

# 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.

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# Press release: Open Banking revolution moves closer

Personal account customers will find it easier to manage their money, find the best deal for their needs and avoid overdraft charges, and small businesses will benefit from greater competition and better access to finance.

The Competition and Markets Authority's (CMA) shake-up of the banking industry will offer overdraft users the opportunity to save an average of £180 a year, while other current account holders can save an average of £92.

In its [final report](#) on the retail banking market published last year, the CMA announced a package of reforms to make banks work harder for their customers, and help people take control of their banking using innovative new services.

Today's [final order](#) formally implements these reforms and sets out the strict timetable for introducing key advances such as open banking, the monthly maximum unarranged overdraft charge, standardised business current account opening procedures, and banks having to publish service quality statistics.

Alasdair Smith, Chairman of the retail banking investigation, said:

Open Banking will make a transformational change to banking for personal customers and small businesses. For the first time innovative and secure apps will provide personalised services and information to cover all financial needs in one place, and make it easy for people to find out what bank account is best for them.

We're also making banks send alerts to people about to slip into overdraft to help them try and avoid unnecessary charges. Banks receive £1.2 billion a year from unarranged overdraft charges. A new alert system, combined with our order to require them to publically announce their maximum monthly charges, should mean significant savings in future for their hard-pressed customers.

Today's announcement represents an important milestone in a co-ordinated set of actions taking forward the CMA's banking reforms.

The CMA has already accepted [undertakings](#) from Bacs to make 'ditching and switching' easier. It has committed to improve the Current Account Switch Service within a year by extending the time the automatic redirect service is available when they switch banks, actively provide information to those people who would benefit most from changing bank and introduce independence into governance of the switching system.

Small businesses will also benefit from the Open Up Challenge run by innovation charity Nesta, which will enable the development and delivery of

comparison and advice services, and the CMA implementing measures that will increase the transparency of cost and eligibility of SME lending.

The Financial Conduct Authority will take action in response to the CMA recommendations which will include supporting the work on open banking, testing prompts designed to increase consumer engagement and alerts that increase customers' awareness of their overdraft usage, publishing service quality information and reviewing the effectiveness of banks' introduction of a monthly maximum charge for unarranged overdrafts.

Key dates in the implementation of the banking revolution include the launch of the Open Up Challenge run by Nesta later this month, the first stage of the Open Banking data release in March and a maximum monthly charge on unarranged overdrafts coming into force in August. There is a full list [here](#) of the remedies within the order and the timetable for implementation.

## Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. From 1 April 2014 it took over the functions of the Competition Commission and the competition and certain consumer functions of the Office of Fair Trading, as amended by the Enterprise and Regulatory Reform Act 2013. For more information see the CMA's [homepage](#) on GOV.UK.
2. The members of the Retail Banking Market Investigation Group were [Alasdair Smith](#), [Tom Hoehn](#), [Philip Marsden](#), [Jill May](#) and [Ed Smith](#).
3. See the retail banking investigation [case page](#) for more information and our [short overview](#), [infographics](#) illustrating some of our proposals and [visuals](#).
4. For more on Nesta, go to [openup.challenges.org/](http://openup.challenges.org/)
5. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Flickr](#), [LinkedIn](#) and [Facebook](#).
6. Media enquiries should be directed to Simon Belgard ([simon.belgard@cma.gsi.gov.uk](mailto:simon.belgard@cma.gsi.gov.uk), on 020 3738 6472).

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## [Press release: Mozambique learning of UK Oil and Gas expertise](#)

### **UK expertise in Oil & Gas at the centre of Mozambique Minister's visit**

The Mozambican Minister for Mineral Resources and Energy, Leticia Klemens, paid this February a four-day official visit to the United Kingdom, at the

invitation of the British Government.

The visit program was centred mainly on the minister's participation at the SubSea Expo 2017 Conference and Exhibition, which took place place 1 to 3 February in Aberdeen, Scotland – one of the most respected in terms of Oil & Gas expertise centres in the world.

The visit program included several meetings with representatives of the British Government and the private sector in London. The visit has been stimulated by UK's expertise in Oil & Gas and by existing opportunities for cooperation and exchange of best practice. British High Commissioner in Mozambique, Joanna Kuenssberg, accompanied the Minister in the visit.

By collaborating and working with British experts and companies, Mozambique can maximize its potential in the sector and ensure that exploitation of mineral and energy resources has a positive impact on the country's economic and social development. At the conference, the minister spoke of Mozambique's energy sectors potential focusing on the business environment, the opportunities and challenges.

Apart from this, the minister joined by representatives of the National Petroleum Institute (INP) and the National Hydrocarbons Company (ENH) in a visit to the subsea international exhibition, attended by more than 150 organizations from various areas of expertise in the Oil & Gas sector.

Yet in Aberdeen, the minister visited Robert Gordon University, which has a top-of-the-range oil operations simulator. Oil companies use this type of equipment to create a more concrete notion of the infrastructure needed for gas exploration and production.

In the field of education, minister Klemens and the High Commissioner of Mozambique in the United Kingdom, Filipe Chidumo, interacted with Mozambican students learning different specialties on oil and gas. Some of these students have been in the UK on a Chevening scholarship, offered by the British Government.

The minister yet called on Aberdeen Lord Provost George Adam to strengthen partnership and cooperation between the municipalities of Aberdeen and Pemba.

In London, minister Klemens was welcomed by the FCO Minister for Africa, Tobias Ellwood, and also met the Minister of International Trade, Greg Hands, and the Prime Minister's Commercial Envoy to Mozambique, Richard Benyon.

The program closed with meetings with international companies in the energy sector and a speech by the minister, organized by Chatham House – Royal Institute for International Affairs. The minister spoke about Mozambique's context and interact with British companies and experts.

## **Notes for Editors**

- On Aberdeen and Pemba: there have been two projects funded by the

British government, which aimed to train Pemba Municipality officials on skills to attract more investment.

- Richard Benyon, Prime Minister's Trade Envoy to Mozambique and also a member of the British Parliament, made his first visit to Mozambique in September 2016.
- David Mundell, who is the Secretary of State for Scotland also paid a visit to Mozambique in February 2016.
- (Chevening scholarships)[[www.chevening.org](http://www.chevening.org)]: for the 2016/17 school year, seven Mozambicans were awarded with scholarships from the UK government, two are in Scotland.

For further information, please contact:

[Inayah.Sultan@fco.gov.uk](mailto:Inayah.Sultan@fco.gov.uk)

[Sonia.Muchate@fco.gov.uk](mailto:Sonia.Muchate@fco.gov.uk)

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## **[News story: Ian Ackerley appointed new NS&I Chief Executive](#)**

From:

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"I'm proud to be given the opportunity to lead NS&I and look forward to joining the team", says newly appointed NS&I Chief Executive Ian Ackerley.

The Chancellor has appointed Ian Ackerley as the new Chief Executive of NS&I (National Savings and Investments).

Announcing the appointment Simon Kirby, Economic Secretary to the Treasury, said:

Ian Ackerley's extensive experience in retail financial services and effective leadership skills make him the ideal candidate to be the next Chief Executive of NS&I.



NS&I sits at the heart of our savings sector and Ian will play a key role in shaping the next phase of NS&I's digital transformation so that it continues to deliver for millions of savers across the UK.

Ian Ackerley said:

Like many people across the UK, I grew up with NS&I: my first savings were in Premium Bonds, which were bought for me as a child. It is a brand I have long admired – particularly for how it has transformed itself into a 100% direct business without losing the trust and loyalty of its customers. I'm proud to be given the opportunity to lead NS&I and look forward to joining the team.

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## **Press release: Kerry Ingredients UK Limited paying £127,000 over pollution incident**

The Environment Agency has accepted an offer of more than £127,000 for an enforcement undertaking from Kerry Ingredients UK Limited following a pollution incident in the River Cam in Gloucestershire.

The incident, which took place in June 2014, resulted in the deaths of more than 200 fish.

As a result, a financial contribution of £127,975 is being shared between Gloucestershire Wildlife Trust (£40,451), Wildfowl and Wetlands Trust (£19,766), Severn Rivers Trust (£52,758) and Bristol Zoological Society (£15,000)

The Environment Agency's ability to accept Enforcement Undertakings was extended in 2015 to a far wider range of offences. The Environment Agency is increasingly using this method of enforcement for suitable cases to swiftly restore the environment, improve practices of the offending company and avoid longer criminal court cases. However prosecutions will still be taken, particularly in the most serious cases.

The Kerry case is one of a number revealed today in which charities will receive more than £1.5 million for projects benefitting wildlife and the environment as a result of enforcement action by the Environment Agency.

Peter Kellett, Legal Director for the Environment Agency said:

We take pollution incidents very seriously and the payments of £1.5 million we're announcing today are the result of our firm but fair enforcement action and will benefit people and the environment across the country.

Enforcement Undertakings allow those who commit offences to restore the environment and to take steps to prevent a recurrence. When appropriate, they allow a quicker resolution than a prosecution and help offenders who are prepared to take responsibility for their actions to put things right with their local communities.