



House of Commons  
Transport Committee

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**Airport expansion  
in the South East:  
Government response  
to the Committee's  
Third Report of Session  
2015–16**

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**Second Special Report of Session  
2016–17**

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## Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its associated public bodies.

### Current membership

[Mrs Louise Ellman MP](#) (*Labour (Co-op), Liverpool, Riverside*) (Chair)

[Robert Flello MP](#) (*Labour, Stoke-on-Trent South*)

[Mary Glindon MP](#) (*Labour, North Tyneside*)

[Karl McCartney MP](#) (*Conservative, Lincoln*)

[Stewart Malcolm McDonald MP](#) (*Scottish National Party, Glasgow South*)

[Mark Menzies MP](#) (*Conservative, Fylde*)

[Huw Merriman MP](#) (*Conservative, Bexhill and Battle*)

[Will Quince MP](#) (*Conservative, Colchester*)

[Iain Stewart MP](#) (*Conservative, Milton Keynes South*)

[Graham Stringer MP](#) (*Labour, Blackley and Broughton*)

[Martin Vickers MP](#) (*Conservative, Cleethorpes*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/transcom](http://www.parliament.uk/transcom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Gordon Clarke (Committee Clerk), Gail Bartlett (Second Clerk), Nehal Bradley-Depani (Second Clerk), James Clarke (Committee Specialist), Andrew Haylen (Committee Specialist), Daniel Moeller (Senior Committee Assistant), Michelle Owens (Committee Assistant) and Estelle Currie (Media Officer).

### Contacts

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## Second Special Report

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On 7 July 2016 we received a response from the Government to the Transport Committee's Third Report of 2015–16, *Airport expansion in the South East*, which we publish with this Special Report.<sup>1</sup>

## Government Response

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### Introduction

The Government welcomes this opportunity to respond to the Transport Committee's recommendations on airport expansion in the South East. The Government recognises the wide public interest in the policy relating to additional airport capacity.

### The work already done

- (1) **The arguments for and against expansion have changed little in a quarter of a century. Indecision by Government has remained constant over much of the same period. Few now disagree that additional airport capacity is needed in the South East if the UK is to remain economically competitive. The creation of the Airports Commission briefly held out the hope that an evidence-based decision would end years of political dithering, but the Government has largely squandered this opportunity by delaying its decision and calling for further work. (Paragraph 18)**
- (2) **We have reviewed the findings of our predecessors in light of the Government postponing its decision on airport expansion; we have seen no new compelling evidence that would change the balance of the arguments and we endorse their conclusions and recommendations. Expansion at Heathrow offers the greatest economic benefit and would do more to improve connectivity internationally and within the UK. We recognise that local residents and environmental campaigners have raised legitimate concerns; these deserve serious consideration. We do not under-estimate the scale of the challenge but we believe that the noise and environmental effects can be managed as part of the pre-construction phase after a decision has been made on location, as can the challenge of improving surface access and devising suitable schemes for compensation for residents in affected communities. It is vital that a decision is taken. (Paragraph 19)**
- (3) **We recommend that the Government take a decision on location at the earliest possible opportunity. We would prefer that decision to be for the construction of a third runway at Heathrow, together with the package of accompanying measures recommended by the Airports Commission. (Paragraph 19)**

The Government agrees with the Committee's view that the case for airport expansion is clear. The Committee is aware that a number of decisions on airport capacity were taken by the Government in December, including accepting the case for expansion in the South-East and the Airports Commission's shortlisted options. The Government believes that we need to take the time to reach the right view on a preferred scheme and, as announced in December, has undertaken a package of further work.

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<sup>1</sup> [HC 784](#), published on 4 May 2016

We note the Committee's comments about expansion at Heathrow. The Airports Commission produced a detailed and comprehensive piece of work. The Government is continuing to consider the evidence published by the Airports Commission. We also note the Committee's comments about surface access. The Airports Commission's report set out proposals and options for surface access for each of the three short listed schemes. The Government does not believe it would be appropriate to comment on specific pieces of evidence before reaching a view on a preferred scheme.

The Government also notes the Committee's recommendations on measures to mitigate the impact of airport expansion on communities and the environment, and agrees that it is vital to secure the best possible package of mitigations for affected local communities. The Government has continued to take this work forward, including in the areas of air quality, noise, carbon and community compensation.

The Government also accepted the Environmental Audit Committee's recommendation to test the Commission's work against the Government's new Air Quality Plan.

As you are aware, Heathrow Airport Ltd.'s scheme was recommended by the Airports Commission, and the Government agreed with the Airports Commission assessment that all three short listed schemes were viable. We are continuing to consider all three schemes.

The Government had clear ambitions to announce a decision on airport capacity this summer, however given recent events and the parliamentary timetable it is not possible to make an announcement before the summer recess. Any announcement on airport capacity would need to be made when the House is in session and is likely to be in October at the earliest.

### Further delay

- (4) **The crucial decision on location was widely expected. The other "decisions" amount to nothing more than an acceptance of the Airports Commission's findings on the need for expansion and the viability of all three shortlisted options. These decisions serve only to confirm what was already known. The Government could have made clear its acceptance of the findings much earlier; it did not need six months to do so. (Paragraph 24)**
- (5) **The absence of a decision on location creates uncertainty. This is exacerbated by the lack of clarity the Government has created about exactly when a decision will be taken. A decision on location is not the end of a process; it is the start of one. We accept that the package of measures to mitigate environmental impacts needs careful consideration and further work. We do not accept that all of this needs to be done before a decision is taken on location. In fact a decision on location would give more focus and impetus to this work. In the absence of a decision on location any "progress" is illusory. Real progress cannot be made without a decision on location. The detailed and evidence-based work of the Airports Commission on environmental issues provides an ideal starting point for any further work on environmental issues to be undertaken in parallel with the other pre-construction work. (Paragraph 25)**

- (6) **The Secretary of State should make clear which parts of the Commission's findings he has accepted, what he has rejected and on what findings further evidence is required before he can take a decision. The Secretary of State must set out a clear timetable for the decision, making clear what additional work has been commissioned, when it will be completed, when the Economic Affairs (Airports) Cabinet sub-committee will consider its recommendation to Cabinet, and when the Cabinet will take a decision on location. The Department should publish this information by the end of April 2016. (Paragraph 26)**

The Government recognises that reaching a view on a preferred scheme for airport capacity expansion is an important but complex issue that affects a large number of people. It is only right that the Government has the time to properly consider the Airports Commission's work and further work outlined below.

The Airports Commission recommended a package of environmental and community measures to accompany expansion at Heathrow (as its recommended scheme). The Government is considering the best possible package of mitigation measures for all three schemes. It is important that we consider all of the measures carefully and take account of the impacts on interested parties including scheme promoters, the wider aviation industry and affected local communities. Engagement with the three shortlisted scheme promoters has enabled Government to develop further its understanding of potential packages of mitigation measures for each scheme and gain further assurance about the promoters' plans. The Government remains confident that expansion can be accompanied by a world class package of measures to mitigate the impacts of noise, air quality, and carbon and to provide the best possible compensation offer to the affected local communities.

The Government intends to consult on these measures at the appropriate time. For example, once the Government has reached a view on its preferred scheme we will carry out the necessary and appropriate consultation on a draft National Policy Statement where all interested parties will have the opportunity to submit their views.

Any announcement on Airport Capacity will now need to be made once Parliament returns from summer recess to allow detailed parliamentary scrutiny on an issue of national importance.

We note the Committee's comment on the Economic Affairs (Airports) Cabinet sub-committee decision making process. However, information relating to the proceedings of Cabinet Committees, including when they meet and which Ministers have attended, is generally not disclosed as to do so could harm the frankness and candour of internal discussion.

- (7) **By delaying this decision the Government has created uncertainty that could have an effect on business confidence and its willingness to make long-term investments in the UK. Not only will this have a cost to the UK economy in terms of missed opportunities, but it is a gift to Heathrow's and the UK's international competitors. The cost of this delay is measured ultimately in lost growth and jobs. It is not just businesses that are affected; residents near Heathrow and Gatwick expectantly awaiting a decision are held in limbo. And people up and down the UK who could benefit from improved international and domestic connectivity are forced to wait. (Paragraph 33)**

The Airports Commission considered the whole UK aviation market and the domestic and international connectivity benefits of the proposed schemes in its Interim and Final Reports. Our global connections are crucial for UK business and for ensuring long-term economic security for the UK. But airport capacity is a complex and challenging issue and we want to get this right. UK Government fully values the importance of institutional investors in increasing capital investment into the UK. As result, significant amounts have been invested in airport infrastructure in the UK in recent years, supported by a stable regulatory environment.

The Government agrees that UK connectivity is vital for providing businesses with access to markets for trade and investment. This is why we welcome the recent announcement by British Airways of a new route from Heathrow to Inverness. Growth in the South East will come alongside growth in the regions. We are committed to continuing to generate economic growth and jobs in the UK and infrastructure investment, including airport capacity expansion in the South East that plays a critical role in this.

The Government is aware that London's network of airports is not yet full. Airlines make commercial decisions on where to fly and how frequently to provide services. The Government supports other airports making best use of their existing runway capacity. The Government is considering measures to enhance regional connectivity. The Government believes that a short delay in reaching a view on its preferred scheme will not hinder its ability to have new capacity in place by 2030, the timetable set out by the Airports Commission.

The Government shares the Committee's concern for residents. The Government is aware that residents may feel uncertain and worried and we have explored the best possible package of measures to mitigate the impacts on affected local communities, whichever runway scheme is preferred. Work has been conducted with scheme promoters to develop the best possible package of measures for all the shortlisted schemes to mitigate the impacts on local people and the environment. We want to see a package for local communities which includes compensation, maximises local economic opportunities through new jobs and includes measures to tackle noise. The Government is committed to consulting with everyone who will benefit from expansion across the UK and locally for those communities who are impacted by a preferred scheme. The Government will do so through a draft Airports National Policy Statement (NPS) consultation.

### Further work

- (8) **The apparent need for further work has again delayed the crucial decision on location. On balance, we believe it likely, indeed probable, that the Secretary of State and the Department have thought through their approach and that it has a sound basis. We are not, however, persuaded that the Government has made a case publicly for delaying the decision. We are also not convinced that this work must be done before the Government can take a decision on location. (Paragraph 37)**
- (9) **As well as making clear the timetable for further work and taking a decision, the Department must also make much clearer than it has to date what work is being done and why. The Government needs to be more open and transparent or the perception that this is yet another attempt to “kick the can down the road” cannot be adequately challenged. (Paragraph 37)**

The Government recognises the wide public interest in the Government's policy relating to additional airport capacity and the particular need for transparency in its decision making. We have accepted the Environmental Audit Committee's recommendation to test the Airports Commission's work against the Government's new Air Quality Plan.

The Department for Transport will publish the further analysis on air quality in due course. Separately, promoters have announced undertakings which would increase the compensation available for residents living near the airports, and the connectivity between other UK airports.

All work undertaken now to inform the Government's statement of preference will be set out in the draft Airports NPS and associated public consultation.

### Revised timeline for decision and construction

- (10) **A decision by Government on location is the beginning, not the end, of a process. The Government is right to have chosen to proceed by a national policy statement on airports and a development consent order rather than a hybrid bill procedure. The certainty over the timetable for a decision that this process will give is welcome and it will afford those affected by the development a chance to make their case. It will be important for the Government to be clear about not only the consent needed to build a new runway and its associated infrastructure but also where separate transport and works orders might be needed for improvements to surface access. Certainty over the timetable for the process is useful but only becomes truly meaningful once a decision on location is taken. (Paragraph 40)**
- (11) **We urge the Government to take a decision on airport expansion without further delay. (Paragraph 40)**

We note the Committee's comments on the National Policy Statement. As you are aware, in December 2015, the Government announced that it also decided that a National Policy Statement was the most appropriate means for delivering the new capacity, and that it was starting to prepare the building blocks for a National Policy Statement.

The Government intends to publish the draft National Policy Statement for consultation after any announcement on a preferred scheme. The Airports National Policy Statement will provide the planning framework under which an airport promoter can submit a Development Consent Application for additional runway capacity in the South East of England, which may include surface access implications associated with that additional capacity.

### Conclusion

As we stated in December 2015, the Government intends to meet the timetable set out by the Airports Commission for delivering capacity in the South-East by 2030.

The Government had clear ambitions to announce a decision on airport capacity this summer, however given recent events and the parliamentary timetable it is not possible to make an announcement before the summer recess. Any announcement on airport capacity would need to be made when the House is in session and is likely to be in October at the earliest.