

Committee: Stansted Airport Advisory Panel

Agenda Item

Date: 6th June 2013

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Title: Aviation capacity in the UK – short, medium and long term options update – Supplementary Report

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Key decision: **No**

SUMMARY

1. This supplementary report is to be read in conjunction with the main report on the Panel agenda. It informs the Panel about the submissions made by the Mayor of London and the Manchester Airports Group (M.A.G) to the Airports Commission on short and medium term capacity options.
2. These submissions were received after the main report had been finalised by officers.

RECOMMENDATIONS

3. That the Panel notes the supplementary report and continues to support the Council's efforts to improve the rail service for all West Anglia rail users through its membership of the London Stansted Corridor Consortium and the West Anglia Routes Group.

FINANCIAL IMPLICATIONS

4. There are no financial implications associated with this report and its recommendation.

BACKGROUND PAPERS

5. None

IMPACT

- 6.

Communication/Consultation	<p>The Mayor has commissioned TfL to undertake detailed assessments of the following three options for a new hub airport to serve London:</p> <p>i) Enlarging Stansted Airport ii) A new airport in the inner Thames Estuary iii) A new airport in the outer Thames Estuary</p> <p>These assessments will form the basis of the Mayor's submissions to the Airports Commission this summer on long term options.</p> <p>M.A.G's response is a group one.</p>
Community Safety	None.
Equalities	None.
Health and Safety	None
Human Rights/Legal Implications	None.
Sustainability	None.
Ward-specific impacts	Proposals to expand Stansted Airport could have implications for all parts of the district.
Workforce/Workplace	Officer and Member time in preparing the responses to the Commission's discussion papers and the submissions made to it.

The Mayor of London's response on short and medium term options

7. The Mayor says that the long term aim is the important one, which is to meet the needs of the UK by developing a new hub airport which serves London and the South East whilst at the same time being accessible to the rest of the UK. Decisions on short and medium term options should flow from the long term decision and should lead coherently to its implementation. Otherwise, incremental expansion decisions will result, which will likely serve as an excuse to postpone a long term solution until the next crisis arises. The Airports Commission should ensure that a National Policy Statement can be

produced as quickly as possible after their final report in 2015.

8. The Mayor firmly rules out any proposals for short term capacity increases at Heathrow, although he does say that the UK cannot afford economically to reduce the number of flights at Heathrow until a new hub airport is built elsewhere. Heathrow is subject to a 480,000 ATM planning cap, and operates just within the cap. Any proposals to breach the cap (including mixed mode) would require a lengthy planning process to amend the cap. Mixed mode would also entail new taxiway construction before easterly departures could routinely take place from the northern runway, as well as reconfiguration of airspace which would require full public consultation. Construction of a third runway would similarly not be a short or medium term option, and would push the number of local people impacted by noise to more than one million.

9. The Mayor does make some recommendations, however. These include:
 - i) spare capacity at Gatwick and Stansted reflects the market preference for the hub, but if airlines and passengers could be persuaded to use other London airports as a “spillover” until the new hub is operational, that would temporarily improve connectivity,
 - ii) enhancements to the West Anglia main line (including four tracking between Coppermill Junction and Broxbourne) are supported on their own merits irrespective of airports policy,
 - iii) extension of Fifth Freedom rights to Gatwick and Stansted
 - iv) a role for regional airports serving local markets and driving regional economic growth, although this is not a substitute for new hub capacity in the South East,
 - v) a more market-led charging regime (with the surplus diverted to fund the construction of the new hub) could encourage airlines to take more account of price differentials when making location decisions, and
 - vi) more efficient slot allocation, such as increasing utilisation thresholds so that slots being used by seasonal charter flights (as at Gatwick) can be switched to year-round long-haul scheduled services.

M.A.G's response

10. M.A.G has released the executive summary of its response. It comments that the need for new runway capacity in the South East is widely recognised, but it would not be delivered for at least fifteen years. Making the best use of existing unused capacity is therefore imperative. M.A.G says that by not realising the full potential of underutilised airports, consumers and the UK economy will suffer from higher air fares and limited international connectivity.

11. M.A.G says that at Stansted, most of the infrastructure is in place to handle its permitted throughput of 35mppa. M.A.G believes that with further

development of infrastructure, Stansted's runway could handle 40-45mppa.

12. M.A.G's specific recommendations to the Airports Commission are:

- i) reform the structure of Air Passenger Duty to incentivise the take up of spare capacity by airlines,
- ii) improve surface access to airports with unused capacity, especially rail access to Stansted, to increase their attractiveness,
- iii) explore reforms which would make better use of the scarce capacity at Heathrow and other London airports, particularly economic regulation and slot reform,
- iv) promote competition between airports wherever possible by removing economic regulation and championing consumer interests, and
- v) further liberalise the UK's bilateral policy to open up capacity to overseas

13. Stansted's passenger throughput figures for April 2013 and the moving annual total (MAT) to the end of April have just been released. Since October 2012 (when the MAT dipped to 17.33mppa) there has been month-on-month growth up to 17.56mppa. Whilst this growth is relatively modest, it does appear to have reversed the trend of steady decline since 2007-8.

Officers' conclusions

14. The theme that is common to all responses continues to be the need for improvements to Stansted's rail service. The Council is pressing for a package of investment measures to benefit all West Anglia rail users through its membership of the London Stansted Corridor Consortium and the West Anglia Routes Group.

15. The Panel will need to monitor very closely the long term option assessments that TfL is preparing for the Mayor. The Council will need to consider how to respond to the Airports Commission should the Mayor recommend long term expansion at Stansted beyond its existing approved capacity.

Risk	Likelihood	Impact	Mitigating actions
None at this stage.	None	None	None

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.