

RESPONSE TO THE AIRPORTS COMMISSION

JULY 2013

Stansted Airport Consultative Committee welcomes the opportunity to submit some initial views on the future of UK airport capacity.

Introduction

The Committee notes that the Government's Aviation Policy Framework states that there is strong evidence that aviation brings direct and indirect economic benefits to the UK. The Committee would wish aviation to continue to make a significant contribution to the future prosperity of the UK and for it to make such a contribution to airports' local economies. The Committee would also support the further objective set out in the policy framework that the UK's air links continue to make it one of the best connected countries in the world providing access to both international and regional services. However it is vitally important - especially for communities living around airports - that the future development of the industry should not at the same time adversely impact upon the local community in environmental terms.

Future demand

The Committee notes that long term forecasts developed by the Department of Transport predict that South East airports are expected to be at 100% capacity around 2030 and that these forecasts are the prime driver behind the decision to establish the Airports Commission. However the Committee notes that these forecasts are based on passenger numbers. If the capacity issue is considered on an aircraft movements basis, a different scenario emerges. In 2012, UK airports handled around 2m passenger air transport movements - a minimal increase (0.28%) over 2001 whereas passenger throughput over the same period had increased by 22%. This means that a significant increase in passenger numbers has been accommodated without a corresponding major increase in aircraft movements. The planned entry into service of new aircraft with increased passenger capacity suggests that this trend will continue. It is therefore important that the issue of future airport capacity is addressed as much in demand terms of aircraft movements as in passenger numbers. The Committee invites the Commission to consider future demand accordingly.

Future demand at Stansted

The Committee notes recent statements by MAG that - in the short and medium term - significant growth can be achieved at Stansted on the basis of a single runway operation. This is against the background that the airport is currently operating at half its permitted capacity. The existing planning permissions allow passenger numbers to increase to 35 mppa. MAG has stated that with additional infrastructure, a single runway operation could handle between 40 -45 mppa. There is also scope to utilise the current spare capacity at peak times. Given this available capacity, there would not seem to be any need for runway expansion at Stansted. The Committee notes that MAG will not produce their long term views until July and would wish to reserve the right to comment further at a later stage.

Development of new services

MAG proposes to seek a wider diversification of services especially to medium and long haul destinations. The current lack of a comprehensive network of services means that residents in the Stansted area wishing to travel to these destinations have to use airports both in the UK and mainland Europe rather than their local airport. The Committee welcomes MAG's proposals regarding diversification provided it does not result in a worsening noise climate at the airport.

Better connectivity

The Committee also welcomes the possibilities and benefits that may arise from the development of an interlining network. However the Committee believes that successful implementation depends on a number of key factors. Low cost airlines operate to a different business model from that operated by scheduled airlines at Heathrow. This results in different business practices and services. For example

- through ticketing – most major scheduled airlines operating to the UK tend to be part of airline alliances. This facilitates ticket issue and use. It is the Committee's understanding that none of the major low cost airlines at Stansted currently belong to any airline alliance.
- Luggage allowance – low cost airlines operate strict baggage allowance limits whereas scheduled airlines adopt a more flexible policy. Long haul passenger interlining over Stansted would expect a similar flexible policy when joining a feeder service operated by a low cost carrier and would not expect to pay a surcharge.
- Airport lounges and associated facilities – Premium passengers expect a number of facilities which are not currently available at Stansted. The development of these facilities would require significant investment by the airlines. Before committing to such investment, airlines would need to be satisfied that traffic levels would be sufficient to justify the outlay.

The Committee is not in a position to comment on either the likely rate of passenger growth at Stansted or the likelihood of a wider range of services being provided.

Surface access

The Committee considers that any future development of the airport must be supported by improved surface access. This is important not only for passengers using the airport but also for local commuters. The Committee is mindful that significant investment will be required to upgrade the railway line, in particular, for the provision of additional track to help relieve pressure on pinch points along with the removal of some of the many level crossings along the route. These improvements will require the active participation and support of the DfT and Network Rail and will need co ordination with proposals to hand responsibility for part of the route to the Mayor of London. It is however essential that the needs of all users of the West Anglia lines should be taken into account.

The adequacy of the road network serving Stansted Airport also needs to be addressed, in particular the M11 from J8 to J9, the A120 link from the A10 to the A12 and the airport access and egress arrangements at J8 of the M11.

Taxation

The Committee believes that the Commission should explore the option of using policy levers as means to help address capacity issues. In particular, it has been suggested that there would be value in considering differential rates of APD as a means of easing the pressure on Heathrow and making better use of airports which had significant spare capacity. The Committee would wish to see this suggestion investigated.

Environmental impact

In terms of environmental impact, the Committee notes that the majority of airlines currently operating at Stansted use modern, noise efficient aircraft. There would be considerable local concern should any new airline introduce services using older, noisier aircraft thereby adversely affecting the current noise climate. There is also concern that the larger aircraft likely to be introduced on long haul routes would be noisier than the smaller aircraft presently using the airport. The Committee is aware that the Government has commenced work on reviewing departure noise limits which might provide a means of controlling such impacts.

There would also be similar concern should any option result in an increase in night flights. The Committee notes that the recent Government consultation on a new night flights regime for the three London Airports stated that the key concern for residents living under or close to night flight paths continued to be whether an appropriate balance had indeed been struck between economic benefits and adverse environmental impacts. Indeed, the latter impacts are further recognized in the Executive Summary where it is stated:-

“Despite the significant improvements in aircraft technology and the associated noise reduction benefits, noise from aircraft operations at night remains widely regarded as the least acceptable aspect of aviation noise and the government has long recognised this”.

Given this, the Committee believes that any resolution to the South East airport capacity issue which envisaged an increase in night flights would run counter to stated Government policy statements.

Stansted Airport Consultative Committee July 2013