



BRIEFING PAPER

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Regional airports

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Summary

This paper looks at policy affecting airports in the UK, *outside* London and the South East of England, including the work of the Airports Commission and debates around it, and financial support for lifeline services.

The Labour Government's 2003 aviation White Paper generally supported a 'predict and provide' approach to aviation. It envisioned demand for air transport increasing over the following 25 years. Consequently, it generally supported the growth of regional airports outside the South East to grow those economies and divert flights away from the congested London area.

The Coalition Government published its *Aviation Policy Framework* in March 2013 – this was largely a collection of technical but important changes that could be made to airports to increase capacity, improve efficiency and ensure that aviation growth in the UK would be sustainable in terms of noise and environmental pollution.

The Airports Commission, under the chairmanship of Sir Howard Davies, was set up in September 2012 and tasked with making recommendations as to the timing and scale of any future airport capacity. The Commission's interim report, published in December 2013, said that while demand was forecast to increase in London and the South East, no regional airport option could replace the need for existing capacity in that area.

Its final report, published in July 2015 recommended a third runway at Heathrow: the Government has yet to accept this recommendation. Whether Heathrow and/or Gatwick expand, at the end of the day there is likely to be an impact on domestic flights between those airports and other airports across the UK.

Regional airports have had mixed responses to the Commission's work as a whole with some of the bigger of them arguing that they can play a much larger role in accommodating excess capacity from the South East than the Commission allowed.

Information on airports in the South East and London generally, Heathrow, the Thames Estuary airport proposal, and air passenger duty can be found on the [Aviation Topical Page](#) of the Parliament website.

1. What is a 'regional' airport?

This paper uses the term 'regional airport' to refer to a UK airport outside the South East of England.

The term 'regional airport' is not a statutory or legislative one, although it is very widely used in writings about UK airports. Although developments in the aviation sector have somewhat weakened the usefulness of the term as formerly understood, its definition does provide a way of thinking about how to classify airports. It was defined in the 1978 White Paper *Airports Policy*, where four categories of airport were determined:

- Gateway International Airports (Category A);
- Regional Airports (Category B);
- Local Airports (Category C); and
- General Aviation Airports (Category D).¹

Section 5 of the June 1985 White Paper *Airports Policy* was devoted to a discussion of regional airports.² The term was perhaps more loosely used than above, and seemed to indicate merely those airports which were not in or near London.

The Transport Sub-committee of the Environment, Transport and Regional Affairs Select Committee conducted an inquiry into regional air services in 1997.³ In this report 'regional airports' included UK airports other than the five London airports (Heathrow, Gatwick, Stansted, Luton and City), and the airports on Guernsey, Jersey and the Isle of Man on whose behalf the UK Government conducts international aviation relations. The 2002 Regional Air Services Co-ordination Study (RASCO) looked at the 25 largest regional airports outside the South East and East of England, in terms of passenger traffic in the year 2000.⁴

The Airports Commission's December 2013 interim referred to the following as 'regional airports' for the purposes of its report: Southampton, Norwich, Southend, Bristol, Cardiff, Bournemouth, Birmingham, East Midlands, Coventry, Manchester, Newcastle, Liverpool, Leeds, Bradford, Durham Tees Valley, Doncaster – Sheffield, Humberside, Blackpool, Glasgow, Edinburgh, Aberdeen, Prestwick, Inverness, Belfast International and Belfast City. This is consistent with the approach taken by the DfT aviation forecasts.⁵

¹ Secretary of State for Trade, *Airports Policy*, Cmnd 7084, February 1978; further details of these categories appeared in: Transport Committee, *The Organisation, Financing and Control of Airports in the United Kingdom* (second report of session 1983-84), HC 319, pxxii

² Secretary of State for Transport, *Airports Policy*, Cmnd 9542, June 1985

³ ETRA Select Committee, *Regional Air Services* (eighth report of session 1997-98), HC 589, 28 July 1998

⁴ DfT, *Regional Air Services Co-ordination Study (RASCO): Final Report*, July 2002

⁵ Airports Commission, *Interim Report*, December 2013, p220

2. Who owns regional airports?

The Conservative Party's [1983 General Election Manifesto](#) contained a firm commitment to privatise “as many as possible” of the publicly owned airports in the UK. Those airports included the fifteen operated by what was then the British Airports Authority (BAA) and the Civil Aviation Authority (CAA) as well as the 53 owned by local authorities. In June 1985 the Government published a White Paper which reiterated this commitment and the Government’s belief that moving local authority airports onto a private footing would bring financial and other rewards.⁶

The resulting [Airports Act 1986](#) provided the means whereby relevant airport companies could introduce private capital. Part II of the 1986 Act applied to the 15 municipal airports with a turnover of £1 million in at least two of the previous three financial years. These airports were: Birmingham; Blackpool; Bournemouth; Bristol; Cardiff; East Midlands; Exeter; Humberside; Leeds Bradford; Liverpool; Luton; Manchester; Newcastle; Norwich; and Teesside.

Under the provisions of the 1986 Act these municipal airports had to be set up as arm's-length companies. Any subsidies from authority to airport, whether financial or human, had to be entirely transparent. Later the Government restricted access to finance and new developments had effectively to be financed from internal resources or from supplementary credit approvals. The Autumn Statement of November 1992 provided further financial incentives for local authorities to sell their airports when the then Chancellor of the Exchequer, Norman Lamont, announced a timed relaxation of rules governing local authorities' use of their future capital receipts, allowing them to retain all the proceeds of asset disposals rather than putting 50 per cent into debt repayment.⁷ The following year the then Secretary of State for Transport, John MacGregor, said that in order to further encourage local authorities to privatise their airports, he had reduced the amount allocated to local authority airports for capital investment to the level necessary for safety and security measures.⁸

All of the 15 regional airports mentioned in Part II of the 1986 Act, and previously owned by local authorities, have been privatised, or part-privatised, however there is still a ‘public interest stake’ in many of them. These and other major airports *outside London and the South East of England* are shown below:

⁶ op cit., *Airports Policy*, Cmnd 9542

⁷ [HC Deb 12 November 1992, c997](#)

⁸ [HC Deb 29 November 1993, c342W](#)

Airport ownership

Airport	Owners	Public sector stake
Aberdeen	AGS Airports Ltd., a partnership between Ferrovial and Macquarie Infrastructure and Real Assets (MIRA) (100%)	n/a
Belfast International	Belfast International Airport Holdings Ltd (100%), owned by Airport Concessions & Development Ltd. (ACDL)	n/a
Birmingham	Birmingham Airport Holdings Ltd (100%). BAHL is owned by seven West Midlands district councils (49%), the Ontario Teachers' Pension Plan and Australia's Victorian Funds Management Corporation (48.25%) and the Employee Share Trust (2.75%).	7 West Midlands district councils 49%
Blackpool	Regional & City Airports Management (RCAM) (95%); Blackpool Borough Council (5%). RCAM is owned by the Patriot Aerospace Group, part of the Rigby Group.	Blackpool Borough Council 5%
Bournemouth	Manchester Airports Group (MAG) (100%)	Manchester City Council 35.5%; 9 Greater Manchester Councils 29%
Bristol	Ontario Teachers' Pension Plan (100%)	n/a
Cardiff	Welsh Assembly Government (100%)	Welsh Assembly Government 100%
Durham Tees Valley	Peel Investments (DTVA) Limited, a wholly owned subsidiary of the Peel Group (75%); and six local authority shareholders (Durham, Darlington, Stockton-on-Tees, Middlesbrough, Hartlepool and Redcar and Cleveland Borough Councils) (25%)	Durham, Darlington, Stockton-on-Tees, Middlesbrough, Hartlepool and Redcar and Cleveland Borough Councils 25%
East Midlands	Manchester Airports Group (MAG) (100%)	Manchester City Council 35.5%; 9 Greater Manchester Councils 29%
Edinburgh	Global Infrastructure Partners (GIP) (100%)	n/a
Exeter	Exeter and Devon Airport Limited (EDAL). EDAL is owned by Patriot Aerospace (100%)	n/a
George Best Belfast City	Eiser Infrastructure Fund (100%)	n/a
Glasgow	AGS Airports Ltd., a partnership between Ferrovial and Macquarie Infrastructure and Real Assets (MIRA) (100%)	n/a
Glasgow Prestwick	Scottish Ministers (100%)	Scottish Ministers (100%)
Humberside	Humberside International Airport Limited. Eastern Group (82.7%) and North Lincolnshire Council (17.3%).	North Lincolnshire Council 17.3%

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Inverness	Highland and Islands Airports Limited (HIAL) (100%). HIAL is a public corporation wholly owned by Scottish Ministers	Scottish Ministers (100%)
Leeds Bradford	Bridgepoint Capital (100%)	n/a
Liverpool John Lennon	Vantage Airport Group (formerly Vancouver Airport Services) (65%); and The Peel Group (35%).	n/a
Manchester	Manchester Airports Group (MAG) (100%)	Manchester City Council 35.5%; 9 Greater Manchester Councils 29%
Newcastle	Public Private Partnership between 7 local authorities in the North East (51%); and AMP Capital (49%)	Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland councils (51%)
Norwich	Omniport (80.1%); and Norwich City and Norfolk County councils (19.9%). Omniport is backed by Penta Capital and Caledonia Investments	Norwich City and Norfolk County councils 19.9%
Robin Hood Doncaster Sheffield	The Peel Group (100%)	n/a

3. Supported services

3.1 Public Service Obligations (PSOs)

It is possible to ring-fence regional air services to a national hub (such as London, Glasgow or Cardiff) by making a Public Service Obligation (PSO). A PSO is a form of 'State Aid', it provides the basis on which non-commercial but socially and economically necessary air services can be subsidised by national or local authorities, notwithstanding the EU Single Market.

Article 4 of the 1992 EU Route Access Regulation⁹ harmonised the procedures for ensuring the operation of PSOs. This was replaced by the provisions in Article 16 of the Air Services Regulation (ASR) ([Regulation 1008/2008/EC](#)), which came into force on 1 November 2008. The Route Access Regulation was designed to protect lifeline routes to peripheral or development regions, not commercially viable regional services into congested hubs where they compete against alternative uses of the slots. The criteria for PSO imposition are set out, but not precisely defined in the ASR, allowing Member States some flexibility in how they interpret these terms. There are essentially four hurdles, as set out in [Article 16\(3\)](#):

The necessity and the adequacy of an envisaged public service obligation shall be assessed by the Member State(s) having regard to:

- a) the proportionality between the envisaged obligation and the economic development needs of the region concerned;
- b) the possibility of having recourse to other modes of transport and the ability of such modes to meet the transport needs under consideration, in particular when existing rail services serve the envisaged route with a travel time of less than three hours and with sufficient frequencies, connections and suitable timings;
- c) the air fares and conditions which can be quoted to users;
- d) the combined effect of all air carriers operating or intending to operate on the route.

It also:

- states that the **maximum concession period** during which the route can be restricted to one single operator is four years (five years for 'ultra-peripheral' regions);
- provides for an **emergency procedure** to designate an alternative airline in situations of failure of the airline servicing the PSO route; and
- to **avoid abuse of the PSO system**, explicitly states the necessity of respecting the proportionality between the obligations imposed and the economic development goals pursued and confers a right

⁹ [EU Regulation 2408/92/EEC: access for Community air carriers to intra-Community air routes](#), 23 July 1992

on the Commission to request a detailed economic report from a Member State justifying the need for a PSO.

[Article 17](#) details the public tender procedure for a PSO.

The updated guidance on the application of PSOs by the Department for Transport for regional air services to London was published in December 2013.¹⁰ In order to assist regional bodies in assembling the evidence required to demonstrate the wider regional benefits, the Government produced accompanying advice on Cost-Benefit Analysis and the Commercial Viability Test, contained in Annex A.

Generally, it states that the Government considers it “unlikely that PSOs would be appropriate for new routes from the regions to London” and that new services could be launched with some assistance from start-up aid (though a Route Development Fund (RDF) – see below) provided by a devolved administration or regional body. Nor does Government “consider it likely that PSOs would be appropriate on a route that received start-up aid once the initial funding has ended because 2005 State aid guidelines state that start-up aid can only be provided if the route receiving the aid will ultimately prove profitable”.¹¹

The guidance makes clear that it would be the responsibility of Devolved Administrations, Local Enterprise Partnerships (LEPs) or local authorities in England to develop the business, financial and legal cases required by EU regulations on PSOs and for demonstrating the importance of a particular air service to the economic development of areas of the UK. Where the case has been made for a PSO, “where appropriate” the Government will provide funding alongside regional support.¹²

The only PSOs in the UK are for services between Glasgow and the Highlands and Islands in Scotland and between Cardiff and Anglesey in Wales.¹³

More generally, the Airports Commission’s final report, published in July 2015, stated that a domestic network of flights at an expanded Heathrow would depend on a PSO network of supported domestic routes and financial support.¹⁴ It went on to explicitly state that “The Commission’s forecasts ... suggest that *without specific measures to support domestic connectivity* even an expanded Heathrow may accommodate fewer domestic routes in future than the seven served currently. It would still however see more than the three domestic routes predicted to be available from the airport without expansion”.¹⁵ The Government has yet to make any comment on this. As indicated below, we currently expect an announcement as to whether the Government would like to see Heathrow and/or Gatwick expand in Summer 2016.

¹⁰ DfT, [Public service obligation: regional air access to London](#), 19 December 2013

¹¹ *ibid.*, para 7

¹² *ibid.*, para 9

¹³ the EU maintains a [full list of PSOs](#), the most recent was updated on 15 December 2016

¹⁴ Airports Commission, [Final Report](#), July 2015, p33

¹⁵ *ibid.*, para 15.8, p313, emphasis added

3.2 Start-up aid

Route Development Funds

A Route Development Fund (RDF) is another form of State aid.¹⁶ In June 2006 the European Commission granted State Aid approval to the UK for the operation of a scheme under which devolved administrations and the now-defunct regional development agencies could offer start-up aid for a limited period for new air services from airports within their areas.

The UK Government's 2013 *Aviation Policy Framework* stated that RDFs had "previously supported the establishment of some new air services from airports in the UK. These included services supported by the Welsh Assembly Government from 2005 and the former North East Regional Development Agency from 2006".¹⁷ However, changes to the EU State Aid Guidelines in 2005 significantly reduced the scope for RDF support. The most recent edition of the guidelines, published in 2014, contains similar restrictions in terms of the sorts of services that can be supported and the amount of support that can be given.¹⁸ Effectively, since 2005 it has not been possible to use an RDF to support long-haul routes and services from larger airports outside the South East of England.

In March 2015 Heathrow said that if it were granted permission to expand, it would establish a new Heathrow Route Development Fund comprised of £10 million in start-up capital for airlines to support five new routes for three years.¹⁹ As indicated in section 3.1 above, the Airports Commission said that without a supported network domestic services into an expanded Heathrow would be likely to contract.

Regional Air Connectivity Fund

The Regional Air Connectivity Fund (RACF) is a type of RDF. In the June 2013 Spending Review infrastructure statement the Government announced "£20 million of funding to improve air links to London where there is a risk that regional connectivity may be lost".²⁰ This was reaffirmed in the 2014 Budget.²¹

In June 2014, the Government announced support from the Fund to maintain the air link between Dundee airport and London Stansted until 2016 through a PSO agreed with Dundee City Council.²² In January 2015 it published guidance explaining how airlines and airports with fewer than five million passengers per annum could apply for start-up aid for new routes; those with between three and five million would require clearance from the European Commission.²³ In March 2015 the

¹⁶ OJEU, [Community guidelines on financing of airports and start-up aid to airlines departing from regional airports](#), 2005/C 312/01, 9 December 2005

¹⁷ DfT, *Aviation Policy Framework*, Cm 8584, March 2013, p23

¹⁸ EU, [Guidelines on State aid to airports and airlines](#), 2014/C 99/03, 4 April 2014

¹⁹ HAHL press notice, "[Heathrow announces new measures to connect UK nations and regions to global growth](#)", 23 March 2015

²⁰ HMT, *Investing in Britain's future*, Cm 8669, June 2013, para 8.8, p50

²¹ HMT, *Budget 2014*, HC 1104, 19 March 2014, para 2.42. p64

²² DfT press notice, "[UK government funding for Dundee to London Stansted air link](#)", 6 June 2014

²³ DfT, [Airports with fewer than 5 million passengers per year: start-up aid](#), 22 January 2015

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Government published a list of those who had applied for start-up aid: the routes were from 11 separate airports across England, Scotland and Northern Ireland.²⁴ A further round of 15 bids was announced in August 2015,²⁵ with confirmation in the November 2015 Spending Review that the Government would provide £7 million through the RACF for new air routes, including from Belfast to Carlisle and from Derry to Dublin.²⁶

²⁴ DfT, [Start-up aid for airports: applications received](#), 27 March 2015

²⁵ DfT, ["Shortlist for new regional air route funding announced"](#), and [Start-up aid for airports with under 5 million passengers per year: second stage](#), both 20 August 2015

²⁶ HMT, [Spending Review and Autumn Statement 2015](#), Cm 9162, 25 November 2015, para 1.227, p56 and DfT press notice, ["New regional air routes offer fast journeys across UK and Europe"](#), 2 December 2015

4. Government policy, 1997-

4.1 Labour, 1997-2010

In its July 1998 transport White Paper, *A New Deal for Transport*, the Labour Government announced that it would prepare a 30-year UK airports policy and would bring forward new policies on civil aviation.²⁷ A consultation document, *The Future of Aviation*, was published in December 2000. Amongst the issues that the document asked respondents to consider was aviation's effect on regional development and capacity.²⁸ This was followed by a series of consultation papers on airports published in July 2002. Each consultation document examined options for the future development of the airports in that area; reviewed the potential impacts of these options, such as their economic, environmental and social implications; and set each region within the national context. The *Regional Air Services Co-ordination Study (RASCO)* provided an appraisal of the physical dimension of future regional airports policy; there was a separate consultation for London and the South East of England.²⁹

In December 2003, following this almost three-year long consultation, the Government produced its White Paper on the future of aviation in the UK.³⁰ In a statement to the House of Commons the then Secretary of State, Alistair Darling, called the White Paper an attempt to set out "the strategic framework for development for the next 30 years, against the background of wider developments in air transport".³¹ This White Paper remained the cornerstone of the Labour Government's aviation policy until it left office in May 2010.

The White Paper contained a specific undertaking to "encourage the growth of regional airports in order to support regional economic development, provide passengers with greater choice, and reduce pressures on more over-crowded airports in the South-East".³² It set out the general importance of airports to regional economies.³³ The White Paper also recommended that airport operators should maintain a 'master plan' document detailing development proposals. It went on to state: "We will expect airport operators to produce master plans or, where appropriate, to update existing master plans to take account of the conclusions on future development set out in this White Paper".³⁴ The Department produced a guidance document for the development of master plans in July 2004.³⁵

²⁷ DETR, *A new deal for transport: better for everyone - white paper*, Cm 3950, July 1998, para 3.189

²⁸ DfT, *The future of aviation: consultation on air transport policy*, December 2000, paras 116-19 and 203-08

²⁹ DfT, *Regional Air Services Co-ordination Study (RASCO): Final Report*, July 2002

³⁰ DfT, *The Future of Air Transport*, Cm 6046, December 2003

³¹ [HC Deb 16 December 2003, c1433](#)

³² op cit., *The Future of Air Transport*, p10

³³ ibid., pp49-50

³⁴ ibid., p141

³⁵ DfT, *Guidance on the Preparation of Airport Master Plans*, July 2004

In December 2006 the Department for Transport published a progress report on the implementation of the White Paper. The paper re-cast the debate about air travel within the context of climate change and environmental impacts, brought about by the publication of the Stern Review on the economics of climate change in October 2006.³⁶ Aside from this emphasis on climate change and impacts on the local environment, the paper restated the economic benefits of air travel and summarised progress that had been made on the White Paper since December 2003. It stated that some airport operators had decided that there was not sufficient justification to take forward the proposals in the timescale envisaged in 2003:

For instance, the White Paper suggested that at Birmingham and Edinburgh new runways may be needed around 2016 and 2020 respectively. The airports now believe new runways will not be needed before 2020 at the earliest, as a result of making better use of their existing capacity. At Bristol and Leeds-Bradford Airports runway extensions were supported in the White Paper, but the airport operators currently have no plans to take this forward.³⁷

In its manifesto for the 2010 General Election the Labour Party rowed back a little on the predict-and-provide approach in the 2003 White Paper. It stated that “we will not allow additional runways to proceed at any other airport [apart from Heathrow] in the next Parliament”.³⁸ Going into the 2015 General Election the Party committed to making “a swift decision on expanding airport capacity in London and the South East, balancing the need for growth and the environmental impact” after the Airports Commission (see below) reported.³⁹

The Party’s current policy on regional airports was set out by Shadow Transport Spokesman Daniel Zeichner in February 2016. It is broadly that any decision on increased capacity in the South East:

... must ensure that flight links are improved across the country and that UK airports are connected to hubs [... in the meantime] we will need new routes to connect with existing and emerging markets. We have heard about the new aircraft that offer possibilities for expanded point-to-point travel, and encouraging that would complement the UK’s existing hub mode. It would enable airports with existing capacity to build new routes to emerging economies and to directly support investment and growth across all regions.⁴⁰

4.2 Coalition & Conservative, 2010-

The Conservative-Liberal Democrat Coalition Government that came to power in May 2010 vowed to “cancel the third runway at Heathrow [and] refuse permission for additional runways at Gatwick and

³⁶ HMT, *Stern Review on the Economics of Climate Change*, October 2006

³⁷ DfT, *The future of air transport progress report*, Cm 6977, December 2006, paras 5.1-5.4

³⁸ Labour Party, *A Future fair for All: The Labour Party Manifesto 2010*, April 2010, p1:8

³⁹ Labour Party, *Britain can be better: The Labour Party Manifesto 2015*, 13 April 2015, p19

⁴⁰ [HC Deb 2 February 2016, cc323-4WH](#)

Stansted".⁴¹ The Government's subsequent aviation policy framework, published in March 2013, proposed a number of actions to make best use of existing capacity; better regulation and provision for passenger experience; and measures for encouraging new routes and services. The framework recognised "the very important role airports across the UK play in providing domestic and international connections and the vital contribution they can make to the growth of regional economies" as focal points for business development and employment and the fact that for more remote parts of the UK, "aviation is not a luxury, but provides vital connectivity".⁴²

However, it stated that while the Government wanted to see the best use of existing airport capacity and supported the growth of airports in Northern Ireland, Scotland, Wales and outside the South East of England, it also recognised that "the development of airports can have negative as well as positive local impacts, including on noise levels" and that it would "therefore consider that proposals for expansion at these airports should be judged on their individual merits, taking careful account of all relevant considerations, particularly economic and environmental impacts".⁴³

In late 2012 the Government set up an independent Airports Commission (see below for details) to advise on future airport development. The Commission published its interim report in December 2013 shortlisting no strategic airport development outside London. The Government initially welcomed⁴⁴ the interim report before publishing its full response in July 2014. In his statement the Secretary of State, Patrick McLoughlin, said: "Publication of the commission's final report in summer 2015 will be an important event not just for the aviation industry, but for the national economy more generally".⁴⁵

Unlike in 2010, the Conservative Party's manifesto for the 2015 General Election did not mention Heathrow, it only said that if it formed the next Government it would "respond to the Airports Commission's final report".⁴⁶ When the Commission's final report was published in July 2015 Mr McLoughlin said that the Government would respond before the end of the year.⁴⁷ In the event, in December 2015 Mr McLoughlin announced that the Government accepted the case put by the Commission for more runway capacity in the South East by 2030, but that it had not yet decided where that capacity should be. In light of this, the Government would:

... develop the best possible package of measures to mitigate the impacts on local people and the environment. This will include a package for local communities to include compensation, maximising local economic opportunities through new jobs and

⁴¹ HMG, [The Coalition: Our Programme for Government](#), May 2010, p16

⁴² op cit., [Aviation Policy Framework](#), p20

⁴³ ibid., p22

⁴⁴ DfT press notice, "[Government welcomes Airports Commission interim report](#)", 17 December 2013; and: [HC Deb 17 December 2013, c622](#)

⁴⁵ [HC Deb 15 July 2014, c67WS](#)

⁴⁶ Conservative Party, [Strong Leadership, A Clear Economic Plan, A Brighter More Secure Future: The Conservative Party Manifesto 2015](#), 14 April 2015, p14

⁴⁷ [HC Deb 1 July 2015, c1484](#)

apprenticeships, and measures to tackle noise. More work will be done on environmental impacts. The government expects the airports to put forward ambitious solutions.⁴⁸

A final decision on the Government's preferred location for expansion is expected in Summer 2016.

In the meantime the Government has sought to support 'lifeline' air services by making route start-up funding available via the Regional Air Connectivity Fund (see above).

4.3 Airports Commission, 2012-15

The Airports Commission, chaired by Sir Howard Davies, the former chairman of the Financial Services Authority, was set up in September 2012 to identify and recommend to Government options for "maintaining this country's status as an international hub for aviation".⁴⁹

The Commission published its interim report in December 2013. It concluded that there was a need for one net additional runway to be in operation in the South East of England by 2030 and that there was likely to be a demand case for a second additional runway to be operational by 2050. The Commission said that it would take forward for further detailed study proposals for new runways at Gatwick and Heathrow.⁵⁰ In terms of regional airports outside London and the South East, the Commission discussed the 'transformational' impact of low-cost airlines and Gulf carriers on UK regional connectivity to destinations outside Western Europe.⁵¹

It also looked at whether it would be possible to solve the capacity problem in London and the South East by incentivising, or requiring, airlines to make greater use of under-utilised capacity elsewhere. To assess the scope for redistributing traffic, the Commission considered four potential policy levers: taxation (Air Passenger Duty); changes to the slots regime; Traffic Distribution Rules; and, restrictions on aircraft and services at congested airports. It concluded that relatively little scope to redistribute demand exists.⁵² Furthermore, on issues of surface access, it recommended that the Government work with local authorities and Local Enterprise Partnerships (LEPs) to "ensure that proper consideration is given to the needs of airport users when prioritising local transport investment".⁵³

There followed a number of articles and independent reports looking at the Commission's methodology, the possible impacts of Heathrow expansion on regional services and the future of regional airports more generally.⁵⁴ The Commission published its Final Report in July 2015. It

⁴⁸ DfT press notice, "[Government confirms support for airport expansion in the south-east](#)", 10 December 2015

⁴⁹ [HC Deb 7 September 2012, c41WS](#)

⁵⁰ op cit., [Interim Report](#), for full details see chapter 6

⁵¹ *ibid.*, pp68-69

⁵² *ibid.*, chapter 4

⁵³ *ibid.*, p161

⁵⁴ e.g. Birmingham Airport press notice, "[Airports Commission's Research on Effect on Runway Expansion on UK Regions Could be Flawed, According to New Analysis](#)", 26

stated that expansion at either Heathrow or Gatwick would ‘strengthen’ access to London from the rest of the UK, particularly Scotland and Northern Ireland:

For nations and regions where domestic air connections to London remain crucial, such as Scotland and Northern Ireland, expansion at Heathrow will create space at the airport for increased frequencies and for new links to be established. The number of services from Scottish airports to Heathrow has declined by more than a quarter over the past 10 years, and to Gatwick by almost 20% over the same period. Expansion at either airport would provide the opportunity to reverse that trend, and would strengthen access to London from Scotland, as well as to the capital’s wider international route network.⁵⁵

It went on to explain that the benefits accruing to domestic services from expansion would vary, due to the relative strengths of Heathrow and Gatwick, specifically:

- **Heathrow** can provide access to the strongest international connectivity. The Commission’s forecasts suggest that with expansion more than twice as many domestic passengers will travel via Heathrow in 2040 than if the airport’s capacity remains constrained. However, the Government would need to use Public Service Obligations to ensure that areas such as the Highlands and Islands would have access to Heathrow.
- **Gatwick** would also see a significant increase in the number of domestic passengers from Scotland and Northern Ireland using the airport. It currently has more domestic connections than Heathrow and this pattern is forecast to continue. Domestic passengers at Gatwick would not, however, be able to benefit from as strong a long-haul network, including links to economically important emerging market destinations, as at Heathrow.⁵⁶

The Commission recommended the following with regards to domestic routes:

The Government should alter its guidance to allow the introduction of Public Service Obligations on an airport-to-airport basis, and use them to support a widespread network of domestic routes at the expanded airport.

HAL [Heathrow Airport Limited] should implement additional measures to enhance domestic connectivity, including reduced charges and start-up funding for regional services.⁵⁷

According to the Final Report, the number of UK destinations with a direct service into Heathrow more than halved between 1990 and 2014 (from 19 to 7).⁵⁸ The Commission stated:

January 2015; Heathrow APPG, [The Wider Economy - Impact of Heathrow Airport’s expansion on the number and distribution of UK passengers and destinations](#), 3 February 2015; and National Connectivity Taskforce, [Air Connectivity Matters: Linking the Nations and Regions of Britain to London and the wider global economy](#), 16 March 2015

⁵⁵ op cit., [Final Report](#), para 13.52

⁵⁶ [ibid.](#), paras 13.53-55

⁵⁷ [ibid.](#), p33; discussed in more detail in chapter 15 of the report

⁵⁸ [ibid.](#), figure 3.3, p77

... unless capacity is expanded, this pattern will continue, with the number of destinations served from Heathrow declining to as few as three by 2040. The primary reason for this reduction in domestic connectivity at Heathrow is that, with practically all the airports slots taken up, many domestic destinations are priced out by long-haul routes that deliver higher yields per passenger.⁵⁹

Furthermore, over the past 20 years the number of daily services operating to and from Glasgow and Edinburgh has fallen by over a third.⁶⁰

As indicated above, the Commission stated that expansion at Heathrow would allow the airport to reverse the decline in domestic routes, but that this could only be achieved if other measures were put in place – specifically the PSO network of supported domestic routes and financial support (set out in the two recommendations above):

The Commission's forecasts ... suggest that without specific measures to support domestic connectivity even an expanded Heathrow may accommodate fewer domestic routes in future than the seven served currently. It would still however see more than the three domestic routes predicted to be available from the airport without expansion.⁶¹

However, in its response to the Commission's Final Report Gatwick asserted that "as regards connectivity for the UK Nations and Regions, the Commission's forecasts demonstrate that an expanded Heathrow will serve fewer domestic routes than today – by 2050, only 4 domestic routes compared to 7 today".⁶² This claim was based on data published in the Commission's November 2014 strategic fit forecasts. These forecasts involved a number of scenarios, which showed the following:

- Gatwick (second runway): in 2011 operated 9 domestic routes; under the range of scenarios this would decrease to between 7 and 8 by 2050; and
- Heathrow (third runway): in 2011 operated 7 domestic routes; under the range of scenarios this would decrease to 4 by 2050.⁶³

Gatwick charged that the Commission ignored this data in their Final Report. However, as set out above, the report did acknowledge that supplementary interventions (PSOs etc.) would be needed to grow domestic routes at Heathrow and that without them routes could decrease.

⁵⁹ *ibid.*, para 3.29

⁶⁰ *ibid.*, para 15.1

⁶¹ *ibid.*, para 15.8

⁶² Gatwick Airport, *A Second Runway for Gatwick: Airports Commission Final Report – Areas of Concern*, 10 August 2015, para 3.16

⁶³ Airports Commission, *Strategic Fit: Forecasts*, November 2014, tables 6.32-6.35, pp149-52

5. South West England

The 2003 White Paper set out the key issues for the South West region.⁶⁴ The main conclusions in the White Paper were:

- the main potential for growth in the South West was at **Bristol Airport** where the Government supported its development to around 12 mppa,⁶⁵ to include a runway extension and new terminal south of the existing runway when required; a new airport north of Bristol would be neither economically beneficial nor commercially viable;
- development at **Bournemouth**, provided appropriate surface access improvements be put in place and that any direct or indirect impacts on sensitive ecological sites be minimised or compensated;
- significant scope for development at **Newquay** and **Exeter** without major environmental impacts; the Government therefore supported proposals for their expansion, with the detailed form of development and funding to be determined at regional and local level; and
- regional authorities were invited to review the options for meeting the air travel needs of **Plymouth** and its hinterland and to make appropriate provision for this in future regional planning, transport and economic strategies.⁶⁶

In November 2006 Bristol International Airport published its [master plan](#) for development to 2030 and in 2012 its [surface access strategy](#). In June 2009 the airport submitted a planning application to North Somerset Council proposing a large number of changes to the airport including: expansion of the existing terminal building to just over double its current overall floor area; expansion of the aircraft parking apron to provide a total of 33 aircraft stands (compared with 27 aircraft stands available in summer 2008); two multi-storey car parks with capacity for approximately 3,850 cars; and a public transport interchange for buses and taxis.⁶⁷ North Somerset Council granted planning permission for the development and enhancement of Bristol Airport on 16 February 2011.⁶⁸

The Airports Commission received two long term proposals for airport expansion that would have had significant impact on Bristol Airport – it dismissed them both in the first sift. They were:

- MSP Solutions suggested the construction of an airport in the Severn estuary to replace Bristol and Cardiff airports. The Commission said that the scale of the contribution of a new airport in the Severn Estuary as presented in this proposal to UK airport capacity was “not clear and would not appear to offer additional capacity where the assessment of need identified the demand (the South East)”. Given that Cardiff and Bristol airports

⁶⁴ op cit., [The Future of Air Transport](#), paras 10.1-10.4

⁶⁵ million passengers per annum

⁶⁶ op cit., [The Future of Air Transport](#), pp101-106

⁶⁷ BIA press notice, [“Airport Application balances Economy and Environment”](#), 16 June 2009

⁶⁸ BIA, [Planning and development](#) [archived 29 December 2013]

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would close, any additional capacity benefit may be small compared to the proposed cost; and

- Severn24 proposed a new two runway airport on a reclaimed island in the Severn Estuary with road and rail links to the M4 and the Great Western Main Line near Newport. The Commission said that whilst the proposal would provide capacity to serve the South West of England and the south of Wales, it was “not clear that this proposal would add significantly to overall national capacity, given the almost certain operational and commercial need for Cardiff and Bristol airports to close, therefore the additional benefit may be small against the proposed cost”.⁶⁹

Bournemouth Airport published its [master plan](#) in May 2007; Newquay published its [master plan](#) in June 2009; and Exeter published its [master plan](#) in October 2009; an addendum was published in autumn 2011. Plymouth City Airport was closed at the end of 2011 due to lack of business – there are efforts underway to reopen it.⁷⁰

⁶⁹ op cit., *Interim Report*, [Appendix 2](#), pp16-17

⁷⁰ “[Plymouth airport closure a sign of things to come](#)”, *The Independent*, 29 April 2011; and “[Campaign to reopen Plymouth airport attracts 'major financial backer' believed to have given £5m](#)”, *Plymouth Herald*, 11 October 2015

6. Midlands

The 2003 White Paper set out the key issues for the region covering both the East and West Midlands.⁷¹ The main conclusions in the White Paper were:

- there was a need for additional runway capacity in the Midlands, but a new airport was unlikely to be economically justified or financially viable [because of other decisions about expanding airport capacity in the South East];
- the preferred location for a new runway was at **Birmingham** where the Government supported a proposal for a short wide-spaced runway; although forecasts suggested the runway might be needed around 2016, it was for the airport operator to judge when the project would be commercially desirable and, accordingly, when it would be appropriate to submit a planning application;
- there was no clearly demonstrable economic case that would justify safeguarding for a new runway at **East Midlands**, although the projected expansion of air freight operations at East Midlands should be permitted;
- no support for the option of a new airport between **Coventry** and **Rugby**; and
- **Wolverhampton** should continue its role of serving business and general aviation; any decision on commercial expansion was a local matter.⁷²

The 2006 progress report gave an overview of developments at Birmingham, including plans to extend the runway to 3,000 metres.⁷³ Birmingham published its master plan in November 2007 alongside an airport surface access strategy.⁷⁴ In January 2008, the Airport Company submitted a planning application to Solihull Metropolitan Borough Council for the proposed extension to the existing runway at the airport. The application was granted, subject to conditions, in 2010.⁷⁵ In June 2012, Birmingham Airport unveiled a new campaign calling for the Government to look beyond the South East airports when examining how to meet future aviation demand. The airport published a paper setting out its views.⁷⁶

The Airports Commission (see above) received one long term proposal for expansion at Birmingham – it was dismissed in the second sift. The Commission said that significant distance from the key catchment area of London made it unlikely that Birmingham Airport would cater as well as more proximate options. It would offer the largest catchment of people within two hours of the airport of all options, but this was largely dependent on the journey time assumptions of HS2, which would also make the London airport system easier to access for

⁷¹ op cit., [The Future of Air Transport](#), para 9.1-9.3

⁷² ibid., pp91-99

⁷³ op cit., [The future of air transport progress report](#), para 5.40

⁷⁴ BHX website, [Planning & Development](#) [accessed 26 April 2016]

⁷⁵ BHX website, [Planning History](#) [accessed 26 April 2016]

⁷⁶ BHX, [Don't put all your eggs in one basket: A challenge to aviation orthodoxy](#), June 2012

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passengers from Birmingham's core aviation market. It would also have significant noise impacts. The Commission concluded that the "current demand profile favours other airports".⁷⁷

The airport itself saw some encouraging signs in the report but criticised it for focusing too much on London and the South East.⁷⁸ The airport launched '[balanced aviation debate](#)' website and stated that its vision is to have a network of 'great airports for great cities'. There are a number of reports on this theme available to download from the site.

After the publication of the 2003 White Paper East Midlands Airport faced a number of campaigns calling for it to have 'designated' status (i.e. to permit the Secretary of State to mitigate the noise impacts at the airport). The Labour Government continually resisted such representations.⁷⁹ East Midlands published its master plan 2006, updated in 2015 and renamed the [sustainable development plan](#). Wolverhampton Halfpenny Green Airport has plans to develop an [aviation park](#). Coventry Airport closed in December 2009 due to financial difficulties.⁸⁰ It was reopened for business jets, cargo, light aircraft and helicopters in 2010 after being purchased by the Rigby Group.⁸¹

⁷⁷ op cit., *Interim Report*, [Appendix 2](#), p22

⁷⁸ BHX press notice, "[Birmingham Airport Welcomes the Airports Commission's Recognition of its Role in the UK's Long-Term Aviation Strategy](#)", 17 December 2013

⁷⁹ see, e.g.: [HC Deb 9 February 2005, cc440-441WH](#)

⁸⁰ "[Coventry Airport shuts down](#)", *The Independent*, 8 December 2009

⁸¹ "[Firm completes Coventry Airport takeover](#)", *BBC News*, 28 April 2010

7. North of England

The 2003 White Paper set out the key issues for the North of England.⁸² The main conclusions of the White Paper were:

- anticipated significant growth at the North of England's airports supported the development of the additional terminal capacity, runway extensions and improved taxiway systems needed to cater for it;
- **Manchester** Airport's capacity should in principle continue to grow to accommodate additional demand up to around 50mppa by 2030, subject to stringent limits on the area affected by aircraft noise;
- **Liverpool** John Lennon Airport to require further terminal capacity to accommodate increased demand; a future runway extension would be acceptable provided there was no encroachment on the River Mersey Site of Special Scientific Interest, Ramsar site and Special Protection Area;
- **Carlisle** was encouraged to bring forward proposals for development;
- support for plans at **Newcastle** to expand terminal facilities and extend the runway, providing there was careful assessment of potential environmental impacts;
- support for extensions to both terminal facilities and runway length, and enhancements to the existing taxiway system at **Durham Tees Valley** Airport, to be provided within existing airport land; and
- support for additional terminal capacity and a possible runway extension at **Leeds Bradford** International Airport.⁸³

In March 2015 the Government and Transport for the North (TfN) published their northern transport strategy. This outlined a 'shared vision' on airports in the region, providing for:

- more destinations served by Liverpool John Lennon, Manchester, Leeds-Bradford, Newcastle, Durham-Tees Valley, Doncaster-Sheffield and Humberside, carrying over 30 million passengers a year;
- direct links for businesses and the public to a range of destinations;
- high quality surface access to airports to ensure the North is a competitive location for multi-national businesses;
- better rail connectivity to Manchester Airport; and
- support to Newcastle airport to allow it to thrive.

This would be achieved by developing plans to better connect Manchester airport to neighbouring cities by rail; improving connectivity more generally and reviewing how regional airports would be affected by devolution of Air Passenger Duty to Scotland.⁸⁴

⁸² op cit., [The Future of Air Transport](#), paras 8.1-8.3

⁸³ *ibid.*, pp83-89

⁸⁴ DfT/TfN, [The Northern Powerhouse: One Agenda, One Economy, One North](#), 20 March 2015, p35; the issue with APD is that Scotland might cut its rates, giving Edinburgh particularly a competitive advantage against English airports across the

TfN's Chair, John Cridland CBE, has launched a Commission of business experts to identify the international connectivity needs of the North, "taking into account the needs of key capabilities and the opportunities arising in global markets". The Commission will make recommendations to improve the North's access to the global economy through its ports and airports by the end of Summer 2016.⁸⁵

In 2006 Manchester published its master plan, this was updated in 2015 and renamed the [sustainable development plan](#).⁸⁶ The original master plan followed the commencement in June 2005 of a multi-million pound development scheme at Terminal 2 to increase capacity at the airport by 11 mppa, accompanied by additional apron capacity around Terminal 1 and Terminal 2.⁸⁷

Liverpool John Lennon Airport published its [master plan](#) in November 2007. Newcastle published its [master plan](#) in 2014. Robin Hood Airport Doncaster Sheffield (RHADS) Airport opened in April 2005 and published its [master plan](#) in October 2010. Leeds Bradford published its master plan in 2005; it is currently in the process of [consulting on a new strategic development plan](#) to replace the 2005 plan.

Blackpool Airport closed in October 2014 before reopening in December for general aviation; limited passenger services resumed in April 2015.⁸⁸

border, this could be a particular issue for Newcastle – for further information see HC Library briefing paper [SN5094](#)

⁸⁵ TfN, *The Northern Transport Strategy: Spring 2016 Report*, 7 March 2016, p10

⁸⁶ it also published [four accompanying action plans](#) on land use, the environment, community and economy & surface access [accessed 26 April 2016]

⁸⁷ "[Development maps airport future](#)", *BBC News*, 3 June 2005

⁸⁸ "[Blackpool Airport: Daily passenger flights to resume](#)", *BBC News*, 21 March 2015

8. Scotland

The 2003 White Paper set out the key issues for Scotland.⁸⁹ The main conclusions in the White Paper were:

- the Government would safeguard the option of a new close parallel runway and the associated development of terminal and stand capacity needed to support development at **Edinburgh** Airport. This would require the relocation of the Royal Highland and Agricultural Society of Scotland (RHASS), by around 2013;
- substantial development of terminal and airside facilities at **Glasgow** Airport would be required by 2030, including doubling or more the existing terminal capacity; support for the replacement of existing hangar facilities and the development of a new eastern pier;
- terminal and support facilities at **Glasgow Prestwick** should be developed to accommodate the likely increase in passenger and freight traffic once current capacity of around 3 mppa has been reached; and
- no support for the development of a new **Central Scotland** airport.⁹⁰

The 2006 Progress Report gave an overview of developments at Edinburgh, including the fact that the airport had concluded that a new runway was unlikely to be needed before 2020.⁹¹ Edinburgh Airport published its [master plan](#) in July 2011.⁹² In March 2016 a report by BiGGAR Economics for the airport found that it contributed almost £1 billion in Gross Value Added (GVA) per year to the Scottish economy.⁹³

Prestwick, Glasgow and Edinburgh airports have developed plans for the modernisation of Scottish airspace, including the introduction of performance-based navigation (PBN) routes. In June 2015 Edinburgh began a six month trial of a new Standard Instrument Departure (SID) route from Runway 24. It proven controversial.⁹⁴ A report into the trial found airspace, efficiency and environmental benefits from the change but a significant negative effect on noise impacts.⁹⁵ Edinburgh is currently operating a further six month departure trial on Runway 06.⁹⁶

Glasgow Prestwick published its [draft master plan](#) in October 2008; this was replaced by a [long term strategic vision](#), published in October 2014. This followed the nationalisation of the airport in November 2013 when it was sold to the Scottish Government for a nominal fee.⁹⁷ In February

⁸⁹ op cit., [The Future of Air Transport](#), paras 5.1-5.3

⁹⁰ *ibid.*, pp63-73

⁹¹ op cit., [The future of air transport progress report](#), para 5.40

⁹² Edinburgh was sold by BAA (now Heathrow Airport Holdings Ltd.) in 2012 after a ruling from the then Competition Commission, see: BAA press notice, "[BAA announces sale of Edinburgh Airport](#)", 23 April 2012

⁹³ BiGGAR Economics for EDI, [Economic Impact of Edinburgh Airport - Final Report](#), 22 March 2016

⁹⁴ see, e.g. "[Calls for Edinburgh Airport to halt flightpath trial early as noise drives residents "to tears"](#)", *The Herald*, 10 September 2015

⁹⁵ EDI, [Edinburgh Airport TUTOR1C Trial Findings Report](#), 26 January 2016

⁹⁶ EDI, [Runway 06 Trial](#) [accessed 26 April 2016]

⁹⁷ "[Prestwick Airport sold to Scottish government for £1](#)", *BBC News*, 24 November 2013

2015 Audit Scotland published a report on the purchase. This said that the Scottish Government had provided the airport with a total of £9 million in loans and was committed to provide a further £16.2 million to the end of March 2016 if required. It encouraged the Scottish Government to develop a “clear vision and strategy for the airport, which should take into account the airport’s future development potential.”⁹⁸

Glasgow Airport’s [master plan](#) was updated in 2011 and sets out how the airport can grow to accommodate increased demand up to 2040. Along with Glasgow City Council, Renfrewshire Council and Transport Scotland it published a strategic transport appraisal in March 2014. Aberdeen published a new [master plan](#) in 2013. Highlands and Islands Airports Ltd (HIAL) published the Inverness Airport [master plan](#) in August 2007.

⁹⁸ Audit Scotland, [The Scottish Government’s purchase of Glasgow Prestwick Airport](#), 24 February 2015, pp5-6

9. Wales

The 2003 White Paper set out the key issues for Wales.⁹⁹ The main conclusions in the White Paper were:

- No new airport in **South East Wales**, including the specific proposals for Severnside International and Llanwern;
- **Cardiff** to remain the main airport serving South Wales, with possible additional terminal capacity and surface access improvements;
- airports in **England** to continue to have a significant role in meeting the needs of air travellers from Wales; surface access connections to these airports from Wales, by both road and rail, were therefore important; and
- an opportunity to develop intra-Wales air services.¹⁰⁰

Cardiff published its [master plan](#) in 2006; it is not clear whether this is still in force or whether it will be replaced. Cardiff Airport was nationalised in March 2013 when it was sold to the Welsh Assembly Government for £52 million.¹⁰¹ There followed reports looking at the economic benefit of Cardiff Airport to the Welsh economy and speculation that it would aim to return to the private sector within three years.¹⁰² In March 2016 the Welsh Assembly Public Accounts Committee published a report on the purchase of the airport, concluding that while the Welsh Government “had a clear rationale for buying the airport given it was in decline and that prospects for turning it around under its previous ownership were bleak”, that the airport’s performance, whilst improving, was “still falling short of expectations”. It also concluded that “the airport purchase price can be justified”.¹⁰³

The Airports Commission (see above) received three long term proposals for airport expansion that would have had significant impact on Cardiff Airport. Two were dismissed in the first sift. They were:

- MSP Solutions suggested the construction of an airport in the Severn estuary to replace Bristol and Cardiff airports. The Commission said that the scale of the contribution of a new airport in the Severn Estuary as presented in this proposal to UK airport capacity was “not clear and would not appear to offer additional capacity where the assessment of need identified the demand (the South East)”. Given that Cardiff and Bristol airports would close, any additional capacity benefit may be small compared to the proposed cost; and
- Severn24 proposed a new two runway airport on a reclaimed island in the Severn Estuary with road and rail links to the M4 and

⁹⁹ op cit., [The Future of Air Transport](#), paras 6.1-6.3

¹⁰⁰ *ibid.*, pp75-77

¹⁰¹ “[Cardiff Airport is sold to the Welsh government for £52m](#)”, *BBC News*, 27 March 2013

¹⁰² e.g. Public Policy Institute for Wales, [Maximising the Economic Benefits of the Welsh Government’s Investment in Cardiff and St. Athan Airports](#), January 2016 and “Cardiff airport aims for return to private sector”, *The Times*, 27 January 2016

¹⁰³ WAPAC, [The Welsh Government’s acquisition and ownership of Cardiff Airport](#), March 2016, p5; the airport’s response can be found at: CWL press notice, “[Response to the PAC Report](#)”, 23 March 2016

the Great Western Main Line near Newport. The Commission said that whilst the proposal would provide capacity to serve the South West of England and the south of Wales, it was “not clear that this proposal would add significantly to overall national capacity, given the almost certain operational and commercial need for Cardiff and Bristol airports to close, therefore the additional benefit may be small against the proposed cost”.¹⁰⁴

The final one – from Western Gateway Group – was dismissed in the second sift. The Commission said that the proposal had a high cost due to its high speed requirements and did not deliver any significant additional capacity. Furthermore the “very limited additional capacity it does deliver is in a region of the country where it is not clear that unfulfilled demand exists. Therefore does not meet the requirements identified in the assessment of need”.¹⁰⁵

¹⁰⁴ op cit., *Interim Report*, [Appendix 2](#), pp16-17

¹⁰⁵ *ibid.*, p22

10. Northern Ireland

The 2003 White Paper set out the key issues for Northern Ireland.¹⁰⁶ The main conclusions in the White Paper were:

- the Northern Ireland authorities should review the form of the planning agreement at **Belfast City** should the airport operator ask them to do so;
- the scope to develop capacity within **Belfast International's** existing boundaries was significant and should be supported; and
- the future development of **City of Derry** Airport needed early consideration in conjunction with the Government of the Republic of Ireland.¹⁰⁷

In November 2012 the Northern Ireland Affairs Select Committee published a report on an air transport strategy for NI. This recommended that the two Belfast airports, while being in competition with one another, embrace “opportunities for co-operation” where they arise, and that the UK and Irish Governments consider co-operation between the two jurisdictions on airports.¹⁰⁸

George Best Belfast City Airport published its [master plan](#) towards the end of 2005; and Belfast International published its [master plan](#) in late 2006.

¹⁰⁶ op cit., [The Future of Air Transport](#), paras 7.1-7.3

¹⁰⁷ ibid., pp79-81

¹⁰⁸ NIAC, [An air transport strategy for Northern Ireland](#) (first report of session 2012–13), HC 76, 30 November 2012, para 34

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