Maximising the economic benefits of airports

How local authorities can plan, facilitate, fund and manage the programmes and projects that make the most of their airports

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Prepared by Northpoint Aviation Services Ltd | Companion to the airport resilience and diversification presentation

Why local authorities hold the key

Airports create the potential; councils determine how much is captured locally

Benefit channel	What it captures	Council lever
Direct	On-site jobs in operations, handling, ATC and tenants	**Skills pathways, staff transport, tenant attraction**
Indirect	Purchases from local suppliers	**Supplier mapping and SME capability**
Induced	Spending by airport and supplier staff	**Local recruitment and housing access**
Catalytic	Tourism, trade, inward investment, productivity	**Routes, destination offer, sites, investor service**

The operator controls the airfield. Councils control land, planning, transport, skills, business support and promotion.

+1.6%

employment for every 10% rise in direct air connectivity (ACI EUROPE)

+0.5%

GDP per head for the same 10% connectivity gain

c.300,000

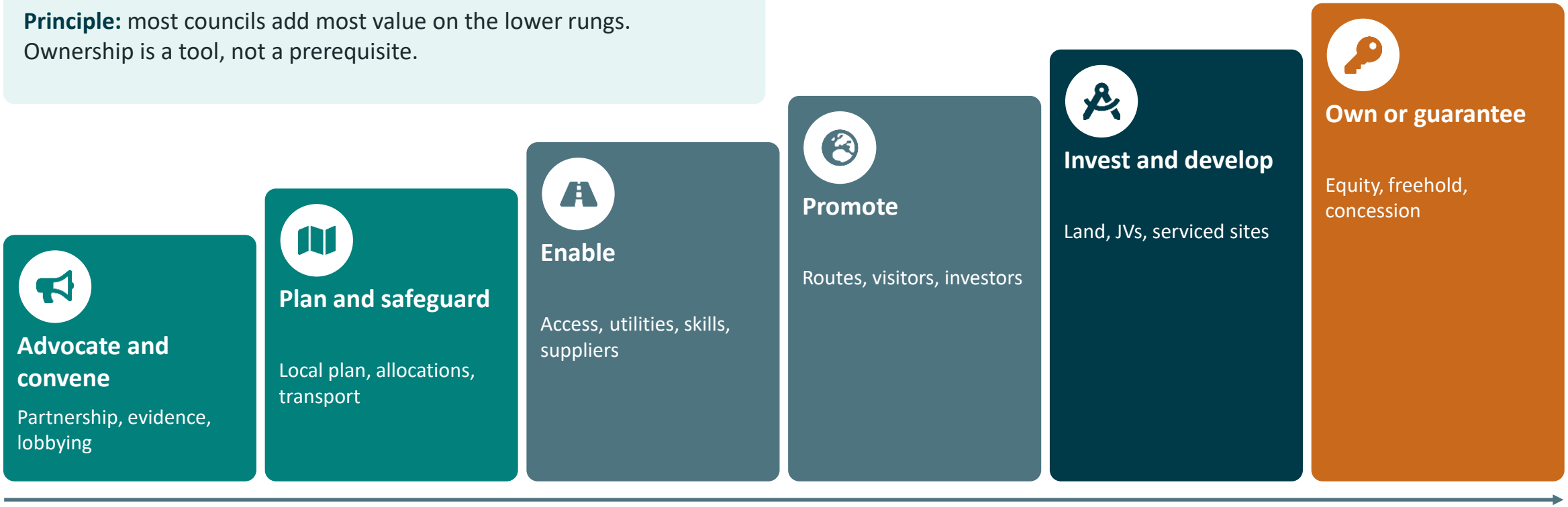
jobs linked to UK airports under 3m and business aviation airports (indicative)

Sources: SASIG discussion paper, section 4; ACI EUROPE (2024); RABA briefing for DfT (Sept 2025), indicative not audited. Catalytic effects need local evidence and a credible counterfactual.

The ladder of local authority intervention

Climb only as far as the problem requires

Principle: most councils add most value on the lower rungs. Ownership is a tool, not a prerequisite.



Source: SASIG discussion paper, sections 8 and 9 (prefer the least costly effective intervention).

Step 1: know your airport economy

A shared evidence base comes before any strategy or spending

Area	Key questions	Main sources
Function and assets	Runway, apron, hangars, terminal, airspace, operating hours	Airport, CAA data
Land and property	Developable land, ownership, safeguarding, utilities, grid	Airport, council GIS
Spend and suppliers	Who the airport and tenants buy from, and where	Procurement data
Connectivity and catchment	Routes, frequencies, leakage to other airports	CAA survey, route data
Business demand	Sectors that fly, exporters, investor requirements	Business surveys
Council position	Powers, assets, receipts, exposure, partners	Finance and legal

1.19m

South Wales passengers used Bristol rather than Cardiff in 2019: demand a local airport could win back

Outputs

- Airport economy baseline
- Opportunity longlist
- 'No regret' actions
- KPIs and data owners

Sources: SASIG discussion paper, sections 3–4; Northpoint smaller-airports paper, diagnostic checklist; RABA ecosystem paper (leakage estimate).

Plan: put the airport at the heart of local strategy

Planning certainty is the cheapest and most powerful lever a council holds

Instrument	What it does for the airport economy
Local plan and site allocations	Allocates airport-related employment land and airport villages
Joint spatial framework	Links airport land, adjoining estates and access across boundaries
Local or special development orders	Simplifies consent for compatible aviation and employment uses
Local transport plan	Prioritises road, bus and rail access for staff, freight and visitors
Local Growth Plan and sector plans	Puts airport projects into regional investment priorities
Enterprise zone, freeport, investment zone	Adds rates, tax and simplified planning incentives
Safeguarding policy	Protects runway, airspace and airside options from incompatible uses

Good practice

- Distinguish airside, airport-related and general employment land
- Keep scarce airside land for uses that need a runway
- Plan access and utilities before occupation, with a named payer
- An airport masterplan is not a planning permission
- Involve communities early on noise, traffic and benefits

Sources: SASIG discussion paper, section 5; RABA policy recommendations (2025); PPIW (2016). Availability of each instrument varies across England, Scotland, Wales and Northern Ireland.

Facilitate: governance and a clear route map

Turn a vision into a sequenced, owned and funded programme



Airport economy partnership

- Councils and combined authority
- Airport operator and key tenants
- Business, investors and developers
- Colleges, universities and skills bodies
- Unions, communities, tourism body

Plus: named project champions, clear reporting lines, and an independent chair where interests conflict.

Source: PPIW, Maximising the Economic Benefits of Airports (2016), route map and governance proposals for Cardiff–St Athan; SASIG discussion paper, section 10.

Enable: infrastructure, skills and supply chains

Remove the barriers that stop local people and firms benefiting

Enabler	Council action	Evidence of success
Surface access	Road junctions, bus links, freight routing	Journey times, staff mode share
Utilities and grid	Power, water, digital to development plots	Plots serviced and let
Skills	Aviation academy with colleges; apprenticeships	Trainees placed in local jobs
Employment access	Shift-friendly transport; links to deprived areas	Local share of recruits
Supply chains	Spend mapping; SME accreditation; smaller lots	Contracts won, wider sales
Innovation	Link tenants, universities and test facilities	Collaboration, new products

Supplier programme in four steps

1. Map airport and tenant spend, renewals and barriers
2. Build SME capability: accreditation, cyber, bids
3. Open access: buyer briefings and smaller lots
4. Measure contracts, survival and sales elsewhere

Sources: SASIG discussion paper, section 4 and Table 2; RABA policy recommendations (2025). Indicators are not additive monetary benefits.

Promote: connectivity, visitors and investment

Connect the airport offer to what local firms and visitors actually need

Route development

- Evidence business demand: destinations, timing, frequency
- Joint marketing with the airport and tourism body
- Time-limited start-up support within subsidy control
- Make the case for PSO lifeline and hub links
- 'Fly local' campaigns to win back leakage

Visitor economy

- Target specific inbound markets
- Bookable local experiences and events
- Reliable onward transport from the airport
- Business events with venues and hotels
- Track visitor origin, stay and spend

Inward investment

- Airport in the area's investor proposition
- Target sectors that fly: aerospace, life sciences, services
- Package sites, skills, utilities and housing
- Joint investor service with regional agency
- Record why investors chose the area

17 → 7

UK domestic routes at Heathrow fell from 17 to 7 between the late 1980s and 2015 as slots went to long haul. Regional access to hubs needs active local advocacy, backed by evidence.

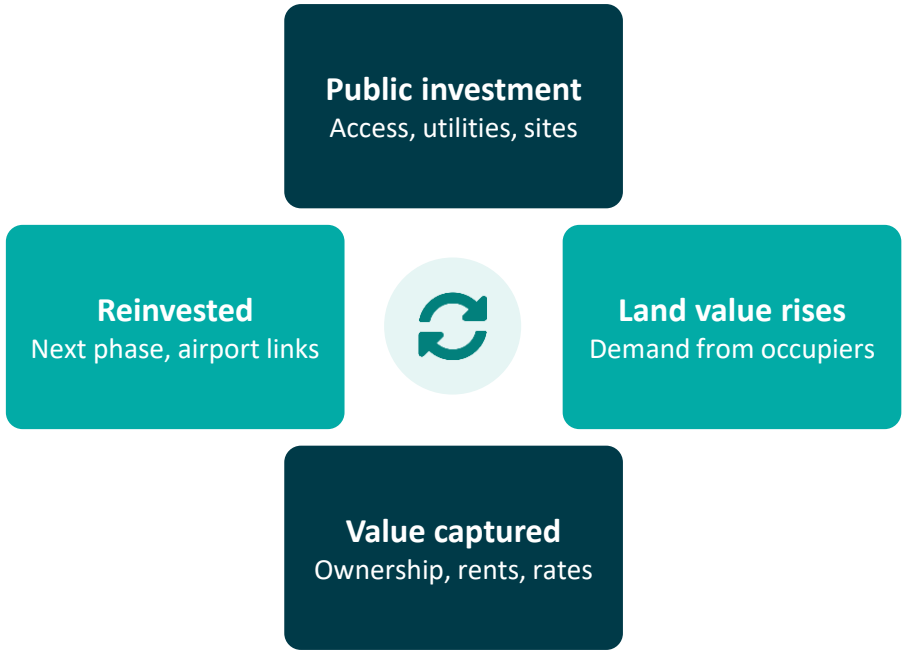
Sources: National Connectivity Task Force, Air Connectivity Matters (2015); SASIG discussion paper, section 4; PPIW (2016).

Develop: property, clusters and value capture

Make airport land work harder, and keep the uplift in value working locally

Delivery model	How it works
Land assembly and freehold retention	Council controls land so value uplift is not lost to private landowners
Incremental joint venture	Profits from each phase fund the next, as Peel did at Liverpool and Doncaster
Long lease or concession	Investor or operator builds; council keeps reversion and controls
Enterprise zone or freeport	Rates growth or tax incentives reinvested in the zone
Development corporation	Dedicated vehicle for land, funding and access over 15–25 years

The value capture cycle



Newquay Aerohub, Blackpool, Cardiff–St Athan, Teesside freeport, Prestwick

Sources: PPIW (2016); SASIG workshop (2019) on betterment value; SASIG discussion paper, section 5; RABA ecosystem paper (2026).

Fund: the local authority funding toolkit

Match each source to the project it suits, and to who benefits

Source	Best for	Watch-outs
Prudential borrowing (PWLB)	Access, utilities, serviced land with a revenue case	Must be affordable; not borrowing primarily for yield
Retained business rates	Infrastructure within an enterprise zone	Depends on occupancy and rates growth
Local Growth Fund settlements	Priority projects in Local Growth Plans	Selected mayoral authorities; check eligibility
Developer contributions	Impacts of specific developments	Not a general levy on land value
Tenant and investor capital	Hangars, sheds, hotels, energy schemes	Needs long leases and anchor demand
Joint venture equity	Airport villages, business and logistics parks	Transparent value sharing and guarantees
Availability contracts	Public-service and defence capability	Define outputs, liability and term
Sector and innovation grants	Skills, future flight, decarbonisation trials	Fund learning, not permanent subsidy

Sources: SASIG discussion paper, sections 9–10; Northpoint smaller-airports paper, Table 4; PPIW (2016). Every route needs subsidy control, procurement and legal-powers checks for the specific transaction.

Intervene: choosing the right level of control

Owning an airport is neither a prerequisite nor a substitute for a viable business model

Instrument	Potential public value	Principal limitation	Exposure
Partnership agreements only	Coordination without balance-sheet risk	Influence depends on aligned incentives	●○○○○
Minority shareholding	Information, board seat, reserved rights	Limited control; possible funding calls	●●○○○
Freehold with operator lease	Land control and development value	Landlord obligations; operator failure	●●○○○
Long lease or concession	Control of capability for a set term	Break rights and reversion terms	●●●○○
Development joint venture	Shared expertise and development value	Partner risk and guarantees	●●●○○
Majority or full ownership	Strategic direction and retained returns	Commercial losses and political pressure	●●●●●

Exposure dots are indicative; rights and liabilities depend on the transaction, not the ownership label.

Safeguards if a council takes a stake

- Skilled board and independent advice
- Published maximum exposure
- Reserved rights over runway, debt and land
- Planning and shareholder roles kept separate

The test: enforceable control, competent management, credible cash flows, additionality and affordability.

Manage: programmes, projects and controls

Disciplined delivery protects public money and builds confidence



Five-case model and Green Book appraisal, with a stage gate and go or no-go decision at each step

Delivery vehicle	Best for	Trade-off
In-house programme team	Early stages and small projects	Low cost; limited specialist skills
Airport economy partnership	Coordinating many partners	Influence, not control
Joint venture or SPV	Property and development	Shares risk and expertise
Development corporation	Large, long-term, multi-site	Powers and focus; set-up cost

Essential controls

- Subsidy control and legal powers checked
- Risk register reviewed by the board
- Independent financial and technical advice
- Capped exposure; no implied guarantees
- Conflicts of interest handled formally

Sources: SASIG discussion paper, sections 8–10; PPIW (2016), programme management proposals. Green Book and Magenta Book provide the central appraisal and evaluation framework.

Measure and act: a first-year plan for councils

Track additional local value, not just passengers

Theme	Measure	Safeguard
Jobs and skills	Sustained jobs, pay, local recruits	Retained versus new jobs
Supply chains	Local contracts won, wider sales	Not every contract is a new job
Connectivity	Useful frequency, timing, onward access	Inbound value, not volume
Visitors and trade	Extra visitor nights; exporter use	Trade value is not GVA
Investment and land	Completed investment, occupancy	Commitments versus delivery
Council position	Net receipts, peak exposure	Include guarantees

First 12 months

Months 0–3

Form the partnership; agree data sharing; start the baseline

Months 3–6

Complete baseline; agree vision and opportunity longlist

Months 6–9

Draft route map; local plan and transport inputs

Months 9–12

Outline business cases; first no-regret projects

Sources: SASIG discussion paper, Annex E (measures of success); Northpoint smaller-airports paper, roadmap and KPIs.

Conclusions and recommendations

Conclusions

- Benefits are not automatic: councils decide how much is captured locally
- Planning, access, skills and promotion deliver most value for least risk
- Land control and the right vehicle let councils capture and recycle value
- Ownership is a last resort, with capped exposure and separate roles

L1
Commission an airport economy baseline with the operator

L2
Allocate airport land in the local plan; protect airside options

L3
Form an airport economy partnership and a route map

L4
Fund access, utilities and serviced land once anchors are secured

L5
Run skills and supplier programmes with measured outcomes

L6
Joint route, visitor and investor promotion with partners

L7
Choose delivery vehicles that capture and recycle land value

L8
Use the least costly rung of intervention; cap exposure

L9
Measure, evaluate and share lessons through SASIG and the LGA

Ask of Government: recognise airport economies in Local Growth Plans, extend enterprise zone and simplified planning tools to airport land, and back a SASIG and LGA toolkit with pilot funding.