



STRATEGIC AVIATION SPECIAL INTEREST GROUP  
of the Local Government Association

Conservative Party Conference  
2012 Update –  
7-10 October 2012

16 October 2012

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7 October 2012

## The Big Interview - Transport Hub

### Speakers

- Stephen Hammond, Transport Minister;
- Iain Stewart MP;
- Stuart Andrew MP; and
- Chair - Tony Grew of PoliticsHome.

### Stephen Hammond (Transport Minister)

#### Heathrow expansion and capacity

On Heathrow expansion, Mr Hammond said: "We're going to need some compromises, and some of them are unpalatable." Politics should be taken out of the issue, he said. "There will have to be some short-term compromises," and some of them would "not be very nice in the short-term".

The Independent Commission would likely look at three solutions to air capacity in the South East, he explained. They would be 'Heathwick', a new airport, or a "messy British compromise" of a bit of extra capacity at each airport. The final option was "probably the way it's going to go", he predicted.

### Questions

#### Air Passenger Duty

Mr Stewart confirmed that he wanted to see Air Passenger Duty (APD) considered as part of the strategic aviation review and felt APD could be used as a mechanism to move traffic from London to other airports.

#### HS2

Mr Andrew said it was important that Manchester and Birmingham had links to Heathrow via HS2 and felt an extension of the runway at Birmingham would massively increase capacity and represent a relatively small investment.

Mr Hammond commented that there were a number of alternatives on APD that would need to balance environmental and fiscal objectives.

Mr Hammond stated that there was cross-party consensus on high speed rail and the need for extra London airport capacity, he added.

The Transport Minister explained that the economic benefits of HS2 grew the further north the project went and would also improve capacity. On whether the project would simply entrench London's economic advantage, he said in Japan high speed rail had helped the development of second-tier cities.



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### **Climate Change Targets**

A representative from Greenpeace asked whether the Government's preferred outcomes on rail and aviation issues were compatible with its climate change targets. Mr Stewart responded saying the electrification of the network would be good for decarbonisation.

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**8 October 2012**

## Thinking Radically: Should the Chancellor's plan for growth include abolishing aviation tax? - ABTA and Airport Operators Association

### Speakers

- Brian Ross, Economics Adviser, Stop Stansted Expansion;
- Luke Pollard, Head of Public Affairs, Association of British Travel Agents (ABTA);  
and
- John O'Connell, Research Director, TaxPayers' Alliance.

### Luke Pollard (Association of British Travel Agents)

Luke Pollard claimed air passenger duty (APD) was merely a revenue-raising tax for government and had an extremely adverse impact upon the UK economy, adding that the UK was more expensive for inbound tourists and holidays are more costly for British people.

He said that the UK had the highest APD rate of all nations. This deterred foreign direct investment and meant that the UK received far fewer tourists from emerging markets such as China.

Mr Pollard believed that that APD cost the UK more than it generated. He wished that the government would undertake a thorough cost benefit analysis of APD and hoped that such studies would result in more evidenced-based environmental policy.

### John O'Connell (TaxPayers' Alliance)

Mr O'Connell, representing the TaxPayers' Alliance revealed that the UK was ranked 134th out of 138 on excessive national airport taxes. This equated to approximately £115 per family of four per annum. APD has risen dramatically above the inflation rate in the last few years and could lose Scotland £77 million in revenue per annum by 2014.

Mr O'Connell suggested that the EU Emissions Trading Scheme (ETS) was more effective in combating climate change than APD.

### Brian Ross (Stop Stansted Expansion)

Mr Ross, agreed with the rest of the panel about the need for a cost to benefit analysis of APD but disputed many of the figures that had been presented by the TaxPayers' Alliance. Mr Ross also countered Mr Pollard's contention that the UK had much higher APD rates than other nations, stating that many nations had APD rates that were almost as high as those in UK.

Furthermore, he pointed out that America charged VAT on aviation fuel whereas the UK did not. The aviation industry's VAT exemptions benefited the sector by approximately £10.5 billion per annum. The APD only cost airlines £3.9 billion a year and had minimal negative influence on UK economic performance.

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Mr Ross reasoned that if Britons were dissuaded from travelling abroad by APD, this meant they holidayed domestically. This boosted the UK tourism industry by £5.1 billion in the period 2008 – 2011. In terms of APD deterring inbound tourists, the numbers of inbound tourists had only declined by 300,000 (1. per cent) in the period 2008 – 2011.

Mr Ross acknowledged that APD did increase plane ticket prices slightly. Nevertheless, he thought that the real reason why prices had increased was excessive surcharging by airlines.

## **Questions and comments**

### **Air Passenger Duty (APD)**

Carl Pheasey, Political Affairs Manager at British Airways, acknowledged Mr Ross' point about airline surcharges causing price rises but argued the surcharges were set by the free market and APD bears no relation to the wider cost environment. Mr Pheasey also thought that APD was unfair as children pay the same APD as adult passengers.

Paul Simmons, Director of UK Markets at easyJet, stated that easyJet was happy to pay environmental taxes in principle. He said that APD, although a low tax, was often the difference as to whether a route was deemed viable. Mr Simmons informed the audience that easyJet and Ryanair had recently commissioned an independent report into the impacts of APD.

Rob McIvor, Communications Director at London First, pointed out that the reason the UK attracted few Chinese tourists was as much a result of visa rules as it was to do with APD. Mr McIvor posed the question as to whether there was any evidence that passengers broke long-haul flights in order to avoid the high British rate of APD.

Sarah Brookes, Head of Public Affairs at Manchester Airport Group, replied to Mr McIvor, saying Manchester Airport Group had anecdotal evidence that passengers were flying from Manchester to Dublin before boarding transatlantic flights, apparently as a method of avoiding paying APD.

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## Are the Conservatives hiding behind the coalition to avoid a decision on aviation policy? – Transport Hub, ABTA and AOA

### Speakers

- Cllr Daniel Moylan, Aviation Advisor to the Mayor of London;
- Darren Caplan, Chief Executive, Airport Operators Association (AOA);
- Dr Richard Wellings, Deputy Editorial Director, Institute of Economic Affairs; and
- Chair - Luke Pollard, Head of Public Affairs, Association of British Travel Agents (ABTA).

### **Cllr Daniel Moylan (Aviation Advisor to the Mayor of London)**

#### **Airport capacity**

Cllr Moylan pointed out the expansion of aviation was necessary; saying he had worked with the Mayor of London to develop a “significant” hub airport. Lessons have been learnt from central hubs established in the USA, China, Frankfurt and Munich and these had illustrated that the failure of expansion in aviation had impacted on UK competitiveness.

Transport links to UK airports compared poorly with countries like the Netherlands, Cllr Moylan explained.

A fact-finding process with disseminated results is required and Prime Minister David Cameron was “not confident” in moving forward. Cllr Moylan underlined the need for a new timetable and change of remit, in response to the establishment of the independent Aviation Connectivity Commission and research conducted.

Cllr Moylan argued that the expansion of Heathrow Airport was not “deliverable”, and connections to and from Heathrow have been a “disgrace”. Turning to airport expansion in other parts of the UK, he claimed Birmingham Airport had not made a strong case for regional airports, because it had not acknowledged that it was “under capacity”.

He said the implementation of a new airport hub would demand Government intervention facilitating road and rail links with links to flood defences and energy saving infrastructure developing a new “community”. A new airport hub would contain several terminals and a “dedicated” link to Waterloo, but costs would fall to the “public purse”. He emphasised this would transform the geography and topography fostering long-term “benefits” for centuries.

Dr Wellings responded that he, “would rather aviation stays clear of tax payer’s money” adding, “London is the only realistic place for a hub airport”, funded through “private investment”.

### **Dr Richard Wellings (Institute of Economic Affairs)**

Dr Wellings identified, “the Liberal Democrats are an obstacle” to aviation policy as the five or six Parliamentary seats around potential development sites are “narrow” and “concentrated” interests, which impact on “lobbying”.

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Dr Wellings expressed concerns about the development of an airport hub in the Thames estuary because it could impact on taxpayers who would “subsidise the effects” and he felt aviation should “stay clear of subsidies”.

Dr Wellings identified the independent Aviation Commission as a negative move, similar to “socialist central planning” and conceded “extra aviation capacity” would lead to a “huge advantage” for the UK.

### **Darren Caplan (Airport Operators Association)**

Mr Caplan explained that the Conservative’s current aviation strategy has led to aviation businesses being treated unfairly. This was despite a Ministerial shuffle and the publication of a number of policy papers. According to Mr Caplan, there was “no strategic commitment” from government who added the Coalition could not be blamed, because the Conservative Party had the power to implement the necessary possibilities.

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## Railways: Public Service or Private Profit? – Association of Train Operating Companies

### Speakers

- Iain Stewart, Transport Select Committee Member;
- Tom Smith, Chairman, Association of Train Operating Companies;
- Stephen Joseph, Chief Executive, Campaign for Better Transport;
- Matt Sinclair, Director, TaxPayers' Alliance;
- Christian Wolmar, Transport Commentator; and
- Chair - Philip Johnston, Home Affairs Editor for the Telegraph.

#### Iain Stewart (Transport Select Committee)

There had been a “renaissance” in rail travel since the 1990s, said Mr Stewart, pointing to the reinvestment on the West Coast Main Line.

Mr Stewart said there were innovative solutions in rail network operations, pointing to the potential for efficiency savings in the relationship between Network Rail and South West Trains.

#### Tom Smith (Association of Train Operating Companies)

Mr Smith highlighted that by the end of next railway control period in 2018/9, the level of government investment in rail will be significantly reduced.

#### Stephen Joseph (Campaign for Better Transport)

Mr Joseph said UK fares were already 30 per cent above the European average, before accounting for fare rises of the retail price index (RPI) plus 3 per cent. Mr Joseph called for fare rises to end and called for a clear date to be set out for this.

Turning to the franchising system, Mr Joseph described the current system as “opaque” to rail users, leaving with them with little idea about how to influence their local rail services. He called for more transparency and suggested the model of London Overground should be replicated around the country.

#### Matt Sinclair (TaxPayers' Alliance)

Mr Sinclair identified that over 10 times public money was spent on the railways than on the roads, adding the only credible answer was to get more efficiency out of the railways.

#### Christian Wolmar (Transport Commentator)

Mr Wolmar said the fiasco around the West Coast Mainline franchise had originated owing to the pressure of spending cuts applied to the Department for Transport (DfT) by the Treasury.

Questioning the system of rail franchising, he called for a “proper debate” on the future use of the system and said any change could include a privatised solution, pointing to alliancing as an example of this.



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“You can’t have a railway that is not subsidised,” Mr Wolmar affirmed, adding they would continue to need subsidising.

## Questions

Mr Johnston asked if the Transport Select Committee would be examining the West Coast Main Line franchise. Mr Stewart confirmed Transport Secretary Patrick McLoughlin and Department for Transport Permanent Secretary Philip Rutnam would be appearing before the Committee at the end of October.

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## Cleaner, Quieter, Smarter Aviation: Can the industry deliver? – Transport Hub and Sustainable Aviation

### Speakers

- Matt Gorman - Chairman of Sustainable Aviation; and
- Chris Crean - West Midlands Regional Campaign Coordinator for Friends of the Earth.

### Matt Gorman (Sustainable Aviation)

Matt Gorman began by explaining that Sustainable Aviation was a coalition of the main airports and airlines in the UK, and the NAT. It was launched in 2005 to fulfil the long term goals of making aviation cleaner, quieter and smarter.

Mr Gorman said the industry could, and must, deliver cleaner, quieter and smarter aviation but could not do so without the Government.

“Sustainable aviation” had a dual meaning – it was about both the environment and the “benefits and wealth of aviation”. This wealth, he claimed, was both economic and cultural.

The economic advantages were clear, as it contributed £50bn to the economy, and employed around a million workers. It also connected the UK to emerging markets and facilitated its export economy.

Mr Gorman gave the example of the London 2012 Olympics to illustrate the cultural wealth of the aviation industry, while also acknowledging the need for it to tackle its economic impact.

Two big challenges were identified; climate change and noise.

Climate change was “the big global issue”, whilst noise was the “biggest local issue”. The former would change the landscape, he said, explaining that the industry had shown a “clear commitment to avoiding dangerous climate change”.

The industry was researching “new and next generation technology”, and sustainable biofuels to help “decouple the growth of aviation from all the benefits it brings”. The added challenge was that keeping emissions where they were was not enough and the industry would reduce net emissions by 50 per cent by 2050. Mr Gorman concluded that carbon trading could help, since it allowed the aviation industry to channel some investment into cutting carbon in other sectors.

Mr Gorman asked the industry what they thought would be possible to achieve over the next 30-40 years in terms of noise around busy airports, and hoped it could “decouple growth in air traffic from growth in noise impact”.

He identified the industry was developing “newer, quieter types of aircraft and engines”, and introducing the “continuous descent approach”, which allowed aircraft to land with a quieter glide.

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This initiative is being driven by Heathrow and other UK airports, but it would be down to individual airports to select and implement the appropriate measures and operational practices. They would also have to decide the role of mitigation through insulation, or compensation packages.

Government policy asked airlines to concentrate noise by flying down “noise preferential routes”, but this disadvantaged the people who lived near those routes, Mr Gorman claimed. He suggested they could solve this problem by alternating the routes so one was not disproportionately affected and would be testing this over the next year to see if it would make a difference locally.

### **Chris Crean (Friends of the Earth)**

Mr Crean said the industry had not delivered over the years, but he was encouraged to note that there were only a few points where they disagreed. The real problem was that every time there was an improvement, it would be outweighed by growth.

Mr Crean suggested technological advances should be shared worldwide, rather than sending old, inefficient aircraft to the developing world.

He cited a [Policy Exchange report](#), which set out plans for a four- runway airport and included a chapter on the responsibilities of airports and airlines towards society. One way they could help would be by using solar panels, since they had a huge amount of roof space and grass, he suggested.

Mr Crean summed up saying, “aviation is a mature industry and it no longer needs tax breaks” and it should be “paying its way” in a way that benefits society.

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## How to Sustain the Growth in Rail Travel – Transport Times

### Speakers

- Patrick McLoughlin, Transport Secretary;
- Steve Scrimshaw, Managing Director, Siemens Rail Systems;
- Alistair Gordon, Chief Executive, Keolis (UK); and
- Chair - Professor David Begg, Chief Executive, Transport Times.

### Patrick McLoughlin West Coast Mainline

Mr McLoughlin said the Government had been set a challenge on its policy for the future direction of the railways, in light of the “difficult announcement” he had made last week on the West Coast Main Line franchise. The Government has set up two inquiries at the Department for Transport (DfT) to investigate the issues around the franchise.

Mr McLoughlin stated that the first inquiry into the West Coast Mainline franchise, headed by Centrica Chief Executive Sam Laidlaw and former PricewaterhouseCoopers Strategy Chairman Ed Smith, was due to report at the end of October. The second, headed by Eurostar Chairman Richard Brown, would report by the end of the year.

### Fare Rises

Capacity on the railways needed to be expanded and the Government was committed to restricting fare rises to one per cent above the retail price index (RPI) for the next two years. Mr McLoughlin said the Government needed to review the fares system “deeply,” but added there was not an easy answer to it.

### Questions HS2

Conservative Transport Group representative Chris Bell asked if the second part of HS2 would include a link between Leeds and Manchester. In response, Professor Begg said the previous route for HS2 had incorporated such an idea, but the case had not “stacked up.” He said the conclusion had been reached it was better value for money to electrify rail routes between those cities.

A representative of the RAC Foundation asked if high speed rail would boost rail passenger traffic out of London, as well as in. In response, Professor Begg said statistics suggested the West Coast Main Line would be at capacity in 15 years. He added the Department for Transport economic appraisal had widely underestimated the regeneration benefits of HS2.

### East Coast Mainline

The panel were asked if the East Coast Main Line would be returned to franchise in the near future. Mr Gordon said he imagined the East Coast Main Line would be put back in to franchise in the near future, despite the franchise process being “on hold at the moment”.

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## **We Can't Afford Roads – Connectivity, Growth or Gridlock – Transport Hub – The Chartered Institute of Logistics and Transport (UK)**

### **Speakers**

- Philip Gomm, Head of External Communications, RAC Foundation;
- Professor Alan Braithwaite, Cranfield University;
- Stephen Joseph OBE, Chief Executive Officer, Campaign for Better Transport; and
- Chair - Jim Steer, Director, Steer Davies Gleave.

### **Philip Gomm (RAC Foundation)**

Mr Gomm claimed that new roads were one of the most cost effective types of transport infrastructure and believed that toll roads with time-variable pricing that could spread traffic across the day, away from peak hours, were inevitable.

### **Professor Alan Braithwaite (Cranfield University)**

Prof Braithwaite spoke about freight logistics which is poorly understood despite accounting for 7% of total UK employment (2.3 million employees). Overall, freight logistics is a market worth £75 billion per annum and the UK's logistics industry has been ranked by the World Bank as the tenth best in the world.

89 per cent of UK domestic freight travelled on the roads, while only 9 per cent went by rail. It was estimated that 40 per cent of daily motorway traffic was for freight vehicles; HGVs, lorries and vans.

The freight and logistics sector was responsible for 25 per cent of overall UK carbon emissions, with the industry unlikely to meet its emissions targets.

Most importantly, the freight sector needed a long-term vision, he argued, suggesting four key principles.

Firstly, vehicle duty on lorries should be replaced with a 'pay as you go' taxation system. Automated tracking systems could measure the distance driven by lorries in any given period and charge accordingly.

Secondly, goods distribution hubs needed to be established near major conurbations. From these hubs, smaller vehicles could deliver items to many different locations within the nearby cities. The hubs would also enable 'back loading' (whereby vehicles returning to the hubs would be filled with outgoing goods).

Thirdly, all regional freight distribution parks needed a rail link. In the South-East, only Barking had rail access.

Fourthly, modelling that understood the complexities of interaction and change within the logistics system was required.

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## The Future of UK Aviation – Transport Times

### Speakers

- Stephen Hammond, Transport Minister
- Paul Kehoe, Chief Executive Officer, Birmingham Airport;
- Jonathan Williams, Business Manager, Cubic Transportation Systems; and
- Cllr Daniel Moylan, Aviation Advisor to London Mayor

### Stephen Hammond (Transport Minister)

The Transport Minister said the aviation debate needed to focus on the long term and the UK must make decisions about what it wanted airport capacity to be in 2075, rather than simply 2025. He added he was unsure whether Heathrow provided these long term solutions.

Short term compromises had to be made in order to alleviate the immediate lack of capacity, adding mixed mode operation at Heathrow was one possibility. He acknowledged that future airport capacity must be integrated with the public transport network and new National Policy Statements to Parliament would quicken the planning process for new aviation infrastructure.

### Paul Kehoe (Birmingham Airport)

Paul Kehoe said that aviation expansion was a difficult and emotive subject. He argued that people often want the 'gain' from airports, in the form of economic growth, but do like the 'pain' – noise and pollution. He contended it was not good for the UK that Heathrow was running at 99 per cent capacity and it meant that the aviation sector lacked contingencies when problems arose.

Mr Kehoe believed the most immediate solution to the lack of airport capacity was to utilise Gatwick to a greater extent. He hoped the Davies Commission would make long term judgements and approved of Boris Johnson's radical thinking on how air capacity issues could be solved.

He was positive about facilitating the connection of High Speed 2 to Heathrow and added that this required the building of a new rail station complex near Heathrow, ensuring that all terminals would be served. He also recommended the industry adopt "through ticketing" as this would allow air passengers to transfer between UK airports on the public transport network.

Mr Kehoe noted Germany had approximately 4 hub airports and this made the German aviation sector more efficient and resilient. He suggested an additional 4 runway airport was perhaps the only way to genuinely increase UK airport capacity.

### Jonathan Williams (Cubic Transportation Systems)

Mr Williams highlighted that Cubic had developed the Oyster smart ticketing system for the London transport network and noted that smart ticketing provided useful data on passenger flow and behaviour.

Mr Williams said the UK should carefully utilise existing airport capacity before building a third runway at Heathrow.

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## **Cllr Daniel Moylan (Aviation Advisor to London Mayor)**

Councillor Daniel Moylan believed that a major hub airport was vital. Airlines needed many passengers to make a profit and it was helpful if these passengers were concentrated in one location. Cllr Moylan said the next question was how many hub airports there should be. Pure logic dictated there would be one large hub, yet, practicalities meant that this was implausible. A major London hub was the best way to ensure “super connectivity” to other elite global cities.

Cllr Moylan stated noise was the problem with Heathrow’s location as the airport is too close to residential areas. Other European hub airports, such as Charles De Gaulle and Amsterdam Schiphol, are better located. Heathrow is limited to a geographical area the same size as Chelsea which is much smaller than contemporary European airports and limits the airport’s potential capacity.

Cllr Moylan said the Mayor of London wanted a Thames Estuary Airport as it would help regenerate east London. The Mayor of London’s Aviation Advisor explained he was not sympathetic to calls to utilise regional airports but maintained landing charges at Heathrow should be de-regulated and thought the resulting market redistribution would see airlines move to cheaper regional airports.

## **Questions**

Manchester Airport Group Head of Public Affairs Sarah Brookes asked whether the Davies Commission was empowered to examine Air Passenger Duty (APD) rates and Mr Hammond explained that the Commission was more focused on airport capacity. He continued that most MPs were aware of air passenger duty and he had received 800 emails from constituents on the subject, but it was a Treasury matter.

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The information provided in this report came from the parliamentary monitoring service, DeHavilland.

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## 30 September 2012

### Environment question time: sustainable growth in harmony with the natural environment

#### Speakers

- Mary Creagh, Shadow Environment Secretary;
- Baroness Bryony Worthington;
- Melanie Smallman , SERA National Secretary;
- Dr Mike Clark, RSPB Chief Executive; and
- Chair - Fiona Harvey, Environment correspondent for the Guardian.

#### Baroness Worthington

##### EU Emissions Trading Scheme (ETS)

Baroness Worthington stated that it was vital to increase the cost of pollution, as it was only by dis-incentivising pollution that action would be taken. The EU ETS created a very low cost for carbon, and with the right political will, this could be effective. It was not the mechanism of pricing carbon but the lack of political will.

A carbon floor price was the same as a carbon tax, she said, and it had to be implemented in a way that did not undermine Britain's competitiveness.

##### Manchester City Council and Manchester Airport green belt land

Baroness Worthington felt Manchester City Council's declassification of the green belt to expand Manchester Airport was a bad idea, particularly for an airport. She added that following the formula of the aviation industry was foolish and there were other ways to deal with it, highlighting that that poor technology of air traffic controllers which would mitigate the need for expansion.

Baroness Worthington identified that there is a powerful aviation industry that would keep lobbying, noting that BAA would be launching a new campaign in buying all the poster space on the way into Westminster on the Underground.

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## Labour Conference: The Big Interview with Maria Eagle MP

### Railways

Ms Eagle said there could be a “very strong case” for the West Coast Main Line to be taken back into public ownership and if the situation had not been sorted by December 2012 the West Coast Main Line could be run by under directly-operated rail.

### HS2

Ms Eagle said it was “silly” to have a major new high speed railway and not running it via the major hub airport, referring to her call for the HS2 line to include a spur to Heathrow Airport.

The Shadow Transport Secretary stressed it was important to “ensure a joined up infrastructure strategy” for transport and important to get better value for the transport budget by seeking to “join up some of the decision making processes up”.

### Airport capacity

At the last election, the Conservatives had made a “cynical” call to cancel the third runway at Heathrow, said Ms Eagle. She said it was importance to ensure political consistency on the issue and stressed it was important to gain cross-party consensus on the issue, but lamented the lack of opportunity to gain before the next election.

The Shadow Transport Secretary said she thought the idea for a Thames Estuary airport was “completely mad”, adding you could not keep Heathrow open if that option was pursued. Ms Eagle declined to issue a unilateral answer, preferring to wait for the conclusions of the Commission, chaired by Sir Howard Davies.

### Questions

#### Lydd Airport

In response to question about the potential for Lydd Airport to be the hub airport, Ms Eagle said it was important to consider all options.

### Independent Aviation Connectivity Commission findings

Airport Operators Association Chief Executive Darryl Caplan asked if Labour would commit to support the findings of the Commission into airport capacity before the next general election.

Ms Eagle declined to do this, saying it was important not to commit to the findings before the Commission before knowing its final results, adding it was you could not “take politics out of this kind decision”.

### Heathrow Expansion

Former Welsh First Minister Rhodri Morgan asked why greater rail investment would be spent on Heathrow, if the long haul capacity of the airport was not going to be expanded.



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In response, Ms Eagle said there had been a problem with “joined up decision making”, adding there had been a problem with getting cross-party agreement in this area.

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## 1 October 2012

### Railways: Public service or private profit? – Association of Train Operating Companies

#### Speakers

- Maria Eagle, Shadow Transport Secretary;
- Michael Roberts, ATOC Chief Executive;
- Mick Whelan, ASLEF General Secretary;
- Dr Adam Marshall, British Chambers of Commerce Director of Policy and External Affairs; and
- Chair - Christian Wolmar, Transport Commentator.

#### West Coast Mainline

Ms Eagle raised concerns that the cancellation of the West Coast Mainline franchise competition could lead to delays in agreeing the other franchises up to renewal.

The Shadow Transport Secretary declined to outline Labour's exact position on franchising this far from the general election and stressed that any failure in the system would fall as a burden on taxpayers.

#### Fares

Ms Eagle stated that Labour was committed raising fares by only one per cent above the retail price index (RPI). She added that it was not a surprise that train companies would seek to raise their profits.

#### HS2

Mr Whelan (ASLEF General Secretary) said his organisation supported HS2 because it represented a great opportunity to expand the ability to do business. He called for the proposals to go further, specifically building a high speed rail connection from London to Scotland.

Dr Marshall (British Chambers of Commerce Director of Policy and External Affairs) agreed that HS2 should extend to Scotland and felt the debate around HS2 centred on increasing capacity, rather than speed. Adding the project brought both "concrete and intangible benefits" to businesses, but no one involved in the debate had adequately explained this fact to the public.

Ms Eagle agreed with Dr Marshall's comments, saying it was important to measure the cost and methodology for the business case for HS2, adding the real question was what to do if the business case for a major infrastructure project was proven to be bad.



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There was also a concern that the Government had only committed to the proposed route as far as Birmingham, whereas the last Labour Government had intended to legislate for the whole route. The Shadow Transport Secretary encouraged the creation of two hybrid bills to help ensure that those who lived north of Birmingham felt they would be guaranteed the benefits of HS2.

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## The future of UK aviation – Transport Times

### Speakers

- Jim Fitzpatrick, Shadow Minister for Transport;
- John Morris, Public Affairs Director Birmingham Airport;
- Jonathan Williams, Business Manager - Cubic Transportation Systems; and
- Paul Clark, Former Transport Minister.

### Jim Fitzpatrick (Shadow Minister for Transport) Air Passenger Duty (APD)

Mr Fitzpatrick stressed that the argument had been made on increasing aviation capacity but it had not won. He highlighted that he had a meeting on variable APD recently in relation to changes that were taking place in Northern Ireland. Manchester Airport had put up a good argument on variable APD and it was worth looking at the idea of reducing APD at regional airports.

The Transport Select Committee inquiry into aviation would also be looking at the issue of variable APD in relation to its recently announced inquiry into aviation.

### Independent Aviation Connectivity Commission

Nigel Milton, Director of Policy and Political Relations at BAA Ltd asked to what extent the three main parties should publicly respect the outcomes of the Davies Commission.

In reply, Mr Fitzpatrick said that if politicians did not listen to the Davies Commission then it was pointless creating it. He added that the problem was that the Commission was not publishing its recommendations until 2015 and he was critical of the fact that voters would be electing a party not knowing what their policy was on airport expansion. He claimed that the Conservatives had been political motivated in opposing Heathrow expansion in order to win local seats.

John Morris, Public Affairs Director Birmingham Airport said that he hoped that the Davies Commission would start by asking what the UK economy needed from the aviation sector. Getting aviation policy right was fundamental to the UK economy and the sector needed to be challenged to come up with new thinking.

Mr Morris commented that bosses at Birmingham Airport believed that from the view of national resilience the focus should be on more than a single airport. The West Midlands Economic Forum will release a report next week which shows the spare capacity at Birmingham Airport. If Birmingham Airport reached full capacity it would create 240,000 jobs in the area.

Mr Morris called for others do to similar work as the West Midlands Economic Forum and find out how important their airport was to the local economy.

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## **Paul Clark (Former Transport Minister) Airport capacity**

Paul Clark said that 'Gateway Associates' was purely independent and not affiliated by any aviation group. The organisation was established by Mr Clark in 2010 and draws on the skills and experience of policy, government and communications experts to help organisations from a variety of industries and sectors communicate with Westminster and Whitehall and inform Central Government's political decision making processes

Mr Clark announced that a full report from Gateway Associations on airport capacity would be published in November. Mr Clark said that opinion from those that he had interviewed for the report was that there was no question over the need for additional capacity. The perception was that International businesses would be the biggest winners at the expense of local environmental groups and heritage sites.

Airports could both create jobs and displace employment from the local area creating difficulties for the local economy, he highlighted. One of the biggest revelations was that 50% of respondents said that the Thames Estuary Airport did fit in with the perception of a joined up Government transport policy.

## **Questions Airport capacity**

Brian Ross from Stop Stansted Expansion commented on the need for new runways when predictions made 10 years ago for 500 million passengers by 2030 had now been cut to 300 million.

John Stewart, chairman of the Heathrow Association for the Control of Aircraft Noise said that it was difficult to predict aviation demand in 20 or 30 years. Demand was critical and he welcomed the Davies Commission. Department for Transport figures had shown that the UK had sufficient capacity to meet demand until 2030. He added that his group saw the value of Heathrow to the local economy and acknowledged that if Heathrow closed, the resulting impact on housing would be a reduction on their values.

Nigel Milton from Aviation Alliance Ltd said that airlines had been unwilling to pay the price of expansion at Heathrow Airport because they were not aware of the cost and negotiation process for mitigation. This would be a long and expensive process for Heathrow expansion, he highlighted.

In reply, Mr Morris highlighted that a new runway at Heathrow would only account for 7% of the extra capacity needed.

## **Independent Aviation Connectivity Commission**

Medway Councillor Vince Maple was concerned that the terms of reference for the Davies commission were not known and he highlighted his opposition to the idea of a Thames Estuary Airport.

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Mr Fitzpatrick said that supporting other airports in the south east to expand would alleviate pressure on Heathrow which would be welcomed by some. However, he called for the Davies Commission to examine all the capacity issues.

## Noise

London Assembly Member Valerie Shawcross asked about the lack of sensitivity on the issue of noise nuisance by the CAA and overall noise regulation. The Chair, from Transport Times said it would be an excellent idea to have an independent regulator to protect those living under flight paths. Ms Shawcross went on to say that it would be better in the short to medium term to look at extra capacity at Gatwick and Stansted.

## Labour leadership views

David Miliband opposes a third runway over the issue of CO2 emissions. If the economic evidence was so persuasive in favour of increased capacity at Heathrow the question was would airlines pay the money need to reduce noise levels. The development of a Thames Estuary airport is doubtful, as the required funding and the Government would not want to get involved in the level of social and economic engineering required.

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## Cleaner, quieter, smarter aviation - can the industry deliver? – Transport Hub and Sustainable Aviation

### Speakers

- Maria Eagle, Shadow Transport Secretary;
- Matt Gorman, Chair of Sustainable Aviation; and
- Natan Doran, Fabian Society Senior Researcher.
- Chair - Dan Hodges, Labour commentator.

### Maria Eagle (Shadow Transport Secretary) Sustainable aviation

Ms Eagle praised the work Sustainable Aviation was doing on emissions and noise. It was vital that the aviation industry reached out to local communities and did not just focus on their day-to-day business, she said.

Commenting on the Fabians' work, Ms Eagle said that the message was clear that people wanted increased action on sustainability, but that this should not be at the expense of their freedom to fly. People "don't want to be priced out of two hard-earned weeks away", she said.

The aviation industry was starting to get to grips with the fact that sustainability was not just something for the government to consider, Ms Eagle said.

She pointed to the [Stern report](#) as evidence of the economic cost which would follow if climate change were not viewed as important. Given the projected growth in air travel, it was vital that the industry remained focussed, she said.

### Emissions and EU Emissions Trading Scheme (EU ETS)

Ms Eagles stated that the Committee on Climate Change's advice to include the UK's share of international emissions in its carbon budget should be followed and the EU ETS should be a stepping stone to an international trading scheme, with a role for the government to lead by example.

### Noise

Looking at other impacts of aviation, Ms Eagle identified a need to focus on noise. She acknowledged the perception that airport expansion was used as political football, and argued that some politicians felt they could benefit from not having agreement on the issue.

Engagement with local communities was tremendously important and whilst there would always be some people opposed to any form of expansion, most people were willing to compromise, with engagement the way to reach a solution.

The aviation industry needed to show that it was placing due importance on noise as an issue and not just on maximising profits.

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## Airport Expansion

Ms Eagle felt politicians also had to take up the challenge and try to get consensus on airport expansion and had attempted to engage with former Transport Secretary Justine Greening, but still felt there was an opportunity to reach a consensus.

Ms Eagle said she was “extremely disappointed” that the recently announced Independent Aviation Connectivity Commission on airport expansion would not be reporting until after the next general election, and hoped that it was not a “cynical ploy”. She announced plans to get in touch with the Coalition to suggest that the commission could report before the election.

In response to a question on why the aviation industry had previously found the argument on expansion going against it, Ms Eagle said that it had been too inward-looking in the past, and possibly politically naive.

## Matt Gorman (Chair of Sustainable Aviation) Environmental strategy

Mr Gorman emphasised the importance of governments having a clear environmental strategy, and highlighted the importance of aviation to the UK. As well as £50bn of economic benefits, international connections brought social and cultural wealth, as the Olympics had recently demonstrated.

Sustainable Aviation – made up of airports, airlines, engine and airframe manufacturers, and air traffic management – were passionate about reducing the environmental impact of aviation over time, with climate change and noise key issues to be focussed on.

Sustainable Aviation had published a [carbon roadmap](#) earlier this year, which set out how a growth in aviation could be decoupled from rising emissions.

New technology and operational efficiencies would help the industry keep emissions at their current level, but it was emissions trading which would allow a reduction in environmental impact.

Trading allowed emissions to be reduced where it could be done most cheaply, with aviation probably not one of the sectors where this was the case. Trading had been set up in the EU, and the group were now calling for it to be brought in globally.

## Noise

On the issue of noise, Sustainable Aviation would be publishing a piece of work similar to their climate change roadmap later this year. The report would look ahead to 2050, and focus on how technology, land use planning and communications could be used to control the impact of noise.

As with greenhouse gas emissions, it was possible to decouple growth in aviation and in noise levels, Mr Gorman said. As an example, he pointed to Heathrow, where technology had already allowed the noise footprint to be lessened to 200,000 households.

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Ultimately noise is a local issue, which must be tackled locally. It would be for every airport to take the findings of Sustainable Aviation's work and implement it locally, following dialogue with local communities. An engagement with local areas had been used by Heathrow airport in the run-up to earlier government consultation on airport expansion.

Mr Gorman said a discussion about what could be done on noise had led to a proposal from the local community to split 'noise preferential routes' around the airport in two, flying the two routes on alternate days. This idea is due to be trialled by Heathrow Airport next year.

Asked about efforts to mitigate the impact of noise on local houses and schools, Mr Gorman answered in his Heathrow role, saying that if a third runway were ever built at the airport a package of measures would be put in place for the local community.

### **Natan Doran (Fabian Society - Senior Researcher) Aviation research**

Mr Doran highlighted the Fabians had done a lot of work on public attitudes in recent years; including producing the report, [Everyone On Board](#), which looked at issues around aviation.

The work's focus-groups had shown that, more than other issues, aviation tapped into ideas of aspiration and lifestyle. When talking about foreign travel people used the language of rights, saying they had a right to a holiday. This resistance to giving up the right to overseas holidays was also backed up by sociological research, Mr Doran said.

### **Public opinion on climate change**

Whilst the percentage of people concerned about climate change remained high, in recent years there had been a fall in the percentage of people concerned about the impact of transport on climate change, Mr Doran said.

The role of aviation in the economy worked in two ways. As well as being recognised as an important contributor to growth, the promise of a green economy was found to be a resonant issue, particularly with younger groups. Mr Doran said with more government investment, people hoped this could become an important sector.

### **Public opinion on airport capacity**

The Fabian's research also found strong evidence that people saw the issue of airport capacity as being used to score political points and there was frustration around this when the issue was so important both to the economy and the environment. The public expected politicians to work together for a long term solution.

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## 2 October 2012

### Housing the nation: Are garden cities and suburbs part of the solution? - Town and Country Planning Association and Crest Nicholson

#### Speakers

- Jack Dromey, Shadow Housing Minister;
- Cllr Richard Williams, Southampton City Council Leader;
- Chris Tinker, Crest Nicholson Board Director and Regeneration Chairman; and
- Chair - Kate Henderson, Town and Country Planning Association Chief Executive.

#### Kate Henderson (Town and Country Planning Association Chief Executive)

Ms Henderson noted there had been a huge amount of planning reform over the last two years, including the National Planning Policy Framework the Localism Act and recent proposals to relax planning regulations. The garden city agenda had been recognised in the Housing Strategy last November and in the National Planning Policy Framework.

However, there was a need to think about what how we could encourage the development of garden cities as they bring benefits including the creation of sustainable homes and the development of mixed and safe communities.

She stressed that making the case for garden cities was not at the expense of urbanisation and three important factors that needed to be recognised.

Firstly, garden cities could not meet the scale of the housing crisis alone, but needed to be built alongside other developments. Secondly, she noted that there said that there was an opportunity to plan for sustainable housing. Thirdly, she stressed that if properly managed garden cities could be good for the economy and the community.

There were five principle areas that needed to be considered before developing garden cities: leadership; access to land; infrastructure and de-risking investment; planning; and the skills needed to deliver garden cities.

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## How to sustain the growth in rail travel – Transport Times

### Speakers

- Brian Simpson MEP;
- David Franks, Keolis;
- Steve Scrimshaw, Siemens Rail Systems; and
- Chair - Professor David Begg.

### Brian Simpson MEP

Brian Simpson MEP said that UK rail and European rail should be interlinked as progress in the country and on the continent were going the same way, but in the UK the island mentality always kicked in.

Mr Simpson said that there were some fundamental questions that needed to be raised and answered in relation to rail development, and a strategy for UK rail needed to be determined, as did a future Labour Government's own strategy.

Speaking about rail in Europe, Mr Simpson talked of the new 4th railway package, but admitted that he was unsure where this would lead us in future, although one thing he did know was that the Commission wanted to open up the domestic passenger market within European countries.

Mr Simpson felt the biggest challenge to be faced in Europe was the issue of interoperability, and the question of how to get trains across borders. He said that a way needed to be found to ensure that the national border did not become the end of the line, and that this would call for the co-ordination of technical specifications within the EU. For this to happen, national rail regulators would need to co-operate, and the biggest difficulty with developing rail in Europe would be getting regulators and infrastructure managers to work together.

### Steve Scrimshaw (Siemens Rail Systems)

Mr Scrimshaw said that, as a company Siemens actively supported the concept of HS2. He went on to say that in Europe high speed trains have developed economies, for example in Spain, and he said that hopefully the route would be built and would have the same effect on the UK economy.

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## Low carbon and lower bills: Can the circle be squared? – Policy Exchange and RWE npower

### Speakers

- Caroline Flint, Shadow Energy Secretary;
- Simon Stacey, RWE npower Managing Director of Energy Services;
- Dr David Reiner, Electricity Policy Research Group Assistant Director;
- Guy Newey, Policy Exchange Head of Policy Exchange Environment & Energy; and
- Chair - Damian Carrington, Head of Environment for the Guardian.

### Caroline Flint (Shadow Energy Secretary)

Ms Flint stated that from a consumer protection angle there is nothing in the [Energy Bill](#) that dealt with consumer protection or energy efficiency on the role of government in low carbon emissions.

### Guy Newey (Policy Exchange Head of Policy Exchange Environment and Energy)

Mr Newey said that we should stop obsessing about sub-targets on renewable energy, it is carbon that counts. On decarbonising, Mr Newey said that it was essential to get better emissions trading scheme (ETS) deals at the European level.

Mr Newey said the Government should stop trying to make predictions and should set the framework and a clear carbon price. The Government should not fill in all the details with clever –but ultimately doomed- models.

### Questions

An audience member suggested that the setting of targets, which are known to be unattainable was a particularly dispiriting feature of the political response.

Mr Newey said that the “game of targets” had been played on UK climate policy. The initial 60 per cent reduction target was not met, the response was to push the deadline back and increase the target to 80 per cent.

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## Should Labour let high aviation tax make flying the preserve of the rich? - Transport Hub

### Speakers

- Ed Anderson, Chairman of the Airport Operators Association (AoA);
- Chris Crean, West Midlands Regional Campaign Coordinator, Friends of the Earth; and
- Luke Polard, Head of Public Affairs, ABTA

### Ed Anderson (Chairman of the Airport Operators Association (AoA))

Mr Anderson explained that Air Passenger Duty (APD) was introduced in 1994 by Ken Clarke as a semi environmental tax. However recent Governments have admitted that it was a revenue raiser. APD had increased by over 300% over the last few years and was damaging UK competitiveness. There was a danger that it would make flying the preserve of the rich as the cost of APD would soon approach £3 billion which was higher than any other European Country.

The Fair Tax on Flying had been a massively successful campaign in bringing the unsustainable level of APD to the attention of politicians. Mr Anderson added that the industry wanted to see a study of the wider impacts of APD on the economy and there should be no increase until this research had been undertaken.

### Chris Crean (West Midlands Regional Campaign Coordinator, Friends of the Earth)

Mr Crean suggested that APD was not a tax but a duty because it was a cost on pollution. He called for the conversation to factor in all the externalities of aviation. Aviation has an impact on air quality and noise and it was not just about climate change, he added.

The EU Emissions Trading Scheme was another method in which the aviation industry was asked to pay for its externalities. However, he went on to highlight that there was no tax on aviation fuel.

### Questions

#### Variable APD

Medway Councillor Vince Maple said that if the Thames Estuary Airport was built it would result in the closure of Heathrow. He added that there was plenty of capacity across the UK and he wondered if a variable APD could be used to encourage airlines to move to other airports.

In reply, Mr Crean said that it was important to discuss the issue of variable APD but the problem was that the debate at the moment was focused on Heathrow. The Committee on Climate Change had also highlighted that the carbon budgets should look at emissions both on the ground and in the sky, which are referred to as orphan emissions.

Friends of the Earth had not done any research on variable APD and he was unaware of the issue.

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Tristan Osborne Labour Prospective Parliamentary Candidate for Chatham and Aylesford wondered what premise was behind the suggestion that APD would damage the aviation industry as passenger numbers were still predicted to increase.

Opposing Heathrow expansion, Hounslow Councillor Ruth Cadbury was glad to see the Labour Party getting into a debate about national aviation capacity. She wondered if the industry would pay for insulation schemes around Heathrow to mitigate noise pollution. She also asked about the idea of a per plane duty.

The Chair said that the Coalition had pledged to introduce a per plane duty, in reply, Mr Crean said that it would be an advantage if it resulted in fuller planes.

Mr Anderson said that a Per Plane Duty would not result in fuller planes and doubted that it would be a good idea. Tax was too high and the AOA did not have a position on variable APD. He went on to say that there were examples of airports trying to get new routes but airlines were refusing because it would not be economical because of APD.

Mr Crean said the debate needed to be taken to the European and International level and that the Chicago agreement of 1944 which prevented tax on aviation fuel was undermining the issue.

Graeme Mason, Planning & Corporate Affairs Director, Newcastle Airport said that APD was too high. He highlighted that Newcastle Airport had a turnover of £52 million but the Government would take £48.8 million in APD. He went on to say that shortly APD would be higher than the Airports total turnover. Mr Mason claimed that if the Treasury could not be persuaded to lower APD then Newcastle would support variable APD instead.

What other mode of transport did not have to pay fuel duty or VAT asked Brian Ross Economics Adviser to Stop Stansted Expansion. He went on to ask if there was any other product which had increased by less than 30% in the last 10 years - APD was currently £13 compared to £10 10 years ago, he highlighted.

Mr Crean wondered how Heathrow would react to variable APD. Birmingham airport was not getting a lot of flights to the US simply because there was not the demand, he suggested.

Mr Crean stressed that the question was about whether the Aviation industry was paying the full share of its costs and the Labour Party needed to start discussing this in more detail. This would result in a greater understanding of the damaging consequences of such activities.

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## What is Labour's plan for aviation? - Transport Hub

### Speakers

- Seema Malhotra MP;
- Murad Qureshi, Labour London Assembly Member;
- Luke pollard, Head of Public Affairs at ABTA;
- Paul Clark, Former Labour Transport Minister; and
- Chair - Darren Caplan, Chief Executive of the Airport Operators Association.

### Seema Malhotra MP Independent Aviation Connectivity Commission

Labour had been calling for cross party talks and consensus in regard to possible Heathrow expansion and called for the Davies Commission to conclude before the next general election. She stressed that there did not seem to be any consensus making at the moment and agreement was needed to help shape the aviation industry for the next 20 or 30 years.

Ms Malhotra identified the Commission as incredibly important and the membership and terms of reference as vital.

### Heathrow

Ms Malhotra said that Heathrow supported 110,000 local jobs and she would not “sleep walk” into the possibility of it being closed in order to build the Thames Estuary Airport.

### Noise

Ms Malhotra recommended that minimum standards should be enshrined in law between the airport operators and local residents on noise mitigation issues.

### Murad Qureshi (Labour London Assembly Member)

Murad Qureshi chairs the health and environment committee on the London assembly.

Mr Qureshi hoped that Labour policy would become less Heathrow centric and more focused on regional airports. He argued that Greater London only had Heathrow and City Airport as Luton, Gatwick and Stansted were not “geographically” London based.

He opposed the idea of the Commission findings not being published until after the next general election.

### Darren Caplan (Chief Executive of the Airport Operators Association (AOA))

Mr Caplan identified that the coalition agreement made very few mentions of aviation and it would be 35 months since the UK last had airport strategy.

He said that there was some shock when last year speaking at the AOA annual conference Maria Eagle had announced Labour’s opposition to a third runway at Heathrow.

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## **Luke Pollard (Head of Public Affairs at ABTA)**

Mr Pollard highlighted disparity over aviation policy in the Shadow Transport team compared to the Shadow Leader's office. Labour's plans were not in support of Boris Island or a third runway at Heathrow. He identified the possibility of Labour acting strategically; noting that there are more labour marginal seats in Kent compared to west London.

It was important to know what would happen in 2016 and beyond as the industry needed certainty for investment. The Davies review offered the potential for an evidence based analysis of the issue but there was an urgency to get on with decision making.

Mr Pollard stressed the need for the Labour Party to say what their aviation policy would be before the election. There was a potential for Labour to push for a decision to be made before the election, and Labour should not wed itself to the outcomes of the Davies Commission.

## **Paul Clark (Former Labour Transport Minister)**

The Former Transport Minister agreed that Labour should be leading the debate but he stressed that Labour had done a lot of work in the run up to the 2003 white paper. It included requirements on air pollution and noise in regard to the expansion of Heathrow.

The Davies Commission had been universally welcomed, however, he was concerned that the expectation was very high but it would be wrong for parties to say that they would accept all the proposals. In addition it would also be wrong to go into the next election not knowing where the parties stood on the issue of aviation. He hoped that Maria Eagle and her team would be pressing for Labour to make its position known before the election.

He added that all Governments wanted to create the idea that was joined up. However, the Thames Estuary Airport was not thought of as part of this joined up thinking, especially in regard to HS2 and other transport links.

On the idea of a lost decade of aviation planning, Mr Clark said that it was bizarre for the Conservative's to oppose Heathrow expansion as labour had already done the hard work in laying the political foundations for a new runway.

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## Connecting our cities – a priority for growth - Transport Hub

### Speakers

- Lilian Greenwood, Shadow Regional and Local Transport Minister;
- Cllr Andrew Fender, Transport for Greater Manchester (TfGM) Chairman;
- Councillor Jane Urquhart, Labour Nottinghamshire County;
- Dr Adam Marshall, British Chambers of Commerce (BCC) Director of Policy & External Affairs; and
- Chair - Mary Bonar, Light Rapid Transport Forum (LRTF) Chair.

### **Lilian Greenwood (Shadow Regional and Local Transport Minister)**

Ms Greenwood highlighted that light rail in the UK was still in its “infancy”. Over £1bn had been spent on light rail between 2005 and 2010, but other European nations are ahead of that.

The Shadow Minister said local authorities transport authorities needed to be empowered to make strategic planning. She added that trams could help the UK achieve a modal shift toward carbon neutral modes of transport and stressed the benefits of light rail to the local environment, for example in improving local air quality by reducing tail pipe emissions.

On the devolution of transport powers, Ms Greenwood said Labour would look to devolve power to areas based on current transport areas, rather than to Local Enterprise Partnerships (LEPs).

### **Cllr Andrew Fender (Transport for Greater Manchester (TfGM) Chairman)**

Manchester was currently in the middle of the £1.4bn phase 3 of the light rail project, which would reach as far as Manchester Airport, Cllr Fender said. This link was about connecting people to growth and jobs.

All extensions had been funded from the TfGM transport fund, which saw resources pooled and directed to the projects of the greatest economic benefit, Cllr Fender said. He added the Wythenshawe and Manchester Airport extension was being funded entirely out of locally generated revenue.

Concluding, Cllr Fender said the work on the tram link and the Northern Hub would be key negotiating elements in the Manchester City Deal. Any money returned from central government would be reinvested in local transport structure.

### **Dr Adam Marshall, (British Chambers of Commerce (BCC) Director of Policy and External Affairs)**

Employers were aware of the need for quality urban transport, especially given the UK had not planned any major road projects since 1990. Light rail gave businesses “an investment reassurance”, because it was a solid benefit for them. Dr Marshall felt there was a considerable gap between local businesses and transport bodies in some areas of the UK.



STRATEGIC AVIATION SPECIAL INTEREST GROUP  
of the Local Government Association

Labour Party Conference 2012  
Update –  
30 September – 4 October 2012

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Light rail did not get the best treatment from Department for Transport (DfT) officials and political short-termism often put paid to major transport initiatives. He said it did not stop action in London, owing to the importance of the city.

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## Urban Transport: Time for Whitehall to go? – Passenger Transport Executive Group (pteg)

### Speakers

- Maria Eagle, Shadow Transport Secretary;
- Clive Betts, Communities and Local Government Committee Chair and Labour MP;
- Sir Richard Leese, Manchester City Council Leader;
- Geoff Inskip, pteg Chair; and
- Chair - Cllr David Wood, Tyne and Wear Integrated Transport Authority (ITA) Chair.

### Maria Eagle (Shadow Transport Secretary) Joint transport policies

Ms Eagle said wider cities regions should be encouraged to work together to create a more cohesive transport policy, a vision Labour would put at the heart of its transport policy. Ms Eagle was clear that it was not about top-down control from Whitehall. She added that more “powers, responsibilities and funding” for regional roads and rail should be devolved to a local level.

Drawing attention to the recent publication of the policy paper ‘[Empowering Communities to Improve Local Transport](#)’, Labour had looked to France, Denmark and Sweden for new solutions, Ms Eagle said. The review had also concluded that transport functioned better at regional level, through better cooperation between local transport authorities as the key factor.

### Local Enterprise Partnerships

Ms Eagle noted the Government had decided to allocate funding for local transport to the “unaccountable” Local Enterprises Partnerships (LEPs).

### Sir Richard Leese (Manchester City Council Leader)

Sir Richard said it was vital to have a Transport Secretary who remained in post long enough to gain a better understanding of the brief, criticising the Coalition for appointing three people to the post in two and half years.

### Effective local transport management

Transport for Greater Manchester (TfGM) had wider powers than just public transport, having some responsibilities for the highways. Sir Richard added there should agreement between national and local government on how best to manage such arrangements.

Citing an example of effective local transport management, Sir Richard drew attention to the tramline running out to Manchester Airport.

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## 3 October 2012

### The energy-industrial revolution: How the UK can lead the world in low-carbon – Friends of the Earth, IPPR and WWF

#### Speakers

- David Norman, World Wide Fund for Nature (WWF);
- Dimitri Zenghelis, London School of Economics;
- Will Straw, Institute for Public Policy Research (IPPR);
- Andrew Pendleton, Friends of the Earth; and
- Chair - Sue Ferns, Prospect.

#### Andrew Pendleton

Mr Pendleton explained that it would be a challenge for Labour to see through the inclusion of the 2030 decarbonisation targets in the Energy Bill, which he predicted would be a “tough fight”. It would probably have to be introduced as an amendment, he said, and Labour would most likely need the help of the Liberal Democrats to get it through.

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The information provided in this report came from the parliamentary monitoring service, DeHavilland.

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STRATEGIC AVIATION SPECIAL INTEREST GROUP  
of the Local Government Association

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**23 September 2012**

## **Policy motion: A Sustainable Future for Aviation**

Liberal Democrats have passed the motion A Sustainable Future for Aviation at the party's Autumn Conference in Brighton. **The motion calls for a new strategy for aviation which balances the benefits the industry brings as a driver of jobs and growth with the harm it causes to the environment.**

The strategy reinforces the Liberal Democrats' opposition to new runways at London's airports. Key proposals include:

- Pushing for better use of existing capacity in the South-East and at regional airports to meet short to medium-term demand
- Firmly rejecting Boris Johnson's Thames Estuary airport
- No new runways at Heathrow, Gatwick or Stansted
- An independent, evidence-based study to find a location for a hub airport or a suitable airport to expand into a hub for the long-term
- No airport capacity expansion which could allow for aircraft movements above the carbon emissions cap set by the independent Committee on Climate Change

Commenting, Co-Chair of the Liberal Democrat Parliamentary Party Committee on Transport, Julian Huppert said:

"Britain has to get the right balance between our need for international connectivity, and the environmental threats we face. At the same time, we have to solve decades of bad planning, which has resulted in a quarter of all those in Europe who are affected by noise pollution living under the Heathrow flight-path.

**"The motion which the Liberal Democrats have adopted today strikes the right balance for Britain. It puts a stop to expansion at Heathrow. It puts an end to the bonkers idea of Boris Island. And it says 'no' to a South-East obsessed aviation policy.**

"Instead, for the short-term, we will make the best use of the capacity we have, and in the long-term we will work with the Government Commission to look for a new hub, but crucially one which will not allow for total capacity above climate change targets, and one which will not become a blight on local lives and local wildlife.

"The Liberal Democrats are the only party who have shown an unwavering commitment to our environment, and to local residents. Today, we have reaffirmed those commitments, and set out a sustainable path for future air travel."

Liberal Democrat Transport Minister, Norman Baker said:

"With this motion, the Lib Dems have sent a very clear message - we are pro economic growth, but we cannot, and will not walk away from our commitments to the environment.



03 October 2012

“We said in our Manifesto that we are against the third runway. We said it again in the coalition agreement, and I said it again to conference today. There will be no third runway on our watch.”

The full text of the conference motion, which was debated at Liberal Democrat Autumn Conference in Brighton on Sunday 23 September 2012, is below.

**Conference believes that:**

- i. The aviation industry is an important driver of jobs and growth in our globalised economy.
- ii. Aviation helps to connect people who live in different countries, and promotes internationalism.
- iii. Aviation has the potential to become one of the greatest threats to the global environment.
- iv. Unmitigated expansion of aviation would cause the UK to miss its carbon reduction targets.
- v. Aviation has a very negative impact on the health and well being of individuals living near UK airports, particularly in terms of noise pollution and air quality.
- vi. Without significant technological development, air travel will become too expensive for the majority of people due to the rising cost of fuel.
- vii. The Government should support and promote efforts by the aviation industry to reduce its environmental impact.
- viii. Aviation policy in the UK has lacked a clear strategy for how we can mitigate its impact on the environment and on local residents.
- ix. Successive Governments have failed to find a means by which we can support this industry, while mitigating its impact on UK residents and the global environment.

**Conference therefore welcomes:**

- I. The Government's decision, in line with our manifesto, to cancel Labour's third runway at Heathrow and to oppose new runways at Gatwick and Stansted.
- II. The publication of the Government's Draft Aviation Policy Strategy.
- III. The Government's continued support for the European Emissions Trading Scheme.

**Conference however notes that:**

- A. The independent Committee on Climate Change (CCC) recommended that, in order for the UK to meet its target of 80% reduction in emissions by 2050, aviation emissions of CO<sub>2</sub> should not exceed 2005 levels in 2050 (37.5MtCO<sub>2</sub> a year); for

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- this to be possible, air traffic movements should not be allowed to expand more than 60% beyond current levels.
- B. Up to half of airport emissions are caused by surface access to airports.
  - C. Heathrow is an extremely badly located airport, with half of all those in Europe affected by aircraft noise living under the Heathrow flight path - we strongly oppose the third runway, and are disappointed that the Labour party do not have a clear policy against it.
  - D. London is the best-connected city in the world, with seven runways operating at six airports.
  - E. A Thames Estuary airport would be extremely expensive; catastrophic for local wildlife; a dangerous investment due to the location of the SS Richard Montgomery; liable to bird-strike; and poorly located for those living outside London and the South-East.
  - F. Aviation policy has to date focused on London and the South-East; it is clear that that is where the greatest demand lies, but airports and foreign travel for business or leisure must be easily accessible for citizens living across the UK.
  - G. With Birmingham looking to expand, Stansted only half full and Gatwick expanding into emerging markets, regional airports and other airports within London can meet demand for years to come; however, we recognise that a single, hub airport - rather than a constrained Heathrow with multiple satellite airports - would be better for the environment and better for the economy.
  - H. The Government has announced an independent Commission to identify 'options for maintaining this country's status as an international hub for aviation', and welcomes the commitment from the Government 'to take full account of the social, environmental and other impacts of any expansion in airport capacity'.

**Conference therefore calls for:**

1. Rejection of new runways at Heathrow, Stansted or Gatwick.
2. Rejection of all plans to build an airport in the Thames Estuary
3. Rejection of mixed-mode at Heathrow, and end night flights between 23.00 and 06.00 except for emergencies.
4. Rejection of expansion of airport capacity which would allow for aircraft movements above the cap set by the CCC, or which would allow for a net increase in the number of runways which serve the UK; we would introduce an overall emissions cap for the industry for 2050 in line with the CCC recommendations.
5. UK Aviation policy to be based on five key principles:
  - a. Accessibility from North and South.

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- b. Growth within UK carbon budgets.
  - c. Minimal impact to local population.
  - d. Minimal impact to the local environment.
  - e. Maximum hubbing potential.
6. The UK to make best use of existing capacity through:
- a. Movement of point-to-point flights which do not serve our hub capability from Heathrow to other airports; this would be done through a re-negotiation of EU slot allocation rules and the introduction of slot auctioning - failing that, we support the introduction of a departure tax at Heathrow to shift less profitable non-hub flights.
  - b. An end to cross-subsidy of lower landing fees at Heathrow.
  - c. The introduction of a Per-Plane-Duty (PPD) in place of APD to incentivise fully-loaded planes; in the mean time, we support a revenue neutral shift in APD rates to discourage short-haul flights, which can be made on land, and to encourage long-haul hubbing - APD and PPD rates should be based on distance to airports, not to capital cities.
  - d. Use of existing capacity and improved transport links at Gatwick, Stansted, Luton, Manchester, Birmingham and Edinburgh - the priority should be better use of capacity at Gatwick, which has already shown the ability to access emerging markets across Asia through new point-to-point routes.
7. Greening of the aviation industry through:
- a. New noise limits in population centres at certain times to incentivise quieter planes.
  - b. Tough requirements for low emission surface access to UK airports, and for airport operators to use low emission vehicles on site.
  - c. Support for the Emissions Trading Scheme at the EU level to promote the polluter pays principle.
8. The Commission's report and the response to it to be based on the five key principles set out in 4 above, and to include:
- a. A strategy for removing excess capacity above the CCC cap outside of the new hub airport should one be identified.
  - b. No net increase in the number of runways which serve the South-East of England.
  - c. Greater recognition of the need to serve North and South than previous governments have shown.
  - d. Significantly lower noise impact than currently exists at Heathrow.
  - e. Proposals for low carbon public transport access to any new hub airport, should one be identified.

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## Policy motion: International Cooperation on the Environment

### Conference notes the progress made as a result of:

- A. The Renewable Energy Directive which mandates that 20% of energy in Europe will come from renewable sources from 2020 and which has seen UK renewable energy increase to 3.8% of production earlier this year.
- B. The Climate Change Act which places strict limits on carbon emissions, under our carbon budgets, and is driving the Government to decarbonise the economy.
- C. The UN Framework for the Convention on Climate Change (UNFCCC) which paved the way for international cooperation to reduce green house gas emissions.
- D. The Kyoto Protocol agreed under the UNFCCC, which saw developed countries commit to reduce their green house gas emissions by 5.2% by 2012.
- E. The Convention on Biological Diversity, which acknowledges the importance of biodiversity, recognises it as a key pillar of development, and is dedicated to promoting sustainable development; and the Nagoya Protocol, agreed at the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity, which sets targets for protecting the natural environment.
- F. The Convention on the International Trade in Endangered Species, a vital tool in the protection of plants and animals at risk from the international wildlife trade, including tigers, elephants and coral.

### Conference notes with regret:

- i) The lack of agreement under the UNFCCC on a comprehensive legally binding agreement to apply from 2012.
- ii) The failure of EU Governments to adopt a target to reduce emissions by 30% by 2020.
- iii) The failure of EU Governments to put in place a 'Low Carbon Roadmap'.
- iv) The failure of the European Trading Scheme to create a sufficiently high carbon price and the failure of EU Governments to reform it.
- v) The unprecedented scale of biodiversity loss the world is experiencing, in spite of the current international agreements: more needs to be done.

### Conference congratulates Liberal Democrat Coalition Ministers and MEPs on helping to secure:

- a) The European Energy Efficiency Directive which will ensure more than 17% improved energy efficiency in 2020.
- b) Agreement to a roadmap to negotiate a Legal Binding Agreement at COP 17 in Durban.

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- c) Agreement at Rio+20, to develop Sustainable Development Goals; broader measures of progress to complement GDP to allow countries to measure their natural wealth and social wellbeing; and recognition of the importance of the role of business sustainability reporting.
- d) £2.9bn funding to 2015 for an international climate fund to support adaptation and low carbon development and effective forest management in developing countries.

**Conference urges the Coalition Government to:**

1. Push other European member states to adopt a target to reduce emissions by 30% by 2020 as set out in the 'Programme for Government'.
2. Continue to push for reform of the European Emissions Trading Scheme.
3. Show leadership and ensure that a set of indicators is agreed at the meeting of the UN Convention on Biodiversity, Hyderabad in October 2012, to measure progress on biodiversity.
4. Work with other countries, especially the G77 and emerging economies, and listen to the voices of the poorest in to developing Sustainable Development Goals focussing on food, energy, and water - important for growth, poverty eradication and sustainability; these must be universal and aspirational, build on the success of the Millennium Development Goals and should be an integral part of the post-2015 development framework.
5. Work with other members of UNFCCC, and crucially as a driving member of the EU, to secure further progress at COP18 in Qatar towards negotiating a legally binding climate change agreement by 2015 to take effect by 2020 and implementing the commitments made in Durban.
6. Work through the EU to phase out the production and consumption of hydrofluorocarbons (HFCs; the fastest growing category of greenhouse gases), by adopting an ambitious revised EU F-Gas Regulation, including a ban on new HFC-containing equipment no later than 2030, and by seeking to include HFCs in the control schedules of the Montreal Protocol.

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## Economy and environment: Hand-in-hand? – Royal Society for the Protection of Birds (RSPB)

### Speakers

- David Heath, Farming Minister;
- Stephen Gilbert MP, Private Parliamentary Secretary to Energy Secretary Ed Davey;
- Dr Mike Clarke, RSPB Chief Executive;
- Cllr Steve Baldry, Crowhurst Parish Council; and
- Chair - Fiona Harvey, Guardian Environment Correspondent.

### **Cllr Steve Baldry (Crowhurst Parish Council)**

Cllr Baldry welcomed the event, stating that the green debate tended to focus too heavily on discussion about energy, forgetting environmental issues.

### **Stephen Gilbert MP (Private Parliamentary Secretary to Energy Secretary Ed Davey)**

Following, Mr Gilbert stressed that the debate between environmental issues and the economy was a “false dichotomy”. Elaborating, he argued that the development of the green sector could help create economic growth.

### **Dr Mike Clarke (RSPB)**

The [Climate Check](#) and [Nature Check](#) reports, produced by the RSPB and other green organisations, including the World Wildlife Fund, had found that the Coalition Government “must try harder” to meet its commitment to being the greenest Government ever.

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## Avoiding the Infrastructure Crunch: Getting Britain working - Infrastructure Alliance Speakers

- Danny Alexander, Chief Secretary to the Treasury; and
- Darren James, Costain (the international engineering group).

### Danny Alexander (Chief Secretary to the Treasury) Investment in infrastructure

The Chief Secretary to the Treasury Danny Alexander announced that a strategic engagement forum for infrastructure has been set up and would hold its first meeting in the next few weeks, which he will chair.

Mr Alexander said that the Government had inherited an infrastructure network of poor quality. The government had emphasised the need to combat this, as infrastructure is a key driver to raise the productive potential of the country. The investment in road and rail made by the coalition government was larger than that made by Labour in a comparable time period. This has been implemented in difficult economic circumstances.

He highlighted the £9.4 billion rail investment made by the government, which was the largest since Victorian times. He said investment to deliver HS2 would change the economic landscape of the UK.

The Government has set out a national infrastructure plan, to address the financial barriers faced by long term projects. The UK Guarantees policy would support infrastructure projects worth £50 billion. The government can provide assistance when capital market conditions are delaying projects. The Government will be making announcements on UK Guarantees over the next few months.

He went on to say that major projects such as Crossrail were brilliant at creating jobs. However he said investment was not just for London and would also assist rural and coastal communities.

### Darren James (Costain)

Mr James said the Government and industry were working together. There was high financial returns on construction, and working within the Treasury, Infrastructure UK had delivered efficiency gains, he said.

### National Planning Policy Framework (NPPF)

Mr James said the National Planning Policy Framework (NPPF) has been delivered to promote development. He also commended the Government for delivering on financial guarantees and the Green Investment Bank.

Government and industry needed to work closely together, to address a potential infrastructure crunch on the horizon, he stated.



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Support for major infrastructure was needed, and not just within the M25. A rebalancing of infrastructure investment is required, he said. This would include regional ports and aviation. A skill base is needed to provide the engineers of the future, he added.

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## Can the new Energy Bill rescue the Lib Dem's green credentials? - Greenpeace, WWF, Friends of the Earth

### Speakers

- Edward Davey, Energy and Climate Change Secretary
- Ian Marchant, CEO at SSE energy supplier;
- David Nussbaum, CEO at the World Wildlife Fund (WWF); and
- Chair - Pilita Clark, Financial Times Environment Correspondent.

### Pilita Clark (Financial Times Environment Correspondent)

Pilita Clark, said the aim of the Energy Bill was to encourage private companies to invest in new power plants, adding some “interesting” criticism had emerged from within Government. One point of criticism had been the emphasis on energy efficiency measures from within the Bill.

### Ed Davey (Energy and Climate Change Secretary)

#### The Department for Energy and Climate Change's three objectives

1. to deliver secure energy;
2. to deliver reliable energy; and
3. address climate change.

Mr Davey pointed to Government emphasis on these areas, saying the draft Energy Bill was the “heart” of the Government's reforms. The White Paper published last year had outlined the possibilities for Electricity Market Reform (ERM), with an emphasis on reducing the cost of capital for electricity generation.

The Energy Secretary admitted there were some elements of the Bill that appeared complicated, but he emphasised that its core aims were clear.

ERM would take place in three stages, moving to auctions from 2017 for contracts for difference as the first area, he said. This was aimed at driving the deployment of low carbon technologies at the lowest cost.

The Government aim was to a full low carbon electricity market by 2020 and decarbonising the power sector was integral to the UK meetings its energy targets for 2050, the Energy Secretary said.

Mr Davey encouraged party members to vote in support of the Liberal Democrats committing themselves to a decarbonisation target. However, he added, collective support on this area was integral.

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**Policy motion: Generating Growth and Jobs in a Time of Austerity**

During the policy motion, the conference welcomed a £9.4bn package to invest in the rail industry, making rail travel faster, more reliable, less crowded and greener; and the UK Guarantees scheme, which is designed to: unlock £40bn worth of stalled investment projects; lend up to £6bn to public private infrastructure projects; and boost UK exports through a £5bn refinancing facility.

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## Green or Growth: Can we have both? - Dods Sustainable Transport Dialogue

### Speakers

- Norman Baker, Transport Minister
- Sandeep Shingadia, Programmes Manager at Centro Sustainability;
- Claire Haigh, Chief Executive at Greener Journeys;
- Richard Hebditch at Campaigns Director, Campaign for Better Transport; and
- Chair - Cllr Heather Kidd, Local Government Association, Economy and Transport Board Member.

### **Norman Baker (Transport Minister) Green investment as a key area of growth**

Transport Minister Norman Baker said the government has sent conflicting messages on the subjects of Green and Growth and that we had to be both green and have growth. The environment should not be sacrificed in bad times.

Examples of green investment include:

- The Green Bus Fund had led to investment in British buses.
- The Local Sustainable Transport Fund to help local councils to create growth and cut carbon. The fund has contributed to the reopening of railway stations and expanded bus routes among other projects.

### **Investment in trains**

Mr Baker said Government investment in trains is an area the Liberal Democrats and Conservatives agree on. Electrification and increasing speed and capacity lead to economic benefits, he said. **857 miles of track will be electrified by the coalition.**

**High Speed Rail is sustainable and is required for capacity on the line. HS2 will benefit the regional development of areas like the North West.**

**High speed trains do release more carbon than slower trains but this is cancelled out by the reduction in air travel and there will be a modal shift from road and air to rail.**

Responding to questions on electrification, Mr Baker said there needs to be an appropriately sized and trained workforce to deal with the need for electrification. Network Rail has confirmed they can deliver the current planned work.

**On aviation, Mr Baker said that the cost of flying has reduced greatly in recent times while the price of rail travel has gone up. The government is not able to tax kerosene on international flights but could put a new tax on domestic flights, he suggested.**

## **Claire Haigh (Greener Journeys) on sustainable transport**

Ms Haigh said that we need both to be green and have growth. Greener Journeys has lobbied hard on the need to reform planning so it leads to more sustainable transport. Modal shift from car to bus can lead to large carbon savings of up to 75 per cent in some areas.

The impact of congestion on the environment on the economy shows the need for sustainable transport.

## **Sandeep Shingadia (Centro Sustainability) on achieving economic growth through transport**

Achieving sustainable economic growth is the biggest challenge facing the government. Centro have received a large amount of the Local Sustainable Transport Fund from the Department for Transport.

Centro's investment in Birmingham New Street and other inner city train stations is leading to inward investment in the town centres by retailers and other businesses, he said.

Sustainable travel should be used to encourage people into employment opportunities as they continue making sustainable journeys to future places of work.

## **Questions**

Responding to a question on integration of bus and train, Mr Hebditch (Campaign for Better Transport) said this was a difficult issue as bus companies didn't always have the encouragement to link to rail stations. He said minimum standards set by legislation for bus companies should be considered.

Matthew Knowles from Boeing said that the sustainability debate had moved on over the last 30 years and it is important to find every possible way of becoming more efficient. Boeing strives for environmentally sustainable growth.

Mr Hebditch said that the public transport system was more efficient than individuals using cars. Young people are moving away from wanting to have a car due to more integrated transport, particularly in London.

Responding to a question on integration of transport, Mr Shingadia said that the Local Sustainable Transport Fund encouraged different providers to work more closely together and share best practice.

Mr Hebditch said there should be more dialogue between local authorities. He regretted the closure of the government offices of the regions.

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## Exporting Is Good For Britain - British Chambers of Commerce

### Speakers

- Danny Alexander, Chief Secretary to the Treasury;
- John Longworth, Director General at the British Chambers of Commerce (BCC); and
- Chair - Sam Fleming, Economics Editor at the Times.

### **John Longworth (Director General, British Chambers of Commerce (BCC)) EU and UK exports**

Mr Longworth said the UK economy desperately needed trade and accused the “metropolitan elite” of losing sight of that, adding that the “real economy had been largely ignored.”

Seventy-five per cent of UK GDP was not public sector or banks and the real economy wasn't just outside that trade climate, but inside too. It had also been neglected and trade and exports had suffered because performance in that area initially “did not look great.”

Continuing, Mr Longworth explained that there were “fantastic businesses across the country,” including high-knowledge manufacturing organisations. Because manufacturing made up just 10 per cent of the UK economy and was not “a brilliant net exporter” that did not mean that it was “rubbish,” he stated, adding that that particular sector of the economy would not have survived if it had not been so hard-working and innovative.

The BCC's main priority for the next three years was to support exports, Mr Longworth stated, adding that his organisation wanted to make sure it provided “all the products and services a business could ever want” so that they could access markets overseas.

He pointed to a recent survey on Europe that showed there had been a migration of exports away from the continent to the rest of the world. The EU was suffering from its own recession so orders had fallen, but these had gone up elsewhere.

### **Danny Alexander**

Mr Alexander said exports were good for Britain and the Government had implemented a number of policies to support that and encourage investment in the UK. The Government's target was to double the number of exports coming to the UK by 2020, which was an “ambitious but achievable goal.”

On promoting British exports overseas, Mr Alexander explained that the UK's diplomatic representation around the world was not being used the way it could be to promote business, therefore commercial diplomacy was now a key aim.

There were export opportunities for small and medium enterprises (SMEs), but many of those organisations lacked the immediate knowledge or expertise to get into exporting, and they also needed finance.



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Concluding, he added that the Government would be focusing more attention on the opportunities to grow exports and business links with China and Brazil, where the UK currently underperformed.

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## Growing Pains: Can the politic of sustainability survive the economic downturn? - Demos, Oxfam, WWF & RSA Insurance

### Speakers

- Duncan Hames, Parliamentary Private Secretary to the Deputy Prime Minister;
- Phil Bloomer, Director of Campaigns at Oxfam;
- Sharon Bowles, Liberal Democrat MEP;
- Mark Potter, Head of Renewable Energy at RSA Insurance; and
- Chair - David Nussbaum, Chief Executive of WWF.

### **Duncan Hames (Parliamentary Private Secretary to the Deputy Prime Minister)** **Government responses to the green agenda**

Mr Hames said that the Government needed to show that a low carbon transition was a price worth paying. He pointed out that the green economy, which was an engine of job creation, has been outperforming the rest of the economy during the downturn.

Mr Nussbaum suggested that as so Government many decisions were made by the “quad” of the Prime Minister, Deputy Prime Minister, Chancellor and the Chief Secretary to the Treasury, it seemed surprising that the green agenda was being held back, as out of these four, only the Chancellor was sceptical about the green the agenda.

In response, Mr Hames said that the former Energy Secretary Chris Huhne had taken a combative approach to promoting the green agenda. However, he also he thought the current Energy Secretary Ed Davey had stood up for renewables by preventing deeper cuts to the Renewables Obligation (RO).

### **Mark Potter (RSA Insurance)** **Renewable energy**

Mr Potter stated that RSA was a leading insurer of renewable energy for technologies such as wind, solar and hydro. RSA currently insured a large proportion of offshore wind farms and insurance provided a safety net for renewables.

By 2050 most of the UK’s energy supply could be provided by renewables, he added, noting that in particular there was potential for growth in offshore wind and solar. The UK could become a global leader in renewable energy. This could create opportunity for jobs in a broad range of sectors such as engineering and financial services.

He commended the call from the Liberal Democrat Chief Secretary to the Treasury Danny Alexander for the Coalition to recognise the importance of low carbon growth.

Mr Nussbaum asked where the UK would rank in a global table on its commitment to the green economy. Mr Potter replied that it would be fairly low on the list.

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### **Policy motion: Sustainable Prosperity and Jobs Policy Paper**

The policy motion identified a need to invest and revive in regional economies through:

- Allocation of a portion of future rounds of the Regional Growth Fund so that Local Enterprise Partnerships can bid for a pot of money to hold their own Growth Funds.
- Giving responsibility for business rates to local authorities and creating a fairer system where rates are based on undeveloped site values.
- Pioneering Small Business Zones, a space where new businesses, co-ops and social enterprises are encouraged, and New Enterprise Hubs, to improve the success rate of business start-ups.

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## Britain's Buses: Driving the Economy Forward - Greener Journeys

### Speakers

- Norman Baker, Transport Minister;
- Martin Dean, Managing Director (Bus Development), bus operator Go Ahead;
- Dr Adam Marshall, Director of Policy and External Affairs, British Chambers of Commerce;
- Anthony Smith, Chief Executive, Passenger Focus; and
- Chair: Claire Haigh, Chief Executive, Greener Journeys.

### Norman Baker (Transport Minister)

Mr Baker said that the bus was “the primary form of public transport”, with significantly more users than the rail network.

Mr Baker praised the recent [Greener Journeys report](#) on buses and economic growth. He said that it had been “great ammunition” for him in promoting buses, their use and their role in delivering economic growth to Ministers in other Departments.

### Future investment

- The Department for Transport (DfT) will spend around £2bn on buses this year;
- £600m investment in the Local Sustainable Transport Fund, which has the dual aim of reducing carbon emissions and delivering economic growth.

### Previous policies

Previous policies implemented by Norman Baker as Transport Minister include:

- The Better Bus Areas Fund to enable councils and bus operators to claim more money for support;
- The Clean Bus Fund, supporting bus companies and local authorities in England to buy new low carbon buses. ;
- The DfT has also provided funding for the retrofitting of high-polluting buses, Mr Baker said.

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## Sustainable Aviation: Can the industry deliver? - Transport Hub - AOA event

### Speakers

- Norman Baker, Transport Minister.

### Carbon trading

Despite continued calls for a global deal on carbon trading, Mr Baker said that the Liberal Democrat's view was not shared outside of Europe. It was "difficult to get other countries to move on this issue", he continued, while some countries were currently objecting to the EU Emissions Trading System (ETS). It was not in the industry's interest if emissions trading were to be diminished, he added, as it may lead to other measures that were less palatable.

### Biofuels

On fuel efficiencies, he said he believed biofuels had "a role to play...particularly where there is no other alternative." In transport this would apply to aviation in particular, he added. However, he asked whether they were sustainable, citing issues around the amount of land needed to generate them.

Mr Baker criticised the EU for setting "frankly arbitrary targets" on biofuels before the science was established. Mr Baker confirmed he would be pushing Brussels "very hard" on regulations in this area.

### Aviation efficiency

Mr Baker stated further improvements to aviation efficiency included:

- Improving technology to make flight paths more efficient;
- Towing planes on the ground to reduce fuel consumption was "worth looking at"; and
- Improving surface transport to airports. Mr Baker noted that rail links to Stansted were being improved.

### Matt Gorman, Sustainable Aviation Council

Mr Gorman said there was a need to tackle the big impacts of aviation, specifically climate change and noise.

### Carbon trading

According to Sustainable Aviation's [recent report](#), the industry could grow two and a half times between now and 2050 without growing emissions, he argued, with the use of biofuels and carbon trading proving key.

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## Noise

Sustainable Aviation would soon publish a report with projections for 2050 on how noise could be reduced. There was a need to tackle noise at a local level, he said, which could be best achieved through dialogue and engagement with local communities.

### David Hodges of the London Chamber of Commerce (LCC) Expanding capacity to enhance the economy

Mr Hodges said aviation was very important to the business community.

A decision on expanding capacity was needed soon if the UK was to develop an export-led economy. Mr Hodges argued aviation was important to business in three ways:

- Business people needed to travel to meet other business people;
- Freight was vital for advanced manufacturing economies; and
- Tourism could provide major economic benefits.

### Need for a hub airport

Mr Hodge said there was a “fundamental need” for a hub airport alongside strong regional airports but recognised that noise was a big issue with London airports.

### Audience Questions

1. What does the Government expect of airports in terms of community engagement on noise? (Gatwick airport representative)

Mr Baker said he had heard no complaints about Gatwick regarding this issue, but added that there had been a lack of public trust in the industry, particularly with Heathrow and BAA Ltd as people felt they had not had the truth.

The best way to engage was to find someone independent to lead the process and get local councils involved, he urged, as there would likely be a backlash if they weren't included in decision-making.

It was also important to push a simple, understandable message, he said.

Finally, he added, if airports were going to ask people's views, they had to be able to deal with what came back and accept opposing arguments.

2. Whether an extra runway in the South East should be at Heathrow or Stansted?

Responding, Mr Baker said that “ultimately we are interested in reducing emissions”. However, there were local factors in expanding airports and runways, he added.

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## Urban Transport: Time for Whitehall to let go? – pteg

### Speakers

- Norman Baker, Transport Minister;
- Stephen Joseph OBE, Chief Executive of the Campaign for Better Transport;
- Greg Mulholland MP;
- Geoff Inskip, Chairman of pteg and Chief Executive of Centro- West Midlands Integrated Transport Authority; and
- Chair - Liberal Democrat Councillor Ian Auckland, South Yorkshire ITA.

### **Geoff Inskip (Chairman of pteg and Chief Executive of Centro- West Midlands Integrated Transport Authority)**

#### **Devolution**

Mr Inskip said it was time for Whitehall “to let go” of urban transport but it was not that simple as devolution created a problem for authorities wanting more power but ultimately having less money.

He argued that pteg understood local people better than central Government did and could drive the agenda. Everyone had a vision of what they wanted their towns and cities to look like in the future, and it was important to leave a legacy behind for future generations, he added.

Quality of life was high up on the agenda; pressing for towns to have world-class, well connected public transport systems that cut congestion and reduced carbon. Investment in public transport and better infrastructure was necessary, and local people best knew what they needed in their local area.

Mr Inskip said responsibility for delivering those systems should come locally. It was possible to develop a vision for the future that drove plans forward, but that could not be done without “the right resources.” He pressed for tax incremental local finance and said there needed to be a balanced package of funding from a number of sources. Pteg was best placed to find that funding, he added.

On rail devolution, Mr Inskip said London Overground and Merseyrail were both “success stories” that had transformed the rail service in those areas to what it was today.

On High Speed Rail, Mr Inskip said that would “transform the geography of the country,” taking investment out of south east England and move it to the north. Therefore, it was important to get the local connection to the High Speed Rail right.

### **Stephen Joseph OBE (Chief Executive of the Campaign for Better Transport)**

#### **City transport**

Transport was a key part of the focus and the best performing cities worldwide that had successfully attracted investors had affordable, high quality transport and high quality networks for walking and cycling, Mr Joseph said.

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Transport policy driven by Whitehall had led to car dependence, congestion and expensive commuting. Mr Joseph explained that some cities with the worst car dependency rates were also some of the least attractive and had suffered from poor investment. Delivering attractive cities would involve creating smart card ticketing, a daily cap and affordable fares.

Successful European cities were underpinned by consistent levels of investment, Mr Joseph said, adding that he was concerned about the Government's emphasis on getting private institutional funding into roads. He called for the Government to look at investing in city transport and advocated "sensible, joined up governance."

### **Greg Mulholland MP** **Regional transport policy**

Mr Mulholland said the Liberal Democrats had a philosophical commitment to devolution, but the Conservative Party approach was very different and consequently the Liberal Democrats had pushed their own agenda on transport. The UK was one of the most centralised states in the western world and there was a culture in Whitehall and Westminster of thinking "that was the way to do things," he added.

Mr Mulholland also welcomed that changes happening in transport policy and said the trend towards the devolution of transport powers in the Coalition Government should be celebrated.

### **Norman Baker (Transport Minister)** **Devolution**

Transport had been a success in many ways and the Government had to think about how to do more with that, the Transport Minister said, and affirmed his commitment to devolution. Mr Baker pointed to transport schemes and said that in future those decisions should be taken by local transport boards who would decide how money would be spent locally. That was "where the Government should be," he added.

On rail franchises, he explained that customers using the railways often travelled between different cities, so there were conflicting needs on the service. However, the Government wanted to get local people involved in those services.

On City Deals, Mr Baker said they provided longer term funding allocation, access to increased business rates based on economic performance and closer working relationships with cities and the Highways Agency. The Government was "moving down that road" and the Minister said he believed there would be a better public transport system with more devolved power.

### **Questions**

When asked a question on devolution and the railways, Mr Baker said there was some element of devolution in Scotland and London. Although previous Governments may have mistrusted local authorities in the past, they now had more control and funding.



STRATEGIC AVIATION SPECIAL INTEREST GROUP  
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It was important that local authorities understood they could do things they did not have the power to do before, and the Local Government Association had a role to play in identifying best practice and encouraging them to think differently, he added.

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## Connecting Our Cities: A Priority for growth - Transport Hub - Light Rapid Transit Forum

### Speakers

- Norman Baker, Transport Minister;
- Greg Mulholland , Liberal Democrat MP;
- Paul Rowen, former Liberal Democrat MP;
- Caroline Pidgeon, Liberal Democrat London Assembly Group Leader; and
- Chair - Mary Bonar, Light Rapid Transit Forum Chairman

### **Greg Mulholland (Liberal Democrat MP)** **Transport schemes in northern England**

Mr Mulholland argued that there needed to be more investment in transport in areas outside the south-east, adding that there had been a chronic shortage of investment in transport in certain areas.

Transport connectivity had the ability to transform the economy, unlike the Government's recent changes to planning regulation. The Liberal Democrats needed to push the message that transport development could drive the economy both regionally and nationally.

Following, he pointed to progress already taking place with the northern hub, High Speed 2 (HS2), and proposals for transport devolution.

### **Caroline Pidgeon (Liberal Democrat London Assembly Group Leader)** **Transport in London**

Ms Pidgeon discussed the situation in London and said that whilst London had a good transport system, it faced serious overcrowding on all modes of transport.

It was "creaking at its seams", she said, stating that there had been a 40 per cent rise in the number of passengers over the last 15 years.

HS2 was exciting, but it would bring even more passengers into the Northern and Victoria Line, she noted, arguing that another tube line was needed to meet demand. This would be expensive, however, and it would cost a lot less to develop a tramline, she stated.

### **Paul Rowen (former Liberal Democrat MP)**

Mr Rowen argued that previous transport expansions had been the engineers of economic growth, adding that if cities were to grow and develop they needed modern, viable transport links.

The Government's record on transport was one they could be proud of, highlighting that they had approved stalled development plans and were putting large amounts of funding into transport. He argued that transport could not be macro-managed and it was a good thing the Government was devolving transport decisions to city regions. However this was

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meaningless without greater funding, he claimed, stating that local authorities also needed the power to raise funds for developments.

## **Norman Baker (Transport Minister)**

### **Trams**

Speaking last, Mr Baker said that trams were a great form of transport however he did not want to dismiss the importance of buses. Nonetheless trams could reach places buses could not, he continued, adding that tramlines had been successful where they had been built.

The next stage would be developing trams in cities that did not currently have them, rather than simply focusing on extensions. Furthermore, he argued that the devolution of transport planning would mean local authorities would have the opportunity to take the development of tramlines lines forward.

### **Questions from the audience**

Responding to a question about whether there were plans to extend the HS2 network to Scotland, Mr Baker argued that the current plans for HS2 would benefit Scotland by creating better connections from the South to the North of England.

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## Liberal Democrat Conference: Environment Q&A

### Speakers

- Ed Davey, Energy Secretary;
- Norman Baker, Transport Minister;
- Don Foster, Communities and Local Government Minister; and
- David Heath, Farming Minister.

### Ed Davey (Energy Secretary)

Mr Davey highlighted work on the Green Deal, the Energy Bill, and the ROC banding review. Further work is underway to encourage the EU to adopt more ambitious carbon targets. **The Government is working to build a coalition across Europe with Denmark, Germany and France to push for a 30 per cent carbon reduction target for 2030, he said.**

### Norman Baker (Transport Minister)

Transport Minister Norman Baker said Liberal Democrat ministers had adopted joined up environmental thinking across Government and regularly met to discuss inter-departmental issues.

**On transport, the party was helping to deliver a massive rail investment programme and a £600m local sustainable transport fund and a further £2bn was available this year alone to support and promote the bus industry.**

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