

Committee: Stansted Airport Advisory Panel

Date: 3rd October 2017

Title: “Beyond the horizon. The future of UK aviation”. A call for evidence by HM Government on a new Aviation Strategy.

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Key decision: No

Summary

1. This report is about a call for evidence by HM Government on a new UK Aviation Strategy. The report summarises the call for evidence document and suggests how the Council should respond. The report also explains the Government’s recent decision on a new night flights regime for Stansted Airport as this is relevant background information on emerging noise policy.

Recommendation

2. That the Panel considers the response to the call for evidence that is set out at the end of this report and suggests any extra points or amendments that it thinks are appropriate. The Council’s final response will be sent by officers to the Government via the online form.

Financial Implications

3. None.

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	The call for evidence runs from 21 st July to 13 th October 2017. An 80-page document has been published which sets out in Annex A the questions that the Government would like respondees to answer. These questions seem to be formatted slightly differently to those set out in the Government’s downloadable
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	<p>response form, which is attached at the end of this report. The response form contains the Council's suggested responses to each question. The call for evidence document is also attached.</p> <p>This is a call for evidence about a forthcoming consultation, and is the first of three phases leading up to the publication of the new UK Aviation Strategy by the end of 2018. The second phase will be a series of consultations on topic papers, the final contents of which will be influenced by the responses to the current call for evidence. The broad themes of the topic papers will be:</p> <ul style="list-style-type: none"> - customer service - ensuring safety and security - building global connectivity - encouraging competition - growth and environmental impact - innovation, technology and skills <p>The third phase will be the launch of the new Strategy.</p> <p>SASIG held an informal meeting to discuss the consultation and how it should respond. The Council will be contributing to SASIG's response, which will be at a more strategic level than its own. In addition, SASIG intends to produce its own policy papers to facilitate discussions with the Government during the second phase of consultation.</p>
Community Safety	To be considered by the Government.
Equalities	To be considered by the Government.
Health and Safety	To be considered by the Government.
Human Rights/Legal Implications	To be considered by the Government.
Sustainability	To be considered by the Government.
Ward-specific impacts	Districtwide

Workforce/Workplace	Officer and Member time in preparing and considering this report.
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Situation

Background

6. This is a call for evidence about the content of the Government's new Aviation Strategy, which will set out the long term direction for UK aviation policy making for 2050 and beyond. The Government says that the UK has been at the forefront of aviation growth, innovation and engineering achievement but, in recent years, discussions have been focused on airport capacity, especially in the South East. The Government says that it will be putting consumers at the centre of policy making for the first time. The Strategy will cover the whole country, but will focus only on where the Government could and should make a difference ("fixing problems"). The Strategy will be based on the following aim:

"To achieve a safe, secure and sustainable aviation sector that meets the needs of consumers and of a global, outward-looking Britain" (Paragraph 2.2).
7. The Strategy will have six objectives, which headline the topic papers forming the second phase of the consultation. The Strategy will be guided by three overarching principles – *consumer focused, market driven and evidence led*. These principles will be applied to a series of simple policy tests:
 - *what is the rationale for action?*
 - *what is Government's role?*
 - *what does the evidence say?*
 - *have all the options been considered?*
 - *what is the effectiveness of any proposed action?*
8. The Government is seeking views on the proposed aim, objectives, principles and policy tests in this call for evidence. More details are included in Paragraphs 2.2 – 2.5 of the call for evidence document.
9. The Panel will be aware that the Government has chosen the new Northwest Runway at Heathrow as its preferred option, and has recently consulted on a draft Airports National Policy Statement (ANPS). The final version of the ANPS will set out the requirements that the applicant will need to meet in order to secure development consent for the preferred option at Heathrow. The Government has also recently consulted on proposals to modernise the way airspace is managed. The Council commented on both consultations, and the outcomes are awaited. The Government expects to lay a final ANPS in Parliament in the first half of 2018, for a vote in the House of Commons.

10. In July, the Government published a response to the consultation that it held earlier in the year on a new night flights regime for Heathrow, Gatwick and Stansted. In publishing the response, the Secretary of State said:

“The new rules we are publishing today will encourage the use of quieter aircraft at all 3 airports by reducing the amount of noise these airports are legally allowed to make, and will give local residents a 5 year guarantee about the level of noise that they will be exposed to. This decision strikes a balance between managing the impacts on local communities by locking in the benefits offered by recent technological developments, with the economic benefits of night flights.

This decision should be seen as a signal that this Government takes this issue very seriously, which is why we expect a ban on scheduled night flights of 6.5 hours at an expanded Heathrow. We will also explore whether there is more we can do – including considering further legislation – to incentivise the industry more generally to invest in the quietest aircraft and operate them in the quietest way.

Strong international links are critical to the future prosperity of our country, with a world-class hub airport and thriving aviation sector central to this. We are committed to realising the economic and social benefits aviation has to offer, while taking seriously the need to balance this with managing the local and environmental impacts of aviation”.

A short note explaining the new night flights regime at Stansted is attached at the end of this report.

The Call for Evidence

11. The main part of the call for evidence document is divided into six chapters, one for each objective. There is a common construction to each chapter – *context – approach to date – challenges for the future – questions for the strategy*. It is not proposed to go through the full detail of each chapter in this report, rather to set out the main issues that the Government says it intends to highlight in the relevant forthcoming topic papers. There will be an opportunity over the next eighteen months for detailed consideration at the topic paper stage. There are likely to be some overlaps between the topic papers, such as improving connectivity and encouraging competition.

Chapter 3 – Help the aviation industry work for its customers

12. The Government wants to see continued growth in innovation in market led digital services as a means of reducing costs for consumers and enabling them to make more informed travel decisions. Under a sub-heading “better ways of working”, the Government highlights foreign initiatives on baggage handling such as “luggage portering” where bags are collected from passengers before they reach the airport, and “in town check in” where bags can be checked in 24-hours in advance at in-town check in facilities.
13. The Government recognises that the UK has an ageing population with an increasing propensity to travel, and it will be publishing a draft Accessibility Action Plan (AAP) in the autumn. The AAP will have an aviation chapter, and consultation responses on the AAP will be considered as part of the Aviation

Strategy.

14. The Government also recognises the importance of alleviating pinch points, and says that the provision of surface access to airports will be explored further in the topic paper on supporting growth. Particular difficulties that are highlighted are use of commuter trains by passengers with luggage and general discouragement for passengers with disabilities from travelling by air. The Government also wants to look at how passport control can be made as smooth as possible as it is most people's first experience of the UK.
15. Questions that the topic paper will contain will be about access for passengers with disabilities, consumer choice and protection, use of data and other procedures to improve customer experience, dealing with disruptive passengers and identifying and alleviating pinch points.

Chapter 4 – Ensure a safe and secure way to travel

16. The UK's good safety record is highlighted, with continuous vigilance and risk reviews. Recognising that the biggest risks come from overseas, the Government says that it must work to maintain high levels of public confidence that UK air travel is secure. Recognition is given to the need to understand and mitigate potential new threats, such as cyber vulnerability.
17. The UK has historically focussed on passenger screening rather than identity checking or using other information about them or their journey. The Government will explore whether the use of data could provide additional security for inbound and outbound flights. It will also look at targeting resources and focussing enhanced security measures where risks may be higher.
18. Questions that the topic paper will contain will be about security innovation over the next 5-10 years, standards of security at overseas airports (including UK funding where UK nationals are affected) and compatibility of safety regulations with aviation technology and business models.

Chapter 5 – Build a global and connected Britain

19. The Government says that, in the short term, it is focussed on market access to the 44 countries which is gained via EU-negotiated agreements. New arrangements are a top priority. In the longer term, the Strategy will consider whether further liberalisation could deliver greater connectivity and choice. It will look at whether current priorities in existing Air Service Agreements (ASAs) are *“well matched to where the greatest gains lie for businesses and*

consumers” (Paragraph 5.12).

20. The Government highlights the importance of air freight to the UK economy, citing this as one reason why the Northwest Runway at Heathrow was chosen. Stansted and East Midlands (both operated by the Manchester Airports Group) are also mentioned. On trade, aviation is key to economic growth and increased productivity and as part of its objective to support sustainable economic growth the Government will look at how best to encourage regional connectivity.
21. Questions that the topic paper will contain will be about priorities for future ASAs, overcoming obstacles to the air freight industry, promoting exports and inward investment, harmonisation of standards and reducing costs of cross-border movement.

Chapter 6 – Encourage competitive markets

22. The Government wants to see how further competition can be encouraged into the air traffic control sector, and wants to “*test the widely-held assumption that the airline market is fairly competitive*” (Paragraph 6.11). Whilst the Government recognises that Air Passenger Duty (APD) is the only tax paid by the airline sector, it will explore the effect that APD has on competitiveness and how aviation taxation policy could support the overall objectives of the Strategy.
23. The Government will look at whether the market can deliver the national and regional connectivity required to support economic growth, and what its role should be. It will also consider whether State Aid rules distort competition and / or the effective functioning of markets.
24. Questions that the topic paper will contain will be about existing slot regulations and new slot capacity, APD, State Aid, encouraging competition in the provision of air traffic control services and meeting the needs of general aviation.

Chapter 7 – Support growth while tackling environmental impacts

25. This is likely to be the most significant topic paper for Uttlesford as it will include airspace, noise, surface access, air quality and future growth beyond 2030.

26. There is, however, one issue which the Government says cannot wait until the publication of the new Strategy. This is making use of existing unused airport capacity. In Paragraph 7.20 the Government says that it:

“agrees with the Airports Commission’s recommendation that there is a requirement for more intensive use of existing airport capacity and is minded to be supportive of all airports who wish to make best use of their existing runways including those in the South East”.

27. The Government acknowledges that airports with planning restrictions would need to submit planning applications for airport expansion, which it considers should be judged on individual merit. Issues to be taken into account in determining the applications will include noise, air quality and those which supported the imposition of the existing planning restrictions. The Government is welcoming views on this proposed policy at this stage. The Council’s suggested response is in Question 10 of the response form. Under a sub-heading “future growth beyond 2030”, the Government says it plans to publish revised aviation forecasts and consider whether there is a need for a new sustainable aviation growth framework.

28. The Government proposes to continue its policy of requiring airports to pay for surface access infrastructure, but will consider the need for public funding where there would be wider beneficiaries than just airport passengers. The Government also continues to promote the production of airport master plans with a corresponding airport surface access strategy.

29. The Government says it continues to favour local solutions on aviation noise, guided by the ICAO Balanced Approach. This reflects what was said in the recent consultation on airspace management and the decision on the new night flights regime. The Balanced Approach consists of identifying the noise problem at a specific airport and analysing various measures that are available to reduce noise using a sequential, preferred basis:

- 1) *Reduction of noise at source*
- 2) *Land-use planning and management*
- 3) *Noise abatement operational procedures*
- 4) *Operating restrictions*

30. The Government accepts that airport growth will intensify local opposition on noise grounds, and the Strategy will explore whether the right incentives are in place to reduce noise. It also acknowledges a challenge exists when *“technological improvements in noise reduction do not appear to be sufficient to deal with the negative impacts on some communities’ quality of life”* (Paragraph 7.32). The Government says it will explore whether a new approach to reducing noise annoyance is needed, including new forms of compensation and community investment. It will also look at targets for noise

reduction and ways of monitoring and reporting noise at a national level.

31. The Government wants the Strategy to explore whether it needs to be more proactive in tackling air pollution from aviation. It will need to better understand the impact of emissions on air quality and what more can be done in mitigation. On reducing carbon emissions, the Government states that global action minimises the risk of competitive disadvantage to the UK aviation industry, but progress at a domestic level could be made including by encouraging the production and use of new aviation fuels.
32. The recent consultation on airspace modernisation looked at whether existing policies were fit for purpose. The Strategy will consider the roles, structures and powers that currently exist and what changes will be needed to bring about airspace modernisation.
33. Questions that the topic paper will contain will be about sustainable growth frameworks, airspace modernisation, resilience plans, planning and delivery of improved surface access, connectivity, balancing growth and environmental effects, noise reduction / targets, air quality and addressing carbon emissions.

Chapter 8 – Develop innovation, technology and skills

34. The Government is keen to see how its approach to regulation can accommodate and encourage innovation rather than act as a barrier. The Government is already supporting emerging markets relating to drones and commercial spaceflight, although there are no current regulations allowing UK spaceflight operations to take place.
35. The Government has noted industry concerns about shortages of science, technology, engineering and maths (STEM) skills, and wants also to look at how a more diverse mix of people could train to become pilots or engineers. The Panel will be aware that the Council has recently granted planning permission for a technical skills college at Stansted Airport in connection with Harlow College.
36. Questions that the topic paper will contain will be about development and deployment of new technology and data, role of regulatory frameworks, new drivers of innovation, public perception of new technology, skills shortages and maintaining competitiveness.

Summarising

37. The author has produced a checklist setting out what appear to be the main issues that the Phase 2 consultation will cover. The list is not exhaustive, and

there may well be overlaps.

List in alphabetical order

Air noise, including compensation Air Passenger Duty Airport master planning Airport security – UK and overseas Air quality Air Service Agreements Airspace modernisation Air Traffic Control Border Control / cross-border movement Carbon / other emissions Competitiveness Connectivity Consumer choice Consumer protection Customer experience Data collection and use Disability awareness / access	Disruptive passengers Exports Freight Future development framework 2030+ General aviation Inward investment New technology and its effect Regulation Resilience Safety Security innovation Skills demand and training Slot management and capacity State Aid Surface access Sustainable aviation growth
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Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
The Council's views are not taken into account.	1. The Council will be responding to the call for evidence.	2. The new UK Aviation Strategy could have a wide ranging impact on the District, depending upon what implications it has for the operation and growth of Stansted Airport.	Respond to the call for evidence.

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.

Government decision on a new night flights regime for Stansted Airport

The new regime will last for 5 years until October 2022, but the Government says that it will recognise any airport-specific agreement that Stansted can reach with the local community via the local planning authority during the next 5 years, as long as there is suitable consultation and the ICAO Balanced Approach is followed.

The following table summarises the new regime. Figures in brackets relate to the existing regime.

Season	Movement Limit	Noise Quota Limit	Quota Count for aircraft between 81-83.9 EPNdB
Winter 2017/8	5,600 (up from 5,000)	3,310 (no change)	QC/0
Summer 2018	8,100 (up from 7,000)	4,650 (no change)	QC/0
Winter 2018/19 – 21/22	5,600	3,310	QC/0.125
Summer 2019 - 22	8,100	4,650	QC/0.125

Source: DfT's decision document dated July 2017

The Government has recognised that Stansted operations involve an increasingly large number of less noisy aircraft that currently are excluded from the regime, and if nothing is done this number is likely to continue to increase because of, amongst other things, Ryanair's future acquisitions programme of new generation Boeing 737s. Accordingly, aircraft with a noise signature of between 81-83.9EPNdB will now be brought within the scope of the new regime, meaning that they will count against both the movements limit and the noise quota limit. Aircraft below 81EPNdB will remain exempt. (EPNdB is the noise certification process that is used for aircraft and this is then translated into a "Quota Count" or QC rating for each aircraft on take-off and landing).

From October 2017, the movements limit will be proportionately increased to allow the existing number of 81-83EPNdB aircraft to continue to operate – this effectively amounts to "business as usual" for one year. The noise quota limit will stay unchanged for the 5-year period.

From winter 2018, the 81-83EPNdB aircraft will also count against the noise quota limit through the creation of a new QC/0.125 category. This means that if the airport then wants to operate the same number of night flights it currently does it may need to make adjustments to make each flight (on average) less noisy than it currently is. This will be particularly in summer because the airport is already very close to its noise quota limit. How the airport does this is for it to decide, but it has a year's grace in the meantime. The Council supported the creation of the new QC/0.125 category, but also wanted all aircraft below 81EPNdB to count as QC/0.125.

The Government is not proposing to progressively reduce the movement and noise quota limits during the 5-year period, which is what the Council asked for. The Government will not cancel the existing carry-over and overrun arrangements. The Council opposed these arrangements because they do not provide certainty for residents over the level of night noise that they can expect in any one season.