

Statement to Parliament: Additional airport capacity and airspace policy reform

Introduction

With permission Mr Speaker, I would like to make a statement about airport capacity and airspace policy.

In October last year (2016) I announced that the government had selected a new north-west runway scheme at Heathrow as its [preferred scheme for new airport capacity in the south-east](#).

Mr Speaker, aviation expansion is important for the UK both in boosting our economy and jobs and promoting us on the world stage.

Leaving the EU is a new chapter for Britain and provides us with a great opportunity to forge a new role in the world.

We are determined to seize that opportunity and having the right infrastructure in place will allow us to build a more Global Britain.

By backing the north-west runway at Heathrow airport and publishing our proposals today (2 February 2017), we are sending a clear signal that when we leave the EU, we are open for business.

Mr Speaker, today I lay before Parliament a [draft Airports National Policy Statement](#) and begin a period of extensive [public consultation on the proposals it contains](#).

The draft Airports National Policy Statement is accompanied by an [Appraisal of sustainability](#) which assesses the potential economic, social and environmental impacts of the proposed policy. I have published all of this information online, to ensure that this process is as transparent as possible.

The need for additional airport capacity

Over the last 70 years, the UK has failed to build the capacity needed to match people's growing desire for travel. Unless we take action, every London airport is forecast to be full by 2040.

Doing nothing is no longer a choice we can afford to make. Without expansion, constraints in the aviation sector would impose increasing costs on the rest of the economy over time, lowering economic output by making aviation more expensive and less convenient to use, with knock-on effects in lost trade, tourism and foreign direct investment.

Heathrow north-west runway

Mr Speaker, this government believes that a new north-west runway at Heathrow best delivers the need for additional airport capacity, the draft Airports National Policy Statement sets out this rationale in full.

It is expected that Heathrow will provide the greatest economic and employment benefits, delivering tens of thousands of additional local jobs by 2030 and up to £61 billion of economic benefits, not including wider trade benefits.

This a scheme that will benefit the whole of the UK, I will expect Heathrow Airport to work with airlines to improve domestic connectivity, including the addition of 6 more domestic routes across the UK by 2030, bringing the total to 14, strengthening existing links to nations and regions, and also developing new connections.

Heathrow's location means it is already accessible to business and the rest of the UK. In the future it will be connected to Crossrail, and linked to HS2 at Old Oak Common. We are also bringing forward plans to deliver western and southern rail access to the airport as quickly as possible in order to provide greater flexibility, accessibility and resilience for passengers.

The Heathrow north-west runway would be expected to deliver the greatest support for freight. As we leave the European Union, we will need to get out into the world and do new business with old allies and new partners alike – a new north-west runway at Heathrow will be at the heart of this.

In summary, a new north-west runway at Heathrow would be expected to:

- create new global connections
- create tens of thousands of jobs
- reduce fares for passengers
- provide new capacity for freight imports and exports
- spread the benefits of growth to the whole of the UK

Today Mr Speaker, we are sending a clear message that this government is not only making the big decisions but getting on with delivering them.

Conditions

Mr Speaker, I am clear that expansion must not come at any cost, and we will meet our legal requirements on air quality and obligations on carbon.

The Airports National Policy Statement, if designated, will provide the primary basis for making decisions on any development consent application for a new north-west runway at Heathrow Airport.

Heathrow Airport would be expected to provide up to £2.6 billion to communities who are affected by the expansion including noise insulation for homes and schools, improvements to public facilities and other measures. This includes a community compensation fund and establishing a community

engagement board.

For those people whose homes need to be compulsorily purchased to make way for the new runway or for those who take up the voluntary scheme we expect Heathrow to honour its commitment of payments of 25% above the full market value of their home and cover of all costs including stamp duty, moving and legal fees.

I am clear that the environmental impact of expansion must be minimised. Industry leading measures will be required to mitigate air quality impacts and Heathrow Airport will be required to demonstrate that the scheme can be delivered within legal air quality obligations.

Heathrow Airport should continue to strive to meet its public pledge that aims to have landside airport-related traffic no greater than today.

Measures will be required to mitigate the impacts of noise, including legally binding noise targets and periods of predictable respite. The government also expects a ban of 6 and a half hours on scheduled night flights.

Lastly, construction must also take place in a manner that minimises impacts on the environment and the local community.

Outside of the planning system I am clear that there must be conditions on cost. Expansion costs will be paid for by the private sector, not by the taxpayer. The government expects industry to work together to drive down costs.

I have appointed [Sir Jeremy Sullivan](#), the former Senior President of Tribunals, to provide independent oversight of the draft Airports National Policy Statement consultation process.

Airspace policy

Mr Speaker, I would now like to turn to the second consultation that I wish to bring to the attention of the House on UK airspace policy.

I am publishing proposals to modernise the way UK airspace is managed, which will be consulted on in parallel.

By taking steps now to future-proof this vital infrastructure, we can harness the latest technology to make airspace more efficient as well as making journeys faster and more environmentally friendly.

The [policy principles set out in this airspace consultation](#) would influence decisions taken later in the planning process for a north-west runway at Heathrow.

It is therefore sensible to allow members of the public to consider both matters at the same time.

The consultation will set out our plans to establish an Independent Commission on Civil Aviation Noise and bring forward proposals to improve how

communities can engage, and make sure that their voices are heard.

To complement this, we are proposing guidance on how noise impacts should be assessed and used to inform decisions on airspace options.

Mr Speaker, these proposals aim to strike a balance between the economic benefits of a thriving aviation sector and its impacts on local communities and the environment.

Aviation strategy

The aviation sector is a great British success story, contributing around £20 billion per year and directly supports approximately 230,000 jobs across the United Kingdom. It also supports an estimated 260,000 jobs across the wider economy.

I want to build on this success. This year my department will begin the process of developing a new strategy for UK aviation.

This strategy will champion the success story of the UK's aviation sector. It will put the consumer back at the heart of our thinking. I want to make sure that the sector is delivering more choice for consumers and the country as a whole.

I will come back to the House to update you on our plans as they develop.

Consultation

Finally, let me turn to what happens next.

These 2 consultations will start today and last for 16 weeks, closing on 25 May 2017. At the same time, and as required by the Planning Act 2008, a period of Parliamentary scrutiny (the 'relevant period') now begins for the draft Airports National Policy Statement, ending by summer recess 2017.

Whilst planning is a devolved matter this consultation is open to the whole of the UK as additional airport capacity will benefit us all.

Following consultation and Parliamentary scrutiny, consideration will be given to the comments and points raised and, in the light of these processes, should the decision be made to proceed, a final Airports National Policy Statement will be laid before Parliament for debate and the opportunity for a vote in the House of Commons from winter 2017-18.

I am placing copies of all relevant documents in the Libraries of both Houses, they are also available online.

Mr Speaker, I commend this statement to the House.