
6d Airports Commission

- Purpose of Report

This report informs Members of the progress of the Airports commission and proposes responses to the current consultation and call for evidence.

- Background

The Airports Commission (aka the Davies Commission) is investigating the need for additional airport capacity in the south east of England. If a need is shown the Commission will also report on how that need should be met.

The Commission has issued a call for evidence. This evidence is to be gathered in phases. Nestrans has responded to the initial phase, an early call to identify who is likely to submit evidence and what that evidence is likely to consist of. Our evidence to date is attached at Appendix A.

The Commission intends to issue a series of discussion papers to inform debate and gather evidence. The first of these was a discussion on “Aviation Demand Forecasting”. This can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/73143/aviation-demand-forecasting.pdf

This paper reduces the demand forecast from previous estimates due to the global economic circumstances over the past few years. Nestrans has not responded to this fairly technical paper.

The Commissions second discussion paper discusses “Aviation Connectivity and the Economy”. This can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/138162/aviation-connectivity-and-the-economy.pdf

This paper requires responses by 19 April 2013.

- Discussion

Aviation Connectivity and the Economy

The paper looks at three areas:

- The nature of the UK’s connectivity
- How may aviation connectivity contribute to the UK’s economy?
- Defining the UK’s objectives for aviation connectivity

In overall terms the paper is concerned with the connectivity between the UK and the rest of the world and how this compares to other countries and regions of the world. In doing so it concentrates on all UK direct connectivity (i.e. all airports direct routes) with particular reference to the London area where the bulk of flights are from. Whilst there is reference to

transfer passengers being around 9% of all London airports throughput and there being a reducing number of UK domestic airports served there is no reference to Heathrow's role as a hub in relation to domestic access to the airport to allow domestic passengers to use Heathrow as a hub.

The connectivity section and related consultation questions are concerned with the definition and measurement of connectivity and as such is relatively technical.

The contribution to the UK's economy section considers connectivity's impact on:

- Trade in services
- Trade in goods
- Tourism
- Business Investment and Innovation
- Productivity

Of particular interest to the north east is the tourism and business sections.

Tourism

The document notes: *Aviation is essential in supporting both inbound and outbound tourist activity to and from Britain.* It doesn't mention that most tourists arrive via Heathrow and cannot then get direct access to Inverness for example. It does however mention: *Since tourists often value direct connections when choosing their holiday destinations, direct connectivity from the UK to emerging economies is likely to attract inbound tourism from these countries in the future.* What this misses is that for the smaller more remote regions (including Aberdeen and Inverness) the direct access from the hub airport is therefore even more important.

The document also notes: *The Government Tourism Policy promotes domestic tourism for UK residents and supports the growth of the sector's international market. One of the strategies to promote that growth is based on attracting four million extra visitors to England over the next four years, particularly from emerging economies such as China.* This point overlooks the Scottish Government's policy for increasing tourism and the fact that tourists to Scotland from countries such as China are likely to arrive via the hub airport.

Business Investment and Innovation

This is described as: *International connectivity from passenger air services is important in attracting international business headquarters and foreign investment into the UK. London's connectivity helps sustain clusters of specialised high-value services sector in the UK such as financial, legal, IT consultancy, business management and chemical sectors which are knowledge-intensive and increasingly global in operations.*

This description misses both the Energy sector and that some of these sectors are remote from London. The UK Government's Oil and Gas Strategy¹ and the Scottish Government's strategy² both call for an increasing internationalisation of the Oil and Gas supply chain sector. At around £16 Billion/ annum in total with just under 50% currently international trade this growing sector warrants consideration with the other professional disciplines listed. That much of this work and investment is concentrated in the north east of Scotland with a crucial need for the connectivity that Heathrow provides to develop and maintain this income and jobs to the UK economy should also be reflected

1 <https://www.gov.uk/government/publications/uk-oil-and-gas-industrial-strategy-business-and-government-action-plan>

2 <http://www.scottish-enterprise.com/~media/SE/Resources/Documents/MNO/Oil-and-Gas-strategy-2012-2020.pdf>

An SCDI survey of the oil and gas activity³ showed the importance of this international market and the diversity of international trading locations meaning that a small country like Scotland cannot create the level of point to point market to justify new direct links. This, along with the locations that Heathrow serves, reinforces the need for Heathrow to continue to be the hub for this activity as identified in the Hitrans/ Nestrans commissioned study⁴.

A draft response is being prepared using the information above. If Members agree, this can be sent in as a Nestrans response to the consultation.

The response to the call for evidence is currently being drafted based on the outline given in Appensix A. This is due for submission by 17 May 2013. This will be completed and circulated to Members for approval prior to submission.

The RTP's as a group will also be submitting responses to the consultations.

- Recommendation

That Members agree to the response to the consultation on “Aviation Connectivity and the Economy” and agree to an email circulation to Members for approval of the draft response to the call for evidence due by 17 May 2013.

RGM/03 April 2013

³ http://www.scdi.org.uk/sr/Docs/Survey_of_International_Activity_in_the_Oil_and_Gas_Sector_2010-11.pdf

⁴

http://www.nestrans.org.uk/db_docs/20120531_Air_Links_to_London_from_the_North_of_Scotland_Final_Report_1.pdf

Submission to the Airports Commission - 28 February 2013

Submission by North East Scotland Transport Partnership (Nestrans)

In response to: Guidance Document 01: Submitting evidence and proposals to the Airports Commission

1.0 Introduction

1.1 Nestrans is the statutory Regional Transport Partnership for the north east of Scotland. It covers the area of Aberdeen City and Aberdeenshire Councils. This area covers just under 10% of Scotland's land mass and of its population.

2.0 Evidence

2.1 It is Nestrans' intention to submit evidence to the Airports Commission in accordance with the timescales set within the guidance document. It is our intention to submit evidence at three levels:

- Regional level
 - Evidence at the regional level to demonstrate the importance of aviation to the economy of the north east of Scotland with particular reference to:
 - The importance of the national hub at Heathrow to our economy and hence the UK economy
 - The geography of the UK and the peripherality of the north east of Scotland compared to other parts of the country – and the different needs for access to the hub that this generates
- North of Scotland level
 - Along with colleagues at our counterpart organisation for the Highlands & Islands, Hitrans, we intend to present evidence from a north of Scotland perspective
- Peripheral Regions level
 - Building on the north of Scotland perspective, we are in discussions with colleagues in Northern Ireland to determine whether we can put together evidence based on the peripheral regional airports' case for access to Heathrow. This involves Aberdeen, Inverness and Belfast airports as different regional airports due to geographical constraints.

2.2 The evidence we intend to submit is not directly in relation to developing the south east of England airports. We will be making a case for suggesting that the peripheral regional airports' requirements for access to the London airports (and in particular the national hub) requires to be taken into account in determining whichever solution the Airports Commission choose to consider and develop. This is the case for both the short/ medium and long term scenarios.

2.3 In particular we would intend to provide evidence in relation to:

- Economic factors
 - The impact of aviation on the economy
 - Access to international markets

- UK trade in goods and services
- Tourism
- Employment
- Business location and regional strategies
- Inward investment and exports
- Social factors
 - Alignment with regional development policies
 - Employment
 - The extent to which proposals enhance or impair access to air travel for our communities
- Accessibility
 - Access to aviation from our key business district, heavily reliant on international connectivity
 - Impacts on internal connectivity within the UK and consequent access to international aviation services with particular reference to the peripheral regional areas.
 - Surface transport integration and associated infrastructure development
 - We will make particular reference to high speed rail proposals and the particular geography of the peripheral regions meaning these areas will not benefit from high speed rail

3.0 Existing evidence

3.1 Nestrans and Hitrans have jointly commissioned consultancy work to determine the importance of access to London and in particular Heathrow on the economy of the north of Scotland as a peripheral region of the UK. This work has been published and can be accessed at:
http://www.nestrans.org.uk/db_docs/20120531_Air_Links_to_London_from_the_North_of_Scotland_Final_Report_1.pdf

4.0 Contact details

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