

**RESPONSE TO THE AIRPORTS COMMISSION'S
DISCUSSION PAPER NO.2:
AVIATION AND CONNECTIVITY**

**Joint Submission On Behalf of the
Regional Transport Partnerships of Scotland**

19 April 2013

This response to the Airports Commission's Discussion Paper on Aviation and Connectivity has been prepared on behalf of the seven statutory Regional Transport Partnerships (RTP) in Scotland. The Scottish RTPs would like to add their voice to those from other UK regions about the critical importance of access not just of frequent and affordable air access to London and the South East because of our peripheral geography, but also the importance to our economies of access to the enhanced international connectivity provided by Heathrow or an alternative future London hub airport. If a UK hub airport does not, or cannot provide such benefits, then it does not merit the kind of policy focus the Aviation Policy Framework or the Airports Commission remit implies.

Securing improved connectivity and protecting existing levels of access to London is of strategic importance to each of Scotland's Regional Transport Partnerships. Air transport plays a significant role in delivering this and is a frequent and essential focus of our attention.

In our minds, there remains some ambiguity as to the scope of the Commission's remit in relation to the UK's regional airports, save in so far as they relate to its core task of evaluating whether there is a need for additional runway capacity in the South East, and if there is, how this might best be provided. The Aviation and Connectivity Paper is quite high level and academic in its scope and outlook, but appears to have the underlying rationale of trying to work out how best to assess connectivity and its benefits associated with London and South East capacity options, rather than examining the issue holistically by also looking elsewhere. So although there are broader aviation connectivity issues relating to flights within Scotland and from Scotland to other parts of the UK and Europe, we have chosen to focus on the issue of air access to London and its hub airport(s) because this clearly is directly relevant and of critical importance to how Scotland can contribute to the sustainable economic growth of the UK. If the Commission is interested in our other aviation connectivity issues we would be happy to submit further evidence for consideration.

The questions in section 5 of the Discussion Paper provide the basis for this response but rather than seek to follow these slavishly we flag some key issues under each of the three key chapter headings in the Paper.

The nature of the UK's connectivity

The following section addresses the questions posed within paragraph 5.5.

Whilst we are broadly content with your generic definition of aviation connectivity as the "ability and ease with which passengers and/or freight can reach a given destination by air", we think great care needs to be taken with some of the ways you have chosen to assess this. First your analysis is completely London focused; second, a single weekly service threshold is very misleading (a more plausible criteria may change this perspective materially), and of little value in terms of business connectivity; and third you have failed to examine the potential implications one stop connecting journeys or the exodus of passengers from one airports catchment to another's, as part of the material you present.

And so while we believe there is scope to change the route network available over the coming years, the issue will remain how much weight will be put in the evaluation of options in terms of their ability to improve regional access, and is there the committed political will to support this.

How may aviation connectivity contribute to the UK's economy?

Aviation is of critical importance to the economy and economic growth of the UK and each part of the UK in supporting (1) trade in goods, (2) trade in services, (3) tourism, (4) business investment and innovation, and (5) productivity.

Aviation also has a key role to play in achieving the objectives of UK and Scottish national economic strategies for growth, particularly objectives to encourage investment and exports as a route to a more balanced economy (http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf) and ensuring that the UK remains one of the top destinations for foreign direct investment, including and particularly regions outside London and the south east. In addition aviation connectivity is of critical importance to promoting Scottish export to capitalise on significant opportunities in growth markets and contributing to ambitious targets to deliver a 50% increase in exports by 2017 (<http://www.scotland.gov.uk/Resource/Doc/357756/0120893.pdf>).

Scottish firms value aviation connectivity because it provides them with access to foreign markets where they can sell their products, interact with other companies or secure investment. International markets also provide opportunities for Scottish business to be involved in the exchange of knowledge, technology, innovation and labour. Scotland is a net exporter and for our business community to retain its competitive edge it is crucial that they enjoy unfettered access to their markets within the European Union and beyond. Key sectors of the Scottish economy including Energy (Oil, Gas, Renewable), Financial services, Food and Drink (including Whisky), Manufacturing and Tourism rely heavily on overseas markets. The North American market in particular is best served by the range of waves available through London Heathrow making this such a key hub/gateway to this market.

While it remains vital for the UK to maintain its connectivity with established markets such as the USA and in Europe, it is also important that we take advantage of the opportunities presented elsewhere to remain competitive in the global economy. The UK is an extremely open and internationalised economy and the UK's peripheral regions need to be allowed to play their part if we are to see all of the UK contribute to the delivery of sustainable economic growth.

The RTPs would like to underline the importance of aviation and of international connectivity for the tourist industry. The UK Government has recognised that tourism is an important industry, not least because of the foreign direct expenditure it attracts, the number of jobs and tax revenues that are dependent upon it and its potential contribution to re-balancing the UK economy. For many peripheral parts of the UK including Scotland, tourism is particularly important to the prosperity of the local economy and as such individual region's connectivity with the rest of the UK, Europe and beyond plays a crucial role in supporting its successful functioning. The RTPs are aware that a high percentage of visitors do not travel more than 2 hours from their airport of arrival. Hence the critical importance for the region of maximising visitor arrivals through Scottish airports, and their connections to a hub airport.

The existing links that are in place from Scottish regions to London are performing reasonably well. However the recent loss of bmi services to Inverness and Glasgow (prior to the IAG takeover) have left a deficit in the connectivity enjoyed by these two airports. The introduction by Virgin (Little Red) of new services to Edinburgh and Aberdeen from Heathrow has restored the service levels that these two city regions enjoy to Heathrow. The RTPs would support decisive action that protects the existing network of services Scottish Airports have to London Airports and would support action to reinstate services from both Glasgow and Inverness to Heathrow.

The RTPs would support protection of service levels between Scotland and particular hub airports in London. The implementation of Public Service Obligations from Airport to Airport should be considered as a tool to provide these guarantees.

Future Aviation Connectivity Objectives

Questions relating to what the UK's objectives for the future aviation should be:

As stated above the Scottish business community value aviation connectivity because it provides them with access to foreign markets where they can sell their products, interact with other companies or secure investment. International markets also provide opportunities for UK firms to be involved in the exchange of knowledge, technology, innovation and labour.

The RTPs support a framework [for appraising South East Options] that includes assessments of the importance of routes to UK to businesses as well metrics relating other factors such as to the number of routes served and the frequency of services. This assessment of value to business could focus, for example, on the size of the connected markets and how they are forecast to grow in the future.

Constructing a set of measures assessing the economic importance of routes as part of an overall analysis of connectivity could be a valuable step in developing a robust approach to assessing possible impacts of airport capacity constraints on economy. Identifying the economic importance of those destinations that are (or will be) mostly affected by airport capacity constraints will help inform the Airports Commission on the potential economic benefits of expanding airport capacity, as well as on potential costs and risks of doing nothing.

The Commission is interested in evidence or case studies on how the economic importance of routes could be assessed and in what way capacity

As stated in the introduction to this response access to London is a significant issue for the Scottish Regional Transport Partnerships. The RTPs individually have undertaken research to build an evidential case for the economic importance of access to London to the economies of their regions and the following workstreams would be useful sources of evidence to the Commission:

1. RTPs Response to Aviation Policy Framework Consultation
2. Highlands and Islands Transport Partnership (HITRANS) APF Consultation Response–
http://www.hitrans.org.uk/Documents/Response_to_Aviation_Policy_Framework_Consultation_by_the_Department_for_Transport.pdf
3. North East Scotland Transport Partnership (Nestrans) APF Consultation Response
4. HITRANS and Nestrans joint work on North of Scotland Air Links to London Evidence Note –
http://www.nestrans.org.uk/db_docs/docs/Final_Aviation_Policy_Framework_consultation_121030.doc