

THE FUTURE DEVELOPMENT OF AIR TRANSPORT IN THE UNITED KINGDOM : SOUTH EAST

1 SUMMARY

- 1.1 This report seeks Members' views on a Department of Transport consultation document on the future of air transport in the South East. The closing date for consultation responses is 30th November 2002.

2 INTRODUCTION

- 2.1 The Government has published a very detailed report into the future of air transport in the South East. Related documents have been published for other parts of the United Kingdom. A copy of the summary document has been placed in the Members Room.
- 2.2 The consultation document includes a series of questions for consultees. These are attached to this report as Appendix 1. However, in addition, the Government has also published an NOP questionnaire and this is attached for information as Appendix 2.

3 BACKGROUND

- 3.1 The key to the Government's concerns about the future of air travel relates to forecasts of the levels of passenger traffic in 2030.
- 3.2 Taking into account the need to control the growth in CO² emissions and cost pressures on Airlines, the forecasts suggest that in the South East, passenger numbers will grow from 117 million in 2000 to 301 million in 2030. This growth is unconstrained passenger demand before account is taken of capacity limitations at individual Airports.
- 3.3 The report concludes that the costs of failing to build new runway capacity would be:
- direct costs to the travelling public through fare increases
 - large numbers of people being prevented from flying at all
 - South East travellers being forced to use Regional Airports
 - indirect costs to the economy (business costs, reduction in foreign investment, reduction in tourism)
 - changes in the structure of air services with the loss of lower margin routes.
- 3.4 There is already a capacity shortfall at existing Airports, particularly Heathrow and Gatwick, to the extent that:

- more delays are occurring
- Heathrow is not able to operate as a full hub for incoming and outgoing waves of services
- there will be less route development
- flights will cost more
- there is a reduction in the number of links between Heathrow and UK Regional Airports

3.5 The forecast estimates for future passenger demand reinforce the attractiveness of Heathrow to both passengers and Airlines. However, if further development could not be justified, then the report proposes two options: the expansion of an existing Airport (Stansted) or a new purpose built Airport at Cliffe (Hoo Peninsula, North Kent).

4 OPTIONS

4.1 The report considers options for Heathrow, Stansted, Luton and Cliffe as well as other first and second tier Airports in the South East. The latter group includes Southend.

Heathrow

4.2 The option for Heathrow, favoured by the Government, would be the construction of a new 2000 metre runway to the North of the existing two runways. This would increase capacity from 116mppa to 128mppa (million passengers per annum).

4.3 The key issues arising from a new runway would be:

- new rail capacity and links
- improvements to A4 and M4, although no other substantive additional enhancements to the strategic road network.
- area of Airport increasing from 12km² to 14km²
- loss of 260 residential properties
- loss of 230 ha of agricultural land (all in the Green Belt)
- increase in the number of people affected by noise
- some increase in the number of people exposed to CO² over the EU limit, although dependent on improvements in engine technology
- an increase in the number of jobs (direct on-site, direct off-site and indirect)
- possibly 30,000 additional dwellings by 2015 and a further 10,000 by 2030.

Stansted

4.4 The Airport currently has a single runway and terminal. Options for one, two and three additional runways are proposed and the report suggests this could enable it to become a second international hub

Airport. The base case assumes 15 mppa rather than the 25mppa capacity currently being considered.

- 4.5 The first option would be to add a second full length runway about 2500 metres East of the existing runway. The second option adds a further runway North West of the existing runway. Finally, a third runway could be added parallel to the option 1 runway.
- 4.6 In terms of forecast use in 2030 under each option, the figures are 74 mppa (1 runway), 98 mppa (2 runways) and 122 mppa (3 runways). These figures demonstrate a very substantial increase in passenger numbers and the key issues arising as a result would be:
- significant new rail infrastructure required
 - new dual carriageway access roads, 4 lanes on the M25 (Junctions 26 & 27) and widening of the M11 with two or three additional runways
 - area of Airport increased from 9.5 km² to 22 km² (max)
 - between 100 and 200 residential properties lost
 - 700-1200 ha high grade agricultural land would be lost
 - loss of half of a Woodland Site of Special Scientific Interest
 - an increase in the number of people affected by noise
 - substantial increase in the number of jobs, but allied to a large increase in dwellings. (44% in excess of Regional Planning Guidance in Uttlesford and East Herts districts) (18,000 dwellings and 40,000 population in total).

Cliffe

- 4.7 This site has been identified as an option due to:
- sufficient land being available
 - potentially good surface transport links
 - few people displaced by construction
 - low numbers of people affected by noise
 - potential 24 hour operation
 - support for regeneration policies of Thames Gateway
- 4.8 In terms of key issues and impacts, the following are anticipated:
- a new Lower Thames Crossing
 - a possible second Thames crossing at Benfleet
 - 1100 residential homes taken
 - 2000 ha of agricultural land lost
 - an impact on the Thames Estuary and Marshes SPA and Northward Hill SSSI

- high adverse impacts against all water objectives (sustainable water supplies, protection against pollution, etc.) except groundwater
- Airport's employment needs met from limited additional housing development to 2030.

5 CONSIDERATION OF OPTIONS

5.1 The various options discussed in the report can be summarised as follows:

- base case (no development)
- maximum use of existing runways
- Heathrow : one new runway
- Stansted : one new runway
- Heathrow & Stansted : two new runways
- Heathrow : one new runway and Stansted two new runways
- Stansted : three new runways
- Cliffe : four runways

5.2 Leaving aside for a moment the broader implications and future requirements for Airport capacity in the South East, it is clear that the options outlined for Stansted and for Cliffe will have the greatest potential impact on Rochford and Essex.

5.3 The development of Heathrow may be an option, but in reality there are significant constraints that will, in all likelihood, prevent the construction of a new runway.

5.4 Cliffe has some attraction, given its location, although the environmental impact on wildlife would be significant and, as the report indicates, much work would be required to understand and to mitigate the impact of substantial bird populations against Airport operation.

5.5 It is also the case that Cliffe is a green field site with no existing substantial road or rail access, or infrastructure. The cost of developing a new Airport in this location would be very substantial and, given the advantages apparent at Stansted, it is not clear that the level of investment required would be attainable. The costs include not just financial resources, but the environmental costs and impacts resulting from the development of an extremely sensitive environmental location which will certainly affect both sides of the Thames Estuary.

5.6 Stansted on the other hand is a fully operational International Airport and whilst, as the report indicates, additional infrastructure would certainly be required, such provision is in a different dimension from the requirements of constructing an Airport from scratch.

5.7 Therefore, despite the report outlining nine options for Airport development and, leaving aside the efficiency of the projections of passenger numbers, it is suggested that it is difficult to conclude other than that a substantial expansion of Stansted is the most likely outcome of the Study.

5.8 If this is the most likely outcome, then it is important to assess the implications for South East Essex.

6 OTHER SOUTH EAST AIRPORTS

6.1 The report looks at other Airports in the South East, including Southend and concluded that these can play a niche role in the future by:

- serving local markets on routes where local demand is sufficient to make air services viable
- catering for passengers and freight displaced from larger Airports due to capacity constraints
- playing an increasing role in providing facilities for general aviation

6.2 London City, Southampton and Norwich are classified as first tier Airports, whilst second tier Airports are Biggin Hill, Cambridge, Farnborough, Lydd, Manston, Shoreham and Southend.

6.3 At each site the scale of possible development, the potential capacity and main impacts and constraints are considered for the period to 2030.

6.4 For Southend, a maximum capacity of 2 mppa is assumed, but constraints are identified in terms of the ability to lengthen the runway and noise impacts on the residential areas of Southend. Despite the constraints, the report nevertheless suggests that Southend could be carrying 2 mppa by 2030, although it is admitted this level is unlikely to be achieved if additional runways were built at Airports in the South East. This may be because of technical constraints on air space, but the report argues that passengers and Airlines may continue to favour more distant, larger Airports even outside the SERAS region.

6.5 The report also indicates that a new Airport at Cliffe would result in the closure of Southend. Interestingly though, Andrew Walters, the Chairman of RAL disputes this fact and argues that, "Southend would be, by that time, a well established base. Many of the maintenance and some of the smaller freight and passenger flights would wish to continue at Southend, as would flying training, and the airport tenants would not wish to relocate to new and more expensive facilities at a new Cliffe airport".

- 6.6 As far as business aviation is concerned (owned or chartered aircraft) and taking into account the caveats above, the report seeks a view on the merits of Southend for this purpose.

7 DISCUSSION

- 7.1 The comments in Section 5 conclude that, taking a range of factors into account, there is a strong likelihood of Stansted emerging as the favoured option for major airport expansion in the South East.
- 7.2 Expansion of Stansted to the levels suggested with one, two or three additional runways, would certainly result in major changes for West Essex - the M11 corridor. The knock-on effects in South East Essex are difficult to gauge, although there is every likelihood that workers would reside over a wide area and not just in the immediate vicinity of the Airport.
- 7.3 From the perspective of Southend Airport, the development of Stansted would certainly be a better option than Cliffe, which, the report argues, would result in automatic closure (though as discussed, this is disputed by the RAL). The opportunity to develop at Southend is still at the moment tied to decisions around the runway and the future of the Grade I Church. If matters can be satisfactorily resolved, then Southend would have a role to play, particularly in the business market and perhaps freight, although the suggested 2mppa assumed in the report is perhaps overly ambitious and optimistic.
- 7.4 At the heart of the debate though on the future of aviation lies the Government's projections on the increases in air travel likely over the period to 2030. Whilst no doubt the forecasting model is very sophisticated, it is suggested that an unconstrained growth of 3 times existing passenger demand in the South East does not, on the face of it, seem wholly realistic. However, the attraction of the Stansted option is that it is very flexible and would allow a major step change in passenger flows to create a second international hub airport, whilst at the same time still allowing the addition of further capacity, if that really was shown to be required.

8 CONCLUSIONS

- 8.1 The report seeks to outline the key issues arising from the consultation document. The Government wants views on the questions included in Appendix 1 to this report. In addition, there is also an NOP Survey which Members might wish to complete.

9 RECOMMENDATION

That Members consider their response to the Consultation Paper on "The Future Development of Air Transport in the United Kingdom : South East". (HPS)

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Background Papers:

DETR Consultation Paper : "The Future Development of Air Transport in the United Kingdom : South East"

Letter from Andrew Walters dated 31st July 2002.

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APPENDIX 1

Summary of questions for Consultees

SECTION 1 – HOW MUCH CAPACITY SHOULD BE PROVIDED?

Q1 Should new airport capacity be provided in the South East over the next 30 years and, if so, how much? What are the main reasons for your answer and how does it measure against the environmental, economic and social objectives of the Government's strategy for sustainable development?

Q2 Should the Government aim to maintain at least one large hub airport in the South East? Is a second hub plausible and if so, should Government seek to promote one, and what would it need to do to achieve this?

Q3 Are there any benefits of aviation to passengers, the aviation industry or the wider economy that the Government should aim in particular to secure through its airports policy? Are there any drawbacks it should aim to avoid?

Q4 Should the Government seek to ensure that the potential employment benefits of aviation growth are spread to those people and localities which are most in need of such benefits?

If so, what should it do to achieve this?

SECTION 2 – WHERE TO PROVIDE ANY NEW AIRPORT CAPACITY?

Q5 To which criteria should the Government attach the most and the least weight in reaching decisions about the location of any new capacity, and why?

Q6 What are the relative merits of these alternative combinations of possible airport development as set out in Chapter 14?

Q7 Giving reasons for your answer, which combinations do you prefer and which do you not favour?

Q8 If you think either Cliffe or Stansted should be developed as a hub airport, should the Government take action to ensure such development can be financed and subsequently fully utilised and if so what form should any action take?

Other South East airports (Chapter 12)

Q9 Should the Government encourage the development of smaller airports to meet as much of the demand as they can attract?

Q10 Should support be given for a specialised low cost/freight and maintenance facility at Alconbury?

Q11 If so, what conditions, in broad terms, should be attached to this support?

Q12 What views do you have about the six sites identified in the SERAS study as having the potential to cater for the demand for Business and other General Aviation?

Freight (Chapter 13)

Q13 How far should the Government make specific provision for the air freight sector in its decisions about future airport capacity in the South East? What might this involve in practice?

SECTION 3 MANAGING THE IMPACTS OF AIRPORT GROWTH

Q14 Are there any specific conditions that you feel should be attached to any or all of the airport options described in Chapters 7-11?

Q15 Are there any impacts reported in the chapters on individual airport options that you consider unacceptable?

Q16 How can local noise and air quality impacts in particular, best be reduced, controlled and mitigated?

Noise controls (Chapter 16)

Q17 What are your views on the following points on the control of noise impacts:

- Do you think that caps on the size of noise contours are the best way to determine a noise limit for an airport? If not, what other limits might you suggest?
- If you agree with the concept of contour caps, what size of noise contours might be desirable and feasible for each option?
- How do you think a contour cap might be regulated and enforced?

Noise mitigation and compensation (Chapter 16)

Q18 What views do you have on the following possible measures:

- Should any residential property which suffers an increase in noise of 3dBA or more as a result of any of these options, and which would be exposed to a noise level of 63dBA daytime or more, be eligible for acoustic insulation?
- Should acoustic insulation for households be extended to other noise-sensitive buildings not normally eligible, such as schools and hospitals, depending on detailed circumstances?
- Should those eligible for insulation be given the choice of either having the

insulation work done or accepting a cash payment of an equivalent amount?

- Should assistance with relocation expenses be offered to households subject to very high levels of noise (such as 69dBA or more)?
- Should offers be made to purchase those properties which would be subject to both a very high level of noise and a large increase in noise?
- Should cash compensation be offered to those households suffering a significant increase in noise to a level greater than 57dBA but less than 63dBA – and therefore not qualifying for insulation?

Night noise (Chapter 16)

Q19 Do you think that a five-yearly review cycle for the night restrictions regime for Heathrow, Gatwick and Stansted is appropriate or should some other review cycle be considered and, if so, what would you suggest? Are specific night noise restrictions needed at any other airport, and if so how should these be determined?

Access to airports by rail and road (Chapter 17)

Q20 Are there specific surface access improvements that should be made a condition of any airport option and any that should *not* be included?

Q21 How should any surface access schemes that are required for a particular airport development option be funded?