

REGULATORY IMPACT ASSESSMENT: The Government's White Paper: *The Future of Air Transport*

OBJECTIVE

1. To provide a strategic framework for the development of airport capacity in the UK over the next thirty years, against the background of wider developments in air transport

Background

2. In the UK, all civilian airports operate on a commercial basis. Many are owned by private companies, whilst others are owned by local authorities. The largest airport owner in the UK is BAA, which handles over 65 per cent of all airport traffic, mainly in the South East, followed by the Manchester Airport Group, which handles nearly 15 per cent, mainly at Manchester Airport itself.

3. Air travel in the UK has trebled in the past 20 years, and air-freight has more than doubled in the last decade. In that time, no new runways have been provided in the South East (other than the specialist short runway at London City Airport), and only one elsewhere (at Manchester which opened in February 2001). The result is that, in the South East, demand for take-off and landing slots already exceeds capacity at Heathrow, where the runways are full for virtually most of the day. The same is true at Gatwick for substantial periods, and Stansted is rapidly filling up. The pressure on regional UK airports currently is less significant, enabling substantial growth there in recent years from the 'no-frills' airline sector. (While some airports elsewhere in the EU face capacity constraints, these are limited in number and less serious than in the UK.)

4. The Department's central forecasts, assuming demand is not constrained, are for some 500 million passengers per annum (mppa) by 2030 in the UK, compared with around 200 million today. The main drivers of passenger traffic are UK and Foreign GDP, air fares, world trade, and exchange rates. The air transport White Paper aims to provide a clear statement of national policy on how much additional capacity should be provided for in the future - in the South East and elsewhere in the UK - and where it is best located.

5. Any airport seeking to develop new capacity (over and above that allowed under the Town and Country Planning (General Permitted Development) Order 1995 must apply to the local authority for planning permission in the usual way. It will remain a commercial decision for the airport owner/operator whether and when to develop new capacity. But Government statements of national policy are material planning considerations and have to be taken into account by Planning Inspectors and other decision-takers.

In reaching our conclusions in the White Paper, we have been conscious of the Government's responsibility to balance the economic, environmental and social costs and benefits; whilst protecting the rights and interests of individuals. The studies and consultations we have undertaken in preparing the White Paper have been designed to help the Government to reach decisions which strike a fair balance for all, and in all parts of the UK; and should provide a sound and sustainable basis on which to plan the future of aviation in the UK.

AIRPORT CAPACITY

6. To inform policy for the White Paper, the Government commissioned a wide-ranging programme of regional air services studies. One of these was the South East and East of England Regional Air Services Study (SERAS). The SERAS objective was to give a better understanding of the demand for, and constraints on, airports and air services development in the South East and East of England over the next 30 years, and to consider options for future development. A formal appraisal process was adopted, in each case focusing on the following issues: additional airport capacity, economic benefits, employment, impact on roads and rail, land and property, heritage sites, ecology, water, noise, air quality, impact on regional planning, and land use/urbanisation.

7. For the six regions outside the South East, individual Regional Air Services (RAS) studies (the Part 1 RAS studies) were carried out in 1999-2000, followed in 2001-2002 by a single co-ordinating study known as RASCO (the Part 2 study) which looked at cross-regional as well as regional issues. RASCO revisited the original RAS study forecasts using an updated model and produced forecasts for a range of UK-wide policy scenarios. It also developed a more detailed appraisal framework based on that used for SERAS Stage 1 and integrated the findings of a range of high-level strategic studies that were undertaken in parallel including work on freight, noise and air quality, regional economic impacts and rail/air substitution. The Part 1 and 2 RAS studies flagged the potential need for new runway capacity in both the Midlands and Scotland by 2030. In order to address these issues two runway capacity studies (the Part 3 studies) were commissioned in 2001 to examine options for additional runway capacity in those regions and followed much of the more detailed appraisal framework from SERAS Stage 2.

REGIONAL AIR SERVICES CONSULTATION

8. The outcomes from the SERAS and RASCO studies informed a set of seven consultation documents issued in the summer of 2002 on *The Future Development of Air Transport in the United Kingdom*. Those consulted included: airports, airlines, local authorities, regional/devolved assemblies, RDAs, economic representatives (e.g. chambers of commerce, CBI, federation of small businesses) environmental organisations (e.g. English

Nature, English Heritage, Friends of the Earth, RSPB) and residents' organisations, as well as individual members of the public.

9. The responses to the consultation covered a wide range of views and were carefully considered to inform conclusions for the White Paper (further information on the consultation responses is at paragraphs 55-61). A full summary of the responses to the consultation is being published alongside the White Paper and is available on the DfT web-site.

10. In the 1998 Integrated Transport White Paper the Government stated its intention, subject to the consultation, to encourage the growth of regional airports to meet local demand for air travel, where consistent with sustainable development principles. This was aimed at maximising the contribution they make to local and regional economies, relieving pressure on congested airports in the South East of England and reducing the need for long surface access journeys (particularly by road) to South East airports.

11. The key questions for consultation were:

- should new airport capacity be provided over the next thirty years and if so, how much?
- where should any additional runway capacity be provided?
- what measures should be taken to control or mitigate the effects?

RISKS

12. Failure to articulate a clear national policy for airports around the country would result in no strategic framework for future development. It would perpetuate the uncertainties that have dogged planning inquiries in recent years, in particular that for Terminal 5 at Heathrow. In some cases, lack of a clear plan would run the risk that the necessary land for future airport expansion might be lost to other development.

13. Failure to provide for an appropriate amount of additional airport capacity would result in some people being priced out of flying altogether and some air traffic being diverted to continental airports – in both cases with the loss of economic benefits to the UK economy, and passengers having to make longer surface journeys to access air services. That would also be contrary to the sustainable approach to aviation that the Government is seeking to promote.

OPTIONS

14. The comments above explain the importance the Government attached to preparing the White Paper, and why doing nothing was not considered a

tenable option. In the South East, the main options for providing additional runway capacity were one, or a combination, of the following:

- one, two or three additional runways at Stansted
- one new short runway at Heathrow;
- one or two new runways at Gatwick;
- up to four runways at a new airport at Cliffe, on the Thames Estuary.

15. In the other regions, major runway options considered in detail included:

- three new runways at a new site in the Midlands near Rugby;
- one close or wide spaced parallel runway at Birmingham;
- one wide spaced parallel runway at East Midlands;
- one close or wide spaced parallel runway at Edinburgh;
- one close spaced parallel runway at Glasgow.

16. The potential need for associated infrastructure has also been considered, both in relation to these options and at other airports, including the need for additional terminal and apron capacity, taxiways and, in some cases, runway extensions.

MAIN BENEFITS

17. The main quantifiable benefits of each major runway option were national economic benefits¹ as described at paragraph 24 *et seq.* below, net of capital costs. The air services studies and the seven regional consultation documents include detailed economic appraisal of the various airport options. After allowing for capital costs, the net benefits of additional runway options in the South East, above a baseline of maximum use of existing runways (and no constraints on development elsewhere) were estimated as follows:

- **Stansted: One new runway**

Economic benefits: £5.4 billion

Employment: 56,000 jobs (direct and indirect at 2030)

- **Heathrow: One new runway**

Economic benefits: £6.3 billion

Employment: up to 117,000 jobs (direct and indirect by 2030)

- **Gatwick: One new runway (close parallel 2024)**

¹ Source: Airport Development Options in the National Consultation Documents: New Green Book Revisions www.dft.gov.uk/stellent/groups/dft_aviation/documents/page/dft_aviation.507467.pdf February 2003, which gives benefits, costs, and net benefits. All benefits and costs calculated assuming a 3.5 per cent discount rate, 3 year benefit delay and cost optimisation bias.

Economic benefits: £2.0 billion

Employment: up to 51,000 jobs (direct and indirect by 2030)

18. The net economic benefits from the various possible combinations of new runways at these three airports were also calculated, and ranged up to £32 billion for three new runways, rising to £46 billion above what is currently in the planning system.

- **Cliffe: Four new runways**

Economic benefits: £10.6 billion

Employment: up to 79,000 jobs (direct and indirect by 2030)

19. Net economic benefits in the regions have only been calculated for specific new runway options. Depending on the amount of capacity provided in the SE, the net economic benefits of the specific new runway options at regional airports explicitly supported in the White Paper are estimated at:

Edinburgh

- Additional new close spaced runway opening in 2013: £0.7 to £1.9 billion;
- Additional new close spaced runway opening in 2023: £0.9 to £1.5 billion.

(Estimates based on phased development; higher end of range assumed Glasgow constrained to 14mppa)

Glasgow

- Additional new close spaced runway opening in 2023: -£0.3 billion.
- Additional new close spaced runway opening in 2029: £0.05 billion;

Birmingham

- Additional wide spaced 2000m runway opening in 2016: £ 2.0 - £3.9 billion.

20. Options for noise mitigation in connection with airports ranged from doing nothing (*i.e.* leaving existing voluntary schemes in place with no further national policy), to regulating for a common national standard to be applied at all airports.

BUSINESS SECTORS AFFECTED

21. The main sectors directly affected will be airport operators, airlines, other sectors of the aviation industry and support services, and the tourism

industry². An expanded aviation sector would also benefit all businesses that rely on air travel for access to markets. Many of these are among the fastest growing and highest value generating sectors, such as financial and business services, computing, research and development and other hi-tech industries, which are crucial to the prosperity of the country.

22. Airport operators and airlines will also be affected by any proposals for noise mitigation in connection with airport development and use, since the costs will need to be recovered through landing charges.

ECONOMIC BENEFITS

23. The core benefits to passengers³ come from time-savings in being able to fly from their preferred airport, and having a greater choice of service frequencies and routes. The impacts on fares vary, depending on underlying demand at each airport.

24. The net economic benefits in paragraph 17-19 above are shown as present values discounted at 3.5 per cent in real terms in line with the latest HMT 'Green Book' guidelines. This takes into account the construction and maintenance costs of additional airport infrastructure (including an appropriate share of necessary investment in road and rail links).

25. Benefits to international transfer passengers are not included in the economic figures, but benefits to passengers with UK origins or destinations from the increase in air services and frequencies enabled by the international transfer market are counted. Producer benefits to airports where expansion takes place are included but not benefits to UK airlines, since in principle they could re-direct their activities to other world locations ; indeed EU liberalisation already allows this to some extent . In particular, these figures do not include benefits to airlines and passengers from relieving aircraft delays; this might add an additional £3 billion if adequate capacity were provided.

² UK residents travelling abroad increase their welfare. As described in for example the South East and Scottish consultation documents, the net impact on the balance of trade depends on the number of additional inbound and outbound tourists , and their expenditure levels.

³ Para 5.25 and footnote 4 of the Treasury 'Green Book " Appraisal and Evaluation in Central Government ', January 2003 [http://greenbook.treasury.gov.uk/] says that '... appraisals should take account of all benefits to the UK. This means that as well as taking into account the direct effect of interventions, the wider impacts on other areas of the economy should also be considered. All impacts (including costs and benefits, both direct and indirect) on non-UK residents and firms should be identified and quantified separately where it is reasonable to do so, and if such impacts might affect the conclusions of the appraisal. '

26. The figures for national economic benefits of additional runways in the South East assume that airport capacity is provided outside the South East to meet demand there. The national economic benefits from increased capacity in the South East would be higher still if capacity in the regions was constrained. Similarly, if no runways were provided in the South East, the economic benefits in the regions would be higher, although the overall benefit would be lower.

27. Although the majority of demand will continue to be in London and the South East, the calculations assume faster growth in underlying demand in the regions. Aviation is an important contributor to local and regional economies both as an employer and as a producer of wider economic benefits. In many regions, airports and the associated businesses are major employers in the local economy. Airports can also stimulate the development of business clusters and contribute to the regeneration of the local economy.

28. Access to air services in the regions also facilitate inward investment and are often cited by businesses as one of the key factors in deciding location. It is one of the most important factors in improving regional competitiveness compared to the SE and in UK competitiveness.

29. Aviation is also vital for providing connections to remote areas such as lifeline services to the Highlands and Islands and the Isles of Scilly. Many peripheral regions are suffering from an ageing population with net outward migration. The availability of air services can be a deciding factor in encouraging people, especially young people, to stay in remote areas or to relocate there. The same is true for businesses in peripheral regions. For example, a survey for Highlands and Islands Enterprise found that more than half of tourism-based companies stated that over 10per cent of their turnover was dependent on the Inverness-Gatwick route. For non-tourism based companies this proportion was nearly a third, and if the route were to cease this would adversely affect business and employment.

Wider economic benefits

30. A thriving aviation industry is good for the national economy – currently contributing over £10 billion a year to national GDP; it is good for regional and local employment; and it offers people a wider range of travel choices. Wider but not quantified economic benefits were identified as:

- the potential increase in productivity across the economy as a whole due to an increase in aviation capacity;
- the increase in foreign direct investment and trade; and
- benefits to particular industries, e.g. tourism, heavily dependent on aviation.

Employment

31. An estimated quarter of a million people are employed directly or indirectly in the aviation industry. If airport capacity is increased, levels of airport related

employment will also increase, even after allowing for productivity gains (see paragraphs 17-19 above).

Tourism

32. Aviation plays a major supporting role to the tourism industry: holidays abroad account for some 70 per cent of trips by UK air passengers each year; and three quarters of the 13 million foreign tourists to London every year come by air. Tourism is particularly important to many regional and local economies (e.g. Highlands of Scotland, Cornwall, Lake District). A number of airports and regional stakeholders are currently looking at ways of encouraging more foreign tourists to visit peripheral regions direct, for example through promoting inbound services to convenient airports (e.g. Inverness, Newquay, Carlisle).

COSTS

Economic Costs of 'Do Nothing' Option

33. Our modelling suggests that if no new runways are provided, passengers at all the major London airports would face large fare increases by 2030, averaging £100 per return journey (at today's prices). Scarce capacity in the South East would adversely affect businesses in the UK regions which rely on access to the extensive route networks available at the major South East airports. Unmet demand might result in some connecting air traffic shifting to airport hubs in Continental Europe.

Environmental costs

34. The main environmental impacts capable of approximate quantification in monetary terms are noise from aircraft and the effect of aircraft emissions on global warming. The benefits of airport expansion – in the event of three or four new runways - might be reduced by between £1 billion and £2.5 billion if these costs were fully reflected. Estimates of the health costs arising from local air quality were even more uncertain, and ranged from a level too low to be significant up to a range of some £100m-£200m per year.

(i) CO₂

35. As described in, for example, the consultation document for the South East, calculations were made of the external costs in monetary terms arising from aircraft emissions of CO₂ (as the principal indicator of aviation's impact on climate change). Government has calculated that meeting the cost of CO₂ emissions might lead to a 10 per cent increase in air fares which would reduce demand by roughly an equivalent amount, on the basis of a plausible value for price elasticity of demand. On the other hand, stronger competition than was assumed in our national forecasts could lead in the longer term to passenger numbers being at least 10 per cent higher - principally from higher than expected growth in no-frills carriers and the competitive impact of this on

traditional short haul airlines. This would offset the 10 per cent. reduction in demand due to the CO₂ adjustment.

(ii) Noise

36. The most significant local negative impact of aviation is probably the annoyance caused by aircraft noise. The approximate onset of significant community annoyance from daytime noise is marked by the 57dBA noise contour. Properties near airports or under flight-paths may have lower values, due to aircraft noise, than they would in its absence (though the advantages of proximity to airports may have offsetting positive effects). There is tentative evidence that high noise levels experienced at schools under flight paths can have a negative impact on pupil attainment.

37. Monetary values for the effects of noise were estimated by assessing the impact of increased air traffic noise on house prices around the affected airport. Past research has tentatively found that a 1dBA lasting change in noise results in an approximate 0.5 to 1 per cent change in house prices. Starting from an estimate within this interval, values at Heathrow were calculated to range between 36 and 40 pence per passenger; at all other airports in the South East, estimated noise values never exceed 5 pence per passenger. For Heathrow, where the noise impacts are an order of magnitude greater than at any other South East airport, the increase in traffic from a third runway (27mppa, *i.e.* 116mppa with a new runway compared to 89mppa without) would add about £120m of costs in present value terms.

38. In terms of actual numbers of people affected by aircraft noise, we have estimated the numbers who might be affected in 2030 by daytime noise in excess of 57dBA with the addition of one new runway. The figures are shown below.

	Number of people within 57dBA daytime noise contour (2030)
Stansted - 1 new runway	14,000
Heathrow – 1 new runway	332,000
Gatwick – 1 new close parallel runway	9,000
Birmingham - 1 wide spaced runway	103,000
Edinburgh - 1 new close spaced runway	3,300

39. Costs to airport operators of any noise mitigation will depend on the extent of the problem locally and on the measures taken to address it. The Government has announced in the White Paper, that it would retain and, where necessary, strengthen, the current regulation of noise at Heathrow, Gatwick and Stansted airports, including consultation on a new night noise regime. And that it will also consider exercising similar powers at other airports if there is evidence that a major noise problem is being dealt with

inadequately through local controls. The Government has also said in the White Paper that it believes that new legislation should be introduced, when Parliamentary time allows, to strengthen and clarify noise control powers both at larger commercial airports and at smaller aerodromes - for example, so that controls such as night restrictions can be set on the basis of noise quotas alone, without a separate movements limit. (See also paragraphs [74-79] below).

Local air quality

With respect to local air quality, SERAS estimated the number of people exposed to an exceedence of EU mandatory limits for key pollutants - nitrogen dioxide (NO₂) and particulates (PM₁₀). EU limit values for NO₂ are binding from 2010, and those for PM₁₀ are binding from 2005 with further tightening from 2010. In both cases there are separate limits for annual mean and 24-hour mean concentrations. SERAS appraisal was based on what was held to be the more stringent objective in each case: the annual mean figure for NO₂ of 40 microgrammes/ m³ and the 90th percentile of the running 24-hour mean concentrations of 50 microgrammes/ m³ for PM₁₀.

For all runway options no people living near airports were forecast to be exposed to levels of PM₁₀ in exceedence of EU limits. There may be a health impact on people exposed to less than the exceedence, but this cannot be quantified on the basis of current knowledge.)

For NO₂, the SERAS appraisal was based on conservative assumptions about future engine technology, and it was felt that this was likely to result in an overestimation of the number of people exposed to exceedences of EU limits. Sensitivity tests (re-modelling) - at Heathrow and Stansted for 2015, and Heathrow only for 2020 - were carried out involving more aggressive assumptions.

It should be noted that air quality modelling is a complex and uncertain area, and the figures presented below reflect this:

	People predicted to be exposed to EU limits on NO ₂	
	Original consultation figures (2030)	Revised figures following sensitivity tests
Stansted - 1 new runway	45	0
Heathrow – 1 new runway	35,000	5,235
Gatwick – 1 new close parallel runway	3,833	0*
Birmingham - 1 wide spaced runway	21	0
Edinburgh - 1 new close spaced runway	No exceedences forecast	N/A

*Based on an interpolation of the Heathrow sensitivity test.

40. For both Stansted and Gatwick, interpolation of the Heathrow sensitivity test would suggest that the projected population exposed to NO₂ levels in exceedence of EU limits would be reduced to a level that could in practice be managed without triggering exceedences.

Other costs

41. In reaching decisions about additional capacity Ministers have taken account of a number of other impacts including land and property take, heritage, ecology, water and urbanisation. It is also possible that surface access links to airports could run through communities and disrupt community access and networks. Such impacts are not quantified in monetary terms. This is because there is significant uncertainty about the evaluation methodology (even when a methodology exists) and transference of methodology across locations to allow comparison (bearing in mind that environmental assets are often unique to location). The consultation documents and the studies referred to therein sought to identify the impacts, and possible mitigation required, although the details would be a matter for the planning process, and would not be determined until the airport prepared specific development proposals. Many airports do have schemes aimed at helping to address the effects of airport development, including community loss. Some development options would result in the loss of houses and some would require building on amenity land or development within green belt.

42. Notwithstanding the difficulty in quantifying these impacts in monetary terms, it is possible to compare them on a quantitative basis for each of the options presented. For instance, in the South East, the one new runway Stansted option involves far more land take and loss of Grade II listed building than many of the other options. On the other hand, it scores low on residential properties lost (100 compared to 260 at Heathrow, and 300 for the wide spaced Gatwick option). It also scores low on the number of people affected by noise and poor air quality. With respect to ecology, the impacts are small for nearly all options (the exception being Cliffe where the impact is high).

43. In the South East, providing extra capacity within the designated airport system, could adversely affect some of the smaller airports. Their ability to attract customers from outside their immediate catchment area might be

reduced because more demand will be met at the main airports and less diverted to the smaller ones.

The White Paper will remove uncertainty and anxiety for many people suffering 'generalised' blight as a result of proposals for airport development in the consultation. But others will be affected where new runways are favoured and where land is safeguarded for future development by the White Paper. Measures are needed to deal with 'generalised' blight in the interim period until statutory blight measures apply. Arrangements are being made for non-statutory schemes to be brought forward locally by relevant airport operators.

44. The costs to airport operators of voluntary blight schemes to purchase properties or assist with relocation costs for people affected by airport development will vary from location to location. The timing of the expenditure and its extent are difficult to assess in advance as they depend on the extent of the blight caused and the uptake of the scheme. The airport operators would in any event be liable to the cost of property purchased within the airport boundary once planning permission was granted. The liability for expenditure would simply be brought forward. Airport operators will benefit by maintaining a fluid house market in the interim because this will help to profile expenditure on property purchase. Successful voluntary schemes would help airport operators maintain good relations with the local community and ease the process of planning authorisation. Those affected will benefit from the option of early purchase at a time of their choosing.

45. The cost of covering blight outside the future airport perimeter is an additional cost. However, there are benefits to the airport operator in that such proactive moves are likely to make the subsequent planning authorisation process easier.

COMPLIANCE

46. There are no compliance issues regarding the airport capacity decisions, as such. The White Paper sets a policy framework for airport development; it does not itself authorise such development. Applications for planning consent will continue to be made through the planning system in the normal way. Policies in the White Paper will be a material consideration in the handling of any such applications.

47. Where necessary, airport operators will need to fund the cost of revising their safeguarding maps to reflect any intended development. A full survey may cost in the region of £20K. But this cost would have occurred in the absence of the White Paper if and where development proposals were taken forward, as safeguarding maps are a normal requirement of the CAA. It is in the interests of airport operators to protect land for future development.

48. Compliance with noise mitigation and non-statutory blight schemes will be voluntary, although airport operators will be expected to take national policy into account and in some cases noise mitigation schemes may be required under local planning agreements.

EQUITY AND FAIRNESS

49. Other than airports, there are no groups likely to be disproportionately affected.

IMPACT ON SMALL BUSINESS

50. The impacts both on an airport business itself, and on other businesses in the area, are likely to be positive where the development of that airport has been signalled favourably. Alternatively, constraining airports would have negative impacts on those businesses, and on people wishing to fly.

51. The impact on small businesses is also likely to be positive. Increasing airport and air service capacity would increase the number of foreign tourists visiting the UK. This benefits the UK tourism industry which comprises many small businesses. There will also be an impact on business travel: companies dependent on air travel will move into areas where air services meet their needs and will contribute to the local and wider economy.

IMPACT ON CHARITIES AND VOLUNTARY ORGANISATIONS

52. No specific impacts are envisaged on charities or the voluntary sector.

COMPETITION

53. Failure to provide increased airport capacity as demand rises could adversely affect competition between airlines. As unsatisfied demand for runway slots increases, some routes would become unsustainable, and airlines would tend to focus on more popular, more profitable routes at the expense of less profitable ones. The total number of destinations would fall and, inevitably, London's route network would be eroded compared with Paris, Frankfurt and Amsterdam.

54. Shortage of capacity would also prevent new routes being developed and offered to consumers by different airlines in a competitive environment. It would be a barrier to new entrants and limit the competition they might provide to existing airlines and other new entrants.

CONSULTATION

55. In addition to the regional consultation exercises referred to in paragraphs 8-11 above (and immediately below), the Government has taken into account the responses received in respect of *The Future of Aviation*, a wide-ranging consultation exercise in 2000/01 on aviation policy issues.

Response to regional air services consultation

56. In all, some 500,000 responses were received to the consultation on airport options. In the South East, amongst the 500 or so larger

organisations (economic, political, environmental groups and the aviation industry), the greatest number supported some runway development at Stansted, followed by Gatwick, and then a new runway at Heathrow. However, there were more opponents than supporters for a new runway at Heathrow. There were also significantly more respondents opposed to Cliffe than supporters. Generally, support lessened and opposition increased for the larger expansion options (e.g. three runways at Stansted).

57. A very large majority of the responses came from members of the public. All the major development proposals in the South East attracted strong opposition, mainly from the local population. Cliffe was the most unpopular and accounted for at least half of the responses, including many from RSPB cards. There was also hostility to expansion at Stansted, with some 24,000 registering their objections.

58. There was also significant opposition to major development proposals in the Midlands. Over 80,000 registered their objections to the proposed new airport at Rugby and more than 40,000 opposed expansion at Birmingham. At East Midlands the response rate was much lower with no clear consensus for or against. There were few responses in relation to Edinburgh and Glasgow and views were fairly evenly divided, with no clear preference either for or against expansion.

59. The views expressed in responses cannot be regarded as statistically representative of the population as a whole, nor within a given region. Furthermore, given the self-selecting nature of respondents, it is not surprising that a high level of response was received from interested parties such as regular air travellers, those in the aviation industry and those living near options for airport development.

60. Specific noise mitigation proposals were made in the SE consultation document, and more general measures discussed in the other consultation documents. Airport operators were consulted on noise mitigation schemes and on land protection and blight issues where new runways were under consideration.

Consultation Within Government

61. The following Departments and Administrations were consulted in the course of preparing the White Paper:

Office of the Deputy Prime Minister
Her Majesty's Treasury
Department for Environment, Food and Rural Affairs
Department for Education and Skills
Department of Health
Department of Trade and Industry
Department for Culture, Media and Sport
Ministry of Defence
Department for Work and Pensions

KEY CONCLUSIONS: SOUTH EAST

62. At Stansted the noise impacts are comparatively small and no air quality problems are expected. The extra capacity is also much greater (an additional 47mppa over capacity at maximum use), and there are large net economic benefits. Furthermore, expansion of the airport will complement Government regional policies, particularly the London/Stansted/Cambridge growth area.

63. At Heathrow there was a high risk that people would be exposed to levels of NO₂ in excess of mandatory EU limits. Only when there is sufficient confidence in consistently meeting air quality targets (as a result of less polluting aircraft technology, better airport/aircraft operations, and lower pollution from vehicular traffic) could another runway at Heathrow be considered.

64. For Gatwick, reneging on the 2019 legal agreement would have set an unacceptable precedent and would undermine confidence in existing and future legal agreements. The case for development of Gatwick was not strong enough to warrant seeking to overturn the planning agreement by means of primary legislation.

65. For Cliffe, there would be significant ecological impacts, there would be risks and difficulties of promoting a large new alternative hub at that location and a very serious risk to aircraft safety presented by the large numbers of birds in the area. In addition, because of the high capital costs, the net economic benefits were lower than any combinations of development providing a new runway at two different airports.

66. Luton is a priority area for regeneration and expansion of the airport would create jobs and assist the local economy.

RECOMMENDATIONS: SOUTH EAST

67. In summary, our principal conclusions about new runway capacity in the South East are:

- there is an urgent need for additional runway capacity in the South East;
- we support making best use of the existing runway at Stansted and development to its full use of a single runway at Luton;
- we support the provision of two new runways in the South East by 2030;
- we support development as soon as it could be delivered of a second runway at Stansted as the first new runway to be built in the South East;

- we support development of Heathrow within stringent environmental limits, including a new runway as soon as possible after the new runway at Stansted;
- we propose an urgent programme of work and consultation to find solutions to the key environmental issues at Heathrow and to consider how we can make best use of the existing airport;
- we believe that the case for a second new runway in the South East is sufficiently strong that land should be safeguarded for a new runway at Gatwick after 2019 as a fall-back option, in case it becomes clear in due course that the conditions attached to the construction of a third Heathrow runway cannot be met;
- we do not support options for two or three additional runways at Stansted, or for the options of a new close parallel runway or two new runways at Gatwick;
- we do not support the option of a new airport at Cliffe, or any of the proposals for alternative locations put forward during the consultation;
- we do not support development of Alconbury for passenger or freight services, but we do support further study of the potential for relocation of aircraft maintenance operations from Cambridge to Alconbury.

KEY CONCLUSIONS: OTHER PARTS OF UK

68. There is a strong economic case for a second runway at Birmingham. In addition, a second runway, with associated terminal and apron development, is financially deliverable. The key negative impact from development at Birmingham is daytime noise impact, which is second only to Heathrow. Even with an aircraft noise reduction of -14dBA, a new runway at Birmingham would increase the population in the 57dBA contour from an estimated 33,700 at present to around 80,000 in 2020 and a suitable mitigation and compensation package would need to be introduced. A short wide spaced runway would not impact on Bickenhill Meadows SSSI.

69. East Midlands - is the third largest freight airport in the UK. Air freight services are vitally important to many sectors of the national economy but by their nature can result in many night flights. Although a new runway at East Midlands would only increase the population in the 57dBA daytime contour from an estimated 2,500 at present to around 15,000 in 2030 (assuming a -14dBA improvement), the increase in the number of night flights will be very significant. A suitable mitigation and compensation package would need to be introduced. Slight changes in the runway alignment would mean that there would be minimal impacts on Breedon Hill Church.

70. Midlands New Site - A new airport in the Midlands would only be viable with no, or at most one, new runway in the South East and if Birmingham

Airport closed. It would have significant impacts in terms of land take, loss of community, noise and, to a lesser extent, air quality. There are also potential impacts on a nearby bird sanctuary and risks associated with birdstrike and flooding.

71. Edinburgh - there is a good economic case for phased development of additional runway capacity at Edinburgh. The Royal Highland and Agricultural Society of Scotland (RHASS) which borders the airport's apron area to the south of the main runway will need to be relocated to facilitate development. Closing the airport's crosswind runway when the new runway opens would release land for commercial development and contribute towards the airport's development costs. There would be a need to culvert a section of the River Almond. A new runway would also reduce the number of night movements flying directly over Cramond and, coupled with a 14dBA reduction in aircraft noise, would reduce the population in the 57dBA contour from 4,400 today to 3,300 in 2030.

72. Glasgow - The case for an additional runway at Glasgow is much less strong. Terminal expansion could cater for over 20Mppa without the need for a new runway and even with the most optimistic forecasts a new runway would not be operationally required until very close to 2030. The economic appraisal shows that the net benefits would be marginal even under the high end of our forecasts. At 2030 with a noise reduction of -14dBA a new runway at Glasgow would increase the population in the 57dBA contour by around 10,000 but there are no forecast local air quality problems. A new runway at Glasgow could impact on the Black Cart SAC but support for development is strong amongst local stakeholders because of its potential to generate employment and regeneration benefits.

RECOMMENDATIONS: OTHER PARTS OF UK

73. After careful consideration of all the relevant appraisal, and taking account of responses to consultation, the Government has reached the following conclusions:

- that at least one new runway will be required in the Midlands before 2030 and the Government supports the development of a new short wide-spaced runway and associated infrastructure at Birmingham;
- that growth at East Midlands is unlikely to justify development of a second runway before 2030 and the Government does not propose to safeguard land at this time. However, if growth at the airport in future years proves to be more rapid than we currently expect, this issue will be kept under review;
- that a new airport in the Midlands should not be supported;
- that one new runway will be required in Scotland before 2030 and the Government supports the phased development of Edinburgh Airport in which a new close-spaced runway and associated taxi-way and terminal

infrastructure is built once the cross-wind runway has been brought into full operation; once the new runway is open the cross-wind runway would shut to all but taxiing traffic;

- that there is not a strong case for safeguarding a second runway at Glasgow. However, the planning authority is recommended to consider whether appropriate provision should be made to reserve land considered necessary for future airport development, including a possible additional runway, in a future review of their Local Plan;
- that there is scope for future runway extensions and associated taxiway and terminal infrastructure at Aberdeen, Bristol, Inverness, Leeds Bradford, Liverpool, Newcastle and Teesside; and a need for new terminal capacity and associated infrastructure at other regional airports. The Government supports their development as set out in the White Paper.

CONTROLLING NOISE IMPACTS

74. The increases in airport capacity envisaged in the White Paper need to be matched by stringent measures to control noise - mostly delivered locally, but within an overall national and international framework. The basic aim is to limit and, where possible, reduce the number of people in the UK significantly affected by aircraft noise.

75. At Heathrow, the Government's policy - reaffirmed in the consultation document - is to take all practicable steps to prevent any deterioration in the noise climate, and to continue to do everything practicable to improve it over time. At Birmingham Airport, where the number of people newly affected by noise is likely to be second only to Heathrow, we have concluded that growth should be subject to stringent limits on the area affected by aircraft noise, with the objective of forcing airlines to introduce the quietest suitable aircraft as quickly as reasonably practicable. The limits should be set at least 10 years ahead, and will need to be reviewed at intervals between now and 2030 to take account of emerging developments in aircraft noise performance. We also agree with the airport company that the new runway should be limited to aircraft with a noise quota no greater than 0.5⁴, and should not be used at night.

76. Similarly at Stansted, the area affected by daytime noise of at least 57dBA will increase. Estimates suggest the numbers affected would rise to around 8,000 by 2015 and 14,000 by 2030 (assuming no further improvements in aircraft noise performance after 2015). We believe that development of Stansted should therefore be subject to stringent limits on the area affected by aircraft noise, with the objective of inducing airlines to introduce the quietest suitable aircraft as quickly as reasonably practicable. The limits should look at least ten years ahead, and will need to be reviewed at intervals between now and 2030 to take account of emerging developments in aircraft noise performance.

⁴ Calculated as in the present night restrictions regime for Heathrow, Gatwick and Stansted.

77. And at Manchester, it will be important that every effort is made to secure the maximum possible reduction in noise levels and minimise the number of people potentially affected.

ALTERNATIVE NEW AIRPORT PROPOSALS

During the course of consultation, a number of alternative proposals for new airports, outside those considered in the consultation documents, came forward. These were carefully considered but, for the reasons set out in the White Paper, it was concluded that they should not be taken forward.

Blight

The Government has concluded that measures are needed to deal with the problem of generalised blight arising from developments favoured in the White Paper. Arrangements have therefore been made for relevant operators to bring forward voluntary schemes to give people redress for any blighting effect they suffer as a result of these proposals.

NOISE MITIGATION

78. In relation to noise mitigation (see paragraphs [36 to 39]), the Government has concluded that airports should offer :

- to offer relocation assistance to those living within the 69dBA daytime noise contour; and
- to make available funds for insulation of other noise-sensitive premises, such as schools and hospitals, within the 63dBA contour;
- to purchase at market value any homes which both fall within the 69dBA noise contour and experience an increase of 3dBA;
- to fund noise insulation works to homes within the 63dBA contour, again where these properties are subject to a large increase in noise of 3dBA daytime or more; and also

79. The Government has concluded that it should provide a national benchmark for the level of provision that should be made available, leaving a large degree of local freedom to adapt local solutions to local problems. Current schemes operate fairly successfully on a voluntary basis and a prescriptive approach would not allow for local solutions to be made. In the case of noise sensitive buildings, such as schools and hospitals, which are difficult to mitigate for noise, significant difficulties would arise from any

attempt to bring forward a regulatory approach. People's rights to statutory compensation, where they exist, will not be affected.

MONITORING AND EVALUATION OF WHITE PAPER POLICIES

80. The Government will monitor and evaluate the effectiveness and impact of its air transport policies as part of the Department's wider evaluation programme, and the Department for Transport will continue regularly to publish data on air travel, including sponsoring surveys of passengers at UK airports, and to update traffic forecasts in the light of trends.

81. The Department for Transport will report in 2006 on progress against the policies and proposals set out in this White Paper.

Declaration

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

Signed

Date

Alistair Darling

Secretary of State

Department for Transport