



RECONNECTING
THE UK:
**RECOVERING
AVIATION
CONNECTIVITY**

FOREWORD



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Chief Executive

As we approach the second anniversary of the first Covid-19 lockdown, it appears we have finally turned a corner in the management of the pandemic. While our first UK Airports Recovery Plan, published in early 2021, was swiftly overtaken by events, aviation has renewed confidence in looking forward to the green shoots of a sustained – but still uncertain – period of recovery.

The UK and devolved governments' end of the temporary travel measures imposed due to the omicron variant encourages airports in the hope that there has finally come a realisation that travel bans and restrictions have a limited impact on the pandemic's trajectory. This has long been clear internationally, with the UK an outlier in the scale and duration of travel restrictions since quarantine for international arrivals was first introduced.

The promise of a recovery comes after two devastating years, with 2021 even worse than 2020 in terms of UK passenger impacts. While Europe re-opened in 2021, the UK remained largely closed and when it did re-open, heavy cost and administrative burdens were placed on passengers, including several expensive tests. Meanwhile, we saw our competitors benefit from significant grant-based financial support, while the financial support from



the four UK governments remained limited. Yet even while they have closed off our main revenue stream, airports remained open in the national interest: repatriating families, serving remote communities, key industries such as oil, gas and offshore wind and emergency services while bringing crucial supplies to the UK. This cost is borne by our industry, our shareholders and our creditors with little government support or recognition.

Our modelling last year that suggested UK-wide passenger numbers could return to 2019 levels around 2025 will now be set back, with airports not expecting a full recovery until the late 2020s. If we get to 50%-60% of 2019 passenger levels this summer, that will be considered a major milestone by many.

Previously, the UK was the third largest aviation market in the world, the largest in Europe. Recovering this position will take longer and be harder than it needed. The financial damage of the pandemic for aviation will take years to repair, longer than the recovery of our passenger numbers.

It is imperative therefore that the UK and devolved governments outline a serious, far-reaching recovery plan for aviation, coupled with a robust and specific Aviation Strategy to provide a longer-term outlook for UK airports and aviation as a whole. This

is particularly important outside London and the South East, where the recovery is expected to take longer to the detriment of the UK Government's levelling-up agenda.

The plan is vital not just for our sector, but for the UK economy. Aviation supported nearly a million jobs pre-pandemic and is a driver of economic growth: as rule of thumb GDP grows by 0.5% for every 10% connectivity growth. The UK Government's Global Britain and levelling-up agendas, for example, cannot be achieved without aviation connectivity. Similarly, the Scottish Government's priority of inclusive economic growth will be more difficult to achieve.

While the Covid-19 pandemic has been a major rupture for our sector, it is also an opportunity to build back better. We are ambitious in our desire to bring back aviation connectivity for all communities, not just those in the economic hotspots, in a sustainable manner that supports the transition to Net Zero. We also believe there is a major opportunity to return to 2019 passenger levels with an environmental impact that is lower than it was in 2019.

This is achievable – but only if government and industry work hand-in-hand to make it a reality. We stand ready to discuss with the UK and devolved governments how we can make this vision a reality.

STATE OF THE INDUSTRY

Two years into the pandemic, the UK aviation sector has suffered its biggest downturn in history. In fact, aviation in the UK has suffered more than in our nearest competitors. Here, we outline some of the main areas that show the legacy of Covid-19 for aviation.

Passenger impacts

2021 was an even worse year for airports than 2020, with passenger numbers down 12.7% compared to 2020 and 78.3% compared to 2019. For comparison, 2020 saw 75.2% fewer passengers than 2019.

Business impacts

In the financial year 2019/20, airports posted revenues of £7.8bn. In 2020/21 this fell to £2.7bn and in 2021/22 revenues were down similarly to £2.9bn. It is notable that 2021/22 was as bad as the first year of the pandemic, despite optimism that there would be a “vaccine dividend” for the UK.

Airports suffered a total revenue loss of £10bn over the course of the pandemic.

Whilst revenue fell by nearly 65% over the two pandemic years, costs only fell marginally due to the high fixed-cost base and the need to remain open for emergency services, freight, the military, Royal Mail and services for critical industries such as energy. This came at a huge cost to airports, with little to no recognition from any of the four UK governments for this crucial role played by airports in the fight against covid-19.

Employment impacts

Airports are hives of employment, as they bring together both direct airport employees and third parties to one single site, such as airport retail, bars, restaurants, ground handlers, airlines and freight operators.

Many of the people employed directly by airports are critical to the operations, regardless of how many flights operate.

For example, air traffic control, security and

rescue & firefighting services (RFFS) are all highly skilled individuals who are needed whether one or a hundred flights take off. Despite this, airports did have to make redundancies.

Of these directly employed jobs, only 10% have been restored to date.

Financial impacts

As airports sought to stay open in the face of revenue losses, both private and public shareholders stepped up and provided support. In addition to this, airports have taken on significant additional commercial and government debt during the pandemic, totalling more than £4bn. It will take up to five years to repay this, once revenues recover.

-12.7%

**Passengers
in 2021
compared
to 2020**

£10bn

**Airports’
total
revenue
loss**

10%

**Lost Jobs
restored
to date**

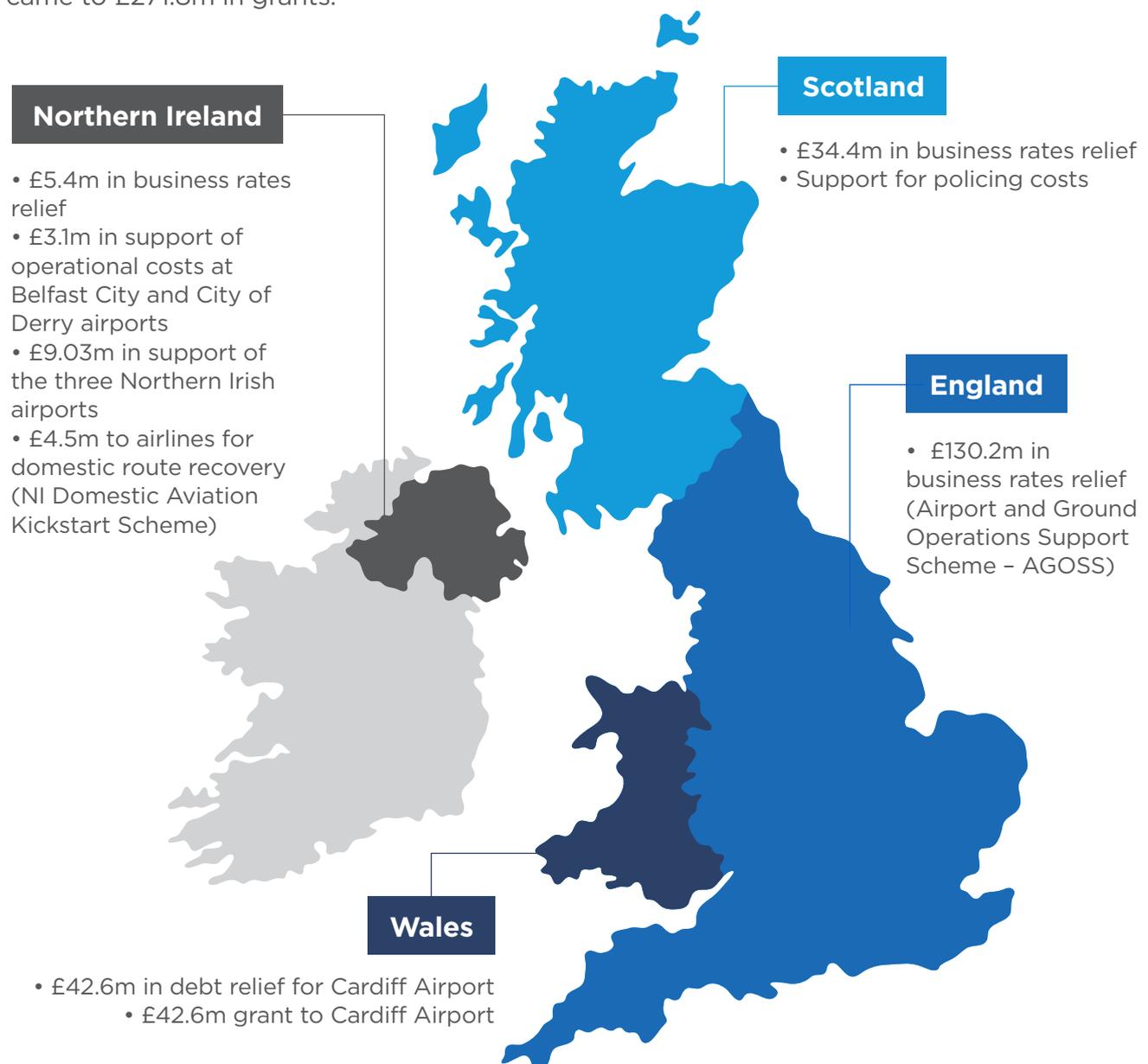
£4bn+

**Debt accrued
by airports
during
pandemic**

FINANCIAL SUPPORT AND THE UK CONNECTIVITY RECOVERY

Financial support for airports: The four UK nations provided a range of financial support measures. All UK airports benefited from the Coronavirus Job Retention Scheme (CJRS), which was worth around £200m to UK airports.

The four nations then provided separate support to airports in their area, which in total came to £271.8m in grants.



The support provided by the four UK governments to airports pales into comparison to that provided by international competitors.¹



- €800m for regional airports for operational costs²
- €1.7bn grant to support recapitalisation of Berlin Brandenburg Airport



- €735m for airports' operational costs
- €6m to compensate Calabrian airports
- €10m to compensate Toscana Aeroporti



- €36m support for regional airports' security and safety costs
- €90m in route development funds
- €32m for Cork & Shannon airports' operational costs
- €21m under the Regional Airports Programme for small airports (Knock, Derry and Kerry)
- €6m for small airports' operational costs



- \$10bn under the CARES Act for eligible US airports affected by the prevention of, preparation for, and response to COVID-19³
- \$3bn in grants for airport contractors like caterers⁴
- \$8bn for airports under the American Rescue Plan Act⁵
- \$25bn under the Bipartisan Infrastructure Law for US airports (\$15bn to upgrade airside infrastructure, \$5bn for landside infrastructure and \$5bn for the FAA's Facilities and Equipment program⁶

To put this in context, if the UK had provided the same level of support as Germany, Italy and Ireland have done, then UK airports would have benefitted from between £900m-£2.1bn in grant-based support (based on the size of the market using 2019 passenger numbers), 3.3-7.7 times as much as they have received in reality.

Recovering from the pandemic: investing in promoting tourism

The majority of UK airports' traffic recovery will come from outbound travel: UK residents travelling abroad on holiday, for business or to visit friends and relatives. However, the

UK previously enjoyed a vibrant inbound visitor market, both for business and leisure purposes, and this supported the viability of many routes.

The inbound tourism market suffered disproportionately during the pandemic, due to the heavy administrative and cost burdens on travel to the UK compared to travel to many EU countries. Visitor numbers to the UK fell to 11.1m in 2020, down 73% on 2019.⁷ Final figures for 2021 are not yet in, but VisitBritain predicted a worse year with only 7.4m visitors expected to visit (33% down on 2020 and 82% fewer than in 2019).⁸

¹ German, Italian and Irish support is consolidated in European Commission, [Factsheet - List of Member State Measures approved under Articles 107\(2\)\(b\), 107\(3\)\(b\) and 107\(3\)\(c\) TFEU and under the State Aid Temporary Framework](#) (Brussels: European Commission, 2022)

² 'Bund einigt sich auf Finanzhilfen für wichtige Flughäfen', Rheinische Post (Düsseldorf, 12 February 2021)

³ '2020 CARES Act Grants - Airports', [Federal Aviation Administration](#) (Washington, DC: 10 March 2022)

⁴ Congressional Research Service, [CARES Act Payroll Support to Air Carriers and Contractors](#) (Washington, DC: 22 October 2022)

⁵ 'FAA to offer \$8bn in grant to US airports impacted by pandemic', [Airport Technology](#) (23 June 2021)

⁶ [The White House. A Guidebook To The Bipartisan Infrastructure Law For State, Local, Tribal, And Territorial Governments, And Other Partners](#) (Washington, DC: The White House, 2022), p. 92

This has prompted news organisations like CNN to talk of the UK as the “the sick man of European tourism.”

VisitBritain’s marketing budget for 2022-23 is yet to be confirmed, though a £10m campaign was launched in February aimed at the UK’s most valuable visitor markets of Europe and the USA.⁹ Unfortunately, this compares poorly internationally:

- **Switzerland:** In its newly released 2022-2024 strategy¹⁰, Switzerland Tourism will spend CHF59.3m (£48m) on marketing as well as CHF34m (£27m) commitment over 2022 and 2023 as part of “Recovery Programme 2.0” to help win back guests and provide financial relief to tourism partners of Switzerland Tourism.¹¹
- **Ireland:** Tourism Ireland intend to spend €80m (£66.5m) on marketing in 2022 (covering the island of Ireland, including Northern Ireland). Spending for the Green Button tourism restart campaign will be increased by at least 50% in each market (100% in mainland Britain).
- **France:** As part of the €1.9bn Destination France plan¹² announced on 20 November 2021, Atout France has been granted additional funding including €20m (£17m) dedicated to marketing and competitiveness of the destination to support the recovery, in addition to Atout France’s activities with partners such TripAdvisor¹³ and Expedia¹⁴, which represent multimillion-euro joint investments.
- **Spain:** At the beginning of December 2021, it was announced that Turespaña will receive €90m (£75m) in public sector funding for 2022.¹⁵ It is further backed by

funding allocated as part of the €4.3bn sector recovery plan announced in 2020¹⁶, which in summer 2021 invested €8m (£7m) on advertising and partnerships with airlines as part in the “You Deserve Spain” campaign.

- **Austria:** The Austrian Government has boosted funding for Austrian tourism board. Taking into account the contributions that the Austrian Chambre of Commerce makes, they can budget €36m (£30m), representing a 12.5% annual spending increase. This builds on their biggest-ever winter campaign “Winter Love” 2021/22 (€10m (£9m))¹⁷ and their €17m (£14m)¹⁸ re-start campaign activity for summer 2021 (funded partly out of €40 million crisis recovery funds from 2020).

Why this matters

Aviation itself is a major economic contributor and employer. Pre-pandemic, aviation contributed more than £92bn to the UK economy, supported more than a million jobs and provided more than £8 billion in tax revenues to the Exchequer. Moreover, UK businesses rely on aviation for their success. Tourism businesses rely on inbound visitors, exporting businesses rely on aviation to send products and expertise abroad and businesses generally rely on aviation to seek out new opportunities or bring foreign direct investment to the UK:

- Aviation provides essential connectivity for UK exporters, businesses relying on imports and inward investors. 49% of the UK’s non-EU trade by value travelled by air in 2017, predominantly in the belly-hold of passenger planes.¹⁹ This is higher than most other European countries, which ship

⁷ ‘2020 inbound data’, Visit Britain (2021)

⁸ ‘2022 Tourism Forecast’, Visit Britain (2021)

⁹ ‘Prime Minister declares UK one of the most open countries in Europe and ready for an international tourism boom’, Gov.uk (25 January 2022)

¹⁰ Scheiz Tourismus, [Strategie und Planung](#) (Zürich: Schweiz Tourismus, 2021)

¹¹ ‘Coronavirus: Bundesrat will Schweizer Tourismus unterstützen’, Der Bundesrat (1 September 2021)

¹² Ministère de l’Économie, des Finances et de la Relance, Ministère de l’Europe et des Affaires étrangères, [Destination France. Plan de reconquête et de transformation du tourisme](#) (Paris: Atout France, 2021)

¹³ ‘Atout France et TripAdvisor s’associent pour renforcer la visibilité des destinations françaises’, Atout France (5 November 2021)

¹⁴ ‘Expedia group et Atout France renouvellent leur partenariat marketing, tout en prenant des engagements en faveur du voyage durable en 2022’, Atout France (5 November 2021)

¹⁵ ‘Turespaña contará con un presupuesto de 90 M € en 2022’, Hosteltur (4 December 2021)

¹⁶ ‘El Gobierno fortalece el turismo con un Plan estratégico de 4.262 millones de euros’, La Moncloa (18 June 2020)

¹⁷ ‘Köstinger/Weddig: Beste Aussichten für Wintersaison 2021/22’, Austria Tourism (14 October 2021)

¹⁸ ‘7 Millionen Euro für den Restart: Mit diesen Kampagnen begeistert die Österreich Werbung 2021 für Urlaub in Österreich’, Austria Tourism (1 July 2021)

¹⁹ Steer, [Assessment of the value of air freight services to the UK economy](#) (London: Steer, October 2018), p. i

between 20%-40% of goods by value by air. Germany, for example, ships just 25% of its non-EU export value by air. Only Ireland ships a greater share of its non-EU exports by air than the UK.²⁰

- Businesses use travel to connect to customers, travel to trade fairs and service their products abroad. In 2019, 10% of UK residents travelling abroad did so for business.²¹ On the inbound side, 21% of visits to the UK by people from other countries were for business purposes (account for 20% of visitor spending in the UK, around £5.7bn).²²

- Tourism businesses rely on aviation, with around 75% of visitors to the UK travelling by air.²³ As a result, aviation supports more than half a million jobs in the tourism and travel industry.²⁴

European airports trade association ACI EUROPE's evidence shows that, as a reasonable guide, GDP grows by 0.5% for every 10% connectivity growth. It is particularly direct connectivity that matters in this context:

- Manchester Airport has opened new routes to Hong Kong (2015) and Beijing (2016). This satisfied an existing demand from businesses, investors and tourists but

has also drove significant new economic activity. These routes stimulated demand from the North by more than 20% and reported an increase of inward investment of more than £500 million.

- The Emirates route from Newcastle to Dubai was so successful that Emirates upgraded its capacity ten years after it started. UK Trade & Industry analysis shows that the value of exports flown out of Newcastle has grown from under £20m in 2006 to over £350m in 2016.

- Prior to easyJet's route between Edinburgh and Hamburg, travelling there was inconvenient as people had to go via a hub airport. Following easyJet's introduction of that route, travel between the Hamburg area and Scotland increased tenfold. 80% of that travel was Germans coming to Scotland.²⁵

- An independent assessment of the impact of the Heathrow to Inverness route concluded that the onward global connectivity benefits delivered via the route, supported over 700 jobs in the Inverness catchment area, with an income impact of £23.3 million, and a total on-site GVA (gross value added) impact of £33.3 million.²⁶



²⁰ Steer, p. i

²¹ Office for National Statistics, [Travel trend estimates: UK residents visits abroad](#), 2019 ed. (London: ONS, 2020)

²² Visit Britain, [2019 Snapshot](#)

²³ In 2019, this peaked at 79%, see: Visit Britain, 2019 Snapshot

²⁴ IATA, [The importance of air transport to United Kingdom](#) (Madrid: IATA Economics, 2019), p.1

²⁵ Scottish Parliament, [Finance and Constitution Committee: Official Report](#) (Fifth Meeting, 1 Feb 2017, col. 48)

²⁶ Inglis Lyon, [Correspondence with Inglis Lyon, Managing Director, Highlands and Islands Airports Limited, on flights between Inverness and London Heathrow, dated 18 January and 25 January 2022](#) in House of Commons, Scottish Affairs Committee: Airports in Scotland Inquiry – Correspondence



A RECOVERY PLAN FOR UK CONNECTIVITY

As demonstrated above, it is vital for the UK economic recovery that we re-establish our pre-pandemic connectivity. Yet UK airports will have to fight hard to secure routes in the coming years.

In part, this is because airlines have shrunk their fleets, retiring older aircraft for example, or temporarily parking aircraft awaiting a more robust recovery. The CAPA Fleet Database shows that “the total fleet of European operators was 8,280 at the end of [February] 2019 and it is 8,108 at 17 [January] 2022. The number in service has fallen from 7,906 to 7,057”, though Ryanair and Wizz Air are bucking the trend and now operating larger fleets than pre-pandemic.²⁷

The number of airports has remained stable, however, meaning airlines will seek those airports that offer them the best opportunities for recovery, both looking at

the best yield (meaning they will focus on popular routes) as well as seeking the best deals with airports on aeronautical charges. The higher cost of fuel as well as the impact of the war in Ukraine could drive up airline costs as well as impact demand, putting further pressure on airline finances.

As UK airports have received less financial support than a significant number of their competitors, their financial situation may not allow them to present offers to airlines that are as competitive as their better-supported counterparts are able to offer.

The weak marketing budget for VisitBritain

²⁷ [European aviation: Wizz Air & Ryanair exceed pre-crisis fleets](#), CAPA - Centre for Aviation (24 January 2022)

will further undermine the UK route recovery. With significant fire power behind budgets in other countries, airlines are more likely to see passengers on routes to and from those countries and may prioritise these.

That is why UK airports and the UK as a whole need an immediate UK Connectivity Recovery Plan. This should include:

Issue	Government action	Airport action	Benefits
Air Passenger Duty	<ul style="list-style-type: none"> • 12-month APD holiday • Bring forward the reduction in domestic APD • Discounted APD for flights using sustainable aviation fuels 	Use APD to compete for routes and promote UK as a destination to airlines	<ul style="list-style-type: none"> • Boost the re-establishment of aviation connectivity • Bolster UK region-to-region aviation connectivity • Encourage use of sustainable aviation fuels to lower emissions
Airside VAT-free shopping	Introduce a new airside VAT exemption		Allow airport industry to restore profitability more quickly and avoid competitive loss to foreign airports
Arrivals duty-free shopping	Allow airports to create duty-free shops for arrivals, like Norway and Switzerland have and like the EU is currently considering.		Allow airport industry to restore profitability more quickly and avoid competitive loss to foreign airports
Regional connectivity	<ul style="list-style-type: none"> • Public Service Obligation routes for important routes that are not returning and expanding criteria to include airport to airport routes • Aviation Restart Fund, e.g. funding for airport charges on certain routes 	Work with local, regional and national stakeholders to re-establish to routes as soon as possible	Returns regional connectivity more quickly compared to a market-only approach
Marketing the UK abroad	Increase the UK's tourism marketing budgets to at least match our competitors' spending	Work with national and local tourism organisations to promote the UK to airlines	Recover inbound leisure and business visitors more quickly

- **A twelve-month APD holiday:** APD is the single biggest lever the UK Government can pull to encourage airlines to restart routes. The UK Government took a significant step in halving the APD rate for domestic routes, which the AOA had long advocated, and now is the time to take the next step. With airports expected to engage in discounting their own charges to airlines and fiercely competing with airports in other countries for routes, having Europe's highest rate of APD is a significant disadvantage. Reducing this will increase the UK's competitive position in Europe and globally, which will speed up the restoration of economic activity and connectivity quickly.

- o To encourage the use of sustainable aviation fuels, **a discounted APD could apply to flights using a minimum sustainable aviation fuels threshold.**

- **Introduce a new airside VAT-free shopping regime:** with airports expected to have lower aeronautical income due to discounting for airlines, airports will have to seek revenue from other sources to sustaining their financial viability. Introducing a new airside VAT-free shopping regime will encourage all UK-departing passengers to spend in the UK, rather than choosing to spend in airports abroad.

- **Introduce arrivals duty-free shopping:** post-Brexit, the UK Government increased the duty-free allowance that people can bring into the UK. Unfortunately, this only encourages sales abroad rather than in the UK. Anecdotal evidence shows that on some routes, duty-free sales to people travelling to the UK from abroad have increase by 45%-50%. Allowing travellers to purchase duty-free goods upon arrival at UK ports presents a real opportunity for a Brexit bonus for the UK by diverting sales from airports and ports abroad, which is exactly why countries such as Dubai, Singapore, Australia, New Zealand, Norway, Switzerland, Iceland, Turkey and Brazil have all introduced them and why the European Union are considering following suit, specifically at Calais.

At present, nearly 50 countries – including Switzerland, Norway, Singapore, Australia and New Zealand – have introduced duty-free arrivals stores. Research from York Aviation found that if the UK were to implement the policy, passenger spend would increase by between 20-30%. Anecdotally, since Brexit sales of duty-free goods to UK-bound passengers in European airports has risen by 40%-50% percent in some markets. These are sales that could be made in UK airports.

Arrivals stores would provide airports with new, sustainable sources of revenue – the need for which has never been more urgent. Not only would the policy bring the UK in line with an established global practice, but it would also make the most of the recent increase to personal duty-free allowances. Duty-free upon arrival in the UK would allow airports and travel retailers to reap the economic benefits currently enjoyed by their overseas counterparts, and help speed their recovery from the pandemic.



- **Supporting the return of regional connectivity:** Regional routes, other than perhaps routes to the UK's most popular holiday destinations, risk returning later due to expected lower demand. Where these routes do not return, the impact on regional business and employment opportunities can be significant. To encourage the return of these routes, the UK and devolved governments could consider:

- o **Public Service Obligations:** a number of PSOs successfully connect regions in

England, Scotland and Northern Ireland to London and the Scottish Central Belt. Following Brexit, there is more flexibility for the UK and devolved governments to use PSOs to bring back routes that have disappeared due to COVID-19. These could be open and/or funded PSOs based on criteria, such as connecting important development areas, areas with no suitable transport alternative, or other local and regional priorities.

o **Aviation Restart Fund:** this would be more flexible than PSOs and help re-establish international connectivity also. It could be modelled on a similar initiative in the Republic of Ireland, where the Irish Government covers airport charges for a period of time for airlines re-starting or maintaining routes from regional airports.

- **Increase the UK's tourism marketing budgets:** UK tourism bodies are being outspent by our competitors. The UK and devolved governments should increase the marketing budgets for Visit Britain, Visit Scotland, Visit England and Visit Wales (Northern Ireland is covered by Tourism Ireland). We know tourism marketing budgets work: in 2001, as a result of the Foot and Mouth Outbreak and the 9/11 terrorist attacks, inbound tourism to the UK dropped by 9%. This 9% fall was deemed to be so severe that it the Government agreed to allocation £24m in additional tourism expenditure (£42m in today's terms) to VisitBritain for an industry-match-funded campaign to rebuild inbound tourism in 2002. The campaign was delivered in six weeks and was so successful that inbound tourism in 2002 exceeded pre-2001 levels.



A VISION FOR THE FUTURE OF UK AVIATION

The UK Government has long promised the creation of an Aviation Strategy, and both the UK and Scottish Governments have consulted on what such a Strategy should contain. The recovery from the pandemic is an ideal opportunity to put the building blocks of a vibrant, competitive and sustainable aviation industry in place.

To that end the UK Government's planned Aviation Strategic Framework and the Scottish Government's Aviation Strategy should set out a clear ambition for the role of aviation in the coming decades, set out how we will build back better post-pandemic

to ensure this is a sustainable future that creates green skills and export opportunities and ensure all regions of the UK benefit from good connectivity to boost inclusive growth and level-up places that have fallen behind.

A world-leading and competitive airports sector

Issue	Government action	Airport action	Benefits
Delivering the connectivity an outward-looking UK needs	Ensure planning policy encourages the sustainable development of airports and routes.	Continue to work with government, the Planning Inspectorate and local authorities as required	Clarity around providing for future growth beyond the short to medium term and increase investor confidence
A world-leading seamless border	Adequately fund Border Force to match demand, and increase funding for research for trialling and implementation of current and future seamless journey technology to facilitate a world-leading border experience	Work with Border Force and Government to trial and implement successful measures	Making the UK an attractive place to travel to visit and do business

Decarbonising aviation

Issue	Government action	Airport action	Benefits
Airspace modernisation	<ul style="list-style-type: none"> • Recognise that airspace is critical national infrastructure • Continue to fund first stages of the Airspace Modernisation Strategy 	Consult on and implement airspace modernisation	<ul style="list-style-type: none"> • More efficient use of UK airspace, lower carbon emissions, overall reduction in noise impacts for communities • Improved resilience during inclement weather, supporting airports' climate change adaptation efforts
Green airport infrastructure	<ul style="list-style-type: none"> • A 'Green Airports' Fund to fund sustainable power and heat generation, electric vehicle charging infrastructure, low-emissions airside vehicle uptake and sustainable aviation fuel infrastructure, etc. • Encourage carbon reduction measures through supportive regulatory, taxation and planning policies 	Leverage funds and supportive policy environment to carry out projects to reduce airport carbon footprint	Replace lost capital investment funds to ensure recovery years are not "lost years" for sustainability
Surface access infrastructure	Funds to improve access to airports, incl. green transport options	Airports identify schemes that would assist local economic growth	Expand catchment area to boost growth and reduce carbon footprint of travel to airports

Skills for the future

A world-class skills base	Transition the Apprenticeship Levy to a skills levy to enable wider use in training the next generation of airport and aviation employees	Airports to utilise funds to support re-recruitment in airport communities (as well as with existing staff)	Re-skilling workforce through the recovery
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A vibrant General Aviation ecosystem

A diverse GA sector	Recognise the important and distinct roles of business aviation as well as general aviation in the aviation ecosystem		
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A vibrant General Aviation ecosystem

Issue	Government action	Airport action	Benefits
Improve connectivity to remote communities	<ul style="list-style-type: none"> Pursue a replacement for EGNOS to ensure quality and resilience of operations Opt into EGNOS until a replacement is in place 	Re-introduce Localiser Performance with Vertical Guidance (LPV) approaches to ensure wider hours of operation	Ensure that UK airports have resilience to operate in all conditions and support their financial viability by enabling them to offer a wider range of services
Support UK's world-leading flight schools		Support flight training schools based at UK airports in offering a full spectrum of training	

World-leading safety and security

Issue	Government action	Airport action	Benefits
Next-gen security	Ensure delivery of world-leading safety and security that is compatible with airport post-pandemic finances, e.g. through extending deadlines or by providing finance where appropriate	Implement and deliver next generation security screening	<ul style="list-style-type: none"> Making the UK an attractive place to travel to visit and do business Preventing lost capital investment funds from leading to a sub-optimal experience for passengers
Proportionate regulation	<ul style="list-style-type: none"> Ensure that regulation is only what is needed and current, avoid regulations staying longer than needed Avoid unnecessary divergence from the major international rule-makers EASA and FAA 		Ensuring that UK airports are competitive internationally, both in terms of their cost base but also the services they can offer such as maintenance, repair and overhaul services to non-UK airlines

Future resilience

Future pandemic management	Framework for future pandemic management to be in place if/when Covid-19 is managed to point health restrictions are no longer required	Airports to retain and further develop contingency plans for health measures, screening and airport testing	Creating business certainty and improving connectivity resilience in the face of public health crises
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A world-leading and competitive airports sector

The UK and devolved governments should ensure UK airports remain world-leading and provide a globally competitive passenger experience. These should be a combination of measures to sustain and boost investor confidence in UK airport infrastructure as well as government-led steps to improve the passenger experience in the airport, including stepping in temporarily to provide funding where airports would normally have invested themselves but now have limited to no capital investment resources.

- **A commitment to supporting best use of existing capacity:** several UK airports have planning applications to increase capacity, e.g. through lifting caps on passengers or investment in runway infrastructure, which have suffered setbacks. This is partly due to a lack of clarity in UK government policy on how its support for best use of existing capacity fits with the UK's commitment to 'net zero' by 2050. This could undermine investor confidence in UK aviation infrastructure. The UK Government should re-state its commitment and set out how this is compatible with net zero, recognising work by the aviation industry and the Jet Zero Council to achieve that climate ambition.
- **A seamless journey through the UK border:** the UK Government's recent 2025 UK Border Strategy was a welcome recognition of the need to improve the UK border – alongside the Home Secretary's 2022 review into Border Force. It is vital that the UK Government fully resources Border Force for return in demand likely in 2022 to ensure the UK border is effective and seamless for those wishing to visit and do business again. Longer term, having once led the digitisation of the border, the UK is falling behind. Previous efforts to improve the border were generally responses to growing pressure on the border, and while welcome, have not always been part of a coherent strategy. There is an opportunity to put in place the building blocks for a seamless UK border in the coming years, both for

freight and passengers. This could include funding for the development and trialling of existing and future seamless journey technology that will make the UK border more secure but also reduce waiting times for passengers and freight, and reforming legacy processes which currently make the UK border significantly less efficient compared to other countries around the world.

Decarbonising aviation

The UK aviation industry is a global leader in sustainable aviation. Through the Sustainable Aviation coalition, UK aviation has committed to net zero by 2050 – a world first for a national aviation industry. Now should be an opportunity to recover sustainably, returning to 2019 passenger levels but not 2019 carbon emissions and noise impacts. Sustainable Aviation has set out the industry-wide asks from government, such as the development of a UK sustainable aviation fuels industry, and the AOA supports these. The AOA believes there are further opportunities to build back sustainably in and around airports. Most of these would normally be (part-)funded by airports and the wider aviation industry. However, the Covid-19 pandemic will result in lower levels of capital investment. This should not lead to a hiatus in the industry's steps to reduce its environmental impact – these cannot be lost years. That is why the UK and devolved governments should step in and bridge the funding gap. Measures should include:

- **Airspace modernisation:** UK airspace was designed in the 1960s and advances in aircraft technology since then have not been matched with corresponding modernisation of airspace management. Industry is working through the Airspace Change Organising Group (ACOG) to agree a masterplan for modernisation, a process that started pre-pandemic. It is vital that this work continues but with limited airport capital investment resources, the UK Government should fund the first stages of airspace modernisation until industry has recovered and can resume its own investment.

- **A Green Airports Fund:** airports have, in the past decade, invested significantly in green infrastructure. To ensure this progress continues, the Government should create a fund for sustainability initiatives. These could include, but should not be limited to, more sustainable power and heat generation, electric vehicle charging infrastructure airside and landside, on-stand pre-conditioned air and power infrastructure for aircraft, scrappage and conversion grants to grow low emission or zero emission airside vehicle fleets and the necessary changes to airports fuel infrastructure to be ready for the uptake of sustainable aviation fuels.
- **Investment in airport surface access:** surface access to UK airports needs investment to cope with increased demand but also to offer consumers green travel options to the airport. Some schemes have been implemented over the years, but many airports have found projects have stalled due to complex planning and funding decision-making processes. COVID-19 should be an opportunity to build back better. Airports have generally contributed funds in line with the benefit accrued to the airport. Expected lower capital investment should not result in delaying important improvements. The government should provide a fund for improvement schemes that widen airport catchment areas, improve journey times and reduce the climate impact of travel.



Airspace is a crucial part of the UK's transport infrastructure and needs to be improved to keep people and goods moving efficiently and reliably. As peoples' appetite to fly returns, in time our airspace will once again be full.

Airspace modernisation will deliver several benefits. These include improving the resilience of the network, both internationally and domestically, preventing rising delays and resulting in less congestion. It will also play a central role in decarbonising UK aviation: ahead of longer-term efforts to develop more fuel-efficient engines and use cleaner fuels, airspace changes made over the next few years will mean less airborne holding and fewer miles flown per aircraft. ACOG is working alongside UK airports and NATS to deliver an upgraded airspace over the next few years.

Airspace Change Organising Group



The 2016 AOA report on surface access outlines how improved and more efficient access to airports enables aviation to deliver more for the local and wider economy by widening catchment areas and reducing travel times. By enabling more passengers to travel to an airport more quickly, airports can attract airlines, in turn offering more destinations and at higher frequencies. For example, a 5% improvement in average journey times to/from airports could deliver a 2.7% increase in passenger numbers, generating an additional £1.9 billion in GDP and 32,000 jobs.

Skills for the future

UK airports offer a world-leading service to passengers, in large part thanks to the excellent skills that UK airport staff have developed. As we recover from the pandemic, we will need to re-recruit people, and ensure they have up-to-date skills.

- **Training the next generation of airport staff:** while many jobs have already been lost at UK airports, aviation remains an exciting future opportunity for high-skilled jobs. Airport staff and those working for airport-related businesses work in a highly regulated industry, performing roles that are crucial to the safety and security of millions of travellers. The UK Government should allow airports in England to spend the Apprenticeship Levy on general skills training to support airports (re-)recruiting staff as the recovery gains pace.

A vibrant General Aviation ecosystem

General Aviation airfields form a vital part of the UK's aviation infrastructure. They provide the first opportunities for careers in aviation, such as training future pilots and engineers. At general aviation and business aviation airfields aerospace R&D as well as important maintenance, repair and overhaul takes place, supporting the wider aviation eco-system. Ensuring these airfields remain a vibrant part of the UK aviation community is an important part of the future success of UK aviation as a whole and our wider economy.

- **A diverse range of aerodromes and airfields:** To enable the full benefits of a vibrant GA sector, the UK government does need to recognise that there is significant diversity in the sector. Aerodromes focused on business aviation have a different range of opportunities and challenges that they are facing compared to an aerodrome that predominantly offers flight training or one that supports a recreational GA community. Each has a distinct role to play and there should not be a one-size-fits-all approach.

- **Improving airfields and aerodromes connectivity:** following the UK's exit from the EU, UK airfields (except those in the Channel Islands) no longer have access to the European Geostationary Navigation Overlay Service (EGNOS), meaning that they can no longer operate Localiser Performance with Vertical Guidance (LPV) approaches. These enabled operations in low-visibility conditions at smaller airports and EGNOS formed part of the safety case for some airspace change proposals. Such approaches, which fall under the umbrella of Global Navigation Satellite System (GNSS) approaches, were promoted by the Transport Secretary, Grant Shapps MP, as a real opportunity for aerodromes to extend the services they could offer and he therefore asked the Civil Aviation Authority (CAA) to prioritise applications for GNSS approaches in October 2019.²⁸

The exit from EGNOS has undermined the Transport Secretary's ambitions and, in its absence, it also means that remote communities have more limited connectivity during inclement weather. Furthermore, many of the UK's flight schools based at aerodromes and airfields across the UK can no longer offer the full services they were once able to, as they cannot train pilots in LPV approaches. This means they are less competitive compared to their European counterparts. The UK Government should now urgently seek a replacement of EGNOS and enable temporary provision of EGNOS-based services in the interim.

World-leading safety and security

The UK is rightly seen as a global leader in aviation and security. The UK Civil Aviation Authority generally takes a risk-based, proportionate response to aviation regulation and safety always comes first. The AOA has actively promoted the UK's safety culture through our UK Airports Safety Week, an event which the AOA hopes will return in 2022, and as part of that has hosted delegations from airport regulators and airports abroad to share best practice

²⁸ The Rt Hon. Grant Shapps MP, ['Letter to Dame Deirde Hutton CBE, Secretary of State Priorities for the Civil Aviation Authority' \(23 October 2019\), on the Civil Aviation Authority website](#)

and learn from each other. The Aviation Strategic Framework should see to build on this track record of excellence, without holding back the sector's future success through increased cost or regulatory burdens that are not proportionate to the issues at hand.

- **Next generation security:** the next generation of cabin luggage screening is on our doorstep and will markedly improve the passenger experience. In normal times, the aviation industry funds new equipment, but it is expected that capital investment will be at a low level in the coming years. The COVID-19 pandemic's impact should not see passengers deprived of an improved security experience. The UK Government should, in these exceptional circumstances, provide funding for the implementation of next generation security equipment. Alternatively, the UK Government should allow UK airports to extend the phase-in over a longer period of time, in recognition of the high capital costs necessary to implement the heavier and larger equipment necessary. This requires structural adaptation of terminals that may be beyond the financial abilities of airports in the current circumstances.

- **Proportionate regulation:** The UK approach has always prided itself on proportionate regulation. Ensuring that we continue to take this approach post-Brexit is vital for the UK's competitiveness, while taking advantage of our ability to flex regulations where possible to meet "UK needs and global standards", as the recent Government paper "The Benefits of Brexit" stated.²⁹ One such opportunity would be to reduce the regulatory burden on smaller airports, where the cost of implementation weighs heavier than on larger airports.

However, a global approach to regulation benefits aviation, as a global industry. If the UK diverges from those global standards, set by the European Aviation Safety Agency and the Federal Aviation Administration, this will impact the attractiveness of UK aviation for

investment and growth opportunities. For example, aerospace companies based at UK airports benefit from designing to internationally harmonised standards. Should the UK diverge from those standards, aerospace companies may put investments in facilities outside the UK. The footprint of UK flight schools is another example. This is significantly larger than the needs of the UK aviation sector alone, as trainees from abroad are attracted by the quality and breadth of the UK training offer. This benefits UK aviation and UK airports and aerodromes. If flight schools can no longer easily offer training to internationally harmonised standards, this may diminish their attractiveness and undermine UK competitiveness.

Measures to support future resilience

- **A framework for future pandemic management:** the COVID-19 pandemic has shown the impact a new disease can have on the UK and the world. While there remain uncertainties around how COVID-19 will be managed in future, now should be an opportunity to set out a framework for future pandemic management to be in place if and when COVID-19 is managed to the point health restrictions are no longer required. This will ensure the aviation industry is more resilient in future and can continue to play its vital role in connecting the UK to the world.



²⁹ HM Government, [The Benefits of Brexit. How the UK is taking advantage of leaving the EU](#) (London, Her Majesty's Stationary Office, 2022), p. 67



ABOUT THE AOA

The Airport Operators Association (AOA) is the trade association that represents UK airports. Its mission is to see UK airports grow sustainably. The AOA represents the views of UK airports to Government, Parliament and regulators to secure policy outcomes that help deliver its mission. It represents more than 50 UK airports in the UK.

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