

AIRPORTS COMMISSION DISCUSSION PAPER NO.7:
DELIVERY OF NEW RUNWAY CAPACITY

RESPONSE FROM THE REGIONAL AND BUSINESS AIRPORTS GROUP

Introduction

1. The Regional and Business Airports (RABA) Group believes that the priority of Discussion Paper 7 (DP7) should be the means by which the vitally important underlying policy objectives of New Runway Capacity are delivered. Critically this includes what extant or new powers are needed to ensure that all parts of the UK benefit from what is certainly a 'national' (rather than simply a South East) infrastructure project. The RABA Group notes that, whilst the paper is comprehensive in its exploration and analysis of the relative merits of the two principal legal mechanisms available for delivering the new runway as a very large "project" - namely a National Strategic Infrastructure Project (NSIP) application or a Hybrid Bill – a similar level of attention is not given to the delivery of, in our view, higher priority, policy objectives .
2. We touch on some of these issues below, but are ourselves doing further work on these regionally focused delivery mechanisms. RAPA Group would welcome the opportunity to engage with the Commission and its legal advisers, on this issue before submission of a final and more detailed response.

Securing Project Approval and Delivery – NSIP vs Hybrid Bill

3. In relation to DP7's focus on securing approval and delivery of a new runway, RAPA Group's interest is not exactly how it is done, or even at this stage which scheme option it applies to. We are very interested, however, in the project being handled expeditiously, using whichever approach offers (a) the greatest chance of success and (b) the scope for access by services from regional airports to be incorporated through conditions attached to the approval of the project. In that respect the Group's key objectives in relation to regional air access, are critical, most notably:

"Securing (a) an appropriate number of (b) 'affordable', (c) ring-fenced slots associated with the new runway to ensure enhanced air access to (d) London and (e) a wide range of onward global connections from (f) those UK's region's and nations that need them is secured".

4. There are also other areas RABA Group feel the Commission should address, as we set out in our response to DP6; we will not repeat those here, but merely offer the observation that of the two principal legislative routes a Hybrid Bill may have benefits, because:
 - It allows primary legislation to be dis-applied or created from scratch in a bespoke form that meets the needs of all aspects of the project to be met and approved.
 - It is a proven and reliable route for dealing with large and complex projects.
5. In reality the legislation for the project will need to cover a lot more than a simple planning approval and Compulsory Purchase Orders, and these aspects nearly all fall

under the category of broader public/state (and in this case even international) interests.

6. Having said this RABA does not have a preference for the legislative mechanism, because it is not yet clear:
 - what can, or cannot, be encompassed within the two approaches – in particular in terms of regional access guarantees; and
 - which approach the Commission favours for different scheme options.
7. Whichever process is chosen must deliver conditions/undertakings guaranteeing regional access, otherwise it is not a national project justifying either procedure.

Questions in DP7

8. Having set out our strategic position, we turn now to the core questions that the Commission asks in the final section of the Discussion Paper.

Legal and Planning Issues

Q1: What do you think of the options for securing planning consent on new airport capacity? What are their particular strengths or weaknesses?

9. As above, for RABA the primary choice is between an NSIP or Hybrid Bill. It is worth adding, however, that creating a National Hub that is globally competitive is undoubtedly of sufficient national importance to justify a Hybrid Bill and, equally, an accompanying National Planning Statement.

Q2: Are there any others options that the Commission should consider?

10. Of the other options for delivering projects of this scale, importance and complexity, mainstream planning procedures, or even something like a Local Development Order designation, will not guarantee the delivery of the underlying policy objectives of the project, nor the ring-fencing of slots we consider essential for our support. The creation of a Project Delivery Authority (e.g. as for the Olympics), or a Development Corporation (as for Docklands) could work, but they would need primary legislation as well, and a Hybrid Bill could equally make provision for the establishment of such entities.

Local Communities

Q3: What are the factors the Commission should consider in relation to local communities and the delivery of new airport capacity?

11. RABA Group believes that that the key questions facing the Commission in this area are as follows:
 - Are the local impacts so intolerable as to outweigh any wider benefits?
 - If the answer to this is no, then what characteristics must a successful mitigation and compensation package possess if it is to offset those impacts?
 - To what extent do schemes put forward by promoters match these?

- Which stakeholders need to be co-ordinated to deliver what aspects of that package?
 - What is an appropriate cost burden on the project and what should be funded by the state?
12. RABAG suggests that a co-ordinating body should be established to oversee delivery along the lines of the HS2 Task Force. The interests of smaller regional airports and the communities and markets they serve would only be properly reflected in the work of this body only if a RABA were allocated a place on it.

Role of the State

Q4: What are your views on the potential roles of the state in enabling the delivery of new airport capacity?

13. The State should take a more proactive UK wide role in ensuring adequate provision of airport capacity in general, but this is especially the case where projects of national significance are required. If projects are of this status, then it is incumbent on the Government to ensure its wider strategic and regional impacts are fully evaluated and considered as well as local ones.
14. The State need not act as promoter, unless there is no other party to take on that role.
15. The State must provide a coherent national policy framework within which such projects sit; smaller developments elsewhere can be taken through the local planning system. The current Airport Planning Framework does not provide that; it is not detailed or specific enough about key projects of regional as well as national significance and gives insufficient attention to the potential contribution to regional economic development and National Social Cohesion by thriving smaller regional and business airports.
16. The State has an obligation to ensure the provision of off-site infrastructure that has wider value and is not solely or even mainly for the airport. In this regard the State may itself need to be the provider of the infrastructure. It is therefore essential that the State creates a regulatory and fiscal environment that makes the core airport investment attractive to private funders having regard to the scale and longevity of the project.
17. The State must specify what additional mitigation/compensation is needed to properly balance the needs of local stakeholders whose interests are impacted against the benefits derived from those further afield. As a truly National project, the Government must ensure those positive benefits are felt in every part of the UK, not just in London and the South East. These considerations, delivering the policy objectives underlying the need for New Runway Capacity, may only be met if there are appropriate conditions on the DCO or requirements and undertakings are attached to the Hybrid Bill to deliver the project in its entirety.
18. RABA Group emphasises that, most importantly, the State has a crucial role to play in ensuring that there is sufficient airport/runway capacity in the UK. The State should not be disengaging in the manner it has done over the last 30 years, but rather should be doing whatever is necessary to ensure sufficient capacity is provided. An NPS on

airports is just one example of a mechanism by which the government could exert a greater influence.

19. The capacity generated by an NPS would ensure that regional airports are connected to London and also global air networks. To this end the government should be proactive in supporting regional airports and airlines so that there are links from regional airports to London and to hub airports.

Q5: How can public and private sector interest be best coordinated to deliver new airport capacity as expeditiously as practicable?

20. The Government needs to put in place a framework, deliver an approval and then consistently interpret and implement it. This will require political consensus and speedy action so that the project is underway before the 2020 election.
21. A project specific delivery authority and a Minister with specific responsibility for its delivery with access to the Prime Minister or Chancellor or senior cross-party delivery Group etc need to be put in place. The very best project leaders must then be appointed to head the authority as happened for the Olympics and is now happening for HS2. It is of vital importance to that regional airport interests such as RABA are represented on it.

General

Q6: Are these the right issues for the Commission to consider in relation to the expeditious delivery of any new airport capacity?

22. In short, yes, the Commission is asking the right questions, but it also needs to have regard to:
 - How to secure and maintain political consensus until the project is irreversibly committed?
 - How to ensure that the regulatory regime put in place by the CAA does not undermine the financial viability of the project in its desire to meet its new consumer and environment focused objectives. In this regard, the consultation on CAP 1195 was extremely material to the runway project and yet it has largely gone unnoticed given the attention focused on the Airports Commission's work. For example, none of RABA's members, or our local stakeholders, were directly approached or consulted on it by CAA.
 - How to ensure the mechanisms needed to spread the project's benefits to all parts of the country (e.g. regional air access, supply chains) are put in place through the legislative format chosen?
23. More broadly, even if consent for new capacity is ultimately to be delivered by Hybrid Bill rather than DCO, RABA Group would nonetheless welcome the production of an appropriately detailed National Policy Statement for Airports; the current Airport Policy Framework does not provide this in the way, for example, that the 2003 Air Transport White Paper did. We consider it important that the Commission makes recommendations to Government on how to achieve this, and what the content should be.

24. If the full contribution to National Interest is to be made by the New Runway Capacity, the Commission must consider how latent benefits to regions and their airports may be realised. Although it may initially appear that provision of new capacity in the South East is a site site-specific issue, RABA Group suggests that it is imperative that the Commission should also give general, non-site specific guidance in relation to development at regional sites. It could, for example, provide useful backing for regional airports that are seeking to diversify their income streams. Regional airports provide useful services to their communities and contribute to UK transport connectivity, but they frequently make losses from their air transport business operations. Development that allows airports to earn income from alternative sources helps to ensure that these airports survive and continue to carry out their useful transport and regional development roles.

Other Observations

25. RABA Group suggests that the Commission needs to flag to Government, and HM treasury in particular, the need for the APD regime to be made compatible with these broader objectives if the Provision of New Runway Capacity is to succeed with delivering the maximum National benefit.
26. RABA Group also suggests that regulated pricing at congested airports must also be examined to ensure that the interests of consumers in the regions, as well as those in London and the South East, are protected and promoted by the regime dictating the use of that New Runway Capacity.

Conclusions

27. In closing, we would like to thank the Commission for the opportunity to comment on these issues. If there is any aspect of our response that requires clarification we trust that you will contact the Group's Chairman, and we look forward to having the chance to engage further with the Commission again shortly as its deliberations continue.