



York Aviation

Note to Public Inquiry into developments at London Ashford Airport (APP/L2250/V/10/2131934 & APP/L2250/V/10/2131936)

1. This Note is submitted as requested by the Inquiry to clarify points that arose during the course of my evidence and to supply further information as promised to assist the Inquiry. I also deal with one additional factual issue raised by Louise Barton for LAAG under cross examination.
2. This Supplementary Note covers:
 - General and Business Aviation forecasts, including:
 - the basis of General Aviation forecasts generally;
 - estimates of Business Aviation activity in the London area;
 - the scope for growth and displacement from major airports to be accommodated at other airports;
 - the upper and lower bounds to Business Aviation activity at LAA;
 - Runway lengths and capability at comparable airports;
 - Market capture rates at regional airports;
 - Alternative journey times by rail to expected LAA flight destinations;
 - Availability and use of CAA data in the 1980s.
3. I also deal briefly with the recent Government Consultation Documents on *“Developing a sustainable framework for UK aviation”* and *“Reform of Air Passenger Duty”*, which have been produced since I gave evidence to the Inquiry.

General and Business Aviation forecasts

Derivation of General Aviation fleet mix forecasts

4. As stated in oral evidence, the fleet mix forecasts for General Aviation (GA) activity at LAA were derived from Appendix 16.4 of the Terminal Building ES (CD1.14). However, in adopting these fleet mix forecasts, I specifically checked the prospects for growth of general aviation activity at LAA having regard to the hangarage at the Airport, expected growth in private flight training activity and the growth prospects for GA more generally, taking into account the facilities offered at LAA. As discussed in oral evidence, these facilities exist today and are not dependent on the success of the applications and I considered that these fleet mix forecasts were reliable and reasonable.

5. Specific questions were posed to me during cross examination regarding the Business Aviation element of the GA projections. I undertook to clarify further the points that I have already made in my Supplementary Proof (LAA/4/G) which I do below.

Future Business Aviation demand in the London area

6. In my Supplementary Proof of Evidence, I noted at paragraph 2.16 that assuming a 5% per annum growth as projected by Eurocontrol, the number of Business Aviation flights in the London area would be expected to double over a period of approximately 14 years and that, even allowing for some slowing of growth over time, such a volume of business aviation demand would be reached at least by 2030.
7. In practice, the doubling of quantifiable Business Aviation movements to 140,000 per annum in the London area is likely to be reached earlier than 2030. This is because achieving this movement level would only require an average annual growth of 3.5% per annum over current recorded movement levels. This is lower than would be expected and, hence, should be considered to be very much a lower or cautious bound for the volume of expected Business Aviation in the London area by 2030.
8. As I also stated in the same paragraph of my Supplementary Proof, allowance has to be made for Business Aviation movements using airports which do not report their data to the CAA. In Table of 2.2 of my Supplementary Proof of Evidence (LAA/4/G), I show current quantifiable Business Aviation movements as being some 70,000 in 2010, including those movements recorded by the CAA and by Farnborough Airport. This figure excludes Business Aviation activity at smaller non-reporting airports, such as Northholt, and excludes some business related movements classified as private. It is, therefore, not possible to say precisely how many Business Aviation movements were operated across London and the South East as a whole, but 80,000 such movements in 2010 is a reasonable and informed assumption.
9. At a level of 3.5% per annum growth, the total number of Business Aviation movements would, hence, reach 160,000 by 2030 and at level of 5% per annum growth some 212,000 movements in 2030.
10. Overall, a reasonable growth range would appear to be somewhere between 140,000, based on a simple doubling of quantifiable movements, and 200,000, requiring an average annual growth of just under 5%, Business Aviation movements in the South East by 2030. This takes into account the Eurocontrol short term projection of 5% per annum growth in the short to medium term and an expected slowing of growth over the longer term. I consider that the most likely outcome is around 166,000 movements a year on the basis of 5% per annum growth in the short to medium term, slowing to 3.5% per annum growth by 2030.

Scope for other airports to accommodate growth

11. Of the 70,000 current reported Business Aviation movements in the London area, the majority are currently handled at London City, Luton, Biggin Hill and Farnborough airports. There is limited Business Aviation Activity at Heathrow and Gatwick airports and that at Stansted has declined more substantially than elsewhere in recent years.

12. As I have already explained in evidence, given the Coalition Government's policy against the provision of additional runways at the main London airports, it is inevitable that slots for Business Aviation movements will be come increasingly restricted at the main London airports as they strive to accommodate commercial air transport movements. The same pressures will be felt at London City airport and at Luton airport, the latter suffering in particular from severe apron space restrictions such that Business Aviation activity there will also be at risk over the medium to long term. It is reasonable to assume that at least half of the existing level of movements will be displaced over the period to 2030, adding at least 20,000 movements to growth in movements which will need to be accommodated at airports in and around the London area by 2030. Hence, I consider it is inevitable that somewhere between 90,000 to 150,000 additional Business Aviation movements will need to be accommodated at other airports serving the London area over the period to 2030.
13. Given its recent approval to expand to 50,000 movements per annum, Farnborough will be able to accommodate 26,500 movements of this growth in addition to its existing 23,500 movements in 2010 as set out in Table 2.2 of LAA/4/g..
14. Biggin Hill airport also has some scope to accommodate additional business aviation movements. It has a total movement cap under its lease from Bromley Council of 125,000 movements a year. This might at first glance suggest that there is substantial scope for growth, but this would be a misleading impression. Despite growth in Business Aviation activity in the London area, Biggin Hill has only so far attracted a maximum of 14,277 Business Aviation movements in 2007 (LAA/4/G, Table 2.2). This is likely to be because, as discussed in my Supplementary Proof of Evidence, it is subject to limitations on its opening hours making it less attractive for day return business trips to and from its catchment area. These early morning and evening limitations are a substantial deterrent to further increases in Business Aviation activity seeking to access London for business meetings. Moreover, the Council has recently shown itself unwilling to allow these limits to be relaxed even for the duration of the Olympic Games¹.
15. In addition, Biggin Hill airport operates in an area of congested airspace, with conflicts and constraints related to the approved growth in demand at London City airport (see objection by Regional Airports Ltd, the owners of Biggin Hill, to London City airport's application to increase its annual aircraft movements to 120,000 per annum which was subsequently approved.²) With all these restrictions in place, it seems unlikely that Biggin Hill will be able to attract any more than double its recent maximum number of such movements (representing a 200% increase over existing levels) to 30,000 Business Aviation movements a year, an increase of around 20,000 over current levels.
16. It was also suggested that Kent International airport at Manston would be a competitor for such Business Aviation activity. According to the study undertaken for the Department for Transport in connection with the Olympic Games³, Kent International could accommodate up to 10 'live' Business Aviation at any one time. This would equate to 20 aircraft movements a day or some 7,300 Business Aviation movements a year.

¹http://www.bromleytimes.co.uk/news/travel/biggin_hill_olympic_airport_bid_shot_down_1_83868

³.

² Attached at **Annex A**.

³ CD8.22, Appendix B.12.3,

17. In total, then, Farnborough, Biggin Hill and Kent International have the capability to attract and handle of the order of an additional 54,000 Business Aviation movements a year based on their current facilities and planning/leasehold agreements.
18. I set out in **Table 1**, the level of unsatisfied Business Aviation demand which will need to be accommodated at LAA and other airports serving the wider London and South East market. I have also set out the number of such movements expected at LAA. As can be seen, the forecasts for LAA only expect LAA to be handling substantial numbers of such movements towards the end of the period, by which time there will be a severe shortage of capacity in the London area as a whole. The forecasts are based upon LAA only attracting a mere 8,395 Business Aviation movements (or 8,200 more than in 2010), out of a total surplus number of movements to be accommodated of over 62,000. I consider that this is a realistic and cautious assessment of the prospects for Business Aviation activity at LAA.

Upper and lower bound for Business Aviation potential at LAA

19. Even if growth in Business Aviation activity in London and the South East were towards the lower end of the anticipated range, the forecast for LAA would still only be expecting to pick up less than 25% of the surplus activity (8,200 out of 36,000 surplus movements at 140,000 total demand). If demand proves to be at the upper end of the range, the total surplus number of movements would be 96,000, indicating the cautious nature of the forecasts for LAA that have been used.
20. At the lower end of the range, it is reasonable to assume that LAA would attract the expected level of Business Aviation movements given the excess demand seeking to be accommodated in the London area. However, at the upper end of the range and, in circumstances where LAA would be unconstrained by the 40,000 movement limit proposed with the planning permission, the reality is that LAA could well attract significantly greater numbers of such movements, potentially up to double the number allowed for in the Fallback case presented to the Inquiry. The Fallback scenario therefore represents a modest and cautious assessment of the anticipated aviation activity at LAA absent the grant of planning permission, based on very conservative estimates of growth in Business Aviation. This, therefore, demonstrates that the comparisons made with the fallback are robust and conservative.

Table 1: York Aviation Total Aircraft Movements by Year by Scenario

	Year																				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Likely Business Aviation Movements	70,000	73,500	77,175	81,034	85,085	89,340	93,807	98,497	102,929	107,561	112,401	117,460	122,745	127,655	132,761	138,072	143,595	149,338	155,312	160,748	166,374
Growth		3,500	7,175	11,034	15,085	19,340	23,807	28,497	32,929	37,561	42,401	47,460	52,745	57,655	62,761	68,072	73,595	79,338	85,312	90,748	96,374
Displacement		500	607	737	895	1,087	1,320	1,603	1,946	2,363	2,870	3,485	4,231	5,138	6,239	7,576	9,199	11,171	13,564	16,471	20,000
Total to be accommodated		4,000	7,782	11,771	15,981	20,427	25,127	30,100	34,876	39,925	45,271	50,944	56,977	62,793	69,000	75,648	82,794	90,509	98,876	107,218	116,374
Available Capacity Farnborough + Biggin Hill + Kent		54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Surplus to be accommodated		-50,000	-46,218	-42,229	-38,019	-33,573	-28,873	-23,900	-19,124	-14,075	-8,729	-3,056	2,977	8,793	15,000	21,648	28,794	36,509	44,876	53,218	62,374
Projected Business Aviation movements at LAA	195	235	284	342	413	499	602	726	877	1,058	1,277	1,541	1,860	2,246	2,710	3,271	3,948	4,766	5,752	6,942	8,395

Rates of Growth

- 21. It was suggested that the rates of Business Aviation growth projected at LAA were unrealistic representing growth projections at 21% per annum over the period. However, this is from a very low base.
- 22. Such rates of growth have a precedent at other airports, as illustrated by growth at Farnborough airport, prior to the recession. This is shown in **Table 2**. Growth over the period 2005-2007 reached 21% per annum, with significantly higher growth in terms of absolute numbers of movements than is contemplated at LAA.

Table 2: Growth in Business Aviation Movements at Farnborough						
	2005	2006	2007	2008	2009	2010
Movements	18,469	21,365	26,507	25,504	22,779	23,511
Growth Rate		16%	24%	-4%	-11%	3%
Source: TAG Farnborough						

- 23. The rates of Business Aviation growth projected for LAA are, therefore, in line with what has been seen elsewhere. I, therefore, do not consider this unreasonable, particularly within the context of the substantial surplus demand requiring to be accommodated over the period to 2030.

Runway Lengths at Comparable Airports

- 24. Following my oral evidence, I submitted a Note to the Inquiry (LAA/4/H) setting out examples of runway lengths at comparable airports and the routes which airlines were able to operate from such runways. I indicated that this table was incomplete and that I would submit a complete version as part of this Note. This is set out below in **Table 3**.
- 25. It should be noted that low fares airlines take-off and land at similar weights to charter carriers, as both configure their aircraft with maximum seats, and aim to fill them to a high level. Hence, both types of service have similar runway length requirements for the same destination and aircraft type.

Table 3: Comparator Airport Runway Characteristics and Regular Code C Aircraft Operations

Airport	Runway	Runway Length	TORA (m)	TODA (m)	ASDA (m)	LDA (m)	Airline	Aircraft Type	Destination	Distance (Km)	Service Type	Notes:
Lydd Current	03	1,505	1,470	1,979	1,470	1,470	N/A					Average Annual Rainfall, 27.4 Inches, and Annual Mean Temperature 10.6°C*
	21	1,505	1,505	1,681	1,470	1,505						
Lydd Proposed	03	1,799	1,799	1,979	1,799	1,799						
	21	1,799	1,949	1,979	1,949	1,799						
Belfast City Airport	04	1,829	1,829	2,029	1,829	1,737	bmi British Midland	Airbus A321	London Heathrow	503	Full Service	Wizzair no longer operates to CVT
	22	1,829	1,767	1,917	1,767	1,767		Airbus A320	London Heathrow	503	Full Service	
Coventry	05	2,008	1,615	1,865	1,795	1,615	Wizzair	Airbus A320	Katowice	1,450**	Low Fares	
	23	2,008	1,825	2,059	1,918	1,615		Airbus A320	Gdansk	1,350**	Low Fares	
Jersey	09	1,706	1,706	1,889	1,705	1,645	British Airways	Airbus A319	London Gatwick	259	Full Service	
	27	1,706	1,645	2,469	1,645	1,554		Boeing-737-400	London Gatwick	259	Full Service	
							Air Berlin	Airbus A319	Dusseldorf	674	Low Fares	
							Aer Lingus	Airbus A320	Dublin	548	Low Fares	
							easyJet	Airbus A319	Liverpool	461	Low Fares	
							bmibaby	Boeing-737-300	Cardiff	257	Low Fares	
									East Midlands	407	Low Fares	
									Manchester	460	Low Fares	
Gibraltar	09	1,829	1,829	N/A	N/A	1,737	British Airways	Airbus A320	London Heathrow	1,746	Full Service	Average Annual Rainfall, 30.2 Inches, and Annual Mean Temperature 18.4°C***
	27	1,829	1,829	N/A	N/A	1,717	easyJet	Airbus A319	Liverpool	1,920	Low Fares	
							Monarch Airlines	Airbus A320	Manchester	1,927	Charter Style	
City of Derry (Pre-Extension)	08	1,852	1,812	N/A	N/A	1,690	First Choice	Airbus A320	Palma	1,873	Charter	First Choice and Futura operated the same routes in consecutive years 2006-2008. LTE operated Lanzarote (non-stop) in 2007
	26	1,852	1,817	N/A	N/A	1,817	Futura	Boeing-737-400	Reus	1,660	Charter	
							LTE	Airbus A320	Lanzarote	2,947	Charter	

Notes:

*www.tonbridge-weather.org.uk

**Estimated

**www.climatetemp.info

Low Fares carriers operate seat configurations and load factors which are comparable to those of Charter Carriers and so their aircraft are likely to land at similar weights to Charter Carriers

Source: Airport AIPs, Airport/Airline/Tour Operator Websites, OAG, Discussions with City of Derry Airport, CAA Statistics

26. When considering operations at an airport, airlines will take account of the most limiting runway direction, i.e. that with the most restricted runway length. For some airlines, such as Ryanair, landing distance is more critical than the departure distances. For others, take-off distances will be the limiting operational factors.
27. Of particular relevance to consideration of operations from LAA's extended runway are the existing operations at Gibraltar and Derry by Airbus A320 and Boeing-737 aircraft⁴, which are representative of the types expected at LAA in my forecasts. Such aircraft have operated from these airports on routes of similar sector lengths despite the shorter landing distances. Comparative sector lengths are set out in Table 3 and those from LAA in **Table 4**. Routes from Gibraltar to the UK and the services operated from Derry to Lanzarote are representative of the longest sector lengths which I would expect to operate from LAA. A further factor at Gibraltar in terms of runway length is the higher temperatures involved, which necessitate longer runway distances. It is also notable that there is no evidence that LAA will experience more instances of wet weather than the airports which I have used as a basis for comparison.

Table 3: Approximate Destination Range from Lydd		
Destination	Kilometers	Nautical Miles
Alicante	1,462	789
Barcelona	1,120	605
Belfast	602	325
Dublin	563	304
Edinburgh	596	322
Faro	1,755	948
Geneva	669	361
Glasgow	628	339
Grenoble	729	394
Ibiza	1,389	750
Jersey	347	187
Lanzarote	2,783	1,503
Larnaca	3,156	1,704
Madrid	1,268	685
Malaga	1,698	917
Malta	2,015	1,088
Murcia	1,519	820
Naples	1,529	826
Nice	962	519
Palma	1,317	711
Paphos	3,096	1,672
Tenerife (TFS)	2,992	1,616
Turin	828	447
Venice	1,039	561
Source: OAG		

⁴ B737-400 aircraft as used on some routes have a poorer runway performance than B737-800 aircraft.

Market capture rates at regional airports

28. I was asked about the derivation of the market capture assumptions which I made for LAA in relation to districts within its catchment area, as set out in paragraphs 5.23 and 5.24 of my main Proof of Evidence LAA/4/A. I stated that these were based on observed market capture rates at other regional airports where there are neighbouring airports competing to attract passengers on the same routes.
29. At the outset, it is worth reiterating that the stated market capture rates are only an initial assumption used to assess the maximum proportion of passengers which LAA might capture from across the whole of the districts comprising the inner, outer east and outer west segments of the catchment area in order to test where a route to a particular destination might become viable over the period to 2030. It should be emphasised that the rate of capture will be higher nearer to the Airport and lower further away even within the inner catchment area.
30. From this initial assessment of the size of the market which LAA could potentially attract, taking into account stimulation in the market as explained at paragraph 5.29 of my main Proof of Evidence, the volume of passengers predicted to use LAA on any given route is constrained to that which can be carried at a realistic load factor according to the type of service (charter, low fares or regional) and frequency. As a result, the actual market capture by district I have used in the forecasts is generally below the 60% or 70% ceilings assumed for the inner catchment area by 2030 in the lower and higher growth scenarios respectively. The calculated market capture varies route by route within the forecasts for 2030 is further detailed in **Table 5**.

Destination	2009 Total Underlying Demand	2009 Inner Catchment Potential	2030 Total Underlying Demand	2030 Inner Catchment Demand	Forecast Passengers	Capture of Total Underlying Demand	Capture of Inner Catchment Area
Alicante	70,573	28,355	145,040	58,274	41,538	29%	57%
Barcelona*	42,199	9,668	86,726	19,870	20,412	24%	66%
Belfast	40,656	20,633	83,555	42,404	27,154	32%	57%
Dublin	65,846	23,739	135,325	48,788	36,099	27%	57%
Edinburgh	63,567	20,480	130,642	42,091	30,359	23%	57%
Faro	58,322	25,309	119,861	52,015	36,163	30%	57%
Geneva	35,438	15,268	72,832	31,378	5,443	7%	14%
Glasgow	82,139	30,273	168,810	62,215	43,140	26%	57%
Grenoble	18,552	11,857	38,127	24,368	5,443	14%	20%
Ibiza	44,204	9,406	90,846	19,330	17,846	20%	57%
Jersey	18,600	5,372	38,227	11,040	7,488	20%	52%
Lanzarote	24,690	5,806	50,743	11,933	7,484	15%	41%
Larnaca	28,585	17,616	58,747	36,205	17,690	30%	44%
Madrid*	27,355	10,846	56,220	22,291	20,412	36%	73%
Malaga	91,874	42,349	188,816	87,034	59,392	31%	57%
Malta	16,400	7,506	33,704	15,426	10,206	30%	55%
Murcia	23,033	11,681	47,336	24,006	11,733	25%	42%
Naples	16,608	14,824	34,133	30,466	10,206	30%	33%
Nice	39,346	24,092	80,862	49,512	20,412	25%	37%
Palma	46,439	9,962	95,439	20,474	18,828	20%	57%
Paphos	20,222	8,488	41,560	17,444	10,206	25%	48%
Tenerife (TFS)	49,247	27,147	101,211	55,792	17,690	17%	28%
Turin	22,015	14,850	45,244	30,519	10,886	24%	33%
Venice	18,339	12,432	37,691	25,551	10,206	27%	37%

Source: York Aviation

31. In two cases, Barcelona and Madrid, the market capture rates exceed 60% because these two routes are expected to be low fares services with higher than 20% stimulation on the specific route to LAA.
32. I was asked explicitly by LAAG for any evidence to support the use of up to 60% market capture in the lower growth scenario by reference to the market capture rates attained at other regional airports. To assist the Inquiry, I provide illustrations from two examples below. Firstly Exeter Airport, as shown in **Table 6**, which competes principally with Bristol Airport to the East. I have set out the market capture by route using CAA Survey data from 2008 both with and without Sedgemoor District, which lies closer to Bristol Airport with a greater range and frequency of services.

Table 6: Exeter Airport Example Market Capture from 1-Hour Catchment (2008)

Destination	Market Capture With Sedgemoor	Market Capture Without Sedgemoor
Aberdeen	78%	80%
Alicante	70%	91%
Belfast City	100%	100%
Bergerac	80%	79%
Bodrum	100%	100%
Chambery	90%	100%
Dubrovnik	74%	71%
Guernsey	83%	90%
Ibiza	82%	91%
Jersey	94%	99%
Las Palmas	66%	70%
Malta	67%	82%
Paris (CDG)	76%	80%
Malaga	57%	72%
Source: CAA Survey		

33. It is clear from Table 6 that a small regional airport such as Exeter can obtain high market shares of its local market, even when Sedgemoor is included, and even when allowing for competition from a larger airport at Bristol and even without the effect of capacity constraints at that competitor pushing airlines to look for alternative airport options.
34. My second example is Birmingham Airport, which operates in a highly competitive market, with competition for short haul passengers from East Midlands, Luton and Bristol. The market capture obtained on selected short haul routes from Birmingham is set out in Table 7.

Table 7: Birmingham Airport Example Market Capture from 1-Hour Catchment (2008)

Destination	Market Capture
Aberdeen	72%
Bodrum	64%
Brussels	83%
Chambery	82%
Dalaman	71%
Dublin	75%
Dusseldorf	100%
Edinburgh	82%
Faro	61%
Frankfurt	92%
Fuerteventura	62%
Glasgow	70%
Heraklion	75%
Lanzarote	61%
Las Palmas	62%
Lyon	82%
Mahon	63%
Malaga	61%
Malta	65%
Milan (MXP)	86%
Monastir	89%
Newcastle	72%
Nice	70%
Palma	61%
Paphos	75%
Paris (CDG)	72%
Perpignan	78%
Pula	85%
Rhodes	65%
Salzburg	62%
Sharm el Sheik	67%
Tenerife (TFS)	68%
Toulouse	78%
Zakinthos	64%

Source: CAA Survey and CAA Statistics

35. It is evident from this analysis that a 60% market capture for the inner catchment area for LAA is conservative. It is clear that regional airports are able to capture over 60% of the passenger market within a 1 hour drive time at the individual route level. In circumstances where there is substantial constraint at Gatwick, under the higher growth scenario, 70% capture of the market by LAA from its inner catchment area as a ceiling at the individual route level appears eminently reasonable and less than that observed in 2008 at other regional airports. As noted in at paragraph 5.23 of my main Proof of Evidence LAA/4/A, the City of Derry Airport attained a market capture of 71% in 2006 on the scheduled routes which it served, despite these being offered at significantly lower frequencies of service than its competitors.

Comparative journey times by rail

36. In cross examination, CPRE suggested that passengers from Ashford wishing to travel to Nice would find it much quicker to travel by train and that the demand forecasts which I had prepared were overstated. I have researched the respective journey times.
37. A passenger wishing to travel to Nice from Ashford would have two options:
- Air:

Road to LAA	-	28 minutes
Time at Airport	-	90 minutes
Flight time	-	110 minutes (Gatwick block time - 10 mins)
Time to claim bags	-	20 minutes
Taxi to City Centre	-	10 minutes
Total Journey Time	-	4 hours 18 minutes

 - Rail:

Train Ashford-Paris	-	112 minutes
Transit between stations	-	59 minutes
Train Paris-Nice	-	344 minutes
Fastest Rail Journey Time	-	8 hours 35 minutes⁵
38. It is clear that even for a journey between Ashford and Nice, the elapsed journey time by rail would be double that by air connection from LAA. To the extent that passengers have to travel to Ashford station, the journey time difference is likely to be even greater. On this basis, rail does not appear to be a realistic or attractive alternative for journeys to Nice in respect of journey times, particularly once the cost of rail travel is taken into account.
39. Other destinations shown in Appendix D to my main Proof of Evidence (LAA/4/C) would be less conveniently served by high speed rail, as direct connections do not exist. Hence, I maintain my belief, as stated at the Inquiry, that the growing high speed rail network will not impact on LAA's ability to handle 500,000 passengers per annum by no later than 2030 on the basis of the market for air travel in its catchment area and the individual destination markets which I have outlined in my evidence.

Use of CAA data in the 1980s

40. Louise Barton, in oral evidence, suggested that she was aware of survey data and forecasts produced by the Civil Aviation Authority in the 1980s in connection with her examination of the privatisation of British Airways. She may have examined such material at the time, as the CAA produced reports inter alia on Airline Competition Policy as well as airport passenger survey reports, there is no evidence before this Inquiry that she has undertaken a similar investigation of the market for LAA, nor employed an expert to do so on behalf of LAAG. The only evidence before this inquiry regarding the market for LAA is contained in my Proof of Evidence, LAA/4/A, which was produced using survey data and analytical techniques such as were used by the CAA in producing reports on airline and airport competition in the 1980s.

⁵ Eurostar website for journey 31.3.11

Recent Government Consultations

41. Since I gave evidence, the Government has published two consultation documents of relevance to the issues before the Inquiry. These cover the scope of its review of aviation policy and on the reform of Air Passenger Duty.

*Developing a sustainable framework for UK aviation: Scoping Document*⁶

42. This document contains a section on UK connectivity and on making best use of existing capacity⁷. At paragraph 2.10, the Government states clearly that “Regional airports also have an important role in providing international and domestic connections across the UK, and contributing to local economies”. This confirms that the Coalition Government shares the view of its predecessor in supporting the role which can be played by regional airports.

43. Further clarification is given in the specific questions posed at Section 5:

“5.17 Can regional airports absorb some of the demand pressures from constrained airports in the south-east? What conditions would facilitate this?”
(emphasis added)

“5.20 How can regional airports and the aviation sector as a whole support the rebalancing of the economy across the UK?”

“5.22 Can we extract more capacity out of the UK’s existing airport infrastructure? Can we do this in a way which is environmentally acceptable? To what extent might demand management measures help to achieve this?”

44. These questions suggest that there remains, as in the Future of Air Transport White Paper, a clear emphasis from Government on making better use of regional airport capacity to relieve pressure on the constrained airports in the London area. It should also be noted that smaller airports within South East are classed as regional airports, for example Southampton airport is characterised as a regional airport at paragraph 11.97 of the Future of Air Transport White Paper.⁸ Making better use of the available capacity at LAA by extending the runway and providing a modern, fit for purpose, terminal building would be entirely consistent with the emerging thrust of the Government’s aviation policy by improving utilisation of existing infrastructure and assisting in narrowing the economic gap compared to the overheated parts of South East England.

*Reform of Air Passenger Duty*⁹

45. This consultation by the Treasury also refers to the potential for greater use of regional airports in support of more balanced economic growth.

“They point out that whilst airports in London and the South East operate at or near full capacity, there is persistent excess capacity at some of the UK’s other main airports. As a possible remedy, some have suggested that the Government should consider setting lower rates of APD for passengers using regional airports outside London and the South East.

⁶ Department for Transport, March 2011, CD5.35

⁷ Ibid, paragraphs 2.12 to 2.15.

⁸ CD5.24

⁹ HM Treasury, March 2011, CD5.36

*5.9 The Government recognises that regional airport operators and airlines operate in increasingly competitive world markets. Continuous improvement in air transport services at the UK's regional airports is therefore vital for ensuring more balanced growth across all parts of the country. In this respect, the relatively low levels of congestion at the UK's regional airports, together with the excellent quality of the existing facilities and services on offer, should present opportunities for the future.*¹⁰

46. This consultation document also seeks to understand the mechanisms, in this case potential changes to the tax regime, which could assist in encouraging more use to be made of regional airports to relieve congestion at the main London airports and to support economic growth.
47. The consultation document does also raise the prospect of introducing air passenger duty for passengers on Business Aviation flights. However, given the low price elasticity of such passengers, I do not consider this will have a material effect on the overall levels of such demand.

Louise Congdon
10.5.11

¹⁰ Ibid, paragraphs 5.8 and 5.9.

Annex A

Regional Airports Ltd Objection to London City Airport Planning Application



REGIONAL AIRPORTS LIMITED

WELL, HOOK, HAMPSHIRE RG29 1TL.
TELEPHONE: 01256 862059. FAX: 01256 862115

7th March 2008

For the attention of:

Members of the Development Control Committee & Ward Councillors & Messrs John Fannon, Planning Officer & Sunil Sahadevan, Case Officer

London Borough of Newham
Newham Town Hall
Barking Road
East Ham
London E6 2RP

Dear Sirs

Reference No. 07/01510/VAR London City Airport

Following our letter of 5th October 2007 concerning the proposal by London City Airport to increase its authorised flights from the present 73,000 to 120,000 per year (and 135,000 if aircraft are quieter) we have now considered the additional information provided by London City Airport and its Consultants and wish to submit the following continuing concerns and comments.

In our 5th October 2007 letter we highlighted three principle concerns. First, that the physical capacity of London City Airport as already authorised, will be insufficient for the number of flights now being approved. Secondly that the airspace access for the airport is due to be reconfigured by NATS and their proposal has just been published for wide public consultation. Thirdly the proposal by London City Airport to provide and expand its business jet activity is not consistent with the Department for Transport's 2003 White Paper: The Future of Air Transport (ATWP) and is therefore contrary to national policy. Alternative business aviation capacity is already available at six other airports in the South-east specifically mentioned in the ATWP.

Having reviewed the revised submissions we are not satisfied that the objections we raised have been overcome and we provide further commentary on these three points of concern below:

1. **Physical Capacity**

The papers filed by London City Airport seek authority to increase flights by 85% to potentially 135,000 per annum whilst only increasing the ground infrastructure by less than 25%, as already approved. Page 2 of the Non Technical Summary (Dec 2007) submitted by London City Airport states that the additional flights will be concentrated in the morning and late afternoon peak hours so it is our concern that there is not the physical capacity to accommodate the proposed increase in flights and that this will result in congestion of airspace overhead and around London, to the detriment of other airport users. Over the past 6 weeks alone, our airport at Southend has received 32 diversions from London City, because the aircraft were unable to land for operational and/or weather reasons, illustrating the already constrained, and potentially unsafe disruptive consequences of trying to “squeeze a quart into a pint pot”.

We consider that there will be additional pressure to increase the physical infrastructure at the airport, through the provision of additional stands, extension to the terminal and ultimately a taxiway in order to accommodate the additional capacity proposed at peak times.

2. **Airspace**

Over the past 12 months NATS, as airspace managers, have had to apply “flow control” on our airport at Biggin Hill and the nearby London City Airport, illustrating the airspace congestion that already exists over London. NATS have now issued their Terminal Control North Consultation document on proposed changes to airspace for London City, Southend, Stansted, Luton and Heathrow and that consultation will run until the 22nd May. The document explicitly states that it does not take into account any proposed increases in flights at Heathrow, Stansted or any of the other airports in the region i.e. the London City Airport proposals. We have previously indicated that airspace can be a material planning consideration (as noted in the Coventry Airport appeal) and we believe that it would be premature for the local planning authority (LPA) to consider this application until such time as that NATS Airspace Consultation has been completed and a further study carried out to confirm that airspace capacity is available for the London City Airport expansion.

The NATS Consultation shows that a new stack for London City Airport inbound flights will have to be created over Maldon in south east Essex, a short distance to the north east from our airport at Southend (see attached). The EU Directive 97/11/EC on Environmental Assessment, requires developers to outline reasonable alternatives that have been considered. An alternative option that has not been considered in the Environmental Statement submitted by London City Airport, is that instead of that stack, those flights could land at London Southend Airport and passengers take the train directly into London. Our submission is that passengers would arrive in London quicker by travelling via Southend Airport than waiting to land at London City Airport. (Train from Southend Airport to Liverpool Station 49 mins, 6x per hour (peak); 3x per hour (off peak), and that there are good environmental and safety reasons for supporting that conclusion. Such a proposal would be in line with Government sustainability objectives, including Planning Policy Statement 1: Delivering Sustainable Development which indicates that regional and local planning authorities should take climate change impacts into account in the location and design of development and the draft consultation Planning Policy Statement on Climate Change which sets out how planning should contribute to reducing emissions and stabilising climate change.

3. Policy

The two types of flights now proposed by London City Airport to be increased – scheduled passenger flights and business jets, can each be serviced respectively by the nearby airports of Southend and Biggin Hill, each having both the physical capacity and existing policy support and consents to accommodate these flights (Southend/scheduled flights: Biggin Hill/business jets). It is our submission that the environmental impact assessment should have considered this alternative capacity. Southend Airport is the adopted economic and employment generator for the outer end of the Thames Gateway and its redevelopment is supported as a priority project by existing policies of Thames Gateway South Essex, Renaissance Southend, Southend Borough Council and Rochford District Council and Essex County Council.

4. Conclusion

London City Airport's Policy and Operational Supplement seeks to suggest that the ATWP expresses specific support for the airport's expansion, however, the ATWP states that "*Specific details of development at any airport should remain a matter of local determination through the planning system*" (paragraph 11.95). It is our submission that the issues raised by us, particularly that there are better alternatives at Southend and Biggin Hill Airport to the further intensification of London City Airport, should be considered in full through the planning system where a wider range of strategic interests and options can be considered.

We consider that this application is of strategic importance, with impacts beyond the immediate locality of Newham and that the application should be called in so that these matters can be considered at a public inquiry. In support of our contention that this is a strategic issue, we note that the Mayor has had no remit to intervene under the Town and Country Planning (Mayor of London) regulations, however in July 2006, in response to the London City Airport Master Plan, the Mayor said that "*The proposals contained in the London City Airport Master Plan will need to weigh the economic benefits of growth in London City Airport capacity to London's economy – and that of the Thames Gateway in particular – against the disbenefits of amenity loss of diminution, environmental harm, and loss of development capacity in the London Thames Gateway area. Also, any planned extension in the airport capacity should be demonstrably sustainable – any adverse impacts on climate change, air quality and noise must be sufficiently mitigated, and public transport access improved*".

This endorsement of the need to take in the wider interests of the Thames Gateway region supports our representation that the existing and authorised capacity for scheduled flights (at Southend) and business jets (at Biggin Hill) should be considered as an alternative to the proposed increase in flights at London City Airport.



Andrew Walters
Chief Executive

Encs: Proposed New Stack for London City over South East Essex
Current and revised route for aircraft over South and Central London for inbound flights to London City when an easterly wind (36% of the time)