



Department  
for Transport

# Airports: The Government's View

## Summary document

**Moving Britain Ahead**

October 2016



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# Foreword



International flights matter. They support trade, inward investment and exports. They create jobs and economic growth. And they give UK citizens the freedom to fly across the world – whether for business, leisure or to visit friends and family.

But we face a capacity crunch. Over the last seventy years the UK has failed to build the capacity needed to match people’s growing desire for travel. While our international competitors have taken tough decisions to expand runway capacity, we have failed to build a new full-length runway in the South East since the 1940s. Today, Heathrow is the busiest two runway airport in the world and Gatwick the busiest single runway airport in the world. By 2040 every London airport will be full unless we take action.

This Government is not afraid to take the big decisions. By supporting the construction of a new runway at Heathrow, we are sending a clear message to the world that Britain is open for business. It provides the greatest strategic and economic benefits for the UK, connecting our country with growing world markets including Asia and South America. It offers the best deal for passengers – increasing the choice of airlines and destinations while lowering fares. It is an investment that delivers the global connections the next generation needs.

A new runway will also increase the number of UK airports connected to Heathrow and safeguard existing domestic routes. Heathrow is the UK’s biggest port by value, accounting for 30% of all non-EU trade, and its expansion will enable even more opportunities for UK businesses to reach new markets. Its location is well connected to the rest of the UK by resilient road and rail connections.

This announcement follows the most comprehensive assessment of an infrastructure project ever undertaken in the UK. I am grateful to Sir Howard Davies and his Airports Commission for their work which has played a major part in supporting this process.

However, I recognise the impact this announcement will have on those who live near the airport. That is why this proposal doesn’t just offer the greatest strategic and economic benefits but, also considers what is best for communities and the environment. As a result, up to £2.6 billion will be provided for noise mitigation and compensation. The new capacity comes with a six and a half hour ban on scheduled night flights for the first time. It also ensures the periods of respite from noise that are so valued by local communities which are overflown. A Northwest Runway can be delivered within air quality and climate change limits.

Heathrow will continue to work with communities to deliver plans that are sensitive to local concerns. It is now for the government to consult on a draft National Policy Statement (NPS) in the New Year and seek further views before the issue returns to the House of Commons. The airport will then be free to submit its planning application. This is the quickest, simplest and fairest route to constructing a new runway.

This is the right move for businesses, passengers and communities – for a country that works for everyone and invests in the next generation. Now is the time to move forward and seize this opportunity to show the world that Britain is open for business.

A handwritten signature in black ink, appearing to read 'Chris Grayling', written in a cursive style.

**Rt Hon Chris Grayling MP**  
**Secretary of State for Transport**

# 1. Why we need a new runway

## Aviation is a key driver to our economic prosperity

Aviation creates jobs and supports economic growth. It directly supports around 230,000 jobs with many more employed indirectly and contributes around £20bn annually to UK GDP. Heathrow alone directly employs more than 75,000 people, making it one of the biggest single site employers in the country.

Aviation is even more important as an enabler of activity in the wider economy. It supports trade and investment. It supports the movement of goods, workers and tourists, and it drives business innovation and investment. In 2015, UK airports handled around £155 billion of air freight to and from countries outside the EU. Indeed, international companies say access to markets and the quality of transport links are key factors in global location decisions. Furthermore, aviation supports an inbound tourism industry across the UK worth nearly £19 billion.

Aviation gives people the freedom to fly abroad whether for business, leisure or to visit friends and family. Around half the UK population has travelled by air in the last twelve months.

## But we face a capacity crunch.

The UK hasn't built a new full-length runway in the South East since the 1940s.

Today, Heathrow is the busiest two-runway airport in the world and Gatwick is the busiest single runway airport in the world. This makes it ever more difficult for airlines to operate efficiently. The result is more delays, higher fares and reduced global connectivity.

By 2040 every London airport will be at full capacity unless we take action. This is true for every future scenario the Commission considered, with demand by 2050 significantly outstripping all available capacity, even when keeping aviation carbon emissions at 2005 levels.

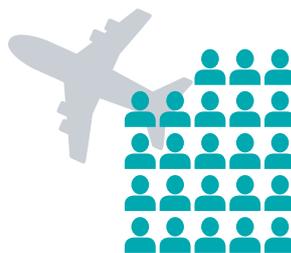
## Without action the UK will fall behind

The UK's European and global competitors have built new runways. While the UK's hub at Heathrow is full, hub airports at Paris, Frankfurt and Amsterdam have spare capacity and are able to attract new flights to growth markets like China and South America. These competitors have benefited from the constraints at Heathrow and seen faster growth over the past few years.

There is also growing competition from hubs in the Middle East including from hubs in Dubai, Abu Dhabi, Qatar and Istanbul. Heathrow lost its position as the world's busiest airport in terms of international passenger numbers to Dubai in 2015.

Ensuring that the UK maintains its competitive advantage in international connectivity is crucial to our economic well-being.

Aviation **directly supports** around  
**230,000 jobs**  
 with many more **employed indirectly**



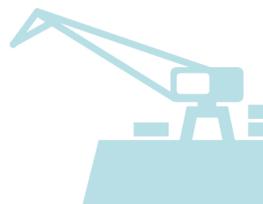
Aviation **contributes** around  
**£20bn annually**  
 to **UK GDP**



Heathrow alone **directly employs**  
 more than  
**75,000 people,**  
 making it one of the **biggest single site employers**  
 in the country



In 2015, **UK airports handled** around  
**£155bn of air freight**  
 to/from countries outside the EU



Aviation supports an inbound tourism industry across  
 the UK worth nearly

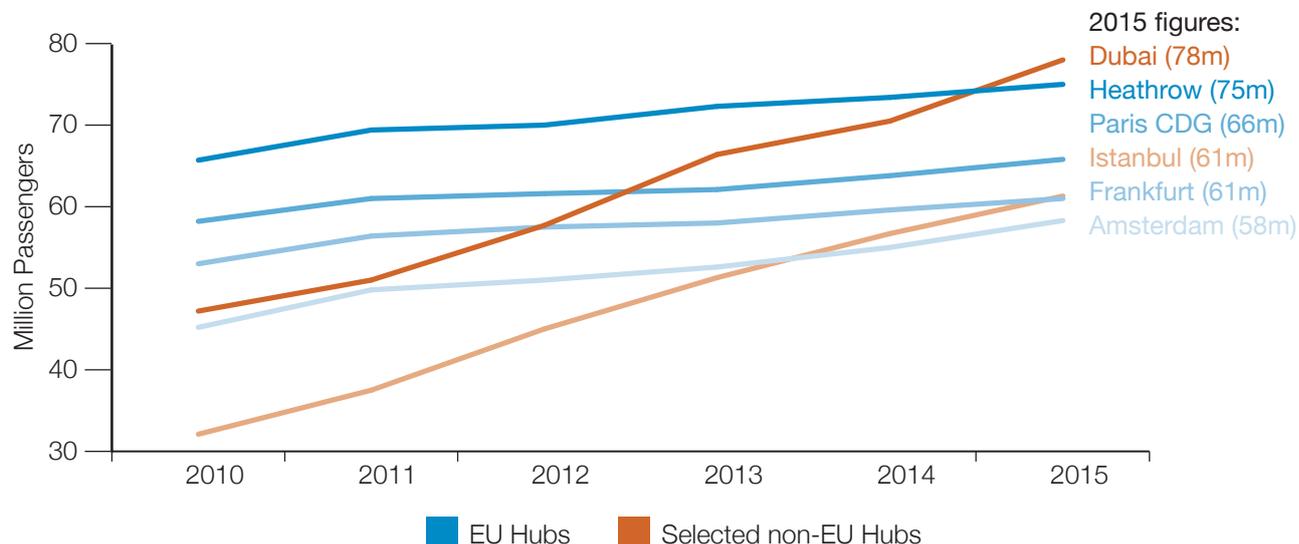


Figure 1.2: The UK has been facing increasing competition from international hub airports in recent years.

## 2. The Airports Commission

Airports capacity is an issue that successive governments have found difficult to resolve. That is why in the autumn of 2012 the coalition government established the Airports Commission.

The Commission was set up as an independent body with a brief to identify and recommend options to maintain the UK's position as Europe's most important aviation hub. It was led by Sir Howard Davies and its other members were Sir John Armitt, Professor Ricky Burdett, Vivienne Cox, and Professor Dame Julia King.

The Commission published seven discussion papers, an appraisal framework, an interim report and a final report. It held more than 150 meetings including a number of public evidence sessions. It visited airports in the UK and abroad, airframe and engine manufacturers, transport providers, and the local areas affected by possible expansion. It published three separate calls for evidence and consulted on the detailed assessments of its three shortlisted options and an option for a new airport in the inner Thames Estuary.

The Commission's work is one of the most comprehensive assessments of any infrastructure project ever undertaken in the UK.

Since the Commission published its final report, the Department for Transport has undertaken further work to produce additional evidence, including:

- Securing the best possible package on mitigations, such as noise, property compensation, air quality and jobs and apprenticeships
- Sensitivity testing the Commission's air quality work
- Further assurance of the Commission's wider and local economics analysis



# 3. Why we have chosen a Northwest Runway at Heathrow

## It delivers the greatest economic benefits

A new runway at Heathrow will provide the greatest economic and employment benefits, delivering between 38,000 and 77,000 additional local jobs by 2030 and up to £61bn of economic benefits – not including wider trade benefits. Analysis by the Commission found that most of the economic boost to GDP created by expansion would be felt outside the South East of England. Additional capacity will support growth in sectors that are particularly dependent on aviation such as tourism, financial services, creative industries, insurance, professional services, engineering, and pharmaceuticals.

## It provides the global connections the UK needs to stay competitive

Heathrow is uniquely well-positioned to deliver the new long-haul flights the country needs to secure its position in the global economy. Expansion will increase the number of services on existing routes and allow airlines to offer new routes to emerging markets. Heathrow currently operates around 70% of the UK's long-haul flights. A new runway is expected to deliver 16 million additional long-haul seats by 2040.

## It provides better domestic connections for passengers

The Commission forecasts that the new runway will double the number of domestic passengers travelling via Heathrow by 2030. It will support new domestic connections as well as safeguarding existing domestic routes. Heathrow has proposed a further six new routes to Belfast International, Liverpool, Newquay, Humberside, Prestwick and Durham Tees Valley to be added after expansion. This would provide 14 domestic routes in total, and spread benefits right across the country. A new runway could also provide a greater choice of airlines on existing routes and reduce fares on routes such as Edinburgh, Glasgow, Aberdeen, Inverness and Belfast City.

## It reduces fares for passengers

Air fares are likely to be higher if runway capacity at Heathrow is not expanded. This is because demand for flights outstrips supply at Heathrow which results in higher fares for passengers. A new runway would bring in new capacity to meet demand and allow greater levels of competition, lowering fares even after taking into account the costs of construction.

## It delivers the greatest support for freight

The plans for a new runway include a doubling of freight capacity at the airport. Heathrow already handles more freight by value than all other UK airports combined and twice as much as our two largest container ports – Southampton and Felixstowe. It is a vital freight route for industries from across the UK. For example, Heathrow's biggest export by tonnage in 2014 was fresh and chilled salmon, most of which came from Scotland.

## It is better connected to the rest of the UK by road and rail

Heathrow Airport already has good road links via the M25, M4, M40 and M3, and rail links via the Piccadilly Line, Heathrow Connect and Heathrow Express. In future it will be connected to Crossrail, and linked to HS2 at Old Oak Common. Journey times to the airport

will be 53 minutes from Birmingham, 1 hour 23 mins from Manchester, and 1 hour 38 mins from Leeds. Western Rail Access could link the airport to the Great Western Main Line, and Southern Rail Access could link the airport to the South West Trains network and Waterloo. The planned upgrade to the Piccadilly Line will increase its capacity by 60% with new trains and new signalling. The large choice of road and rail connections makes it more accessible to the UK and resilient to disruption.

## Key economic benefits

260k

additional flights from Heathrow a year

16m

more UK long haul seats in 2040



6

new UK routes by 2030



Between

38,000 and 77,000

additional local jobs by 2030

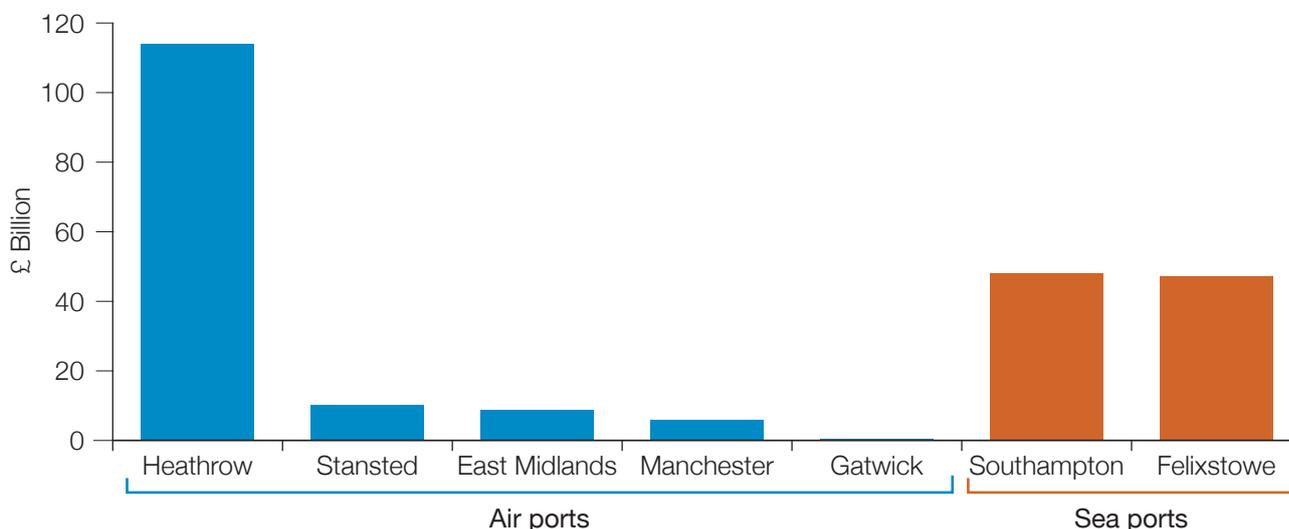


Figure 3.1: Heathrow freight by value compared to other ports in 2015

## 4. How we will protect local communities and the environment

This scheme has a significant focus on communities and the environment, including plans for up to £2.6 billion of noise mitigation and community compensation. This would give Heathrow a world class package of measures for environmental and community mitigation.

### It is tough on noise

There will be a ban on scheduled night flights of six and a half hours for the first time. This provides an extra hour and a half free from noise compared to today's operation. The new scheme also provides predictable periods of respite from aircraft noise for every community overflown during the day. By the time a new runway opens, there will be many more quieter, next-generation aircraft in service such as the Boeing 787 and Airbus A320NEO. The location of the runway also allows aircraft to fly higher over central London and the airport is trialling the use of steeper descents to reduce noise.

### It is better on noise insulation for homes

The airport has allocated over £700m to noise insulation. More than 160,000 homes from Richmond to Windsor could be eligible for some form of noise insulation compared to around 40,000 today.

### It is generous on community compensation

Those people whose properties will need to be bought to make way for the new runway will receive 125% of the un-blighted market value of their homes, plus stamp duty, legal fees, and moving costs. A further 3,750 homeowners in villages not subject to compulsory purchase but close to the new development will be entitled to this offer if they want to take advantage of it.

### It is deliverable within air quality limits and carbon targets

The further work undertaken by the government since December confirms that a Northwest Runway at Heathrow can be delivered within air quality requirements.

The Department for Transport has also set up a working group with HM Treasury and the Department for the Environment Food and Rural Affairs on air quality. This is the start of a 10-year project which is expected to make significant progress on driving improvements in air quality

The government also agrees with the Commission's assessment, arrived at after engagement with the Committee on Climate Change, that an additional runway can be delivered within the UK's climate change commitments. Heathrow has pledged that there will be no increase in airport-related road traffic with expansion and committed to a target of more than half of passengers using public transport to access the airport. Construction will use low-carbon and locally-sourced materials.

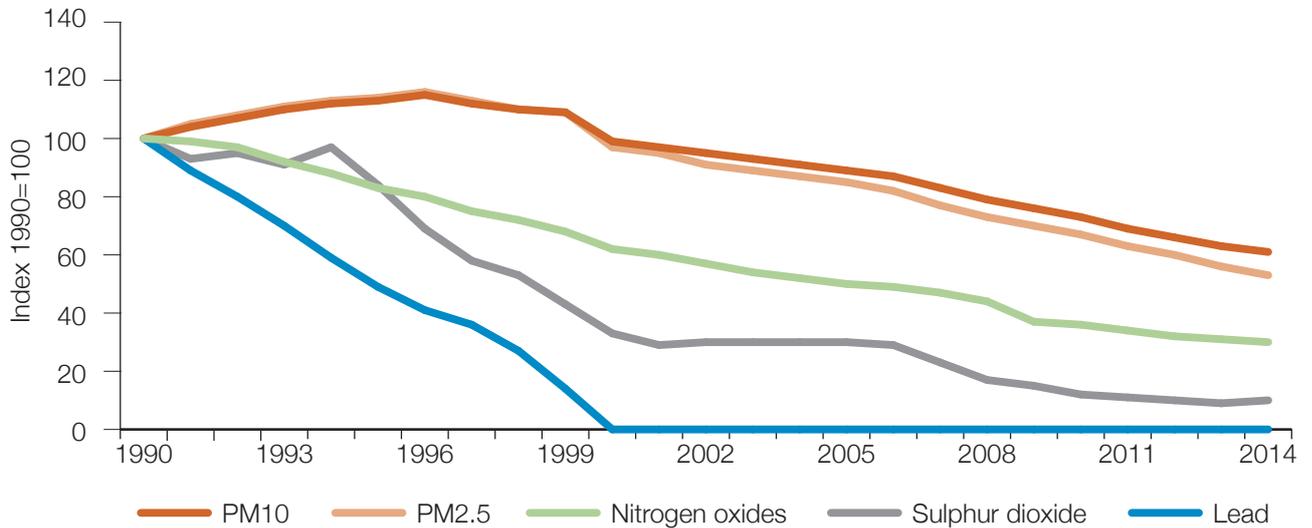


Figure 4.1: UK's improving air quality picture

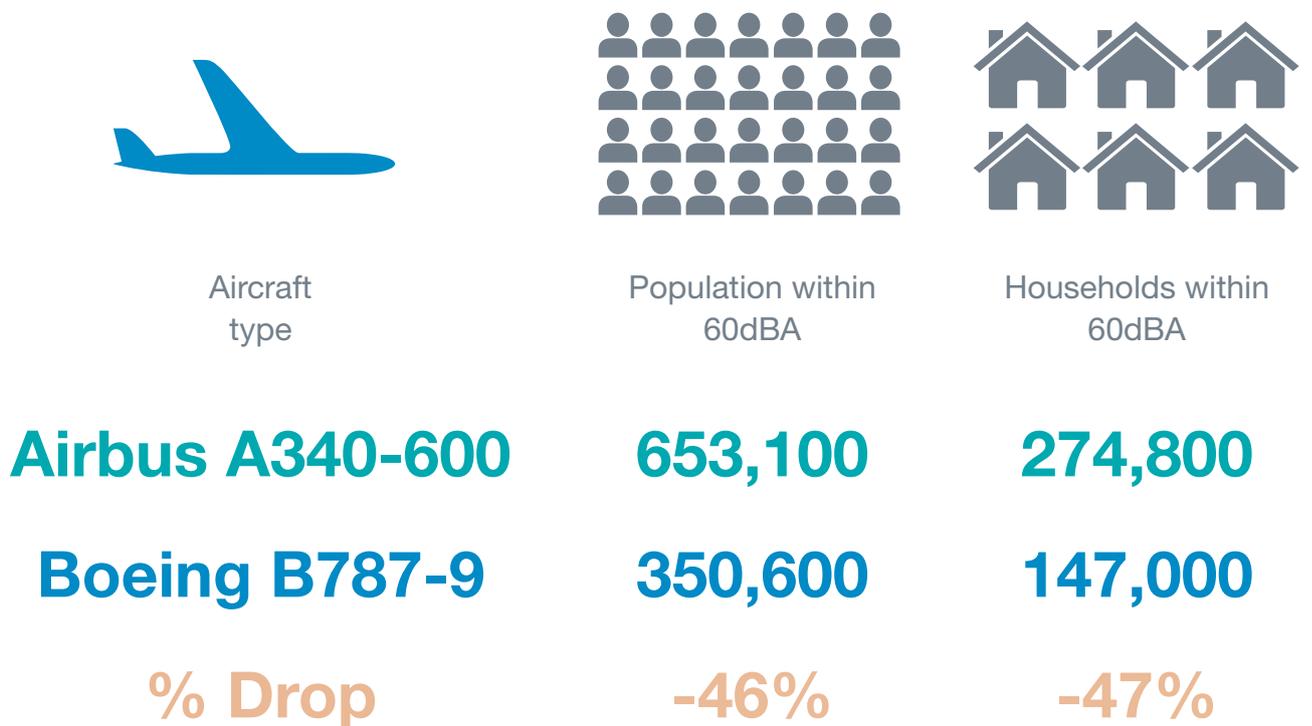


Figure 4.2: Comparison of the population and households affected by noise of older Airbus A340 with newer Boeing B787-9 (Dreamliner) on typical westerly arrivals at Heathrow.

This shows the 60 dBA Lmax noise footprint populations of the labelled aircraft, the level from an individual noise event that the WHO recommends should be avoided during the night. These figures relate to a specific aircraft on a single flight, in contrast to the Lden metric, which is a weighted average of all types of aircraft over a 24 hour period. Lden is commonly reported at 55 dB, whereas plotting Lmax at this level would be unreliable and offer little insight.

## 5. Next steps

### Steps to planning permission

In the New Year, the government will bring forward a draft National Policy Statement (NPS) for consultation. An NPS sets out the planning policy which applications for nationally significant infrastructure projects must comply with in order to get planning consent. The process is designed to be as quick as possible without compromising fairness.

There will be an opportunity for all those with an interest in the scheme to express their views and for any new evidence to be presented to government. There will be further Parliamentary scrutiny and there will be a vote in the House of Commons before it becomes national policy. If that policy is adopted, the airport operator can then submit a detailed planning application, confident that the high-level arguments are settled and won't be re-opened by the planning inspector.

The airport will also need to start its own detailed consultations with local communities, airlines and passengers on the design of the project. The detailed design of Heathrow's Northwest Runway project can and will change in response to consultation.

### Putting commitments on a legal basis

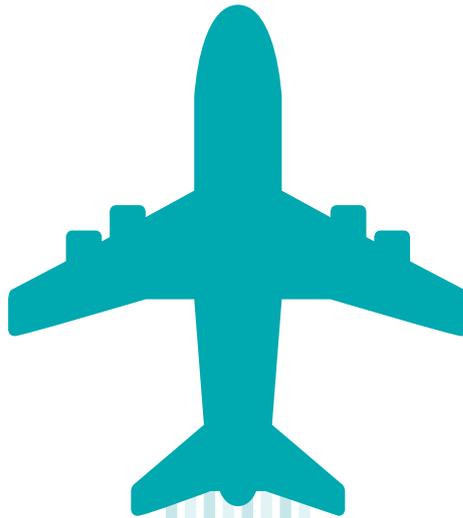
Communities will want to ensure that Heathrow is held to the promises it has made. There are a number of commitments that have been made by the airport operator that could become planning obligations, such as a ban on scheduled night flights and compliance with noise targets.

### Costs

The costs of the scheme will largely be met by the private sector, but it is important that expansion comes at a price that airlines and passengers can afford while at the same time attracting the private investment necessary to finance the scheme. The government is sympathetic to concerns raised by airlines about the cost of the Northwest Runway scheme and expects the airport to reduce costs including by phasing the introduction of new infrastructure. The government will ask the Civil Aviation Authority (CAA) to work with airlines and the airport to agree the final design and costs. The CAA's primary duty will be to protect the interests of passengers.

### Airspace

In time a new runway will also require the redesign of the airport's flightpaths. This will form part of a wider programme of airspace modernisation which is already needed across the country in the coming years. The Government expects to consult in the New Year on a range of national proposals covering noise and airspace. This will include whether there is a role for a new independent aviation noise body as the Airports Commission recommended.



### **Early 2017**

#### **Draft Airports National Policy Statement (NPS) published**

The NPS will set out the Government's position for developing a new runway by 2030.

### **Early 2017**

#### **Start of national and local consultation on contents of draft NPS**

This will include a series of local and regional events around the country and in the vicinity of the selected airport. Expected to last for 16 weeks until Spring 2017.

### **Spring – Summer 2017**

#### **Select Committee Scrutiny of Draft NPS**

The opportunity for parliamentary scrutiny of the draft NPS by the appointed Select Committee.

### **Summer – Autumn 2017**

#### **Analysis and review of responses & revision of NPS**

Full analysis of all responses received during the public consultation and associated events. Government reviews responses to the consultation and final report from the Select Committee and the NPS is revised to take these into account.

### **Late 2017/early 2018**

#### **Publication of final Airports National Policy Statement**

Government publishes final NPS in Parliament, with a subsequent debate followed by a vote.

### **Late 2017/early 2018**

#### **Designation of National Policy Statement**

Assuming the final NPS passes the parliamentary vote, it can be designated by the Transport Secretary.

### **2018 – 2021/22**

#### **Promoter takes forward scheme**

Once the National Policy Statement has been designated, Heathrow is able to begin the formal process of seeking planning permission, which includes further consultation with local communities.

### **2025 – late 2020's**

#### **New runway operational**

Assuming the planning and construction process runs in line with the timetable set out by Heathrow, the new runway is expected to be operational between 2025 and late 2020's.