarke]

137 Q89 [Paul Harwood]

138 Q225 [Robert Goodwill]



94. As the Minister acknowledged, “very large amounts of money will be available to the combined authorities”<sup>139</sup> and airports will be able to make bids for this funding. However, access to funds and powers will be different in each area, depending on the details of each devolution deal. For example, the Greater Manchester Combined Authority may benefit from legislation which gives powers to its mayor to implement a Community Infrastructure Levy (CIL) to support development and regeneration in the area.<sup>140</sup> The CIL—which greatly benefited the building of Crossrail in London—could be a major source of funds for potential major infrastructure projects in the Greater Manchester area. There is no guarantee that other combined authorities will be able to negotiate a CIL.

95. The majority of the devolution deals signed to date will receive their funding in a single pot. This will provide a larger overall budget to combined authorities, but also means that transport projects will be competing against other priorities identified in the deals. The Government has introduced additional streams of funding, including the £300 million Transport Development Fund announced in the Autumn Statement, which will be targeted at “transformative transport infrastructure projects”<sup>141</sup> such as Crossrail 2 and proposals emerging from the Northern Transport Strategy, following the advice of the National Infrastructure Commission. It is not clear whether combined authorities will be able to bid for these funds, or submit proposals for how it should be spent. It is also unclear how LEPs will work alongside combined authorities and how they will be funded—if at all—beyond the final tranche of the Local Growth Fund.

96. The Government intends to develop Transport for the North (TfN) into a statutory body by 2017 in order for it to have the permanence it needs to plan for the long term. TfN is in the process of identifying what its full role should be, but will cover the transformation of east-west rail and road connections; the creation of implementation plans for integrated, contactless ticketing across the North; and the production of regional policy to support international connectivity.<sup>142</sup> As many transport powers have been devolved to combined authorities (notably smart ticketing), it remains unclear what role TfN will perform in that respect. Given the fact that Rail North has already let the northern rail franchises in partnership with the Department, and—as we discussed earlier in our report—that the provisions of the Buses Bill with regards to franchising are likely to be implemented differently across TfN’s region, the contribution that TfN and the National Infrastructure Commission can make to seamless, integrated transport planning is, as yet, unclear. **We are encouraged by evidence from local authorities that speaks positively of the current and hopefully future benefits of devolution. We want to see areas taking advantage of new financial powers to prioritise and fund their own infrastructure projects without having to wait for the agreement of or money from the Department. We want to see local areas use these new powers to help their local airports grow and develop, in a sustainable way, to drive further economic growth. However, we seek guarantees from the Government that those areas that cannot reach agreement on a devolution deal, or do not want one, are not left behind. Some LEPS have been very effective at driving economic development in their areas. This momentum must not be lost. Where devolution deals have been put in place, we recommend that Government conduct a robust post-hoc evaluation to assess the benefits of devolution deals to local transport.**

139 Q225 [Robert Goodwill]

140 *Devolution to local government in England*, Briefing paper [07029](#), House of Commons Library, January 2016, 2.4

141 “[Department for Transport’s settlement at the Spending Review 2015](#)” Department for Transport press release, 25 November 2015

142 Transport for the North, ‘[About Transport for the North](#)’, accessed 5 February 2016

97. *In its response to this report, the Government must clarify the roles that Transport for the North and the National Infrastructure Commission will play in improving surface access to airports, and how they will work with combined authorities and LEPs to achieve this. If TfN is to play an effective role, the Government must provide it with adequate powers to ensure that integrated transport planning which benefits airport passengers and local commuters is not thwarted by a lack of cooperation from local areas.*

## Balancing national and local priorities

98. The Government's response to the Transport Committee's 2014 report on local transport expenditure pointed out that schemes that improve access to ports and international gateways are often funded through national road and rail investment programmes (i.e. Highway's England's Road Investment Strategy and Network Rail's periodic review).<sup>143</sup> However, as ABTA described, road and rail schemes may be awarded funding, and then become "casualties" of a Spending Review. ABTA cited the Western rail link to Heathrow, which was approved as part of the National Infrastructure Plan but is not fully funded.<sup>144</sup> The Thames Valley Berkshire LEP added that "lack of clear commitment, timeline and unnecessary delay [in committing funding and resources to the Western rail link] presents risk to the Thames Valley and UK economies".<sup>145146</sup>

99. Surrey County Council highlighted Southern Rail Access to Heathrow, which was excluded by the Airports Commission's Final Report from the extended baseline of road and rail improvements needed by 2030 to meet background demand. Surrey CC was "very concerned that a view has already been taken that any scheme is seen as being delivered to support a new runway if Heathrow is the preferred choice and that the airport owners promoting this expansion should meet much of the cost – a view the promoters do not agree with". The Council perceives "a real risk of a protracted impasse on funding", adding that "a scheme that could have major benefits for Surrey and the regional economy will be hamstrung as a result and expansion at Heathrow could once again take place without it being delivered".<sup>147</sup>

100. The longer term delays caused by Network Rail's recent failings in delivering its programme of electrification and enhancements by 2020 demonstrate the chronic uncertainty local areas face when constructing their economic and development plans. Without strong commitments and guarantees from Government to fund major infrastructure, it is unlikely that local areas will be able to make decisions about large-scale projects for growth, including those affecting airports.

101. The Committee's 2014 report on local transport expenditure recommended that the DfT should demonstrate how it would balance strategic oversight of spending with locally determined priorities and clarify whether or not it would be prepared to challenge LEPs

143 Transport Committee, Second Special Report of Session 2014-15, [Local transport expenditure: Who decides?: Government Response to the Committee's Seventeenth Report of Session 2013-14](#), HC 632, p4

144 ABTA ([STA0010](#)), para 24

145 Thames Valley Berkshire LEP ([STA0029](#))

146 The planning application for this link is expected to conclude in Spring 2016: National Infrastructure Planning, 'Western Rail Link to Heathrow', accessed 5 February 2016

147 Surrey County Council ([STA0046](#)), para 12

if they did not prioritise nationally significant, but locally delivered, transport schemes.<sup>148</sup> In its response, the Department said that Government was “confident” that the Growth Deals process would not preclude such schemes being prioritised, and that it would “work closely with Local Enterprise Partnerships to ensure this remains the case”.<sup>149</sup>

**102. Improved infrastructure for smaller airports is dependent on local areas and the airports themselves having confidence in a long term strategic plan within which they can take decisions and identify their priorities. This includes a decision on future airport capacity in the South East. Unless the Government identifies priorities for growth—and funds them accordingly—its ambitions to ‘rebalance’ the national economy will be impeded. The five yearly planning cycle for Network Rail and Highways England was supposed to provide some long term security to local areas. It has failed to do so in some aspects of rail electrification. It is early days for the roads strategy but we will be keeping an eye on the key milestones and delivery timetable to make sure it does not slip.**

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<sup>148</sup> Transport Committee, Seventeenth Report of Session 2013-14, [Local Transport Expenditure: Who decides?](#), HC 1140, para 40

<sup>149</sup> Transport Committee, Second Special Report of Session 2014-15, [Local transport expenditure: Who decides?: Government Response to the Committee’s Seventeenth Report of Session 2013-14](#), HC 632

## Conclusions and recommendations

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### Passenger preference and modal shift

1. Airports with good public transport links see a greater proportion of passengers choosing to use trains, light rail, coaches and buses in preference to private cars to get to and from the airport. Not only can airports with good surface access make more of the opportunities they have to grow and contribute to the economy, but they can also play a part in achieving wider policy objectives such as reducing congestion and improving air quality. Government, local authorities and airports need to do more to encourage modal shift from private vehicles to public transport, particularly rail. Where rail is not appropriate, buses, coaches and other transport should be encouraged. Airports' Master Plans and Airport Surface Access Strategies provide the Department with a useful policy lever but only if the Department undertakes better scrutiny of the plans and holds airports to account. The current system where airports set their own targets and assess their own performance is unlikely to deliver all of the Government's objectives as the responsibility for delivering modal shift rests with airports. The Department can do more to support airports and relevant local authorities in making plans for modal shift and in ensuring that such plans take into account the needs of passengers, people employed at airports, freight operators and other users of airports. (Paragraph 30)
2. We recommend that the Department require airport operators to update any plans and surface access strategies that have not been updated in the last five years by the end of this year. There is too little scrutiny of individual strategies and plans which is akin to letting airports set and mark their homework themselves. We recommend that the Government consult on the institutional and governance arrangements needed to ensure airport operators are setting meaningful targets and being held to account for their performance. Any arrangement for greater scrutiny should provide the Department with an assurance that such targets and actions are aligned with the Department's own policy objectives on modal shift. (Paragraph 31)
3. We welcome the Civil Aviation Authority's review of the market structure for surface access, but urge the need for it to strike a careful balance between fairness to motorists and deterring any increase in the number of private vehicle journeys to airports that might be a result of a loosening of the penalty regime. The Government must also plan for the effects of any significant transfer from car to public transport as a result of demand management measures on cars. Integrated transport planning around airports will ensure that an appropriate balance between public transport and car is achieved. The Government should prioritise integrated transport planning for airport surface access for this reason. (Paragraph 32)
4. We and our predecessor committees have been calling on the Department for Transport to introduce smart ticketing to a nationally recognised standard for almost a decade. Delivery has been patchy. Oyster and contactless go from strength to strength across Greater London and we welcome Transport for London's enthusiasm for rolling it out across all modes of transport and beyond the traditional London boundaries. We also support the work of other conurbations, particularly

as part of their devolution deals, to extend urban smart ticketing to local airports. The Department has been slow to act, choosing to wait for other bodies and for the commercial sector to act; it should do more to lead. (Paragraph 39)

5. We recommend that the Department work with airport operators, airlines and others to devise a workable and affordable system for offering integrated ticketing across all public surface transport modes and airlines for inbound passengers to the UK. The Department must clarify how combined authorities, LEPs, regional transport bodies (including Transport for the North) and the National Infrastructure Commission will work together—and where the ultimate decision-making power lies—to integrate ticketing systems, especially in the North. As a first step the DfT should publish plans which show how it will improve signposting to, and information about, public surface transport options to and from UK airports. (Paragraph 39)

### Planning for future demand

6. We recommend that, in its forthcoming draft National Policy Statement on airports, the Department set out its policy for addressing long-term airport capacity issues and the surface access implications of these. This policy should include measures for improving access to airports with existing spare capacity. (Paragraph 46)
7. We are concerned at the lack of coordination that is sometimes evident when infrastructure operators and local authorities plan renewal and enhancement works to the Strategic Road Network, the local road network adjacent to airports and the rail routes serving airports. The closures of the Gatwick and Heathrow Express services for engineering works over Christmas 2015—and the ensuing disruption to airline passengers—highlighted the importance of having a range of coordinated surface transport options in order to provide adequate resilience in the surface transport network. (Paragraph 47)
8. We recommend that the Department sets out, in its response to this Report, how it expects local authorities, Highways England and Network Rail to cooperate to keep the existing networks operating effectively and what steps it will take towards eliminating planned road and rail closures on the same route at the same time. (Paragraph 47)

### Planning surface access schemes

9. This Committee and its predecessors have pressed consecutive Governments to improve their integrated transport planning. We are persuaded that more integrated transport planning will deliver benefits, including modal shift, and we are concerned that the failure by successive governments to act on this means that the full benefits of some projects cannot be realised. It remains an issue of concern to us that having committed to spending £55 billion on the HS2 rail project—which we welcome—the Department has provided no evidence of how it plans to best leverage the new capacity generated by the project to deliver improvements to our key international gateways, particularly our airports. (Paragraph 72)

10. We recommend that the Government draw up plans showing how the HS2 network will link to regional airports so that the plans being drawn up by airports, local authorities and Network Rail can take this into account and individual projects can be prioritised accordingly. With reference to the Airports Commission report, we call on the Government to explain how it will address the reduction in domestic connectivity caused by a loss of domestic air slots at Heathrow and how it will develop the subsidised public service operator network set out in the Airport Commission's report. (Paragraph 72)
11. Traffic to and from airports may be only a small component of the total traffic on the network and these routes may not get the attention from the network operators they need. The Government should require Network Rail and Highways England to demonstrate in their strategic business plans how they have considered airport surface access strategies, making clear which plans for improvements to surface access will be progressed and how they have consulted airport operators, LEPs and local authorities, on the relative priority that should be given to such schemes. (Paragraph 73)
12. The Department should set out more clearly its policy on, and expectations for, modal shift. We recommend that the Department develop a strategic plan for modal shift across the whole road network, with feeder routes to airports being a key part of that. This policy should underpin the development of national transport networks, as well as airport Master Plans and Airport Surface Access Strategies. We welcome the creation of the National Infrastructure Commission and recommend that it work with local organisations to optimise connectivity between regional transport hubs across the country. This will provide much needed national coherence on transport planning matters. (Paragraph 74)

### Who pays?

13. The Department is understandably wary about falling foul of the state aid rules and successive Governments have held a settled view that where the primary beneficiary of a surface access improvement is the airport, the airport should pay. We recommend that this principle is retained and the Department should develop clear guidance as to how it and other public bodies (LEPs, councils, combined authorities etc.) should assess the benefit of new surface access schemes to (a) airports and (b) the wider community. We accept that there is a lack of clarity about the point at which any improvement can be said to be mainly for the benefit of the airport. We recommend that the Government clarify what constitutes a transport scheme that is primarily for the benefit of a private party, as opposed to providing a benefit secondary to a wider public interest, using real examples to illustrate where, in its view, the boundary sits. (Paragraph 88)
14. We accept the point made in the evidence we have received that suggests that any airport expansion and growth in passenger numbers could have a damaging effect on public transport networks in an area much wider than an airport's immediate environs. In other policy areas developers can be required to pay towards relief measures under Section 106 agreements or the Community Infrastructure Levy. (Paragraph 89)



15. We recommend that the Government require any airport operator making a successful application to expand their airport to assess the effect of their plans on local transport networks, to work with infrastructure operators on the measures needed to provide relief for any damaging impact, and to make a contribution to the cost of such improvements. In cases where there is compelling evidence that airport expansion would act as a catalyst for significant local economic development, the Government should work in partnership with local authorities and airports to identify relevant surface access infrastructure improvements and help to develop a multi-party funding solution. (Paragraph 89)
16. We are encouraged by evidence from local authorities that speaks positively of the current and hopefully future benefits of devolution. We want to see areas taking advantage of new financial powers to prioritise and fund their own infrastructure projects without having to wait for the agreement of or money from the Department. We want to see local areas use these new powers to help their local airports grow and develop, in a sustainable way, to drive further economic growth. (Paragraph 96)
17. We seek guarantees from the Government that those areas that cannot reach agreement on a devolution deal, or do not want one, are not left behind. Some LEPS have been very effective at driving economic development in their areas. This momentum must not be lost. Where devolution deals have been put in place, we recommend that Government conduct a robust post-hoc evaluation to assess the benefits of devolution deals to local transport. (Paragraph 96)
18. In its response to this report, the Government must clarify the roles that Transport for the North and the National Infrastructure Commission will play in improving surface access to airports, and how they will work with combined authorities and LEPS to achieve this. If TfN is to play an effective role, the Government must provide it with adequate powers to ensure that integrated transport planning which benefits airport passengers and local commuters is not thwarted by a lack of cooperation from local areas. (Paragraph 97)
19. Improved infrastructure for smaller airports is dependent on local areas and the airports themselves having confidence in a long term strategic plan within which they can take decisions and identify their priorities. This includes a decision on future airport capacity in the South East. Unless the Government identifies priorities for growth—and funds them accordingly—its ambitions to ‘rebalance’ the national economy will be impeded. The five yearly planning cycle for Network Rail and Highways England was supposed to provide some long term security to local areas. It has failed to do so in some aspects of rail electrification. It is early days for the roads strategy but we will be keeping an eye on the key milestones and delivery timetable to make sure it does not slip. (Paragraph 102)

# Formal Minutes

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## Monday 22 February

Members present:

Mrs Louise Ellman, in the Chair

Karl McCartney

Will Quince

Huw Merriman

Iain Stewart

Draft Report (*Surface transport to airports*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 102 read and agreed to.

*Resolved*, That the Report be the First Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 29 February at 4.00pm]



## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry page](#) of the Committee's website.

### Monday 26 October 2015

*Question number*

**Darren Caplan**, Chief Executive, Airport Operators Association, and **Dave Haskins**, New Generation Transport Project Director, West Yorkshire Combined Authority

[Q1–45](#)

**Dr Matthew Niblett**, Director, Independent Transport Commission, **Richard de Cani**, Managing Director, Planning, Transport for London, **Paul Harwood**, Strategy and Planning Director, Network Rail, and **Ginny Clarke**, Executive Director, Strategy and Planning, Highways England

[Q46–121](#)

### Monday 9 November 2015

**Chris Chalk**, Aviation Practice Leader, Mott MacDonald, and **Grant Brooker**, Senior Executive Partner, Foster and Partners

[Q122–168](#)

### Monday 16 November 2015

**Robert Goodwill MP**, Parliamentary Under-Secretary of State, Department for Transport, and **Sacha Hatteea**, Deputy Director, Airport Capacity Delivery Division, Department for Transport

[Q169–257](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry page](#) of the Committee's website. STA numbers are generated by the evidence processing system and so may not be complete.

- 1 Aberdeen and Grampian Chamber of Commerce ([STA0019](#))
- 2 Aberdeen International Airport Consultative Committee ([STA0007](#))
- 3 ABTA ([STA0010](#))
- 4 Airport Operators Association ([STA0079](#))
- 5 Biggin Hill Airport ([STA0082](#))
- 6 Birmingham Airport ([STA0021](#))
- 7 Bristol Airport ([STA0004](#))
- 8 British Airways ([STA0072](#))
- 9 British Vehicle Rental and Leasing Association ([STA0014](#))
- 10 CAGNE ([STA0006](#))
- 11 Campaign for Better Transport ([STA0063](#))
- 12 Chiltern Railways ([STA0036](#))
- 13 City of London Corporation ([STA0076](#))
- 14 Department for Regional Development ([STA0052](#))
- 15 Department for Transport ([STA0037](#))
- 16 East Midlands Airport ([STA0060](#))
- 17 East Sussex County Council ([STA0013](#))
- 18 Edenbridge Town Council ([STA0008](#))
- 19 Essex County Council ([STA0045](#))
- 20 Federation of Small Businesses ([STA0020](#))
- 21 GATCOM ([STA0028](#))
- 22 Gatwick Airport Ltd ([STA0054](#))
- 23 Gatwick Officers Group ([STA0044](#))
- 24 Glasgow Airport Limited ([STA0048](#))
- 25 Greater London Authority ([STA0077](#))
- 26 Harrogate Borough Council ([STA0068](#))
- 27 Heathrow Airport Consultative Committee ([STA0023](#))
- 28 Heathrow Airport Limited ([STA0069](#))
- 29 Heathrow Area Transport Forum ([STA0031](#))
- 30 Heathrow Hub Ltd ([STA0061](#))
- 31 Interlinking Transit Solutions ([STA0073](#))
- 32 Iver Parish Council ([STA0018](#))
- 33 Jacobs ([STA0083](#))
- 34 Kent County Council ([STA0038](#))

- 35 Liverpool John Lennon Airport ([STA0047](#))
- 36 London Airline Consultative Committee (LACC) ([STA0067](#))
- 37 London Borough of Hounslow ([STA0049](#))
- 38 London Chamber of Commerce and Industry ([STA0032](#))
- 39 London City Airport ([STA0025](#))
- 40 London First ([STA0064](#))
- 41 London Luton Airport Operation Limited ([STA0062](#))
- 42 London Southend Airport Company Limited ([STA0065](#))
- 43 London Stansted Airport ([STA0058](#))
- 44 London TravelWatch ([STA0011](#))
- 45 Luton Borough Council ([STA0056](#))
- 46 Manchester Airport ([STA0059](#))
- 47 Martyn Maynard ([STA0085](#))
- 48 Merseytravel ([STA0051](#))
- 49 Mid Cheshire Rail Users Association ([STA0003](#))
- 50 Mr Mark Middleton-Smith ([STA0002](#))
- 51 Mr Boguslaw Jankowski ([STA0066](#))
- 52 National Express ([STA0039](#))
- 53 National Express ([STA0074](#))
- 54 NECTAR ([STA0022](#))
- 55 Nestrans ([STA0027](#))
- 56 Network Rail ([STA0070](#))
- 57 Nick Cornish ([STA0005](#))
- 58 North Cheshire Rail Users' Group ([STA0016](#))
- 59 Professor Stephen Ison ([STA0057](#))
- 60 Royal Aeronautical Society ([STA0075](#))
- 61 Scottish Passenger Agent's Association ([STA0055](#))
- 62 Slough Borough Council ([STA0034](#))
- 63 South Bucks District Council ([STA0043](#))
- 64 Southampton Airport Consultative Committee ([STA0053](#))
- 65 Stansted Airport Consultative Committee ([STA0026](#))
- 66 Surrey County Council ([STA0046](#))
- 67 Sustainable Aviation ([STA0080](#))
- 68 Tandridge District Council ([STA0001](#))
- 69 Thames Valley Berkshire LEP ([STA0029](#))
- 70 The Chartered Institute of Logistics and Transport ([STA0030](#))
- 71 TravelWatch Northwest ([STA0017](#))
- 72 VisitBritain ([STA0078](#))

- 73 VisitEngland ([STA0040](#))
- 74 West & North Yorkshire Chamber of Commerce ([STA0035](#))
- 75 West Midlands Integrated Transport Authority ([STA0041](#))
- 76 West Yorkshire Combined Authority (WYCA) ([STA0050](#))
- 77 Western Rail Link to Heathrow Stakeholder Steering Group ([STA0033](#))
- 78 Windsor Link Railway ([STA0081](#))
- 79 WYG ([STA0015](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the Committee's website at [www.parliament.uk/transcom](http://www.parliament.uk/transcom).

### Session 2015-16

First Special Report	Investing in the railway: Network Rail Response to the Committee's Seventh Report of Session 2014–15	HC 347
Second Special Report	Motoring of the future: Government Response to the Committee's Eighth Report of Session 2014–15	HC 349
Third Special Report	Smaller airports: Government Response to the Committee's Ninth Report of Session 2014–15	HC 350
Fourth Special Report	Strategic river crossings: Government Response to the Committee's Tenth Report of Session 2014–15	HC 348
Fifth Special Report	Strategic river crossings: Greater London Authority Response to the Committee's Tenth Report of Session 2014–15	HC 558