

Night flight restrictions at designated airports: 2017 - 2022

Department for Transport

RPC rating: fit for purpose

Description of proposal

The Department plans to consult on a range of options relating to the restrictions on night flights to replace the existing scheme, which expires in October 2017. The night flight restrictions apply to designated airports – Heathrow, Gatwick and Stansted, with other airports agreeing noise restrictions as part of the local planning framework. The night flight restrictions currently impose limits on the number of flights that can take place at night ('movements') and a 'noise quota'. Aircraft are grouped into noise quota categories to incentivise airports to use quieter planes to make efficient use of their movement limits

The impact assessment (IA) presents five related options, including extending the existing rules (option 1). The other options tighten the restrictions on airlines and build additional elements on top of the other options. Option 2 alters the categorisation of certain types of aircraft so that fewer flights are exempt from the movement restrictions and all but the quietest planes will also score against noise quotas; option 3 follows option 2 but increases the existing limits on the number of night flights at Stansted to avoid penalising the airport unnecessarily as a result of the changes to the exemptions. The two most significant change options are options 4a and 4b, which include options 2 and 3 and also reduce the noise quota at Heathrow and Gatwick. The IA explains that, due to previous legal judgments, it is not possible to remove night flight restrictions altogether, whether they remain in place as regulatory or voluntary requirements. Due to the rules governing operating restrictions and the relevant consultation requirements, the Department argues that if they sought to introduce voluntary restrictions instead of regulatory options there is a significant risk that no controls would be put in place prior to the expiry of the current limits. On the basis that some form of restriction is legally required, the 'do nothing' option in the IA is actually a 'do minimum' option to renew the current restrictions without amendment. This is in line with the methodology used in the previous IA relating to the night flight restrictions for October 2014 to October 2017. The use of a 'do minimum' rather than the true counterfactual, and the circumstances in which the RPC may accept such an approach, is discussed in more detail in the RPC case histories. In relation to the night flight restrictions this is because the resources required to do so were considered disproportionate.

Impacts of proposal

The IA provides a detailed qualitative explanation and discussion of the impacts of night flights on the health of those affected as a result of noise and the environmental impacts of flights. The IA also discusses how the current restrictions affect the airports and how proposed options are expected to affect the number of flights from the different airports, including a qualitative discussion of the likely business and wider effects. For example, the current movement limits have been reached by Gatwick (2014 to 2016) and Stansted (2016) in the summer seasons, and Heathrow (2014 to 2016) during the winter seasons. With the exception of Stansted in the 2016 summer season, all three airports have been consistently below the noise quota limits.

The Department recognises that the restrictions on flights will impose costs on a range of businesses, including airlines, freight operators and business passengers. There is also some discussion of the potential costs to leisure passengers as a result of the restrictions. The IA, however, states that the Department has not been able to monetise the impacts fully at this stage due to a lack of evidence. The Department has commissioned research and will use the consultation to develop the evidence base in this area. The Department has committed to providing monetised estimates in the final stage IA, with the intention of ensuring that the preferred option “*would balance the economic benefit from night flights at the three airports with the noise disbenefit to communities in order to deliver on the environmental objective*” (page 45).

The expiry of the existing restrictions and the introduction of new restrictions will both be qualifying regulatory provisions that will score under the business impact target. As such the expiry of the existing restrictions will score, for business impact target purposes, as a benefit to business that will offset the costs of any renewal of the existing level of restrictions.

Quality of submission

The IA provides a detailed and well written explanation of the proposal and range of options, including a clear explanation of why other options such as non-regulatory alternatives are not possible at this stage. The IA also sets out how, in response to expected future policy decisions, the Department will revisit the issue of non-regulatory options where appropriate, and that this is expected to happen (for example in relation to Stansted) in advance of the 2022 expiration of the restrictions.

Given the gaps in the evidence base, the lack of fully monetised impacts, while not ideal, is acceptable at this stage. The IA would, however, benefit from including further indications of the potential scale of costs associated with the different options. The RPC notes that the Department has provided a detailed qualitative discussion and has committed to providing monetised impacts where proportionate at final stage. As the IA provides detailed estimates of the changes in the number of flights compared to the baseline, including information on noise quotas that will be linked to plane types, sizes, capacities and uses; the final stage IA will need to use this information to estimate an equivalent annual net direct cost to business (EANDCB) as a result of any restrictions on flights. Given the nature of the proposal, and the availability of significant amounts of evidence in relation to related decisions, the RPC expects the final stage IA to provide a detailed and robust analysis of the impacts.

While the RPC notes the points in relation to the complete removal of restrictions not being a viable option, on which it may be disproportionate to provide a robust monetised assessment, it would be helpful for the Department to provide an estimate of the potential scale of the effects of a deregulated market, for example by discussing the other constraints that may limit the impacts (such as air traffic control or air safety restrictions, or limits imposed by other airports connecting to the UK).

In light of the methodological challenges in appraising the costs and benefits as a result of the proposal, and in order to compare them against the correct counterfactual for business impact target reporting purposes, the RPC recommends the Department discusses the proposed methodology with the RPC in advance of the development of the final stage IA.

Small and micro business assessment

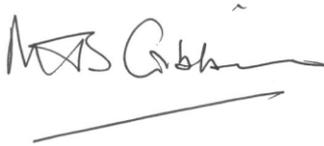
The IA explains that small and micro businesses are not exempt from the current regulatory regime but that few airlines (if any) are expected to be small or micro businesses.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	Not quantified
Business net present value	Not quantified
Societal net present value	Not quantified

RPC assessment

Classification	Qualifying regulatory provision (IN)
Small and micro business assessment	Sufficient



Michael Gibbons CBE, Chairman

Alexander Ehmann, committee member did not participate in the scrutiny of this case to avoid a potential conflict of interest.