

From: David Brazier, Cabinet Member – Transport and Environment

Mike Austerberry, Corporate Director – Enterprise and Environment

To: Cabinet

Subject: Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term in line with ‘Bold Steps for Aviation’

Classification: Unrestricted

Past Pathway of Paper: Cabinet Committee – Environment Highways and Waste, 19 June 2013 – provided comment and recommendations to the Cabinet Member for Transport and Environment

Future Pathway of Paper: Cabinet Member for Transport and Environment – submission to the Airports Commission by 19 July 2013

Electoral Division: Countywide

Summary:

Cabinet is asked to note the outline content of Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term. The content of the submission is in line with Kent County Council’s discussion document ‘Bold Steps for Aviation’ and includes proposals for expansion of some existing airports, better utilisation of regional airports, improved accessibility to airports by rail, and reform of Air Passenger Duty; as an alternative to a new hub airport in the Thames Estuary or off the Kent coast, which is strongly opposed; and in the interests of the national economy the need to act is now.

Recommendation(s):

That Cabinet notes the outline content of Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term as set out in Paragraph 5.2 of this report.

1. Introduction

- 1.1 This report sets out an overview of the content of Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term.
- 1.2 Kent County Council’s response to the Airports Commission must be submitted by 19 July 2013.
- 1.3 The complete submission document meets the technical requirements of the Airports Commission’s Guidance Documents and will be in line with the principles of Kent County Council’s discussion document ‘Bold Steps for Aviation’ (May 2012 with revisions July 2012).

1.4 Cabinet is asked to note the outline content of KCC's submission to the Airports Commission for providing additional airport capacity in the longer term as summarised in this report; which will be submitted by the Cabinet Member for Transport and Environment to the Airports Commission by 19 July 2013.

2. Financial Implications

2.1 N/A

3. Bold Steps for Kent and Policy Framework

3.1 The submission links with the 'Bold Steps for Kent' theme of helping the Kent economy to grow. 'Bold Steps for Transport' in 'Bold Steps for Kent: progress to date and next steps' (December 2012) states that we will explore options to deliver radical transport solutions for East Kent to support vital regeneration through robustly opposing the proposals for a new hub airport in the Thames Estuary by producing 'Bold Steps for Aviation'. This clearly sets out the position that maximising use of existing regional airport capacity, such as Manston (Kent's International) Airport and Lydd; along with some airport expansion and improved rail connections, will cater for the UK's growing demand for aviation.

4. Background and Previous Submissions to the Airports Commission

4.1 The Airports Commission chaired by Sir Howard Davies will report to Government on short and medium term options for how to make the best use of existing airport capacity in an interim report due in December 2013. The interim report will also shortlist feasible options for long term solutions, if a need for additional airport capacity has been identified. These long term solutions will then be investigated further in 2014, with a final report and recommendation due by the summer of 2015. All non-viable long term options will be discarded from further consideration by the interim report in December 2013. The purpose of this report is to inform Cabinet of Kent County Council's submission to the Airports Commission on potential long term options.

4.2 The Airports Commission has published two guidance documents for submitting proposals for additional airport capacity (see section 8 'Background Documents'). The sift criteria for long term capacity options were produced from responses invited up to 15 March 2013 and Kent County Council provided technical comments at officer level by the Director of Planning and Environment to help inform these criteria in line with 'Bold Steps for Aviation'. Submissions to the Airports Commission must follow the technical criteria outlined in these guidance documents.

4.3 The Airports Commission also released a series of discussion papers and invited comments from stakeholders and interested parties to establish whether there is a need for additional airport capacity; and the nature, scale and timing of that need. These include 'Aviation Demand Forecasting' (February 2013); 'Aviation Connectivity and the Economy' (March 2013); 'Aviation and Climate Change' (April 2013); and 'Airport Operational Models' (May 2013). Kent County Council through the Director of Planning and Environment has responded to each of these discussion papers with technical input in line with 'Bold Steps for Aviation'.

4.4 At the same time, the Airports Commission invited proposals for making the best use of **existing airport capacity** in the short and medium terms (next

five to ten years) by 17 May 2013. Kent County Council responded through the Director of Planning and Environment with approval from the Cabinet Member for Transport and Environment, with a submission that was in line with 'Bold Steps for Aviation'. It included recommending to the Airports Commission the following measures:

- correcting the UK's competitive disadvantage in regards to Air Passenger Duty (APD);
- allowing mixed mode operations at Heathrow Airport;
- reforming the existing slot allocation mechanism used at Heathrow;
- maximising runway capacity at Gatwick Airport;
- utilising existing spare capacity at Stansted and Luton airports;
- utilising spare capacity available at airports outside the South East, i.e. Birmingham Airport;
- facilitating growth at regional airports, including Southend, and Manston and Lydd airports in Kent;
- improving accessibility by rail to airports where there is spare capacity to accommodate air passenger growth;
- and conducting a full assessment of other financial and regulatory mechanisms to re-distribute air traffic to airports with spare capacity, including differential APD at un-congested airports.

4.5 In this previous submission to the Airports Commission on how to make the best use of existing airport capacity in the short and medium term (as summarised in Paragraph 4.4 above), it was outlined how there is significant spare capacity at the London airports of Stansted and Luton; and significant potential for growth at the South East's regional airports at Southend, Manston and Lydd in Kent. There is also the potential for Birmingham airport to serve the London and South East market, especially with High Speed 2 rail (HS2) from 2026. We estimated that there is spare capacity for around 60 million passengers per annum (mppa) within the existing airport system in the short term; and the potential to increase this to its theoretical maximum of 112mppa in the medium term, without any additional runways.

5. Current Airports Commission Call for Proposals for Additional Airport Capacity in the Longer Term

5.1 The Airports Commission is currently inviting proposals for providing **additional airport capacity** in the longer term by 19 July 2013. Submissions need to follow the technical requirements specified in the two Airports Commission Guidance Documents and are expected to be approximately 40 pages in length.

5.2 In order to oppose the likely proposals for a new hub airport for up to 150 million passengers per annum in the Thames Estuary or off the Kent coast, Kent County Council will submit a proposal in line with 'Bold Steps for Aviation' for an alternative solution to a new hub airport, which includes the following:

- A second runway at Gatwick to be delivered soon after the 2019 planning agreement ends. Gatwick is approaching its capacity limit for a single runway airport (it is the busiest single runway airport in the world) and additional runway and terminal facilities in the mid 2020s will allow the airport to grow and compete as a hub airport with Heathrow; therefore providing increased long haul connectivity for the UK.

- A second runway at Stansted to be delivered when the need arises, most likely in the 2030s when all London airports (with their current capacity) are forecast to be full.
- Encouragement of competition between the London airports of Heathrow, Gatwick and Stansted, each with two runways, so that a dispersed hub model with a total of six runways spread across the London multi-airport system provides resilience, improved choice, better value and convenience for passengers.
- Consideration of a second runway at Birmingham Airport if the need arises, as a way of relieving demand on the London airports, which may become significant with the airport accessible from London within 38 minutes when HS2 opens in 2026.
- Better utilisation of regional airport capacity in the South East at Southend, Manston and Lydd airports in Kent, for point to point flights, complementing the main London airports that provide hub operations.
- Improved rail connectivity to airports to create an integrated air-rail transport system for London and the South East that facilitates sustainable surface access to the growing airports; and provides the potential for better integration of the London/South East multi-airport system.
- UK airports able to compete with European airports for global aviation with internationally agreed carbon emission limits that apply equally to all countries, therefore not disadvantaging the UK.
- Long term commitment to keep UK airports competitive with European airports in terms of Air Passenger Duty (APD) which currently has a negative impact on the UK's global connectivity and is therefore damaging UK business and tourism; especially to long haul and emerging economies as the UK loses out to its European competitors.

5.3 In the longer term, with the additional runways outlined in KCC's submission, as summarised in Paragraph 5.2 above, we estimate that an additional 210mppa could be accommodated by the existing London airports and this could be increased to 280mppa if Birmingham Airport serves the London/South East market with high speed rail connection. With better utilisation of regional airports in the South East and the applicable short and medium term measures to increase capacity at existing airports (as stated in KCC's previous submission on short and medium term measure, as outlined in paragraphs 4.4 and 4.5); system wide capacity is 318.5 million passengers per annum.

5.4 This additional capacity meets the UK's aviation needs without a new hub airport and can be delivered in a much shorter timescale, for example a second runway at Gatwick could be fully operational by 2025. There is a need to act now to solve the London/South East airport capacity crisis and maintain the UK's status as a global aviation hub.

5.5 The Council's submission presents a high level overview looking at the merits of a strategic approach to airport capacity. It is anticipated that individual airport operators will comprehensively assess all the factors outlined in the Airports Commission's Guidance Documents for any proposed capacity increases at their individual airport sites.

5.6 The Environment, Highways and Waste Cabinet Committee was asked to consider and make recommendations to the Cabinet Member for Transport and Environment on the proposed content of the submission at Cabinet Committee on 19 June 2013. These recommendations were taken into account in shaping the response. Cabinet is now asked to note the outline content of the submission that will be made to the Airports Commission by the

Cabinet Member for Transport and Environment. The submission will be shared with Medway Council, therefore it is anticipated that Medway Council's support will be stated in KCC's response.

- 5.7 Following this submission to the Airports Commission, a revised and updated 'Bold Steps for Aviation' discussion document will be produced summarising Kent County Council's position in the aviation debate. This will be brought to Cabinet Committee and Cabinet at a later date.

6. Conclusions

- 6.1 Cabinet is asked to note the outline content of Kent County Council's submission to the Airports Commission on proposals for providing additional airport capacity in the longer term. The content of the submission is in line with Kent County Council's discussion document 'Bold Steps for Aviation' and includes proposals for expansion of some existing airports, better utilisation of regional airports, improved accessibility to airports by rail, and reform of Air Passenger Duty; as an alternative to a new hub airport in the Thames Estuary or off the Kent coast, which is strongly opposed; and in the interests of the national economy the need to act is now. Specific proposals are outlined in paragraph 5.2 above.

7. Recommendation(s)

Recommendation(s):

That Cabinet notes the outline content of Kent County Council's submission to the Airports Commission on proposals for providing additional airport capacity in the longer term as set out in Paragraph 5.2 of this report.

8. Background Documents

Bold Steps for Aviation, Discussion Document, Kent County Council, May 2012 with revisions July 2012

<https://shareweb.kent.gov.uk/Documents/News/Bold%20Steps%20for%20Aviation%20May%202012.pdf>

Guidance Document 01: Submitting evidence and proposals to the Airports Commission, Airports Commission, February 2013

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70285/submitting-evidence-airports-commission.pdf

Guidance Document 02: Long Term Capacity Options: Sift Criteria, Airports Commission, May 2013

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193867/sift-criteria.pdf

9. Contact details

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