

## **BAA Submission to the Barker Review of Land Use Planning**

BAA is the world's leading airport company. It pioneered airport privatisation and is widely recognized for its responsible and efficient airport operations. BAA owns and operates seven UK airports: Heathrow, Gatwick, Stansted, Glasgow, Edinburgh, Aberdeen and Southampton, and has interests in 12 airports overseas. BAA's seven UK airports handled 137 million passengers in the last year.

BAA welcome the opportunity to respond to the Barker Review of Land Use Planning and provide evidence on the importance of aviation and the requirements of the planning system to support this essential service for the UK economy.

The aviation industry is crucial to the UK economy as the following facts show:

- The aviation industry itself directly supports 200,000 jobs and indirectly up to three times as many;
- In 2003 there were 24.7 million overseas visitors to the UK, and 71% of them arrived by air, accounting for 83% of the UK's tourism revenue of £11.8 billion and directly supporting more than two million jobs.
- Studies of Inward Investment have shown that access to international air services is one of a number of key decision factors for location. As a result of the UK competitive advantage in aviation almost 30% of the largest companies in Europe have headquarters located in the UK, compared with 18% in France and 16% in Germany;

Considerable money is invested in aviation over particularly long time scales. In 2003/04 BAA, one of the largest companies in the UK industry, invested £1.3 billion in its seven UK airports. It is also investing over £8 billion (in 2004/05 prices) over the eleven year period, 2003-2014.

### **Response to the Terms of Reference**

The Land Use Planning Review is charged with considering the role of planning policy and procedures in delivering economic growth. BAA is uniquely placed to consider these issues, particularly given previous experience with the T5 Inquiry and current activity at all of its airports, Stansted in particular. The general conclusion from our consideration of the existing system is that changes already put in place, notably the production of the 2003 Air Transport White Paper, should serve to overcome previous weaknesses in the system, as long as this national policy is adopted at regional and local level.

The previous issues regarding delay and cost which surrounded the Terminal 5 development should have been overcome through the clear statement of national policy included within the White Paper. However, it is clear that in some cases regional and local bodies are intent on resisting the policies contained therein and it will only be via RSS Examinations in Public and ultimately the determination of planning applications, that the strength of these policies will be gauged.

## **Annex 1: Responses to specific questions**

We use the questions set by the review, as a basis for our response.

### **Question 1**

- 1 The national planning context for airports has been considerably improved by the White Paper which sets out a 'national plan' for airport development. It is essential that this national framework is retained and where possible strengthened to provide a strategic approach for air transport.
- 2 A clear policy framework is vital and whilst some flexibility is desirable it can only be within the boundaries of this framework.
- 3 We therefore support the use of existing policy measures which assist in delivering certainty and yet allow an element of local flexibility to respond quickly and effectively to challenges.

### **Question 2**

- 4 It is essential that local decisions are taken within a robust and strategic national and regional context. Currently there is however increasing clear regional and local opposition to policies adopted in the Air Transport White Paper.
- 5 It is perhaps a little early to make evidence based comments on the implementation of the new planning system as it has not gone far enough through the process. It is our view that the introduction of regional plans to replace structure plans should allow for considered discussion as to how national policy framework can be incorporated at a regional level. However this does not appear to be the experience thus far with the draft South East Plan.
- 6 We support the need for an inclusive and discursive plan making process which provides concurrent preparation of strategic and local development documents. However this needs to be more joined up than is currently the case and clearly set within the national context for airports and aviation. It would also be useful if there were nationally agreed sustainability criteria and objectives for major development proposals.

### **Question 3**

- 7 BAA is committed to tackling the economic, social and environmental objectives of sustainable development. This is done by meeting the social

and economic objectives set by society usually through environmental and resource objectives. It is therefore extremely important that the broad economic value to the UK of air transport is properly measured and weighed against local environmental factors.

- 8 We believe that generally there is a current over emphasis of local ecological and landscape issues over and above economic and social. This could result in decisions which disadvantage the wider community and might be due to a lack of understanding of economic issues by local decision makers. In south east England, economic prosperity is often taken for granted and sacrificed in favour of local benefits.
- 9 As planning seeks to engage with the sustainable development agenda and tackle issues such as climate change, it will be essential to set a clearly defined national context. We believe that all sustainability issues relating to large infrastructure and projects such as energy and wind farms, waste disposal and air transport should be discussed and tested at a national level and incorporated into clear guidance.
- 10 As part of a clear national context it would be helpful for ODPM to clarify the relationship between Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) and how these should be applied to major projects.

#### **Question 4**

- 11 No comment

#### **Question 5**

- 12 The planning system in principle provides certainty in order to allow for long term investments to be made, as long as national policy is adopted at local levels in decision making. However, it is by no means clear that this will now be the practice. So long as the national policy is given appropriate weight the system as at present will provide sufficient basis for investment.

#### **Question 6**

- 13 It would be helpful for government policy on the economy to link more directly with environmental issues and planning policy. The segregation of these functions into four Government departments currently works against this. In producing a national strategy for major infrastructure such as airports it is imperative that all Government departments share and support this strategy and provide supporting infrastructure within appropriate timescales. In terms of airports this interdependency extends

to organizations such as NATS and the CAA which manage airspace and airspace policy. The need to find another site for the Buntsfield oil terminal will provide a useful test case for expeditious planning.

- 14 In the South East current indications are that the RES (which recognizes and supports growth of air travel) and the draft South East Plan (which does not) are at loggerheads.

### **Question 7**

- 15 The causes of much of the delay in the T5 Inquiry related to the lack of strategic framework for development. The Airports White Paper now provides that guidance. As long as this is carried through to the decision making process, the length of any inquiry should be significantly reduced.
- 16 What is clear from experience is that there are significant resource issues at the Planning Inspectorate which need to be resolved in order to ensure that decisions are made expeditiously. This also extends to the final decision making within the relevant department, such that recommendations from inspectors are not unnecessarily delayed in becoming decisions.
- 17 Most of the planning reforms have emphasized the speed of the planning system rather than transparency or effectiveness. While speed of decision making is important to businesses and investment, we are as concerned with getting good quality decisions, in an open, fair and honest way which will allow appropriate investment to be made in a climate of certainty.

### **Question 8**

- 18 The costs of preparing, submitting and supporting planning applications are generally not a barrier for all but the largest airport projects. However, what is more of an issue for projects is the uncertainty relating to the requirements of any local planning authority in considering applications: This often leads to requests for further information, amendments to designs and limits on operations with a significant impact on the business case.
- 19 BAA understands the requirements for scheme mitigation; however there are increasing incidents of requests for Section 106 obligations which are far outside of the direct impact of the development involved. This can seriously jeopardize the business case for the project and compromise infrastructure investment.

20 For any organization the uncertainty during determination of a planning application is very disruptive, as progress is often not possible on other aspects of the project. Therefore the time taken to make a decision can have a critical impact on productivity.

21 Airports also incur costs in complying with planning conditions, which are then remunerated by higher airport charges. This process ensures that local impacts and external costs are already internalised by the planning system. By way of illustration, for Heathrow Terminal 5 the costs of the Heathrow Express and Piccadilly Line extensions (one of 600 conditions) alone amounted to £380m.

### **Question 9**

22 No response

### **Question 10**

23 No response

### **Question 11**

24 No response

### **Question 12**

25 It is clear that there are insufficient resources in many planning departments, particularly within Development Control Teams. BAA understand the additional burden that it's development proposals place upon local authorities and as a result is currently funding a team of Development Control officers in the Borough of Hillingdon, which is the local authority responsible for Heathrow.

26 With regard to skills there tends to be a lack of understanding of economic issues within Planning Departments. This often arises from economic development expertise being dissipated into different departments which results in economic issues having less importance in decision making.

### **Question 13**

27 BAA accept that businesses need to actively engage in the planning process at an early stage to ensure their views and concerns are taken on board. This is a vital activity in seeking positive planning and the creation of sustainable communities. While we would support the need for early involvement it is clear that this consumes additional resources and adds

time to any project programme.

- 28 Despite best efforts consultations on plans and proposals usually result in low response rates, a high percentage of which are objectors. The challenge is to try to harness the views of the silent majority, which often includes the business community where shorter term issues often take priority.

#### **Question 14**

- 29 Local accountability for decisions could be improved through the retention of business rates at the local level. This would allow local authorities to consider fully the economic benefits of development as well as environmental costs. Unfortunately, current government proposals for a planning gain supplement appear to at least have the potential for s106 monies to be diverted centrally.
- 30 Planning can have a important role in regional economic performance; two examples concern the role of regional development agencies. RDAs can help promote regional infrastructure needs (through Transport Innovation Funding) and co-ordinate different private and public sector parties for complex developments who would find it hard to act unilaterally.

#### **Question 15**

- 31 Airports have a very important role to play in the regeneration and renaissance of areas. The economic performance of regions and sub regions can be considerably enhanced by the presence of an airport. A globally competitive region needs global connectivity. Air services are essential for the economies of the English regions as they offer access to other parts of the country and connections to both European and global markets.
- 32 There is also an issue with local authority boundaries. Airports often transcend such boundaries in terms of their economic and environmental impacts yet there is only one planning authority for any airport. This needs to be recognized and the issues drawn together – perhaps at a broader regional level.

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