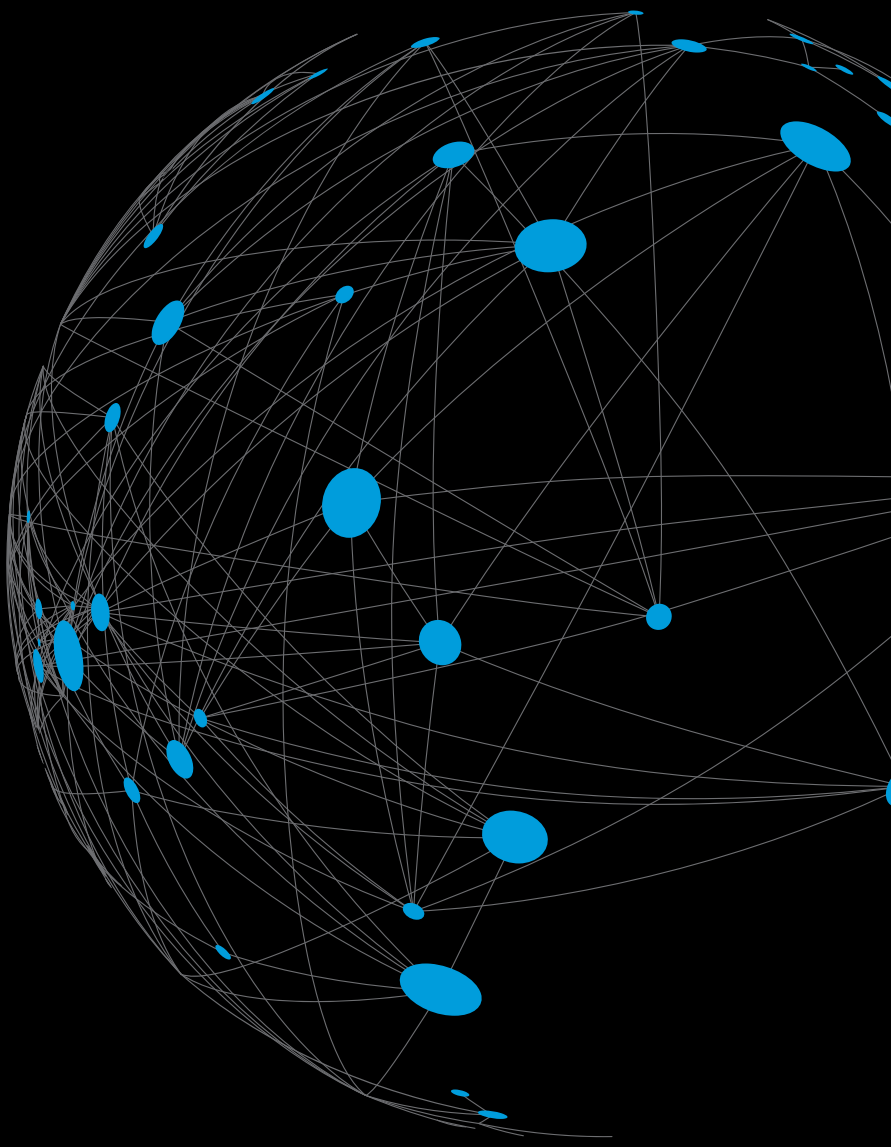
AOA
THE VOICE OF UK AIRPORTS

AN INTEGRATED POLICY FRAMEWORK FOR UK AVIATION:

CONNECTING THE ECONOMY FOR JOBS AND GROWTH



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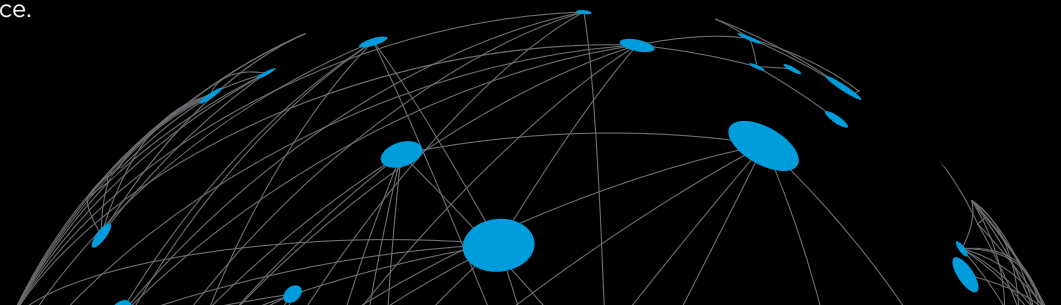
ABOUT US

The Airport Operators Association (AOA) is the national voice of UK airports. We are a trade association representing the interests of UK airports, and the principal such body engaging with the UK Government and regulatory authorities on airport matters.



FOREWORD

NOT SINCE THE GREAT DEPRESSION OF THE 1930s HAVE DISCUSSIONS ABOUT HOW TO STIMULATE ECONOMIC GROWTH BEEN SO IMPORTANT — AVIATION CAN HELP.

Demand across world markets is stagnant, the UK economy has suffered a double dip recession, and some of our key trading partners are seeing their economies shrink at an alarming rate.

The current Coalition Government's economic strategy hinges on squeezing public spending, allowing resources to be re-directed to the private sector. However, growth in the UK economy has proved elusive — at the time of writing, the demand simply has not been there. In order to stimulate that demand there has been increasing talk about loosening fiscal policy. More specifically, economists are calling for supply-side measures to deliver new infrastructure. This investment, they maintain, would see good returns for the economy long-term, and also boost demand in the short and medium term.

At the same time there has been drift in aviation policy. The previous Government's 2003 White Paper, "The Future of Air Transport", set a 30-year strategy. It stated: "It is essential we plan ahead now — our future prosperity depends on it". This strategy was abandoned when the Coalition Government entered office. It is only now that the Government is beginning to frame its own aviation policy.

Against this backdrop, the Department for Transport released its Draft Aviation Policy Framework (APF) in the summer of 2012. This was followed by an announcement that an Independent Commission, Chaired by Sir Howard Davies, would begin sitting in order to identify and recommend options to maintain the UK's position as an international aviation hub. However, the scope of the Draft APF runs counter to the Government's "new industrial policy" of carefully targeted intervention in key sectors, in order to drive the economy out of recession.

Aviation is uniquely placed to facilitate the kind of high-value export-led recovery the Government wants. Yet the APF is lukewarm about airport growth, and silent on key policy areas, like the UK's excessive levels of aviation tax. The APF 'Foreword' states that "discussion remains about precisely how much aviation contributes to the economy" and "there was a range of views as to how this [maintaining the UK's connectivity] should be achieved". Instead, the APF focuses in detail on discussing how to mitigate aviation's effects. While this work is important, it is pointless without there being a vibrant sector in the first place.

With the need for effective economic measures to boost growth now more pressing than ever, the Government has a chance to make aviation the centre-piece of its mission to drive recovery. As the Coalition Government recognises, the UK's economy needs to compete in both established and emerging markets. This requires excellent aviation connectivity right across the country, ensuring the UK has both vibrant point-to-point airports and sufficient world class hub capacity.

This document sets out what we at the Airport Operators Association believe a bold and integrated aviation policy would look like. It takes a cross-Government-Departmental view on what is needed for UK aviation; it details how aviation boosts jobs and growth; and it sets out 25 deliverable policy recommendations to bring this about.

Ed Anderson
AOA Chairman

Darren Caplan
AOA Chief Executive

EXECUTIVE SUMMARY

AVIATION IS VITAL TO ECONOMIC RECOVERY

With consumer demand depressed, public policy debate in the UK has coalesced around a single subject: how to move the economy back to growth. While this debate has many sides, one in particular is directly linked to aviation policy. Economists of all stripes agree that a key way to boost the economy is through carefully targeted supply-side measures. These are interventions that allow industrial sectors to grow and operate more efficiently. Boosting aviation hits the bulls-eye in this game. Not only is it an important sector in its own right, adding some £50 billion to the UK economy and supporting around one million jobs[i], but it, especially, can oil the wheels of the kind of high-value export-led recovery the Government wants — all from privately funded infrastructure.

Aviation is a key enabler of the wider economy. Air freight to Asia has increased by an average of 10% a year since 1991[ii], reflecting trade with high-growth economies like China; and express freight services allow "Just in Time" (JIT) delivery, which has added over £6 billion a year to the economy through reduced stockholding[iii]. Aviation is also vital to boosting tourism. Some 72% of tourists fly to the UK, accounting for 83% of all inbound visitors' spending[iv].

DRIFT IN AVIATION POLICY PLACES THE UK AT RISK

However, the UK's record of aviation leadership is under threat, not by lack of expertise or enterprise in the aviation sector but from the clear lack of supportive Government policy. After exhaustive analysis, the Labour Government's 2003 White Paper, "The Future of Air Transport", set a 30-year strategy[v]. This strategy was abandoned when the Coalition Government entered office.

After announcing a review of policy in 2010, the Coalition Government finally released a Draft Aviation Policy Framework (APF) in the summer of 2012. This was followed later in the year by an announcement that an Independent Commission, Chaired by Sir Howard Davies, would begin sitting in order to identify and recommend options to maintain the UK's position as an international aviation hub.

While the APF focuses in detail on discussing how to mitigate aviation's effects, what is required is a clear and supportive aviation policy that will allow the sector to thrive, boosting the UK's connectivity to its key trading partners, providing choice for passengers, and enabling the wider economy to benefit from better business links to the UK.

Executive Summary footnotes in Roman numerals

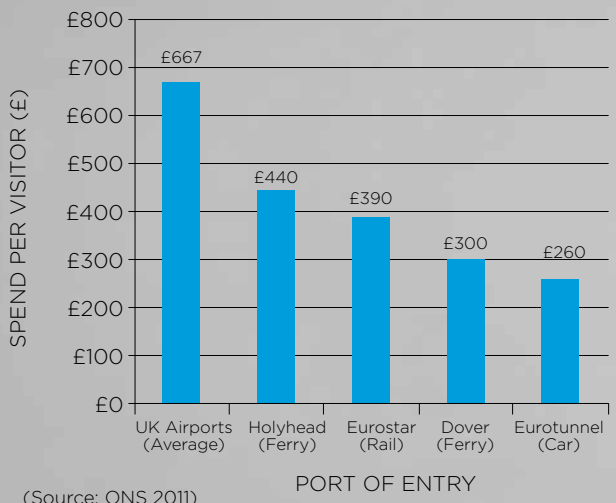
i. Oxford Economics (2011), 'Economic Benefits from Air Transport in the UK'
ii. Boeing (2010), 'World Air Cargo Forecast 2010-11'
iii. Sir Rod Eddington (2006), 'The Eddington Transport Study'
iv. ONS (2010), 'International Passenger Survey'
v. DfT (2003), 'The Future of Air Transport'
vi. Dft (2012), Aviation Policy Framework, p.17
vii. Oxford Economics (2011), Op. cit.

CONNECTIVITY IS KEY

As the balance of the world's economy moves East, playing to our comparative advantages will become more critical. While the Draft APF argues that the UK is well connected[vi], there is mounting evidence that it will struggle to maintain it.

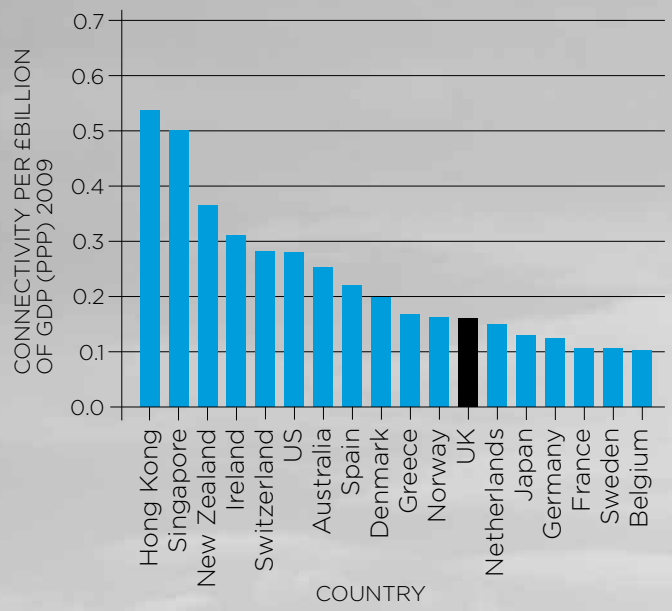
Economic consultants Oxford Economics have found that, in proportion to the size of its economy, the UK does not rank as highly as it could on air connectivity[vii]. For example, for historical reasons the UK remains very well connected to emerging markets like India, but scores less well compared with other European countries on connections to the other BRIC nations, Brazil, Russia and China.

"TOURISTS ARRIVING BY AIR CONTRIBUTE MORE TO THE ECONOMY"



(Source: ONS 2011)

"OVERALL UK CONNECTIVITY COULD BE BETTER"



(Source: IATA. IMF for GDP (PPP basis))

AIR PASSENGER DUTY AND RED TAPE ACT AS A DRAG ON THE PERFORMANCE OF UK AVIATION AND THE WIDER ECONOMY

Since 2007, Air Passenger Duty (APD) — the UK Government's departure tax — has increased between 160% and 360% (depending on flight distance)[viii]. APD for short haul flights can now account for approximately a third of the ticket price and a typical UK family now pays about £115 in APD a year[ix]. There is also mounting evidence that APD is acting as a drag on the performance of the wider economy. Were APD to increase every year as it did in 2012, over £10 billion in UK economic growth could be lost by 2030[x]. Aviation is also a heavily regulated sector. A focused Government initiative to cut both APD and unnecessary Red Tape in the sector would elevate its performance, allowing the sector to thrive and boost the wider economy.

RECOMMENDATIONS FOR POLICY, ON AIR PASSENGER DUTY AND RED TAPE

The Government should:

1. Consider urgently conducting macro-modelling work on APD's effects on the whole UK economy.
2. Refrain from any further increases in APD, with immediate effect.
3. Track regulatory "ins" and "outs" for key economic infrastructure sectors like aviation.
4. Create a Joint Task Force, focused on cutting unnecessary regulation, to work in partnership with the aviation sector.

THE UK NEEDS A FRAMEWORK TO DRIVE AIRPORT GROWTH TO HELP DELIVER ECONOMIC RECOVERY

Maintaining the UK's international competitiveness needs world class airport infrastructure. Demand for flights is expected to rise to 335 million passengers by 2030[xi], requiring both the best use of today's airports and investment for tomorrow. The Coalition Government's 2011 National Infrastructure Plan (NIP)[xii] recognised the importance of airports for the first time. The draft Aviation Policy Framework (APF) must signal more clearly the Government's desire to see a boost in publicly-funded infrastructure mirrored in the world of privately-funded airports. Also, the Sir Howard Davies Independent Commission on maintaining the UK's status as an international hub for aviation must move quickly to identify solutions; and the Government must go further and faster with its reforms to streamline the planning system governing airport growth.

RECOMMENDATIONS FOR POLICY, ON A FRAMEWORK FOR AIPORT GROWTH

The Government should:

5. Revise the Aviation Policy Framework (APF) to signal clearly support for sustainable airport development (see Annex).
6. Incentivise Local Enterprise Partnerships to carry out high quality analysis of future aviation needs.
7. Ensure Local Authorities integrate Airport Master Plans in their Local Plans.
8. Ensure the Sir Howard Davies Independent Commission on the UK's hub status considers all options thoroughly; takes wide advice from experts throughout the country in industry, business and academia; gives clear direction in its 2013 Interim Report; and presents a clear way ahead by its final deadline of 2015.
9. Commit to acting on the Independent Commission's advice.
10. Enhance the benefits of Enterprise Zones centred on airports.
11. Allow greater scope to offset the Community Infrastructure Levy for existing buildings.
12. Accelerate implementation of the recommendations of the Penfold and Killian Pretty Reviews, to speed up and reduce the regulatory burden on planning applications.
13. Freeze planning fees.
14. Implement financial incentives for Local Authorities to approve applications efficiently.
15. Provide model guidance in the APF on safeguarding, noise and land use planning.
16. Put in place a low-cost arbitration for planning application validation disagreements.
17. Raise the trigger threshold for Environmental Impact Assessments.
18. Extend its review of rail access to airports, covering information, ticketing, and rail franchises.

MAKING AVIATION SUSTAINABLE

Aviation produces about 1.6% of global greenhouse emissions and some 6% of the UK's total CO_2 emissions. Its impact is small, but has grown. The sector has come together through Sustainable Aviation (SA)[xii], a long-term initiative and strategy to address aviation's environmental effects. Its 2012 CO_2 Road-Map[xiv] shows that the UK aviation sector can grow between now and 2050 without a substantial increase in the CO_2 it emits. In addition, SA supports the halving of net CO_2 emissions to 50% of their 2005 levels, through internationally agreed carbon trading.

SA is also developing a Noise Road-Map to set out a long-term vision for reducing noise around airports. Successive generations of engines are reducing aircraft noise at source, with engines today 20 decibels quieter than in the 1970s. Overall though, noise is a local problem and must be tackled by agreed local solutions.

RECOMMENDATIONS FOR POLICY, ON MAKING AVIATION SUSTAINABLE

The Government should:

19. Increase efforts to secure a global carbon trading scheme and reject unilateral UK targets.
20. Incentivise the scale up of aviation biofuels.
21. Incentivise better aircraft technology.
22. Ensure Local Planning Authorities take a long-term approach to land use planning near airports.

WORKING TOGETHER TO IMPROVE THE PASSENGER EXPERIENCE

Improving the passenger experience is a constant focus for airport operators, and one the aviation sector shares with the Government and the Civil Aviation Authority. Despite the economic backdrop, airports across the country continue to invest in improving their facilities.

Government policies also have major effects on passengers' experience of airports. The Department for Transport's detailed security rules bear directly on the quality of outbound passengers' journeys[xv]. At arrivals, the Home Office's Border Agency creates first impressions. Without a strong customer focus in these areas too, the effectiveness of airports' own efforts are undermined. There is more the Government can do.

RECOMMENDATIONS FOR POLICY, TO IMPROVE THE PASSENGER EXPERIENCE

The Government should:

23. Task the UK Border Agency to produce a clear vision and long-term strategy for its activities at airports and provide the resources to deliver it. This should include a more ambitious approach to maximum waiting times to clear immigration.
24. Develop a clear plan to move towards outcomes focussed airport security and provide the resources to implement it.
25. Review thoroughly UK-only security measures with the aim of harmonising them as far as possible with other EU countries.

viii. HMRC (April 2012), 'Air Passenger Duty (APD) Bulletin'
ix. A Fair Tax on Flying (2012), http://www.afairtaxonflying.org/facts/
x. British Chambers of Commerce (2011), 'Flying in the Face of Jobs and Growth: How Aviation Policy Needs to Change to Support UK Business'
xi. DfT (2011), 'UK Aviation Forecasts'
xii. HMT (2011), 'National Infrastructure Plan'
xiii. Sustainable Aviation, http://www.sustainableaviation.co.uk/
xiv. Sustainable Aviation (2012), 'Sustainable Aviation CO2 Road-Map'
xv. See: http://www.dft.gov.uk/topics/security/aviation for more information

CHAPTER 1
AVIATION — A KEY ENABLER FOR THE WHOLE ECONOMY

WHY AVIATION IS KEY TO THE RECOVERY

By 2011, after six quarters of contraction following the economic crash of 2008, the UK economy experienced a tentative recovery, but it was thrust back into recession in 2012. With consumer demand depressed, public policy debate in the UK coalesced around a single subject: *how to move the economy back to growth*.

While this debate has many sides, one in particular is directly linked to aviation policy. Economists of all stripes agree that a key way to boost the economy is through carefully targeted supply-side measures. These are interventions that allow industrial sectors to grow and operate more efficiently. They encourage long-term growth and productivity, and provide a short-term shot-in-the-arm to demand.

Boosting aviation hits the bulls-eye in this game. Not only is aviation an important sector in its own right, facilitating jobs, business growth, travel connectivity, the services that people need more widely, and of course tax revenues to the Exchequer, it especially can also oil the wheels of the kind of high-value export-led recovery the Government wants — all from privately funded infrastructure.

AIR FREIGHT DELIVERS GOODS RAPIDLY TO EMERGING MARKETS

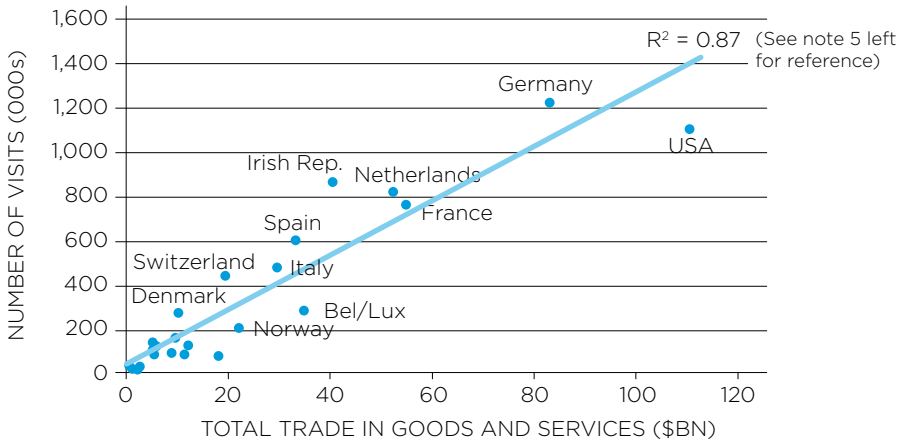
Air freight delivers goods, especially high value goods, quickly, across long distances. Some 40% (by value) of the UK's exports go by air[1]. Air-freighted shipments between Europe and Asia have increased by an average of 10% a year since 1991[2]. This sharp rise reflects businesses' reliance on aviation to trade with high-growth economies like China and India. Vital express freight services often take place during the night, allowing, for example, "Just in Time" (JIT) delivery, which has delivered over £6 billion a year in efficiencies through reduced stockholding[3].

AIR TRAVEL MOVES BUSINESS PEOPLE

Air transport moves people as well as goods. Businesspeople fly for many reasons: to close deals, meet customers, and invest in employees. Work by the Civil Aviation Authority (CAA)[4] found a strong correlation[5] between the countries businesspeople travel to, or from, and the UK's success in trading with them. In work by economic consultants Oxford Economics[6], some 80% of firms reported that air services were important for the efficiency of their production — with higher scores in China and the USA.

1. Department for Transport (2009), 'The Air Freight End-to-End Journey'
2. Boeing (2010), 'World Air Cargo Forecast 2010-11'
3. Sir Rod Eddington (2006), 'The Eddington Transport Study'
4. CAA (2010), 'Flying on Business: A Study of the UK Business Travel Market'
5. Statisicians use this coefficient, known as R^2, to measure how well one measure can be predicted by another. Its value varies between 0 (no correlation) and 1 (perfect correlation).
6. IATA (2006), 'Economic Briefing No 3 – Airline Network Benefits'

FIGURE 1: UK TRADE WITH FOREIGN COUNTRIES IN 2009, CORRELATED WITH NO. BUSINESS TRIPS TO/FROM SAME COUNTRIES



(Source: CAA/ONS)

CONNECTIVITY IS VITAL TO INWARD INVESTMENT

Good connectivity is also vital to attracting inward investment. The UK has been one of the most successful countries in Europe in attracting Foreign Direct Investment (FDI). Our stock of FDI increased from £294 billion in 2000 to £654 billion in 2009[7]. The importance of air links to underpin this is illustrated in many expert surveys. For example, the European Cities Monitor[8] shows that 51% of companies it surveyed thought that international transport links were an important factor in deciding where to locate. After easy access to markets, availability of qualified staff and quality of telecommunications, air links were the most important factor when companies decide whether to invest in the UK.

Consultants Oxford Economics[9] looked in detail at the risks of poor connectivity. In their study, 8% of companies reported that the quality of air transport links had been material in a decision not to invest in the UK. The same study[10] also included an express freight survey which showed that, for example, around 10% of firms would relocate from their strategic location close to the East Midlands Airport freight hub (and potentially from the UK) if international next day delivery services were no longer available.

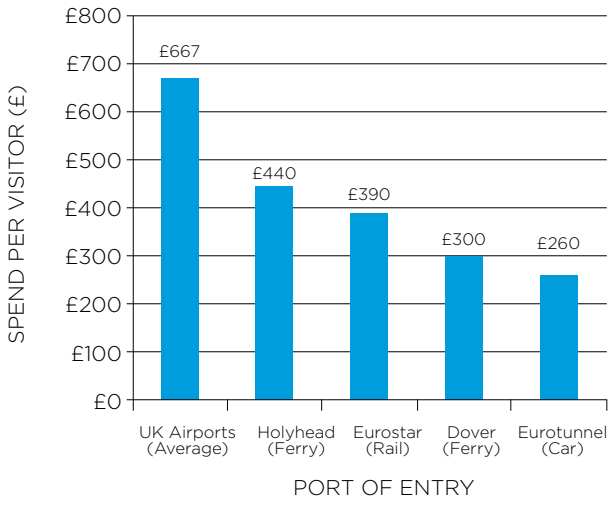
AVIATION IS KEY TO TOURISM

Aviation also drives growth in tourism, the UK's sixth largest industry. A study by Deloitte[11] concluded that tourism boosted the UK economy by £115 billion in 2009, about 8% of UK GDP. While other modes of transport can have a significant role for European tourists, it is aviation that is the critical enabler for UK tourism businesses. Some 72% of inbound visitors arrive in the UK by air[12]; and they spend more than those arriving by other modes of transport, accounting for 83% of all inbound visitors' spending[13].

"I want to see us in the top five destinations in the world. Currently we have 3.5% of the world market for international tourism. For every half a percent increase in our share of the world market we can add £2.7bn to our economy, and more than 50,000 jobs."

Prime Minister,
David Cameron, 2011

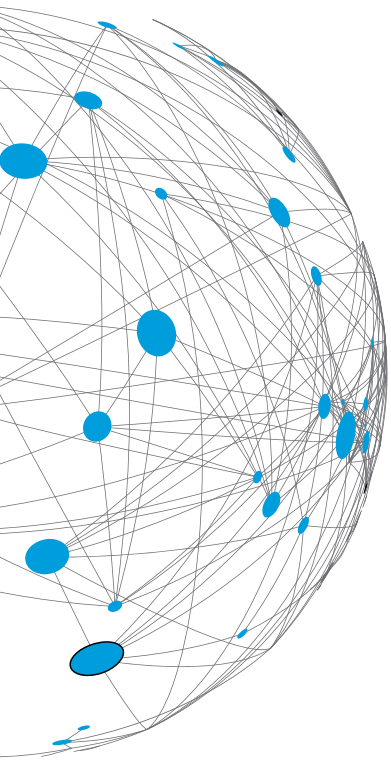
FIGURE 2: "TOURISTS ARRIVING BY AIR CONTRIBUTE MORE TO THE ECONOMY"



(Source: ONS 2011)

7. Office for National Statistics (August 2011), 'Business Monitor MA4' [online]
8. Cushman and Wakefield (2010), 'European Cities Monitor'
9. Oxford Economic Forecasting (2006), 'The Economic Contribution of the Aviation Industry in the UK'
10. Oxford Economic Forecasting (2006), Ibid.
11. Deloitte (2010), 'Economic Contribution of the Visitor Economy: UK and the Nations'
12. ONS (2010), 'International Passenger Survey'
13. ONS (2010) Ibid.

CHAPTER 2
AVIATION — A KEY SECTOR IN ITS OWN RIGHT



AVIATION ENHANCES QUALITY OF LIFE

It is not just the economy that benefits from aviation. The history of air travel in the UK is one of increasing social inclusion. More and more people can afford to travel where they like, when they like. People travel to visit distant friends and relatives, for personal fulfilment, for leisure or tourism, to attend cultural and sporting events, to be educated, exchange ideas, and carry out research. Modern large global events, such as the 2012 London Olympics, simply could not take place without the international connectivity air travel provides.

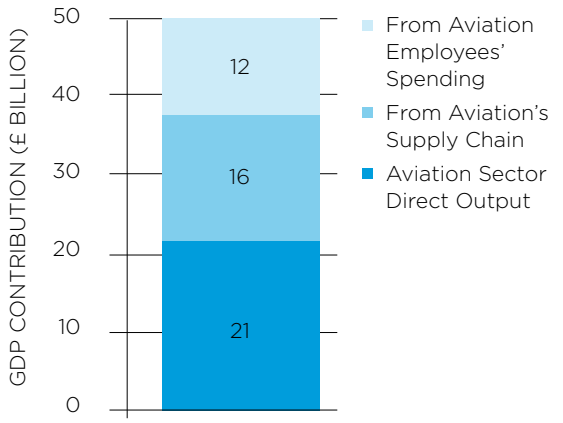
Liberalisation of air transport and the low cost revolution have transformed air travel. Polls consistently show that about half of all people take a flight every year[14]; and nearly 90% of people have flown in the last three years[15]. Leisure travel improves quality of life, allowing a short break or a well-earned annual holiday.

Flying is not just for leisure though. More than a quarter of all passengers now travel to visit friends and relatives (VFR) and over 40% of these passengers are from households with less than average Income[16]. People of all classes fly, and they fly regularly[17].

AVIATION: ECONOMICALLY IMPORTANT IN ITS OWN RIGHT

A 2011 study by Oxford Economics[18] found that the aviation sector itself contributes £49.6 billion to the economy — 3.6% of UK GDP. This total is made up of directly flying activity, aviation's supply chain, spending by aviation sector employees, and aviation's boosting of inbound tourism. How this contribution is built-up is shown in Figure 3, below.

FIGURE 3: "THE AVIATION SECTOR CONTRIBUTES £50 BILLION TO THE UK'S ECONOMY"



(Source: ONS/IATA/ Oxford Economics)

The express freight sector is an important part of the aviation sector too, and is a key enabler for the wider economy. Express freight creates about £1 billion of economic value in its own right and employs around 40,000 people directly.

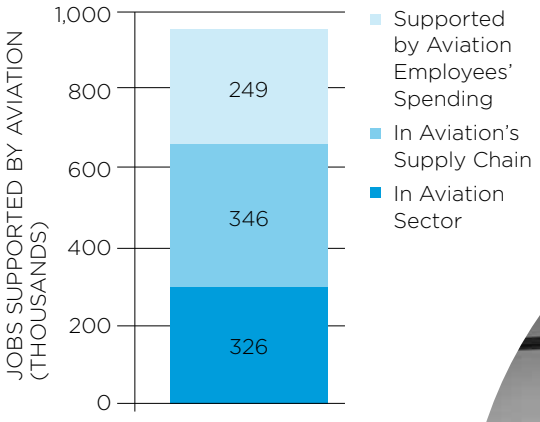
The Business and General Aviation Sector is also vital. A 2006 Strategic Review by the Civil Aviation Authority showed the importance of the BGA sector in its own right, estimating its economic contribution at £1.4 billion a year[19].

14. DfT (2010), 'Public experiences of and attitudes towards air travel' [online]
15. National Centre for Social Research (2009), 'Flying Decisions Research Report' [online]
16. CAA (2009), 'International Relations: The Growth of Air Travel to Visit Friends and Relations'
17. CAA annual surveys analyse passengers by socio-economic group in its annual passenger survey. See for example: http://www.caa.co.uk/docs/81/2011CAAPaxSurveyReport.pdf
18. Oxford Economics (2011), 'Economic Benefits from Air Transport in the UK'
19. CAA (2006), 'Strategic Review of General Aviation in the UK'

AVIATION IS A MAJOR EMPLOYER

Aviation is a major employer, supporting close to a million jobs[20a]. These are high productivity jobs. The average aviation employee generates £66,178 in Gross Value Added (GVA) every year, twice the UK average. Jobs supported by the sector are shown in Figure 4 below:

FIGURE 4: "THE AVIATION SECTOR SUPPORTS 921,000 JOBS"



(Source: ONS/IATA/ Oxford Economics)

AVIATION IS A SIGNIFICANT CONTRIBUTOR TO PUBLIC FINANCES

The aviation sector itself contributes some £8 billion a year to the Exchequer in tax[20b]; some £6 billion from general taxation and more than £2 billion from Air Passenger Duty (APD), a departure tax levied by the Treasury and paid by passengers. APD rates are increasing and are soon likely to pass the £3 billion barrier. Beyond this, the sector's supply chain contributes a further £6 billion. Some £4.3 billion is raised from economic activity from the spending of sector and supply chain employees.

20a & 20b. Oxford Economics (2011), Op. cit.

CHAPTER 3
THE STATE OF AVIATION POLICY

THE UK: A LEADER IN CIVIL AVIATION

The UK has traditionally been a leader in civil aviation, with the sector developing well ahead of competitors. Government Trade and Investment briefings[21] show the result of this leadership for airports, stating: "The UK has been at the forefront of airport development". They go on to cite the extent to which UK airports export this know-how abroad, in locations as widespread as Dublin to Delhi. More recently, the country's broad geographic spread of airports, animated by new airline business models, has delivered a revolution in the affordability of air travel[22]. All this has been achieved through the use of private capital.

DRIFT IN AVIATION POLICY SINCE 2010

This record of aviation leadership is under threat, not by lack of expertise or enterprise in the aviation sector, but from the clear absence of decisive and supportive Government policy.

The history of aviation policy in the UK is marked by a tendency to set a direction decades ahead, only to abandon it within years. For example, plans in the 1970s for an entirely new London airport followed the Roskill Commission[23], but were abandoned in short order after the oil shock. More recently, after exhaustive analysis, the Labour Government's 2003 White Paper, "The Future of Air Transport" set a 30-year strategy[24]. It stated: "It is essential we plan ahead now — our future prosperity depends on it". This strategy was abandoned when the Coalition Government entered office in May 2010[25].

Table 1 below demonstrates the clear lack of direction in aviation policy from Government in recent years.

TABLE 1: A LACK OF DIRECTION IN UK AVIATION POLICY

Policy Decision	**Dec 2003**	**Labour Government publishes 30-year Air Transport White Paper (ATWP): 'The Future of Air Transport'**
General Election	May 2010	Coalition Government elected
Ministerial Change	May 2010	New Secretary of State for Transport Philip Hammond New Aviation Minister Theresa Villiers
Announcement	Jun 2010	Largest ATWP projects abandoned; new focus on 'better not bigger' airports
Announcement	Oct 2010	Aviation Policy to be reviewed
Consultation	Mar 2011	Scoping document published
Analysis	Oct 2011	Officials consider responses
Ministerial Change	Oct 2011	New Secretary of State for Transport Justine Greening
Consultation	Jul 2012	Draft Aviation Policy Framework (APF) published
Announcement	Jul 2012	Hub status 'Call for Evidence' to be issued late 2012
Ministerial Change	Sep 2012	New Secretary of State for Transport Patrick McLoughlin New Aviation Minister Simon Burns
Announcement	Sep 2012	Hub status 'Call for Evidence' abandoned Sir Howard Davies Independent Commission — on maintaining the UK's status as an international hub for aviation — launched instead
Analysis	Nov 2012	Officials consider responses to Draft APF
Policy Decision	**Mar 2013**	**APF due to be announced**
Announcement	End of 2013	Independent Commission to issue Interim Report
General Election	May 2015	
Announcement	Summer 2015	Independent Commission to issue final report, completing the full APF process
Policy Decision?	**End of 2015?**	**Decision to be made on UK's aviation hub status?**

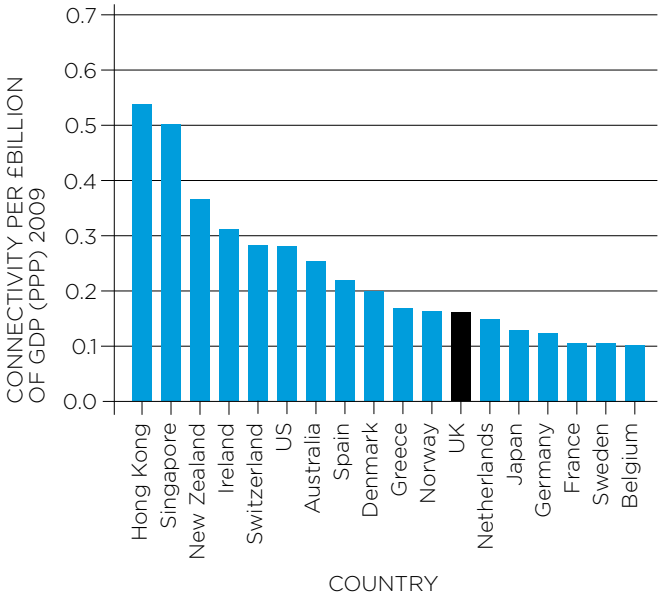
21. UKTI Sector Briefing http://www.ukti.gov.uk/export/sectors/masstransport/airports.html [online]
22. CAA (2006), 'No-Frills Carriers: Revolution or Evolution? A Study by the Civil Aviation Authority'
23. Codd and Helsey (2012), 'Aviation: proposals for an airport in the Thames estuary, 1945-2012' House of Commons Library
24. DfT (2003), 'The Future of Air Transport'
25. HM Government (2010), 'The Coalition: Our Programme for Government'

IS THE UK WELL-CONNECTED?

Policy-makers know intuitively that connectivity is vital to the UK. The country has a long record of being pro-trade. UK citizens, in contrast to some of their continental counterparts, tend to see emerging economies more as an opportunity than a threat[26]. As the balance of the world's economy moves East, playing to our comparative advantages will become more critical. The UK's ability to trade, in order to maintain prosperity, will increasingly be the touchstone of its economic health.

The Department for Transport's draft Aviation Policy Framework does consider connectivity[27]. It states that "The UK is currently one of the best connected countries in the world"[28]. However, the evidence that supports this is based on a measure known as 'available Airline Seat Kilometres', only one measure of connectivity. The UK currently has a strong position, but there is mounting evidence that it will struggle to maintain it. In proportion to the size of its economy, the UK does not rank as highly as it could on air connectivity[29].

FIGURE 5: "OVERALL UK CONNECTIVITY COULD BE BETTER"



(Source: IATA. IMF for GDP (PPP basis))

26. See, for example, Davis (2011) 'Made in Britain', Chapter 3: An Open Economy
27. DfT (2012), 'Aviation Policy Framework', pp. 16-35
28. DfT (2012), Ibid. p.17
29. Oxford Economics (2011), Op. cit.

LACK OF CONNECTIVITY MEANS LOST GROWTH

It is clear that direct flights are especially important. Work by Frontier Economics[30] found that UK businesses trade 20 times as much with emerging market countries that have a direct daily flight to the UK, as they do with those countries that do not.

The same study also found that the lack of direct flights to emerging markets may already be costing the economy £1.2 billion a year, as trade goes to better-connected competitors. The value of this missed opportunity to the UK economy over the next ten years could be as much as £14 billion.

Even using 'available Airline Seat Kilometres' only as the measure, since the recession began in 2008, UK connectivity has declined by 4.9%, whereas Germany's has increased by 4.3% and France's by 3.4%. These figures suggest that the UK is losing ground relative to its competitors.

Comparison with other countries demonstrates the importance of direct connections, if UK business is to remain competitive[31].

For example, as a result of its historic and geographic position, the UK still enjoys a strong position in the transatlantic aviation market and to countries like India. By contrast, the UK is linked with relatively fewer locations in other BRIC (Brazil, Russia, India and China) economies.

This is illustrated in the table opposite, which sets out the annual number of flights from the UK and other countries in Europe to the rapidly developing BRIC economies. Looking at China in detail, in 2011 the UK had flights to Beijing and Shanghai, adding a three times a week service to Guangzhou in 2012. France has flights to all these destinations, with a recent connection to Wuhan — the most populous city in central China. Germany's connectivity is better still, with flights to Nanjing — a city with a population comparable to London and key commercial hub of Eastern China; and to Shenyang — cited as an emerging "megacity" in a 2012 report by the Economist Intelligence Unit[32].

FRAMING AVIATION POLICY TO DELIVER CONNECTIVITY AND GROWTH

Boosting connectivity, and with it economic activity, means increasing the range and frequency of flights. This relies on ensuring there is sufficient airport infrastructure, good transport links to airports, and competitive air transport prices. Getting aviation growth right also means ensuring there is a good experience for passengers and dealing properly with aviation's environmental effects: carbon emissions, noise and local air quality.

Ultimately it is airlines who determine which routes are flown and therefore overall connectivity; and this depends on long-term route profitability. Airlines must take into account the efficiency of their own operations, and other commercial factors like airport availability and charges, exchange rates and fuel prices. However, political and regulatory factors also play a major role in determining the attractiveness of starting and sustaining routes.

Aviation sector businesses can and are acting to improve connectivity, but it is the Government and regulators who must act when it comes to policy and regulation.

30. Frontier Economics (2011), 'Connecting for growth: the role of Britain's hub airport in economic recovery'
31. World Economic Forum (2008-2012), 'Global Competitiveness Report'
32. Economist Intelligence Unit (2012), 'Supersized cities, China's 13 megalopolises'

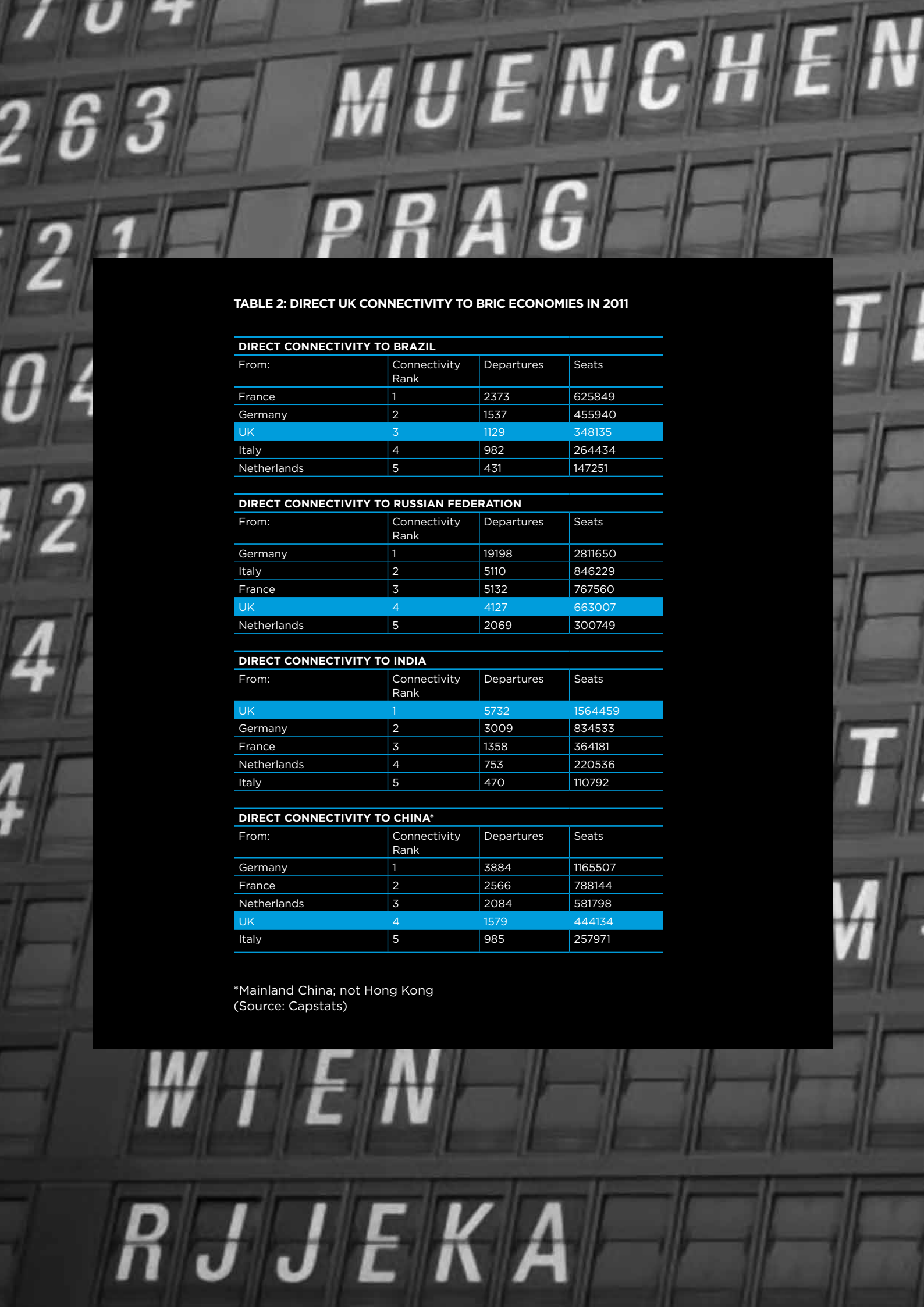


TABLE 2: DIRECT UK CONNECTIVITY TO BRIC ECONOMIES IN 2011

DIRECT CONNECTIVITY TO BRAZIL			
From:	Connectivity Rank	Departures	Seats
France	1	2373	625849
Germany	2	1537	455940
UK	3	1129	348135
Italy	4	982	264434
Netherlands	5	431	147251

DIRECT CONNECTIVITY TO RUSSIAN FEDERATION			
From:	Connectivity Rank	Departures	Seats
Germany	1	19198	2811650
Italy	2	5110	846229
France	3	5132	767560
UK	4	4127	663007
Netherlands	5	2069	300749

DIRECT CONNECTIVITY TO INDIA			
From:	Connectivity Rank	Departures	Seats
UK	1	5732	1564459
Germany	2	3009	834533
France	3	1358	364181
Netherlands	4	753	220536
Italy	5	470	110792

DIRECT CONNECTIVITY TO CHINA*			
From:	Connectivity Rank	Departures	Seats
Germany	1	3884	1165507
France	2	2566	788144
Netherlands	3	2084	581798
UK	4	1579	444134
Italy	5	985	257971

*Mainland China; not Hong Kong
(Source: Capstats)

CHAPTER 4
AVIATION TAX AND RED TAPE

UK AVIATION TAXES ARE THE HIGHEST IN EUROPE

Air Passenger Duty (APD), the UK's departure tax charged directly by the Treasury, has increased between 160% and 360% since 2007 (depending on distance travelled)[33]. For economy passengers flying long haul, APD rates are some six times the average of other countries in Europe that still levy a charge. APD for short haul flights can now account for about one third of the ticket price and a typical UK family now pays about £115 in APD a year[34]. That means that a family of four flying to the USA will pay £260 in APD in addition to the cost of the trip, whereas flying from France they would pay a total of £38.

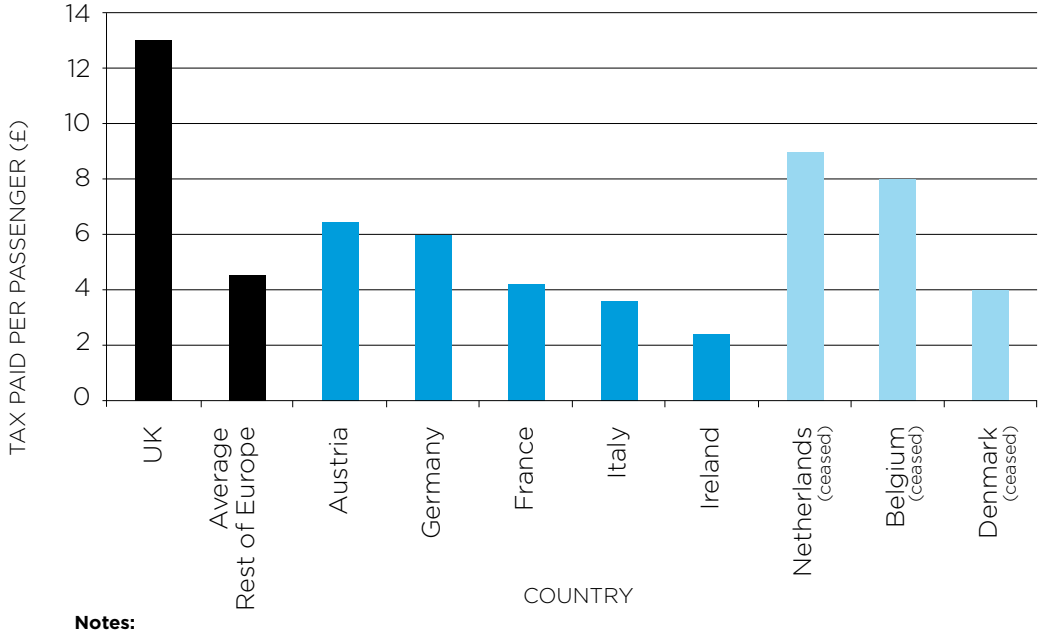
Some European countries — like Belgium, Denmark and the Netherlands — have abandoned their aviation taxes altogether, due to the negative effects on their economies[35].

The UK's excessive levels of APD also mean that the aviation sector pays a disproportionate amount of tax to the Exchequer compared with other sectors. Work for the AOA by economic consultants Oxera[36] found that: excluding APD, the amount of tax the sector pays to the Exchequer compared with Gross Value Added to the economy is about 33%[37]. This is broadly in line with the wider economy. However with APD included, this ratio rises to 55%, significantly higher than other typical sectors in the UK.

AVIATION TAX: A DRAG ON THE SECTOR'S PERFORMANCE

APD is collected by airlines, on behalf of the Government, and appears only as part of the overall ticket price. With rapidly varying business conditions it is often not possible to separate the effect of APD alone. However, there is mounting evidence that APD is acting as a drag on both the aviation sector's performance and that of the wider economy[38]. The Government's own figures projected 11,000 fewer flights in just two years (2010–2012) as a result of a string of APD increases in previous

FIGURE 6: UK AVIATION TAX IS THREE TIMES HIGHER FOR SHORT HAUL FLIGHTS THAN THE REST OF EUROPE (IN ECONOMY CLASS)



Notes:
1. Sterling/Euro exchange rate assumed to be 1.25
2. Sterling/Danish Krone exchange rate assumed to be 9.33

33. HMRC (April 2012), 'Air Passenger Duty (APD) Bulletin'
34. A Fair Tax on Flying http://www.afairtaxonflying.org/facts/
35. London Evening Standard (17 November 2011), 'Call to scrap Air Passenger Duty', http://www.standard.co.uk/newsheadlines/call-to-scrap-air-passenger-duty-6369043.html
36. Oxera (2009), 'What is the Contribution of Aviation to the UK Economy?'
37. This is measured by the ratio of total tax to the Exchequer to to the Gross Value Added (GVA) by the sector.
38. British Chambers of Commerce (2011), 'Flying in the Face of Jobs and Growth: How Aviation Policy Needs to Change to Support UK Business and House of Commons All Party Parliamentary Group for Aviation (2012), 'Inquiry into Aviation Policy and Air Passenger Duty'

years[39]. These effects are felt throughout the UK. For example, Scottish airports recently estimated that APD would result in Scotland losing 1.2m passengers, 148,000 tourists and £77m in revenue to 2014[40].

AIR PASSENGER DUTY DAMAGES CONNECTIVITY

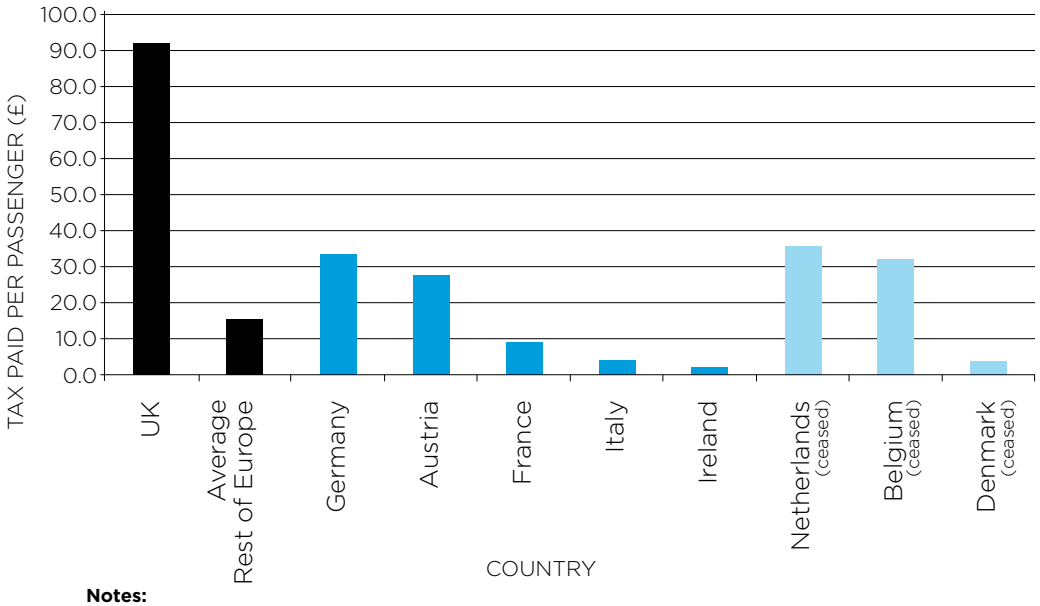
There is also growing evidence that APD has resulted in key routes being lost to UK airports. Air Asia X, a low cost provider of routes to Asia, ceased operations in the UK at the beginning of 2012, citing the UK's high levels of APD as a cause[41]. Continental Airlines would have ended its Belfast to New York service, had the Chancellor not intervened in 2011 to permit special low APD rates for long haul services from Northern Ireland[42]. Continental has now merged with United Airlines and would like to start other long haul services from other UK airports — it has been clear though that APD is a major barrier to it doing so [43].

Liverpool John Lennon and Robin Hood Doncaster Sheffield airports carried out analysis for a submission to the Treasury about APD's effects on routes. Following APD's doubling in 2007 and its subsequent rises, Liverpool John Lennon lost six domestic, five European and two long haul (North America) services. Robin Hood Doncaster Sheffield lost one domestic service, six European and three long haul services.

AIR PASSENGER DUTY DAMAGES THE UK ECONOMY

In work for the British Chambers of Commerce (BCC) in 2011, economic consultants Oxera estimated that: were APD to be increased by 5% in real terms every year — a similar increase to that in 2012 — there would be serious consequences for the UK economy. While the Government would raise more revenue, the increase in ticket prices would have a knock-on effect on jobs and growth. Growth could be curtailed by over £1 billion as soon as 2015, and

FIGURE 7: UK AVIATION TAX IS SIX TIMES HIGHER FOR LONG HAUL FLIGHTS THAN THE REST OF EUROPE (IN ECONOMY CLASS)



Notes:
1. Sterling/Euro exchange rate assumed to be 1.25
2. Sterling/Danish Krone exchange rate assumed to be 9.33

39. HMRC (2009), Regulatory Impact Assessment on changes to Air Passenger Duty, http://www.hmrc.gov.uk/ria/apd-reform-ia.pdf (online)
40. York Aviation (2011), 'The Impact of the 2010 APD Increases in Scotland'
41. The Telegraph, (12 January 2012), 'AirAsia X scraps Gatwick flights due to APD', http://www.telegraph.co.uk/travel/travelnews/air-passenger-duty/9010288/AirAsia-X-scraps-Gatwick-flights-due-to-APD.html
42. BBC News (27 September 2011), 'George Osborne confirms NI air passenger duty cut' http://www.bbc.co.uk/news/uk-northern-ireland-15072772
43. Continental Airlines (29 June 2011), Oral Evidence to the Northern Ireland Affairs Committee, 'Air Passenger Duty: Implications for Northern Ireland', Public Questions 147-290 [uncorrected evidence]

CHAPTER 4
AVIATION TAX AND RED TAPE

the loss to the economy could treble to £3 billion by 2020, potentially reaching a staggering £10 billion by 2030. Similarly, up to 25,000 jobs could already be affected by 2015 [44].

SETTING AVIATION TAX LEVELS FOR THE FUTURE

The current Government has avoided repeating the high percentage increases in APD made by the previous Administration in 2007, 2009 and 2010. However although the current policy of annual inflationary increases stems the negative effects of real terms rises in aviation tax, it still leaves APD at high and damaging levels, the effects of which have not been analysed by any Government.

While HM Revenue and Customs models APD's effects on the aviation sector[45], it has not looked at the effect of lost business in the overall economy. The Government should consider a macro-modelling approach[46] to analyse the effect of an APD cut on overall performance of the UK economy. Until there is clarity on this, the Treasury should refrain from any further increases in APD.

RECOMMENDATIONS FOR POLICY

The Government should:

1. Consider urgently conducting macro-modelling work on APD's effects on the whole UK economy.
2. Refrain from any further increases in APD, with immediate effect.

CUTTING RED TAPE

There is little doubt that Air Passenger Duty (APD) has the most serious effect on the performance of the aviation sector and its ability to boost the wider economy. However, there are other significant areas where the Government imposes costs that affect the sector's performance. These are referred to under the general heading of Red Tape. The cumulative effect of this burden can be a significant proportion of airport operating costs — AOA analysis shows regulatory costs can account for about 15% of controllable costs.

At many airports there is simply no further scope to absorb increases in regulatory costs, and doing so means savings have to be found somewhere else — often through job losses.

When the Coalition Government entered power, it signalled that it was serious about Red Tape. This was backed by a number of early interventions. It introduced "One-in, One-out": the idea that — across all Government departments — the costs from new regulations should be balanced by savings from the removal of existing ones. It also encouraged "sunset clauses": the idea that new regulations can be time-limited to ensure obsolete regulations do not remain forever[47]. The Government's stated aim is to leave office with no net increase in the regulatory burden[48].

44. BCC (2011), Op. cit.
45. HMRC (2009), Op. cit.
46. This type of macro-modelling is known as Computational General Equilibrium modelling (CGE). It takes account of the full outworking of a policy change across all sectors of the economy. The Treasury uses a CGE approach to model the effects of tax policy interventions.
47. Department for Business, Innovation and Skills http://www.bis.gov.uk/policies/bre /effectiveness-of-regulation/sunsetting-regulations
48. BIS http://www.bis.gov.uk/policies/bre /one-in-one-out

AIRPORTS ARE MINIATURE CITIES

Because of the nature of their business, airports are in many ways microcosms of the UK economy as a whole. Many are now in effect miniature cities[49], attracting clusters of business activity reliant on rapid international connections. In helping aviation boost the economy, this is a key strength. It is also a feature that places airports at the confluence of many types of regulation. Airports are subject to the full range of regulation that applies to most businesses. Additionally, they have specialist regulatory regimes on aviation safety[50] and security[51],as well as a range of regulations stemming from their role as public places.

WEAKNESSES IN THE GOVERNMENT'S APPROACH TO RED TAPE

The AOA welcomes the Government's progress reports in its Statements of New Regulation (SONR)[52]. As well as setting out the overall position, these statements contain a more detailed analysis of new regulations brought in by each Government department. This is a step forward; but it also has a weakness, because — navigating by Whitehall department — it cannot track what is happening to heavily regulated sectors like aviation. To do this would be challenging, but inroads can be made. The information could be used to cut the burden on sectors the Government identifies as key to restoring economic growth.

Related to this overall analysis is the Government's Red Tape Challenge[53]: a central initiative, operated by the Better Regulation Executive (BRE)[54]. As well as hosting a website inviting ideas from the public, BRE specialist teams work for short periods to scrutinise all regulations in individual Government departments. They then decide whether regulations should be removed or kept.

Aviation regulations were considered in 2012. This was an encouraging step, which the AOA engaged in positively. However, the exercise also demonstrated the limitations of the Red Tape Challenge[55]. Its focus is on whether the Government is required to regulate in a particular area, but this can result in scrapping obsolete regulations that impose no cost, and passing over other costly regulations because some form of regulation is needed. Real progress on regulation would need a more forensic approach.

With reduced Department for Transport (DfT) resources being made available following Government cuts, officials will need to focus on getting new regulations right — and diverting resource to scrutinise the detail could be challenging. Yet this is what is needed to make real inroads into the costs which impose a drag on the aviation sectors' efficiency.

The Government could signal its seriousness in this area by inviting the aviation sector to work jointly with it. The DfT should initiate a Joint Task Force on regulation, with Transport Ministers ensuring there is sufficient resource for it. It should have clear terms of reference and convene for a limited period. At the end of this time, the Joint Task Force should report with clear recommendations on the scope to reduce the regulatory burden in aviation.

RECOMMENDATIONS FOR POLICY

The Government should:

3. Track regulatory "ins" and "outs" for key economic infrastructure sectors like aviation.
4. Create a Joint Task Force, focused on cutting unnecessary regulation, to work in partnership with the aviation sector.

49. British Chambers of Commerce (2011), Op. cit.
50. CAA, List of Flight Operations Publications, http://www.caa.co.uk/application.aspx?catid=33&pagetype=65&appid=11&mode=list&type=subcat&id=9
51. Regulation EC No 300/2008, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:097:0072:0084:EN:PDF
52. BIS http://www.bis.gov.uk/policies/bre/one-in-one-out/statement-of-new-regulation
53. Red Tape Challenge, http://www.redtapechallenge.cabinetoffice.gov.uk/home/index/
54. Better Regulation Executive, http://www.bis.gov.uk/bre
55. Red Tape Challenge, Aviation Theme Page, http://www.redtapechallenge.cabinetoffice.gov.uk/themehome/aviation/

CHAPTER 5
A FRAMEWORK TO DRIVE AIRPORT GROWTH

"YES TO TRANSPORT INFRASTRUCTURE — BUT NO TO AVIATION?"

Maintaining the UK's aviation advantage needs world class airport infrastructure. The Department for Transport (DfT) forecasts that, despite the economic shock, demand for flights will rise from about 220 million passengers a year at present to 335 million by 2030[56]. Meeting this demand means making both the best use of today's airports and investing for tomorrow. Also, unlike most of the UK's transport infrastructure, airports are funded by private capital.

In what are difficult economic conditions, the Government is channelling public money into other types of infrastructure[57].This boosts aggregate demand in the short-term and ensures that what is spent improves connectivity. In turn, it enables businesses to trade more rapidly and efficiently.

This logic can be applied to airports too. There are encouraging signs that the Treasury understands what is at stake. In its 2011 National Infrastructure Plan[58] airports were mentioned as a priority for the first time, recognising their importance and placing them in the context of the overall stock of national infrastructure. Yet the DfT's draft Aviation Policy Framework (APF) offers few signals that overall the Government wants to see its approach of boosting publicly-funded infrastructure mirrored in the world of privately-funded airports.

The mismatch seems extraordinary to many: aviation does not burden the public purse and it is aviation infrastructure especially that underpins the high-value, export-focused enterprise the Government wants to encourage. If the Government wants aviation to help drive recovery by providing the connections for new business in emerging markets, it needs to take a much more positive stance and provide markedly stronger signals for the sector.

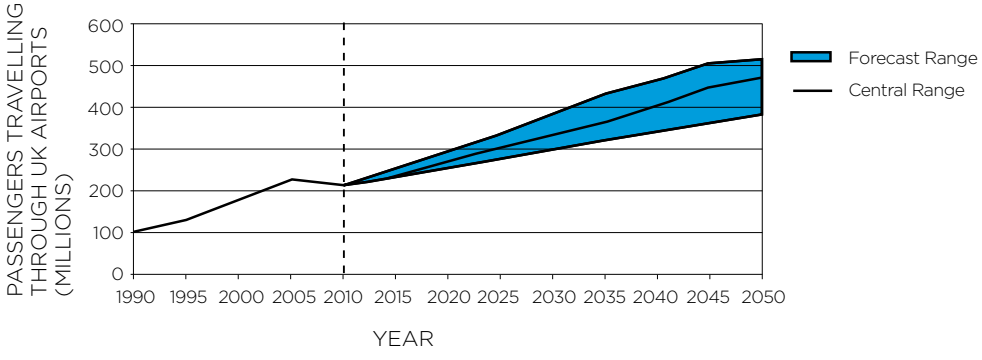
SIGNALLING GOVERNMENT SUPPORT THROUGH THE PLANNING FRAMEWORK

In early 2012, the Government published its National Planning Policy Framework (NPPF)[59]. It was characterised by clear, positive language, leaving stakeholders and Local Authorities in no doubt that the Government wants developers to get on with providing infrastructure.

The NPPF stripped away bureaucracy and set a simple test for planning approval. The key to the NPPF was a "presumption in favour of sustainable development". This signalled that developments should be approved, unless the impacts would significantly outweigh the benefits. The NPPF touches on airports only briefly, referring readers on to the Government's APF.

However, there is a difference between the go-ahead language of the NPPF and the more equivocal tone of the APF.

FIGURE 8: DEMAND FOR FLYING IS EXPECTED TO INCREASE BY MORE THAN 50% BY 2030



(Source: DfT UK Aviation Forecasts, 2011)

56. DfT (2011), 'UK Aviation Forecasts', using the Central Range forecast
57. HMT (2011), 'National Infrastructure Plan'
58. HMT (2011), Ibid'
59. DCLG (2012), 'National Planning Policy Framework'

"Policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that it is clear that development which is sustainable can be approved without delay...significant weight should be placed on the need to support economic growth through the planning system."

National Planning Policy Framework, 2012

"Some argue that new capacity is needed immediately... others see no need for additional capacity, either now or in the future. As a general principle, we support the growth of airports. However, we recognise that the development of airports can have negative, as well as positive, local impacts."

Draft Aviation Policy Framework, 2012

This mismatch needs to be addressed as a matter of urgency. The Government must do two things to signal clearly that it wants to see the UK's privately funded aviation infrastructure boosted, in order to help fire the economy.

First and most importantly, it must modify the content of the APF to signal in no uncertain terms that aviation is important to the UK and that sustainable airport development is supported by the Government. It should go further still by placing an expectation on Local Authorities to plan for airport development.

Where an airport has prepared an up-to-date Master Plan — a formal document which the APF already gives guidance on[60] — there should be an expectation that its content will be mirrored in the relevant Authorities' Local Plan(s). Example wording suggested by the AOA is shown in the Annex to this report.

Second, Central Government must ensure that the strategic nature of airports is recognised by Local Government. Airports across the UK are economic gateways to wide geographic areas, bringing benefits well beyond the areas of single Local Authorities and their plans.

The NPPF places a duty on Local Authorities to work together on strategic matters, but to do this well for airports they need to draw on common, high-quality evidence. The Government's new Local Enterprise Partnerships (LEPs) can help here[61]. Representing both business and community needs, LEPs could perform a key role in analysing the future aviation needs of broad geographic areas.

The Government could incentivise LEPs to perform this role. It should offer additional funding, project-by-project, to LEPs that can carry out high quality analysis on future needs for airport infrastructure, and how this can help the economic, jobs and business prospects of the wider areas they serve.

WORKING WITH OUR COMMUNITIES

While there should be more emphasis on encouraging and supporting airport development, in the APF the Government has placed special emphasis on airports working together with local communities. The AOA welcomes this.

60. Aviation Policy Framework (2012), 'Annex E: Revised guidance on master plans, airport transport forums and airport surface access strategies'

61. The LEP Network, http://www.lepnetwork.org.uk/forum.html#/categories/transport

CHAPTER 5
A FRAMEWORK TO DRIVE AIRPORT GROWTH

Airports work hard to continually improve dialogue with local stakeholders. Open and honest dialogue in areas such as the preparation of Airport Master Plans and Noise Action Plans (NAPs) is key. It is through building support in these areas that airports are able to take their stakeholders with them both in terms of managing the impacts of the airport operations and in gaining support for future plans. Airports are considering the proposals the APF makes, to improve the functioning of forums like Airport Consultative Committees; and they welcome the Government's suggestions to better align the preparation and updating of key documents, that inform communities about their future plans.

THE HUB DEBATE

Signalling support for airport developments in the round is an essential plank of the Government's recovery strategy. Were the Government to call forward very large airport developments, it would have to go further than these general policy signals. To provide confidence to investors, schemes large enough to qualify as Nationally Significant Infrastructure Projects (NSIPs) would need specific Government backing, through a National Policy Statement (NPS)[62].

When the Coalition Government entered office, it cancelled the previous administration's backing for new runways at Stansted and Heathrow. Though it reversed policy, it put no prescription in place. This has led to a vacuum. Officials in the DfT are signalling that meeting the expected increases in demand requires a strategy[63], but politicians must decide what it should be. There has been intense debate in the media about the options. Many ideas are being promoted. These include:

- Using existing UK airport capacity to meet future demand, distributing connectivity across the country
- Bringing the option of a third runway at Heathrow back to the table
- Building additional runways at other UK airports
- Building an entirely new UK airport in the longer term

In the summer of 2012, the Transport Secretary Patrick McLoughlin announced that the question would be addressed by an Independent Commission chaired by Sir Howard Davies. If the Commission is to deliver properly on its remit, it must consider all options as thoroughly and quickly as possible, to prevent the UK losing further routes, business and jobs. Also, it must provide meaningful interim and final reports, which the Government must commit to acting on.

OTHER FINANCIAL INCENTIVES FOR AIRPORT DEVELOPMENT

As well as sending positive policy signals on airport infrastructure, the Government can further incentivise development fiscally. By enhancing the benefits of its new Enterprise Zones[64], the Government could boost existing sites like Manchester and Newquay Cornwall airports and encourage new ones.

On a different note, the Government could reform the Community Infrastructure Levy (CIL), a local tax on development designed to fund

62. Nationally Significant Infrastructure Projects (NSIPs) are projects which qualify as major infrastructure under the 2008 Planning Act. They are subject to a special planning consents regime, dealt with by a dedicated directorate of the Planning Inspectorate.
63. DFT (2012), 'Aviation Policy Framework, pp.18-19'
64. DfT (2012), 'Draft Aviation Policy Framework', p.28

supporting infrastructure[65]. Options to boost development whilst still maintaining the CIL include: extending the current six-month period, during which old buildings on a development site can be counted towards a reduced CIL rate; and applying the levy only to parts of buildings in use.

POLICY RECOMMENDATIONS

The Government should:

5. Revise the content of the Aviation Policy Framework to signal clearly support for sustainable airport development (see Annex).
6. Incentivise Local Enterprise Partnerships to carry out high quality analysis of future aviation needs.
7. Ensure Local Authorities integrate Airport Master Plans in their Local Plans.
8. Ensure the Independent Commission on the UK's hub status delivers by:
   - Considering all options thoroughly;
   - Taking wide advice from experts throughout the country in industry, business and academia;
   - Meeting its Interim Report deadline of 2013, already giving some direction and certainty; and
   - Presenting a clear way ahead by its final deadline of 2015.
9. Commit to acting on the Independent Commission's advice.
10. Enhance the benefits of Enterprise Zones centred on airports
11. Allow greater scope to offset the Community Infrastructure Levy for existing buildings being re-developed on airport sites.

STREAMLINING PLANNING

As well as signals that both Central and Local Government support airport developments, airports need timely decisions from Local Authorities and value for money from the planning process. When the Coalition Government came to power it moved quickly to drive major changes through Local Government and the planning regime[66].

The 2012 Localism Act[67] aimed to return decisions to local people and the National Planning Policy Framework (NPPF)[68] swept away layers of planning circulars. Additionally, the Department for Communities and Local Government (DCLG) began a series of reforms designed to further streamline the operation of the planning system.

REFORMS MUST GO FURTHER AND FASTER

We welcome the Government's drive to streamline the system, but it could go further and faster. A tangible aim here would be to accelerate implementing the recommendations of the Penfold[69] and Killian Pretty[70] Reviews on the regulatory burden, and speed and effectiveness of the planning process, respectively. These expert reviews were completed some time ago and made a series of clear recommendations in the areas the Government wants to address. The key is to identify change that makes a material difference to the speed and efficiency of planning decisions.

ENCOURAGING LOCAL AUTHORITY EFFICIENCY

There should be a strong focus on efficiency and streamlining Local Authority processes. Where formerly separate stages of a planning application could be considered at the same time, or decisions made together, they should be. With cuts in public spending and Local Authorities with fewer resources, they may be tempted to get developers to shoulder more of the costs. We disagree. These circumstances should be a spur to further efficiencies and reducing bureaucracy.

65. DCLG, Community Infrastructure Levy, http://www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy/

66. DCLG 'About planning, building and the environment', http://www.communities. gov.uk/planningandbuilding/about/

67. DCLG (2011), 'The Localism Act'

68. DCLG (2012), 'National Planning Policy Framework'

69. The Penfold Review (2010) of Non-Planning Consents was commissioned by the Department for Business Innovation and Skills (BIS). The Review identified measures to reduce the regulatory burden imposed on developers by the need to obtain additional consents and approvals after they have secured the grant of planning permission for their development proposals. For more information see: http://www.bis.gov.uk/assets/biscore/better-regulation/docs/p/10-1027-penfold-review-final-report.pdf

70. The Killian Pretty Review (2008), 'Planning applications: a faster and more responsive system', considered the planning application process. It sought to identify how it could be further improved, and in particular how to reduce unnecessary bureaucracy, making the process faster and more effective. http://www.planningportal.gov.uk /uploads/kpr/kpr_final-report.pdf

CHAPTER 5
A FRAMEWORK TO DRIVE AIRPORT GROWTH

THE SCOPE FOR INCENTIVES IN THE PLANNING SYSTEM

The Government was right to decide not to move towards a system where Local Authorities set their own scales of planning fees. Despite applauding that, the 15% rise in fees that accompanied the decision[71], represents a material sum for airports. Instead of increases in planning fees, the Government should now freeze them and turn its attention to developing incentives for Local Authorities to streamline their processes. Models to do this exist already: For example, the New Homes Bonus[72], where Local Authorities receive match funding as an incentive to meet one of the Government's key objectives, of providing more housing. The Government also should introduce a rebate scheme, where, if planning decisions are not made in a timely manner, a proportion of planning fees are returned to developers.

BETTER GUIDANCE TO DRIVE EFFICIENCY

Not all guidance is bureaucratic. In fact, some forms of guidance encourage efficiency. The Government could help Local Authorities be more efficient and avoid wasting valuable resources, by providing model forms of aviation wording for Local Plans. These should cover topics such as safeguarding land for future airport development[73], dealing with aircraft noise, and land use planning policy[74], to ensure housing developments too close to airports do not gain planning approval.

WORKING AGAINST BUREAUCRACY

The Government is pursuing an approach that encourages statutory consultees to give timely advice to Local Authorities on planning applications. Its 2012 consultation on this was a positive step[75]. However, cases often arise where the number or size of supporting studies requested to assess a planning application are disproportionate. When these matters reach dispute, the result can be stasis and costly delay. Developers are unable to move forward and have no right of appeal.

The Government should put in place a short and low-cost procedure to ask the Planning Inspectorate to arbitrate. Both disputing parties would prepare their own cases within a tight, clear scope. Disputing parties would fund the Inspectorate's time and costs. Simple changes like this would drive behaviour. More focused requests for information and a faster more efficient system would result.

Another change the Government could put in place is to raise the trigger threshold for Environmental Impact Assessments (EIAs). While we support the principle of EIAs, AOA member airports have cited a number of recent examples where very minor modifications have triggered the need for a full assessment.

INTEGRATING AIRPORTS AND OTHER MODES OF TRANSPORT

Good connections to airports are vital to moving passengers and goods quickly. This maximises the economic value of aviation and makes flying convenient both for business and leisure. Surface access to airports is not just the responsibility of airport operators: Central and Local Government and transport agencies must play a full role too. The Government should continue to prioritise the type of investment in the rail and road networks set out in its 2011 National Infrastructure Plan[76].

The AOA welcomes the initiative, set out in the APF, to review rail access to major UK airports. However, we believe that the scope of this work should be extended beyond the six named airports.

71. Greg Clark (3 July 2012), 'Written Ministerial Statement: Planning Simplification Measures', http://www.parliament.uk/documents/commons-vote-office/July_2012 /03-07-12/3.DCLG-Planning-Simplification-Measures.pdf

72. DCLG, 'New Homes Bonus', http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/

73. This means ensuring that developments that could compromise the safe operation of a future/expanded airport are avoided.

74. This means the Authority having a long-term policy on how development should take place near to airports and a development control regime to ensure its policy is delivered.

75. DCLG, http://www.communities.gov.uk/publications/planningandbuilding/statutoryconsulteeconsultation

76. HMT (2011) National Infrastructure Plan

The work should also be fully integrated into Network Rail's long-term planning process and its recent studies on key future priorities.

It is important to focus on infrastructure, but there are other ways to improve integration too. Better information to passengers, options to improve integrated rail and air ticketing, and ensuring that the benchmarks used in rail franchise rounds deliver the right services for airport access, can all help to make better use of airport capacity.

RECOMMENDATIONS FOR POLICY

The Government should:

12. Accelerate implementation of the recommendations of the Penfold and Killian Pretty Reviews, to speed up and reduce the regulatory burden on planning applications.
13. Freeze planning fees.
14. Implement financial incentives for Local Authorities to approve applications efficiently and introduce a planning fee rebate for overdue planning decisions.
15. Provide model guidance in the Aviation Policy Framework on safeguarding, noise and land use planning.
16. Put in place a low-cost arbitration for planning application validation disagreements.
17. Raise the trigger threshold for Environmental Impact Assessments.
18. Extend the scope of its review of rail access to airports, and ensure it covers information provision, integrated ticketing, and rail franchise benchmarks.

CHAPTER 6
MAKING AVIATION SUSTAINABLE

Airports, airlines, aircraft and engine manufacturers, and air traffic management providers, work together through the Sustainable Aviation (SA) Initiative, a long-term strategy aimed at ensuring a sustainable future for the aviation sector[77].

HOW MUCH DOES AVIATION CONTRIBUTE TO EMISSIONS?

Aviation's climate change impact is relatively small, but has grown. It is responsible for about 1.6% of global greenhouse emissions and some 6% of the UK's total CO_2 emissions. As emerging economies like China and India grow, the best way for the UK to influence CO_2 emissions from aviation is through internationally focussed efforts, not restrictions on aviation at home.

Aviation also has non-CO_2 impacts: nitrogen oxides, condensation trails (contrails) and cirrus cloud formations can contribute. However, scientific understanding of aviation's non-CO_2 impacts is less certain than that for carbon.

DEALING WITH CARBON: SUSTAINABLE AVIATION'S ROADMAP

Companies in the UK aviation sector are working together through SA to pursue a strategy that will reduce emissions through a combination of newer fleets, better technology, sustainable alternative fuels and operational improvements.

In its recently updated CO_2 Road-Map[78], SA projected that UK aviation sector can grow between now and 2050 without a substantial increase in the CO_2 it emits. The Committee on Climate Change, the Government's independent advisor on climate change, also believes aviation can grow. In a 2009 report focussing on aviation[79], it projected that 60% growth in aviation (to 2050) was compatible with reducing emissions to real 2005 levels. In addition, SA supports the halving of net CO_2 emissions to 50% of their 2005 levels. This will in part be achieved by aviation funding real reductions in emissions in other sectors, through internationally agreed carbon trading.

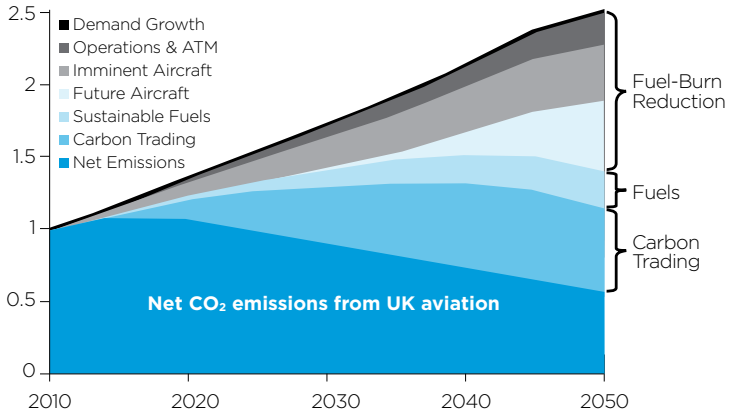
77. Sustainable Aviation, http://www.sustainableaviation.co.uk/
78. Sustainable Aviation (2012), 'Sustainable Aviation CO_2 Road-Map'
79. Committee on Climate Change (2009), 'Meeting the UK aviation target – options for reducing emissions to 2050'

Did You Know?

- **Aviation is responsible for less than 2% of man-made global carbon emissions**
- **Aircraft today are 70% more fuel efficient than those in the 1960s**
- **Net emissions from aviation could be as low as 50% of 2005 levels by 2050**
- **Aircraft engines in service today emit 40% less nitrogen dioxide than preceding engines**
- **UK manufacturers are working towards the EU's Flightpath 2050, which will see a 65% reduction in perceived noise from aircraft by 2050**
- **Aircraft engines today are 20 decibels quieter than those in operation in the 1970s**

FIGURE 9: THE SA CO_2 ROAD-MAP

Projection of CO_2 emissions from UK aviation: in the relative scale below, 1 = no increase in CO_2 emissions.



UK aviation can accommodate significant growth to 2050 without a substantial increase in absolute CO_2 emissions. We also support the reduction of net CO_2 emissions to 50% of 2005 levels through internationally agreed carbon trading.

For more information on the SA CO_2 Road-Map see: www.sustainableaviation.co.uk.

SA does not support the use of unilateral UK targets, a position also shared by the Committee on Climate Change[80]. By its nature, aviation is a global industry and UK unilateral targets would be poorly targeted and counter-productive[81]. Moreover, they would place the UK at a competitive disadvantage, by encouraging airlines to operate routes from overseas instead of the UK.

AIRCRAFT AND ENGINE TECHNOLOGY

It is developments in aircraft and engine technology that will drive reductions in UK aviation's carbon intensity. New wide-body aircraft types will enter service from about 2035. With newer fleets, SA projects that CO_2 emissions will continue to fall towards and beyond 2050.

BIOFUELS

The potential for sustainable biofuels to reduce CO_2 emissions has risen dramatically in the last three years[82]. In that time two classes of sustainable fuel have been certified for commercial use and the scope for potential feedstocks has increased markedly.

REDUCING CARBON THROUGH IMPROVED AIRCRAFT OPERATIONS

Following feedback from SA's independent Stakeholder Panel, an Operational Improvements Group was set up to deliver more direct environmental benefits.

The group recently launched a Departures Code of Practice[83] to minimise emissions, improve air quality and reduce noise from aircraft taking off at UK airports. It addresses aircraft operations at the terminal and on the taxiways, air traffic operations on take-off, and cross-airport operations. One airport-led strand of work that will contribute to implementation of the Code is the AOA's Aircraft on the Ground Emissions Reduction (AGR) Programme. It began in 2010, following two years of collaborative work between Heathrow Airport and the Clinton Climate Initiative. The work estimated that ground-based savings already achieved at Heathrow were about 100,000 tonnes of CO_2 a year, compared with doing nothing. The AGR programme offers practical guidelines and focuses on initiatives like reduced engine taxiing. So far, 23 airports across the country have joined the programme.

AVIATION NOISE — A "BALANCED APPROACH"

Noise is a key issue for local communities. Airports have different types of noise impacts depending on the flights that operate in and out of them, the density of nearby housing, and peoples' perceptions of noise. The key to dealing with noise is to recognise that noise is a local issue, best dealt with by local solutions.

SA has a goal to limit, and where possible, reduce noise impacts. The aviation sector has made good progress in reducing the size of the areas around airports affected by significant noise, and as a result the number of people affected.

TABLE 3: THE AVIATION SECTOR HAS MADE GOOD PROGRESS IN REDUCING NOISE AROUND AIRPORTS

	1998	2010	Change (%)
Number of aircraft movements (thousands)	1077	1136	+ 5%
Surrounding area exposed to significant noise levels (km^2)	410	226	-45%
Number of people in this area (thousands)	473	285	-40%

(Source: Sustainable Aviation)

Notes:
1. Statistics are aggregated for 6 major UK airports: Birmingham, Gatwick, Heathrow, Luton, Manchester, and Stansted
2. Figures use the 57 dB(A) contour, which the Government uses as the average level of daytime aircraft noise marking the approximate onset of significant community annoyance.

80. Committee on Climate Change (2012), 'Scope of carbon budgets: Statutory advice on inclusion of international aviation and shipping'
81. Committee on Climate Change (2012) Ibid.
82. Sustainable Aviation (2012), Submission to All Party Parliamentary Group on Aviation Enquiry into Aviation Policy and Air Passenger Duty
83. Sustainable Aviation (2012), 'Reducing the Environmental Impacts of Ground Operations and Departing Aircraft An Industry Code of Practice'

CHAPTER 6
MAKING AVIATION SUSTAINABLE

SA supports the "balanced approach" set down by the International Civil Aviation Organisation (ICAO), the aviation sector's international regulator[84]. This approach — also enshrined in European legislation — seeks to minimise the impact of aircraft noise through the four principles detailed below.

i. DEVELOPING QUIETER AIRCRAFT

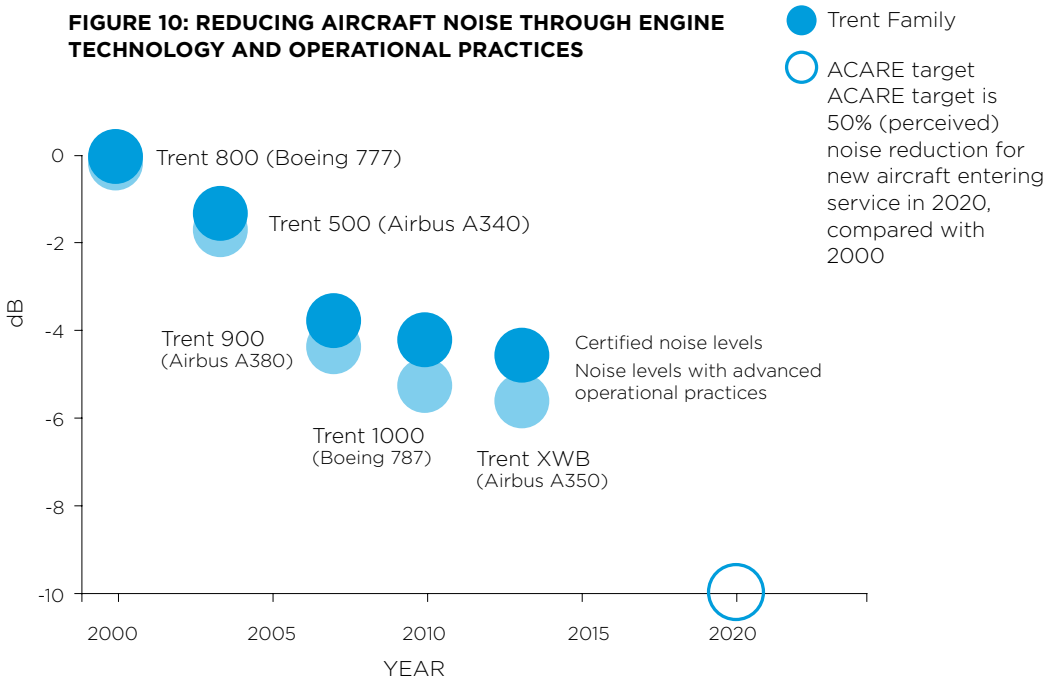
Aviation has a good record of introducing quieter aircraft and there are a number of potential future technologies to further reduce the noise impact of aircraft. Good progress is being made towards the Advisory Council for Aeronautics Research and Innovation in Europe (ACARE) target of reducing perceived external noise by 50% by 2020.

ii. QUIETER OPERATING PROCEDURES

As well as carbon, SA's Operational Improvements Group is working on noise. It is promoting Continuous Descent Approaches (CDA). These bring aircraft in to land more quietly, avoiding the additional noise generated by the extra thrust required for traditional stepped descents. CDA is now well-established at some major airports, and is being increasingly adopted across the country.

SA is also supporting others' efforts to explore the benefits of steeper approaches[85]. The work is led by British Airways and Airbus, but it is complex with many safety and other considerations. Communities are also concerned about the number of flights and how predictable noise is. Airports periodically produce formal Noise Action

FIGURE 10: REDUCING AIRCRAFT NOISE THROUGH ENGINE TECHNOLOGY AND OPERATIONAL PRACTICES



(Source: Rolls-Royce)

84. The International Civil Aviation Organisation is a specialised agency of the United Nations formed in 1947. Through it, UN member states meet in order to agree how they will harmonise their individual regulatory regimes.

85. Steeper approach is where aircraft coming into land use a steeper angle of descent (for example 5.5 degrees, instead of the typical 3 degrees). This results in less noise and annoyance than a typical descent. See http://www.airbus.com/innovation/proven-concepts/in-operations/steep-approach/ for more information

Plans (NAPs), setting out how noise will be managed for their local communities. Community engagement is a vital part of this process. As well as local engagement, SA is working centrally with bodies such as the Aviation Environment Federation (AEF) to understand better how noise affects local communities.

iii. LAND USE PLANNING

Airports continue to reduce aircraft noise levels around airports. However, this progress also brings risks. As noise levels reduce, the improved environment can encourage developers to propose schemes on previously less attractive land. Also, there is pressure on Local Planning Authorities to approve new housing developments. Together, these can lead to residential developments being built very close to airports, undermining the positive effect of reduced noise contours.

It is vital that Local Authorities put in place long-term policy and development control regimes that minimise the effects of noise around airports. To do this they require suitable policy content to put into Local Plans. A positive step that could be taken now is to provide model guidance on safeguarding, noise and land use planning as part of the Government's Aviation Policy Framework (APF) — see recommendation 14 of this document.

iv. OPERATING RESTRICTIONS

While the "balanced approach" works by prioritising the ways to reduce noise (as discussed above), it is possible that operating restrictions may also be needed to ensure the effects of noise are contained. However, airports believe these should be an option of last resort. UK airports have supported proposals for a European regulation to formalise the "balanced approach" process for EU airports.

AIR QUALITY

Air quality — largely related to concentrations of nitrogen dioxide, a component of NO_x — is a matter of concern at some UK airports. While road traffic is generally the major source, progress is being made in reducing emissions from aircraft and in understanding the relative contributions from other airport sources.

The Advisory Council on Aircraft research (ACARE)[86] has set a target of an 80% reduction in NO_x emissions for new aircraft entering 2020, relative to their counterparts in 2000. Good progress is being made. For example, the new Bombardier C-Series aircraft emits up to 50% less NO_x than current aircraft of similar size in production. Also, NO_x emissions have been steadily reduced on successive generations of Rolls-Royce Trent engines.

Individual airports also report on NO_x issues in their local areas. Many of the operational improvements outlined in the carbon and noise sections of this report also result in improvements in air quality, although sometimes there are trade-offs to be made. For example, if an aircraft design is optimised to minimise one type of emission, another may increase. These issues are complex, but have been studied by SA, which has prepared a paper on interdependencies[87].

RECOMMENDATIONS FOR POLICY

The Government should:

19. Increase efforts to secure a global carbon trading scheme and reject unilateral UK targets.
20. Incentivise the scale up of aviation biofuels.
21. Incentivise better aircraft technology.
22. Ensure Local Planning Authorities take a long-term approach to land use planning near airports.

86. ACARE is the Advisory Council for Aviation Research and innovation in Europe and provides a network for strategic research in aeronautics and air transport. Formed in 2001, it comprises European public and private stakeholders.
87. SA (2010), 'Interdependencies between emissions of CO_2, NO_x & noise from aviation'

CHAPTER 7
WORKING TOGETHER TO IMPROVE THE PASSENGER EXPERIENCE

INTRODUCTION

Improving the passenger experience is a constant focus for airport operators. Despite the economic backdrop, airports across the country continue to invest in improving their facilities. Assuring an excellent passenger experience needs both investment in facilities and a focus on customer service from airport staff.

INVESTING TO IMPROVE THE PASSENGER EXPERIENCE

Here are just some examples of what airports are doing to improve their passengers' experience.

Aberdeen Airport has spent £500,000 to upgrade the baggage system. Immigration desks have also been redesigned to improve the passenger experience. Touch screen information pods have been installed in the terminal to provide inbound tourists and passengers with onward travel information, hotel information and "what's on" guides.

Birmingham Airport has undertaken a £13 million improvement programme. It has reconfigured its terminal space, improving the flow and efficiency of its operations for passengers. Key areas like security and the meetings and greetings arrival point are larger and more comfortable.

All Bristol Airport's customer facing staff have benefited from WorldHost customer service training, developed for the successful 2010 Vancouver Winter Olympics. £7 million has been invested in airport improvements in 2012: there are new security channels to allow passengers to get to departures more quickly, an additional immigration point for 300 passengers, and free Wi-fi access throughout the airport.

Gatwick Airport has undertaken a £1 billion investment programme, including new security facilities and improved departure lounges.

Heathrow Airport is investing £1 billion a year over a five-year period. This includes rebuilding Terminal 2; and improving the forecourt, check-in and security areas in the other terminals. £900 million is being spent on creating a new, integrated baggage system, and a new underground transit system speeds up transfers at Terminal 5.

Leeds Bradford Airport has seen an £11 million investment to increase the size of the airside space by 65% and install a new departure lounge.

At Manchester Airport, £100 million has been invested to completely redevelop Terminals 1 and 2.

Newcastle Airport has invested over £3 million in extending the security search area. It has installed the latest screening technology, making the process quicker and more comfortable. Immigration desks have also been increased by 50% and the area re-designed to use space more efficiently. "The Big Six" customer service initiative underpins the drive for excellent customer service. It focuses on six core behaviours that make passengers feel welcome throughout the airport.

Stansted Airport is investing £50 million in an International Arrivals Terminal extension.

AIRPORTS LEARN AND ADAPT

UK airports have a good record of learning and adapting. Their response to the recent series of exceptionally severe winters experienced in the UK has highlighted this. Airports right across the country, including many that did not experience disruption, have entirely overhauled their snow plans, putting in place new equipment and better communications[88]. Similarly, the aviation sector's response to the second Icelandic volcano ash cloud in early 2012 built on considerable learning from the first eruption a year earlier.

88. The AOA carried out a detailed survey of airport arrangements for winter operation in 2012.
89. DfT (2012), 'Civil Aviation Bill'

THE CIVIL AVIATION BILL — MODERNISING THE PRICE REGULATED FRAMEWORK

The Civil Aviation Bill[89] sets out a modernised regime for the three remaining price regulated airports: Heathrow, Gatwick and Stansted. The detail of the Bill is complex, but the airports it affects have worked consistently to support the Government's aim of a more modern framework and better passenger experience.

While the Civil Aviation Bill aims to modernise regulation, it is competition that provides the main spur for all airports across the country to improve. UK airports compete with each other, and with those in Europe and beyond, to attract airlines and routes[90].

Against this backdrop, the Civil Aviation Authority (CAA), aviation's regulator, is also embracing change. Its strategy is to develop a strong focus on the consumer whilst consolidating its strengths as a safety regulator[91]. The AOA maintains a close dialogue with the CAA. Together we will explore opportunities to improve the passenger experience. For example, the AOA will provide input to the CAA's consumer advisory panel[92] helping it to become established quickly.

FOCUSING ON THE WHOLE AIRPORT EXPERIENCE

While airports work to drive improvements, the Government and its agencies also have a key role. Though less obvious, some areas of policy have major effects on passengers' experiences of airports. For outbound passengers, the detailed rules the Department for Transport sets on security bear directly on the quality of passengers' journeys. At arrivals, it is the Home Office's Border Agency that creates first impressions. Without a strong customer focus in these areas too, the effectiveness of airports' own efforts are undermined. There is more the Government can do.

IMPROVING EXPERIENCE AT THE UK BORDER

The UK Border Agency's (UKBA) reputation has been criticised in recent years. Internally, it has struggled to re-structure, seen high profile staff departures, and experienced basic staffing level difficulties. Externally, passengers complain of empty desks in immigration halls, long queues, and automation that fails to work properly.

There is an overriding need for the UKBA to develop a clear vision, and have

90. CAA (2012), 'Airport Competition in Europe'
91. CAA (2011), 'Civil Aviation Authority Strategic Plan: 2011-2016'
92. CAA Consumer Panel, http://www.caa.co.uk/default.aspx?catid=2488&pagetype=90

the strategy and resources to deliver it. This will require the Home Office to make a step change in its ambitions for the Agency and the quality of the UK's welcome. For example, the Agency targets queue times of no longer than 45 minutes for non-EEA nationals, or 25 minutes for EEA nationals. These are not acceptable in the context of a good passenger experience and need to be more ambitious. This is key to getting the passenger experience right. It will also help deliver the tourist revenues — the economic equivalent of export earnings — that the UK so badly needs. As the UKBA sets out its future vision and strategy, it should formally engage aviation stakeholders in this work, and the AOA will positively play its part too.

REFORMING AIRPORT SECURITY

Passengers' experience of airport security is equally critical. It is several decades since airport security first became necessary, in response to hijack. Since then, the way terrorists operate and the counter-measures needed have changed markedly.

The security checks that passengers experience at airports are regulated by the Department for Transport (DfT)[93]. Some are UK-only measures, put in place because the Government judges that the UK is under greater threat than its EU counterparts; but most are developed in Brussels, through a "baseline" security regulation that applies to all EU member states[94].

In 2010, the then Transport Secretary Philip Hammond announced the Government was moving towards a new form of airport security[95].

Outcomes Focused Risk Based (OFRB) Regulation[96] would move away from prescribing exactly, in detail, how airports should carry out security checks. Instead the Government would set general "outcomes", leaving airports more say in how to achieve them. This would need additional consideration of risk. For example, better use of existing intelligence might lead to higher-risk passengers receiving additional checks.

Progress towards this regime has been slow. What has been done has focused on the airport quality management systems needed to underpin a new regime, but the new regime itself is yet to be developed. It is clear that the Government will face a challenge in grounding its idea in real changes, and must not underestimate the task of persuading other EU member states of the need for reform (an essential part of any strategy, given the Brussels-dominated nature of security regulation).

OFRB remains a good concept, which airports support[97]. However, the Government must put in place the plan and resources to deliver it. As it influences other European countries to adopt the OFRB concept, the Government should also take the opportunity to review thoroughly its regime of UK-only measures and seeks ways of ensuring they are harmonised as far as possible with the rest of Europe.

93. See: http://www.dft.gov.uk/topics/security/aviation for more information
94. Regulation (EC) No 300/2008
95. Philip Hammond (October 2010), Speech to Airport Operators Association Conference, London
96. DfT (2012), 'Better Regulation for Aviation Security: Summary of responses to the consultation and next steps'
97. AOA Discussion Paper (2011), 'Towards An Outcomes Focused Risk Based Security (OFRB) Regime'

CHAPTER 7
WORKING TOGETHER TO IMPROVE THE PASSENGER EXPERIENCE

RECOMMENDATIONS FOR POLICY

The Government should:

23. Task the UK Border Agency to produce a clear vision and long-term strategy for its activities at airports and provide the resources to deliver it. This should include a more ambitious approach to maximum waiting times to clear immigration.
24. Develop a clear plan to move towards outcomes focussed airport security and provide the resources to implement it.
25. Review thoroughly UK-only security measures with the aim of harmonising them as far as possible with other EU countries.

ANNEX

The AOA believes the Government should support airport growth and needs to signal this through the planning system. As discussed in Chapter 5 of this document, below is some suggested wording for inclusion in the Government's Aviation Policy Framework (APF), indicating what it could say to clearly signal support for airport development.

ACHIEVING SUSTAINABLE DEVELOPMENT

The Government's primary objective is to achieve long-term economic growth. The aviation sector is a major contributor to the economy, and we support its growth within a framework which maintains a balance between the benefits of aviation and its impacts, particularly climate change and noise.

Airports should therefore contribute towards the achievement of sustainable development. There are three dimensions to sustainable development: economic, social and environmental. For aviation, it needs to perform a number of roles:

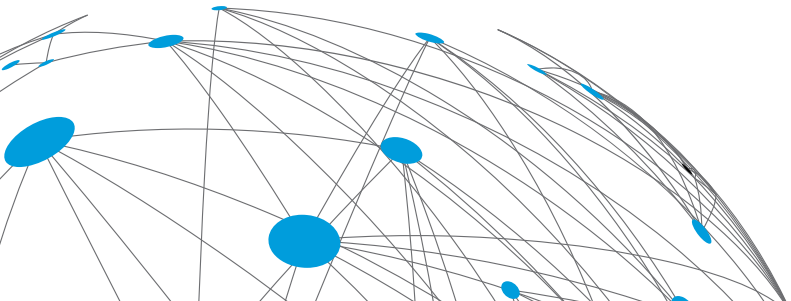
- **An economic role** — airports can help create a strong and competitive economy, providing they have sufficient capacity and the right air services and facilities to serve the needs of their market, including a strong surface access network.
- **A social role** — supporting vibrant and strong communities by creating employment, forging strong partnerships and providing access to air services.
- **An environmental role** — airports need to protect the environment and local communities by containing and managing their impact, improving biodiversity, bearing down on aircraft noise, using natural resources prudently, mitigating and adapting to climate change and supporting the aims of the overall economy to move to a low carbon economy.

At the heart of the Aviation Policy Framework, will be a presumption in favour of the sustainable development of airports in the UK, reflecting the Government's support in principle for airport growth and the objectives of the National Planning Policy Framework.

In preparing their Local Plans, Local Authorities are required to have regard to policies and advice issued by the Secretaries of State, including this APF. For Local Plan making, this means that Local Authorities should plan positively for airport growth that meets the objectives and policies set out in this Framework.

The Government expects Local Plans and Transport Plans to take into account Airport Master Plans that are up to date, prepared in accordance with Government guidance and based on an objective evidence base. There is no reason why Airport Master Plans should not form part of statutory local policy documents to reflect agreed infrastructure priorities and influence local decision-making. Local Plans and Transport Plans which do not take into account sound Airport Master Plans should explain clearly why this is the case.

For local decision-making this means: proposals for airport growth should be approved, particularly where these accord with local and national policy, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against national planning policy and the policies in this Framework when taken as a whole.



AOA
THE VOICE OF UK AIRPORTS

THE VOICE OF UK AIRPORTS

AN INTEGRATED POLICY FRAMEWORK FOR UK AVIATION:

CONNECTING THE ECONOMY FOR JOBS AND GROWTH

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