LONDON FIRST

No time to waste

Keeping London's airports connected in a post-Brexit world

Foreword

Whatever the precise details of our future relationship with the European Union, good quality air links will be vital to London's future competitiveness as a world city.

Business welcomes the government's reaffirmed commitment to push ahead with plans for expansion at Heathrow airport. But with any new runway over a decade away, efforts must now be redoubled to make the most of existing capacity at all London's airports. This requires government investment in better rail connectivity; the modernisation of our airspace management; and improvements to passengers' experience as they go through the airport, particularly at border security.

Looking to the future, Britain needs an aviation strategy that supports growth by enabling airport operators to come forward with proposals for expanding capacity in a more timely and demand-driven way.

We look forward to working with our members and government to implement the recommendations in this report which, taken together, will give a material boost to London and the UK's competitiveness in the years ahead.

John Dickie
Director of Strategy & Policy
London First

Executive Summary

Air connectivity is a vital asset for London, the South East and the UK. For the global city of an island nation, it holds a particular economic and social importance.

The government backing of expansion at Heathrow Airport was hugely welcome, and a tremendous boost to British business. We must now get on with delivering it.
That new runway will take a decade or more to deliver, and in the meantime there is much that needs to be done to make the most of the fast-diminishing capacity at London's airports. This report details the steps we believe should be taken to support London's continued success.

In this intervening period, it is vital that we make the most of the capacity we already have to meet the sharp rises in demand we are seeing. London businesses, particularly in the service sector, rely on prompt face-to-face contact. Enabling existing airports to be used even more effectively will help keep London competitive by giving businesspeople and visitors more, better and cheaper choices about where and when to travel.

This report describes the key steps London First believes are necessary to make the most of our existing airport capacity, improve access to it and passengers' experience of it, and in so doing further grow London and the UK's ability to interact globally.
This must be part of a coherent aviation policy that properly plans for growth in the short, medium and long term. This growth directly enables greater trade and global connectivity for the UK, which are particularly relevant as we leave the EU.

Our recommendations fall into four key themes, summarised here.

The government's aviation strategy

The government's aviation strategy should:

-be explicitly pro-growth, supporting the aviation sector's significant economic and social contribution to the UK

-have refreshed demand forecasts, which should then be updated annually

-aid growth and competition at and between London's airports by lifting artificial caps on growth, as at Stansted

-support direct investment in supporting infrastructure, such as road and rail

-enable proposals for expansion to come forward in a far more timely and market-based way

-support the important complementary role that general aviation plays in London's air market

The recent airspace policy consultation from government has been an important first step in clarifying aviation policy on airspace modernisation. It must shortly be followed by actual changes to airspace use, which result in UK airspace being used more efficiently and reliably in the future.

The UK's relationship with Europe and the world

The government must prioritise aviation in its negotiations with the EU and get an early deal which maintains current arrangements, pending a full Open Skies agreement.

Border operations

Government should take a five to ten year view of resource requirements at the UK border, taking into account likely growth at each UK airport and potential new arrangements post-Brexit. Only then can we be confident that we will have the resources in place to match anticipated growth, while providing a positive welcome to people entering the UK and guaranteeing a secure border.

Government must do all it can to ensure we keep seamless movement of people between the UK and the EU. Simultaneously, it should look to further improve the experience of non-EU tourists coming to the UK.

Aviation and Rail

Action is needed to reduce journey times, boost capacity and improve reliability on the West Anglia Main Line. Crossrail 2 would transform services and must now be supported by government as a priority. Government must also urgently address the recommendations made by the West Anglia Taskforce to improve services in the shorter term.

Business case development should take place on a new Crossrail station at City Airport, involving the key stakeholders – City Airport, TfL, Crossrail, the GLA and the London Borough of Newham. Such a station could potentially be paid for privately.

The Brighton Main Line provides a vital link for City commuters and Gatwick airport passengers. The line will require significant investment from Network Rail over the next decade to provide additional capacity, with work to release the bottleneck at East Croydon a particular priority. The opportunity to improve the frequency of fast services to Luton should be considered by the DfT for the East Midlands route.

Western rail access to Heathrow should be confirmed for Network Rail's next Control Period, so it can be delivered within the next decade as planned. Southern rail access to Heathrow should see further development work to establish viability and funding options.

TfL must deliver the Piccadilly line upgrade, with its 60% capacity increase, by 2023 as planned.
Network Rail should develop proposals as to how third party investment could be better leveraged into the UK's rail network, including rail links to airports, which should include examining revenue-sharing.

The DfT and Network Rail should establish mechanisms for better co-ordination of rail infrastructure improvements and rail services that address the distinct needs of air passengers travelling to and from London's airports by rail

The London and south east aviation market is both high volume and high value. It is comfortably the largest air market in the world, with its five largest airports accounting for around 150 million passengers annually. The equivalent figure for the next biggest market, New York, is around 110 million.

Heathrow is the busiest airport in Europe and Gatwick is the busiest single runway airport in the world. 40% of the UK's exports by value go by air, with London and South East airports accounting for over 75% of air freight tonnage.

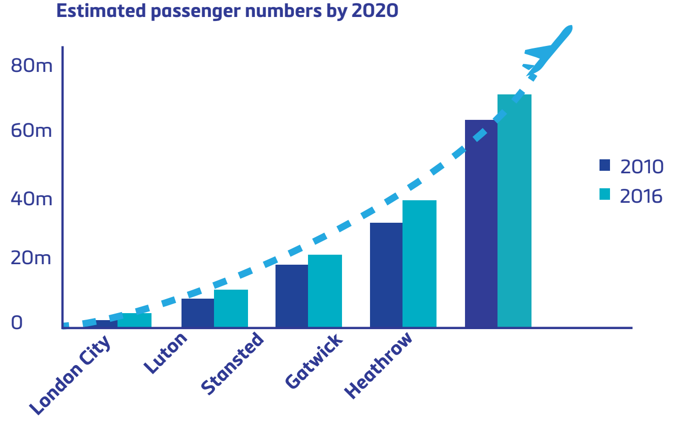
London's air connectivity to the rest of the world is a key part of its wider economic success. This connectivity is not just an asset for London and the south east, but for the whole UK.

Working with the London Enterprise Partnership, London First has published an economic development agenda for London – London 2036: an agenda for jobs and growth. This identified three key priorities for London's economic development over the next two decades:

- A city that works – fit-for-purpose infrastructure including an integrated transport system that stays ahead of rapidly-expanding needs;
- The global hub – attracting and welcoming the best talent from around the world to study and work;
- The creative engine – strengthening emerging prowess in ideas and early-stage entrepreneurship alongside existing leadership in research, talent, creativity, finance, education and culture.

It is striking that London's air connectivity is important to all three. London attracts more international overnight visitors than any other city in the world; it is the UK's international gateway for talent, tourists and investment.

London and south east airports have all experienced strong growth in recent years. As is well known, Heathrow and Gatwick are now heavily constrained, while other airports still have significant capacity to accommodate future growth. By 2025, however, we expect all London airports to be under significant capacity pressure.



Source: CAA

Last year's referendum result for the UK to leave the EU raises a series of questions as to how the UK's air market will continue to interact with the rest of Europe's and the rest of the world's, and how we ensure that London and the UK stay open for business and enjoy similar ease of movement of aircraft and people as today. Historically the UK has played a leading role in liberalising aviation services within the EU and between the EU and countries like the US and Canada, which must continue.

Aviation is legally separate from trade agreements and the World Trade Organisation framework. Instead, countries negotiate bilateral or multilateral air services agreements to provide airlines with the legal rights to fly to certain places. As the Airport Operators Association has explained, the UK will need to negotiate a new air services agreement with the EU and with countries like the US to replace the existing EU-level agreements the UK is part of. If there is no such agreement by the time the UK leaves the EU, our connectivity will be undermined and our ability to trade made significantly more difficult.
Aviation has a distinct characteristic that it is not able to operate, post-Brexit, without a replacement deal for access between the UK and the EU.

There will therefore need to be a fall-back agreement in place if a long-term arrangement has not been agreed by the time the UK leaves the EU in 2019. Aside from the risk of losing connectivity and trade, Brexit related uncertainty is likely to increase the losses intensity.

Recommendation 1: The Government must prioritise aviation in its negotiations with the EU and get an early deal which maintains current arrangements, pending a full Open Skies agreement.

Whatever our formal relationships with the rest of the world, we know that at our two largest airports, Heathrow and Gatwick, there is only marginal capacity left, almost all of it understandably outside the times of greatest demand. The recent trends at other key London airports are of capacity rapidly being used up. This poses questions for how London's airports can evolve to meet future demand.

Stansted, the next busiest airport, expects to be constrained by the early 2020s. It is projected to be responsible for meeting nearly half the passenger growth in the London system over the next decade. Enabling future growth requires planning now to enable London airports to respond to demand in a much more timely way than government has allowed in the past. We address this in more detail later in this chapter.

City Airport's Development Programme

One immediate opportunity to grow capacity is now being driven forward by City Airport. 9% of the UK's entire business flights already use the airport, situated as it is between London's two main financial centres.

City Airport's £370 million privately funded development programme will add around £750 million per year to its economic contribution to the UK. It extends the terminal building, adds seven new aircraft stands, a full length parallell taxiway, adds a new office building along with a hotel and more aircraft parking. It was recently approved by Government, with the backing of the airport's local authority and the business community. The redevelopment will enable City to expand its network to include further-flung destinations such as the Middle East, Russia and east coast of North America and to serve an extra 2 million passengers per year. Work is due to start in 2017 and complete by 2021, by which time it will be generating £1.3 billion for the UK economy.

The government decision to support this expansion sent an important signal that London is open for business.

A range of factors have contributed to passenger demand growth, including London's economic resilience since the recession and the long-term reduction in the real cost of air fares. The Competition and Markets Authority has identified the 2009 decision to break BAA's monopoly ownership of key London airports as a significant further factor, finding that this stimulated growth over and above growth levels at comparable airports over the same period. Efficiency, route choice, airport charges, use of capacity and stakeholder engagement were all found to have improved as a result of the break-up.

Against this positive backdrop, government has committed to consult on a revised aviation strategy. This is intended to define government policy towards the sector and sets out objectives on key issues such as capacity, surface access and the environment. This provides a welcome opportunity to set out a positive and forward-looking approach for the aviation sector so that it can deliver further growth, connectivity and value. The following section elaborates on what we think this strategy should contain.

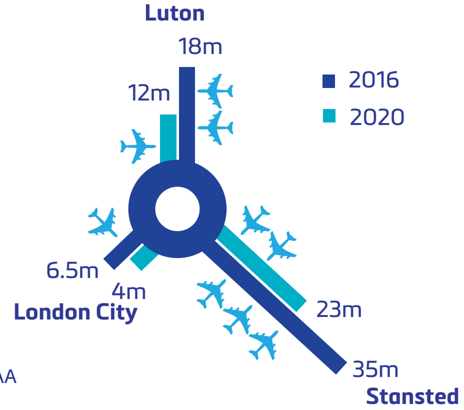
Recommendation 2: The government's aviation strategy should be explicitly pro-growth, supporting the aviation sector's significant economic and social contribution to the UK

The Future Context

Buoyant demand has stretched the capacity boundaries of the London air system. While increasing outright capacity by building a new runway at Heathrow remains vital, so too does making the most of the existing capacity by looking at flight movement limits, other planning constraints and airspace modernisation.

A targeted, clear and supportive policy strategy from Government would enable airports to plan better for future needs, including through incremental expansion of existing capacity to meet future demand. This is particularly important for those airports that still have the potential to accommodate significant further growth on their existing runways, as at Stansted, London City and Luton.

Current passenger numbers and estimated passenger numbers by 2020



Source: CAA

Responding to demand in a more timely and market-based way requires Government and the aviation sector to work together to better forecast what future demand will be, and to have more accurate data on current demand, to ensure that London's airports can provide sufficient headroom to respond to customer needs.

The Department for Transport is expected to publish updated demand forecasts, which is welcome. These are long overdue as the previous ones are now more than four years old, and growth has historically outstripped predictions. For such a fast-growing and evolving market this is not sufficiently accurate and risks policy being based on forecasts that are too conservative.

Recommendation 3: The Government should publish revised aviation demand forecasts. These should then be updated annually.

Stansted is the London airport with the greatest unused capacity and is projected to accommodate almost half the growth in demand before a new runway opens at Heathrow. But its rates of growth mean this capacity is rapidly being eaten up. The airport sits in a region with world-class digital and bio-medical science sectors. Its runway capacity is presently limited by one key factor: the existing local authority planning restriction which places an artificial cap on the number of passengers using the airport to 35 million per year. The airport's owners are investing in its facilities to allow for growth; now is the time to support fuller use of the existing runway.

On current growth rates, Stansted will reach this cap by the early 2020s. With capacity in short supply over the next decade, government should now explicitly support the lifting of such artificial caps on growth as part of its strategy to enable the south east aviation market to respond to demand in a more timely and competitive way than in the past. At Stansted, this would allow the airport to make efficient use of its single runway, providing capacity for around an additional 7-9 million passengers a year in the London system – generating significant economic value over the years to come.

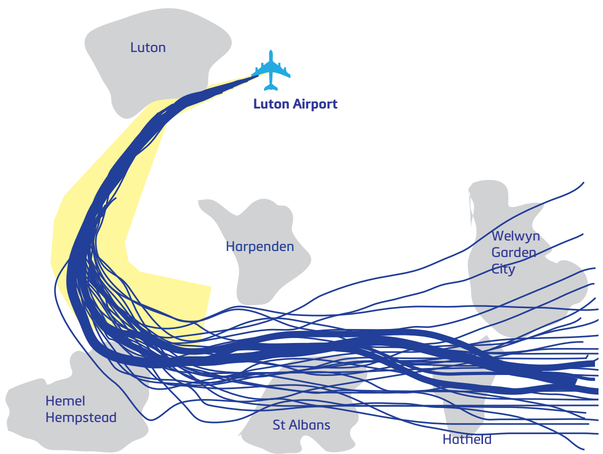
London City is currently capped at 6.5 million passengers and 110,000 flight movements per year, although its growth is such that its master plan envisages the airport handling 8 million passengers and 170,000 movements by 2030.

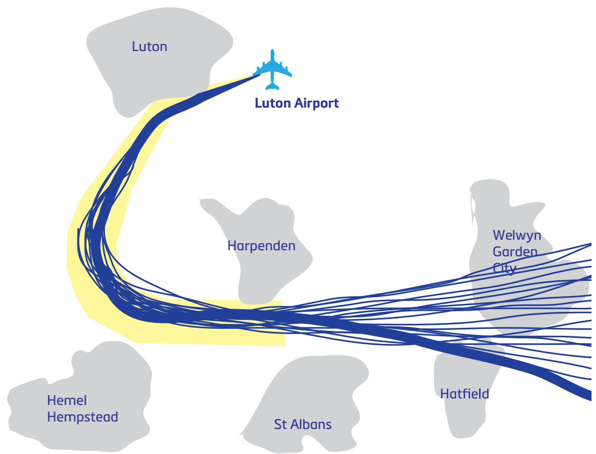
Recommendation 4: The strategy should support growth and competition in London's aviation market by lifting artificial caps on growth, such as at Stansted.

Airspace around London is still fundamentally run on principles, practices and calculations from the post-war origins of large-scale civilian aviation. Our motorways, rail routes and Tube lines are not run to such archaic assumptions and limitations, and nor should such a vital national asset as our airspace be. At a basic technical level, airspace modernisation involves using the technology already found on the vast majority of planes to let them fly much more precisely to pre-set routes. This makes for a more efficient pipeline of inbound and outbound aircraft to an airport, benefitting passengers, airlines and surrounding communities. Modernisation will need to take account of all London airports' needs, for both current operations and future growth

Airspace modernisation now needs to be a priority so that the capacity and reliability benefits on offer are realised as soon as possible. Without action of this sort, congestion will only get worse, and dramatically so. We are at a tipping point, with the Department for Transport forecasting that by 2030 there will be 3,100 days' worth of delays – 50 times the amount seen in 2015 – along with 8,000 cancellations a year. Inefficient airspace use also means more emissions from longer journeys and prevents improvements being made that could reduce noise for communities around airports, for example by removing the need for holding stacks for aircraft unable to land and making better use of new technologies which allows aircraft to avoid overflying populated areas.

Before and after: Luton Airport moved to using new area navigation technology in 2015, allowing aircraft to fly more tightly to paths.





"Without action congestion will only get worse. By 2030 there will be 3,100 days' worth of delays – 50 times the amount seen in 2015 – along with 8,000 cancellations a year"

With South East England's airspace among the most complicated in the world, leadership and drive are now needed. We welcome the previous Government's consultation on airspace and will work together with it, NATS, the CAA and the aviation sector to make modernised South East airspace a reality.

Noise is a key community issue in airspace modernisation. The proposed new Independent Commission on Civil Aviation Noise could help build confidence and understanding, alongside airports taking a proactive approach to engaging with their own communities. Stansted's recent and award-winning airspace modernisation trial shows how this can be well handled, resulting as it did in 85% fewer people being overflown in neighbouring villages. The trial took place over two years and was done in collaboration with the local community, airlines and industry partners. A public consultation by the airport in September 2015 found that feedback from local communities, government and the wider industry was broadly supportive of the changes.

Recommendation 5: The Department for Transport's airspace policy consultation is an important first step in clarifying the policy framework for airspace modernisation. It must shortly be followed by actual changes to airspace use, which result in UK airspace being used more efficiently and reliably in the future.

Looking to the longer term, there is clear demand for further runway capacity in the south east beyond the additional runway now supported by government at Heathrow. The Airports Commission was clear that the Government needed to look at capacity needs up to 2050. Other London and south east airports beyond Heathrow can in future also make a strong case for expansion. As we move towards planning for the longer term, government must learn from the mistakes of the past in not enabling airports to respond more quickly to rising demand. The government's aviation strategy provides an opportunity to better plan for the long term by setting out how future growth proposals will be considered.

Recommendation 6: The government's aviation strategy should enable proposals for future expansion to come forward in a far more timely and market-based way than in the past.

Alongside larger scale passenger operations, there is also the business-focussed smaller scale of general aviation (small-scale civil aviation). It connects London to a wide range of destinations – over 760 in over 70 countries from London Biggin Hill Airport alone, for example. That is three times the number that can be reached by scheduled airlines from London airports, as general aviation does not need such a large base volume of customers to make a route viable. There is an opportunity for government to better recognise the value of this sector in its forthcoming aviation strategy and in doing so set a positive backdrop for this sector as well as for the higher volume scheduled sector.

Recommendation 7: The important complementary role that general aviation plays in London's air market should be explicitly supported in the government's aviation strategy

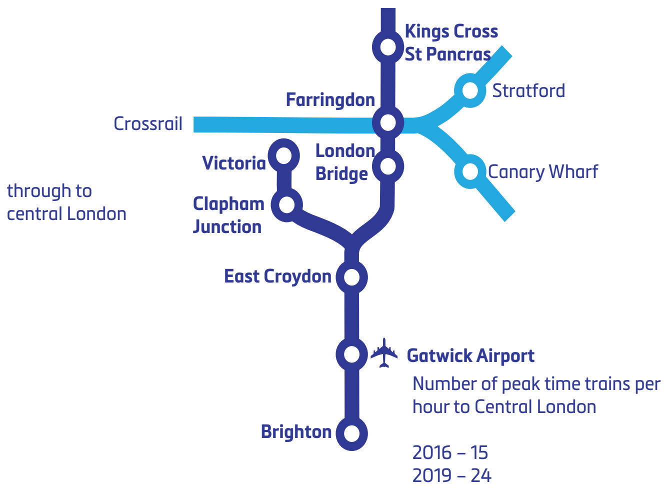
Access to and from airports

A key component of furthering the success of London's airports is improving passengers' experience of getting to and from them. The links between London and some of its airports have improved in recent years, but much more needs to be done.

The next five years will see some welcome and more dramatic improvements, particularly in relation to rail. Unfortunately, given the likely rate and scale of passenger demand, they will not be enough – and nor will all airports see the improvements they merit or in time to have meaningful support for growth. This section outlines the priority next steps beyond already committed schemes.

We concentrate on rail for two reasons. One is aviation's need to further reduce its carbon and emissions footprint, which can be supported by continuing to shift passengers and staff towards public transport. The other is that whereas there are still improvements needed to access to London's airports by road, they are generally evolutionary. Some of London's rail connections to its airports, however, need more of a revolution. We detail this further below.

Committed schemes – Gatwick Airport: Thameslink



Committed schemes

Crossrail, the new east-west railway for London, will serve Heathrow, radically improving journey times between the airport and key London centres such as the city and Canary Wharf. Full Crossrail services are due to be operational by the end of 2019.

Once complete in 2018, the enhancement of the north-south Thameslink route will see further improvement to Gatwick's connections to central London. The Government has also committed to support the redevelopment of Gatwick station, as has Gatwick Airport, which is due to complete in 2020.

And Luton Borough Council's £200 million investment in the light rail link to Luton Airport will make the 'last mile' to and from the airport much more seamless than today.

Committed schemes – Heathrow: Crossrail

Schemes urgently needed

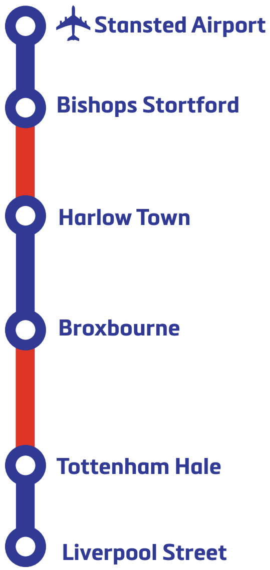
The committed schemes will have significant positive impacts. However, the generally lengthy timeframes of such investments means that to address current and future demand, passengers using London and south east airports now need commitment to the next phase of improvements.

Committed schemes – West Anglia Mainline Line Speed Schematics

Enhanced line speed from 80-95 mph to 100 mph

Journey times saving
Liverpool Street - Stansted Airport

Current	**Improved**
47-60 mins	39-44 mins



Further action is needed to improve journey times, reliability and capacity on the West Anglia Main Line in the short to medium term, as shown above.

While all London and south east airports merit further improvements in access because of their growth in business and remaining gaps in connectivity, Stansted's rail connections are in particular need of improvement, as was recommended by the Airports Commission and its chair Sir Howard Davies back in November 2013. The fastest journey time from Stansted to London has swelled from 41 minutes in 1996 to 47 minutes today. Transport Secretary Chris Grayling has himself said that he would like to see "everything done as soon as we practically can to make sure the links to Stansted are as good as they are to London's other airports."

The nine-year Abellio East Anglia franchise from 2016 will see over £1.4 billion invested into the railway in the east of England. On the mainline from London to the airport, airline passengers and commuters will benefit from an improved service, including: new trains to Stansted Airport from February 2019; as well as improvements to on-board passenger experience including free wifi. The new franchise and rolling stock offer the opportunity to reduce journey times by up to five minutes through timetable changes, at no direct cost. We urge the franchisee, airport and government to deliver these improvements as a priority. We would expect to see the introduction of earlier and later services on the line to better cater for the airport's busy 24/7 operations.

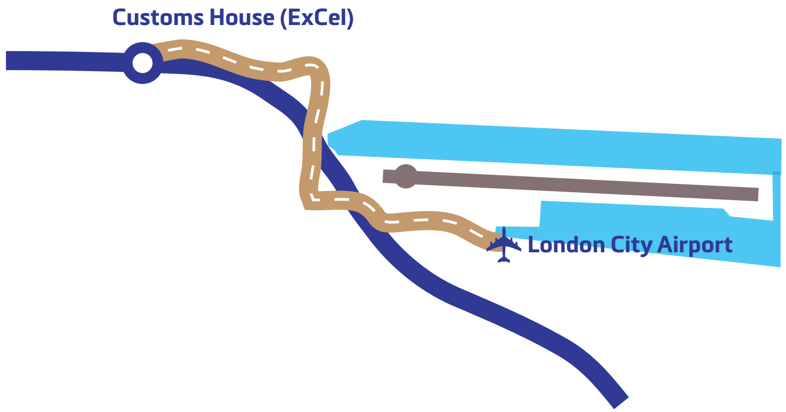
Crossrail 2 would transform services right along the corridor and unlock much-needed housing by providing an extra two tracks on the line between Tottenham Hale and Broxbourne. It must now be endorsed and supported by government as a priority. The government-appointed West Anglia Taskforce has also made a number of recommendations for action ahead of Crossrail 2, including measures to deliver a 40 minute journey time between Stansted and Liverpool Street and a new timetable to take advantage of new, faster and longer trains. These must now be addressed by government. Such improvements are not just about serving the airport, but also the economically successful region in which it sits. As the London Stansted Cambridge Corridor Growth Commission has reported, the region's GVA has grown by 6.1% since the recession (against a UK average of 3.7%).

Recommendation 8: Action is needed to reduce journey times, boost capacity and improve reliability on the West Anglia Main Line. Crossrail 2 would transform services and must now be supported by government as a priority. In the shorter term, Government must also urgently address the recommendations made by the West Anglia Taskforce to cut journey times to Stansted.

Crossrail will come close to City Airport. But it will not actually come to City Airport, leaving passengers with a cumbersome interchange despite the relatively short distance between the station and the airport.

A station located at the airport would better inter-connect London's airports; it would link City with Heathrow directly via a 45 minute travel time, and it would link City to Gatwick and Luton via one interchange at Farringdon and City and Stansted via one interchange at Liverpool Street. The station could potentially be paid for privately. Fesability work has shown that there are three potential sites adjacent to the airport.

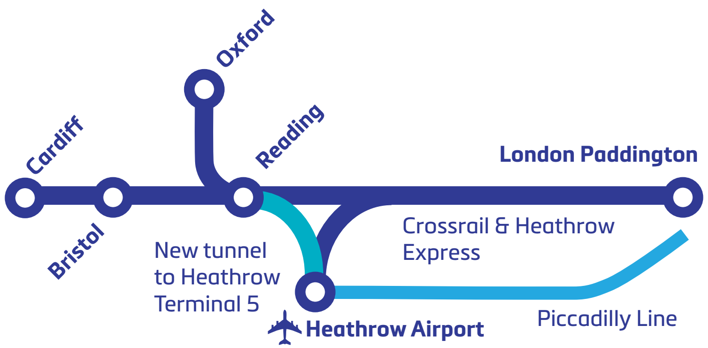
Committed schemes – London City Airport: Crossrail



Recommendation 9: Business case development work should take place on a new Crossrail station at City Airport, involving the key stakeholders – City Airport, TfL, Crossrail, the GLA and the London Borough of Newham. Such a station could potentially be paid for privately.

London's largest airport, Heathrow, remains isolated from the National Rail network to its west. Here at least there is a well-developed scheme to plug this gap, the Western Rail Link to Heathrow. It is essential that this scheme is completed given its strong business case, in part driven by its ability to connect London's largest airport with the south coast, south west, south wales and west midlands. If existing timings are maintained, then work would start on site in 2019 and be completed by 2024. Southern rail access to Heathrow, which would connect the airport to the south and then south-west to provide an additional link to central London, is at an earlier stage and should now be developed further.

Western rail access to Heathrow



Recommendation 10: Western rail access to Heathrow should be confirmed for Network Rail's next Control Period, so it can be delivered within the next decade as planned. Southern rail access to Heathrow should see further development work to establish viability and funding options.

The other key scheme for Heathrow is bringing the Underground's Piccadilly line up to modern standards. This line upgrade forms part of a package of TfL train and signalling upgrades for London's as-yet-unmodernised Tube lines. The Piccadilly line will be upgraded first with new signalling and trains, increasing capacity by 60 per cent. TfL's latest business plan commits to re-signalling work starting in 2020, with new trains arriving from 2023.

Recommendation 11: TfL must deliver the Piccadilly line upgrade, with its 60% capacity increase, by 2023 as planned.

Significant improvements will come to Gatwick's connectivity from the Thameslink Programme, as we have seen. Network Rail has identified the Brighton mainline, on which Gatwick sits, as requiring further investment from the middle of the next decade. In particular, the bottleneck junction at East Croydon urgently needs the upgrade work proposed by Network Rail. Securing the funding for this in Network Rail's next Control Period is a rail priority for the south east, as identified by the London and South Coast Rail Corridor Study commissioned by the Department for Transport in 2016.

There is also the opportunity, as shown in the Network Rail Wessex Route Study, for improvements to the North Downs Line which links Gatwick to Reading, and potentially to Oxford. The Gatwick Growth Board is currently conducting its own study into priority transport investments for the area.

Recommendation 12: The Brighton Main Line provides a vital link for commuters and Gatwick airport and must be a priority for significant investment from Network Rail over the next decade to provide additional capacity, with work to release the bottleneck at East Croydon a particular priority.

There is also an opportunity to increase the regularity of fast rail services to Luton airport through the re-franchising of the East Midlands line. Luton airport is seeking the introduction of Express style services (four fast trains per hour) from central London to Luton Airport Parkway as part of the new franchise.

Recommendation 13: The opportunity to improve the frequency of fast rail services to Luton should be considered by the DfT in the East Midlands refranchising process.

In and beyond the next Network Rail Control Period from 2019 to 2024 there may be opportunities to plug some of the gap between supply and demand in rail links to London's airports via third party investment. Network Rail is now formally part of the public sector's accounts and so under significant funding constraints. The Shaw Report concluded that Network Rail should explore the use of alternate funding mechanisms as an integral part of future work.

While there is never any 'free money' to be had – third party investors will need to be clear about the terms and returns for their investments – London has considerable experience to offer in developing mixed funding packages from schemes such as Crossrail and the Northern Line Extension to Battersea. Airports themselves have an established track record, with Heathrow's £70 million contribution to Crossrail. Other examples include Gatwick's rail station rebuild, funded by £30 million from Gatwick, £30 million from Network Rail and £60 million from government, including £10 million from the Coast to Capital LEP.

It is welcome that the government's National Policy Statement on aviation includes the principles of payments being in ratio to attributable benefits.

Recommendation 13: Network Rail should develop proposals as to how third party investment could be better leveraged into the UK's rail network, including rail links to airports which should include examining revenue-sharing.

Across all these rail recommendations, we see a clear need for better co-ordination between Network Rail's rail infrastructure investment processes and the DfT's rail services franchising process in response to the needs of airports. This needs to feature within the government's aviation strategy as well as its input into rail franchise design and Network Rail's investment processes. This includes establishing rail service patterns to all London's airports that better suit the needs of airport passengers as well as those of commuter and longer-distance passengers, with a service of regular, frequent trains with suitable luggage space that start early enough in the morning and run late enough into the night.

Recommendation 15: The DfT and Network Rail should establish mechanisms for better co-ordination of rail infrastructure improvements and rail services that address the distinct needs of air passengers travelling to and from London's airports by rail

Photo Credit- Joshua Bown- Flickr

Experience

The passenger experience at London's airports has improved considerably in recent years, thanks to significant investment by airports and increased use of technology by airports and airlines. For example, Heathrow has invested £11 billion in its terminals since 2003; Gatwick has invested £1.3 billion since 2009 and plans to invest a further £1.2 billion in the coming five years; Stansted is planning to invest around £500 million over the next few years; and Luton is spending over £100 million.

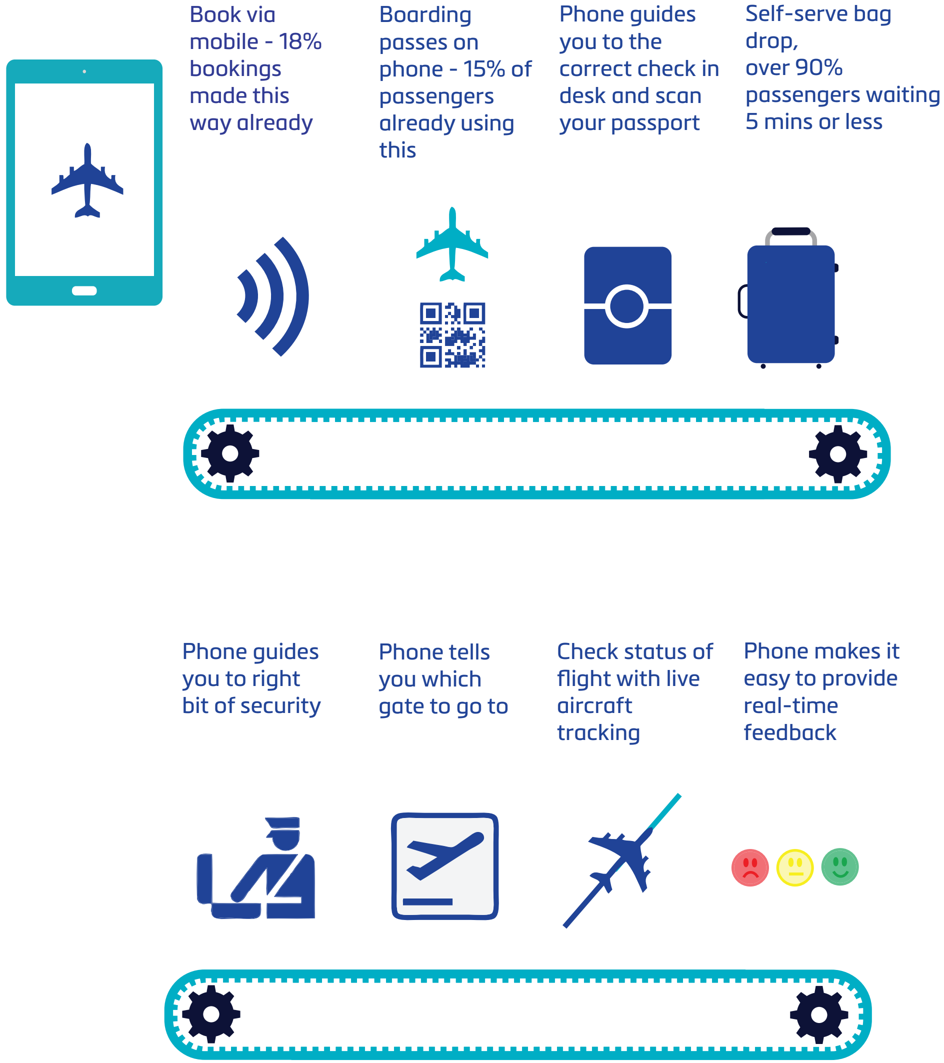
In December 2015, Stansted Airport submitted a planning application for a new purpose-built arrivals building to further improve passenger experience at the airport. This has now been approved.

Following a period of sustained passenger growth, the existing terminal is now reaching capacity, especially at peak times. Up to 5,000 passengers an hour depart through the building and with new airlines arriving to offer greater choice of routes and destinations, Stansted's plans will transform the passenger experience and cater for growing demand at the airport.

The new arrivals building will see the creation of a new immigration and baggage area and reconfigured check-in facilities. These plans will allow the airport to serve up to 35 million passengers, whilst future-proofing its ability to make the most efficient use of our single runway, serving around 43 million passengers a year.

Stansted expects the new facility to take up to three years to complete, with additional improvements in the main terminal completed by 2022.

London Stansted Airport – planning for future growth



Improved passenger experience

Enhanced baggage systems, self-service check-in and bag drop, improved passenger information and e-gates at borders have all improved passengers' experience while simultaneously enabling more people to travel year on year. Gatwick now has the world's largest auto-bag drop, and Stansted now has more e-gates than any other airport terminal in the world.

While security and safety will always remain paramount, how this is pursued at airports plays a role in determining overall capacity and affects the passenger experience have. We should not see robust security and a good passenger experience as an either/or choice. We must offer both. This is a major issue for a city like London which continues to be dependent on large volumes of tourist and foreign direct investment from around the world. For the vast majority of international visitors, airports serving London are its front doors.

A particularly important element of the flow through the airport for inbound passengers is the border. Significant improvements have been made in recent years with widespread installation of e-gates and encouraging trials to broaden out the categories of passengers that can use them (for example allowing children over the age of 12 with suitable passports to use e-gates). Over the past year, e-gates were successfully used by 26 million passengers across the UK, with Gatwick North setting a new record for a terminal of over 450,000 passengers in one month.

Despite rising demand, resourcing of border operations has been on a downward trend. Technology has an important role to play in bridging this gap, but will not be the only solution. The remaining challenge is for sustainable and equitable resourcing across airports which does not default to putting the strain on London's citizens, tourists and business visitors by consigning them to long queues at our border points. This will require the government, and the Home Office in particular, to work with airports to explore how this essential service can be adequately resourced and delivered in the future. There is room for fresh thinking here to deliver a more flexible service that is better able to respond to demand at our borders. In the meantime, government must ensure that passengers continue to get a high quality experience at borders.

Recommendation 16: Government and airports must ensure a high quality service at our borders. Looking into the future, this may require alternative ways of structuring and funding border services that would make them better able to respond to demand. This will require government to take a 5-10 year view of resource requirements at the UK border, taking into account likely growth and potential new arrangements post Brexit. Only then will it be possible to be confident in the available resources to provide a positive welcome to people entering the UK.

As the government enters into negotiations to leave the EU, it must strive to ensure we retain easy movement of people between the UK and the EU. At the same time there must be more progress on practical ways to achieve significant improvements in the numbers of non-EU tourists coming to the UK, while maintaining the robustness of the UK visa system. This means finding ways to share and align the data needed to apply for the separate Schengen and UK visas for visitors from countries such as China, and minimising the number of physical trips applicants need to make to submit it – following on from the UK and Belgian trial in streamlining visa application processes that started in 2015. There is potential to roll this approach out to other high growth markets, such as India. The introduction of the new two-year visa system for Chinese visitors at the beginning of 2016 was welcome, but the UK should expedite its proposed 10-year visa as soon as possible.

Recommendation 17: Government must do all it can to ensure we keep easy movement of people between the UK and the EU. Simultaneously, it should look to further improve the experience of non-EU tourists coming to the UK.

Conclusion

Our recommendations range from those that cost nothing but fresh thinking to those that cost many millions of pounds. They range from opportunities that can be seized and delivered on rapidly to those that, even if seized now, will take years to come to fruition.

Although many relate in one way or another to government, it is important to remember that Government's presence in this sector is in a supporting – and we very much hope supportive – role. The vast bulk of aviation investment in London's highly competitive airport market is privately funded.

With the UK leaving the EU, aviation's role as a critical conduit for the UK's trade and relationships with the rest of the world is more significant than ever.

What all our recommendations have in common is helping the London and south east airports to continue to flourish, and in doing so helping the UK to compete successfully.

London First
June 2017
@london_first