



Development of Bristol Airport to Accommodate 12 Million Passengers Per Annum

Socio-Economics

James Brass

Summary Proof of Evidence

Section 78 Town and Country Planning Act 1990 Appeal by
Bristol Airport Limited Relating to Bristol Airport, North Side
Road

Planning Inspectorate Reference: APP/D0121/W/20/3259234
North Somerset Council Reference: 18/P/5118/OUT

1.1. Introduction

- 1.1.1. My name is James Brass. I am a Partner with York Aviation LLP (York Aviation), a specialist air transport consultancy providing services including aviation policy advice, economic impact assessment, air traffic forecasting, and specialist advice on airport capacity assessment and planning. My qualifications, relevant experience and the scope of my evidence are set out in my Proof of Evidence.
- 1.1.2. My Proof of Evidence primarily concerns the extent to which the Appeal Proposal will deliver economic and social benefits which has been identified as a main issue for the appeal. It responds, in part, to reason for refusal 1 and Inspectors' issue g).

1.2. The Importance of Airports to the UK Economy

- 1.2.1. My Proof sets out the theoretical underpinnings as to why airports and aviation connectivity are so important to economies. I have highlighted the role that airports play as providers of employment and prosperity nationally and regionally. Research undertaken by Oxford Economics for the Airport Operators Association (CD11.1 Oxford Economics, November 2014) estimated that airlines, airports and ground services supported £32 billion in GDP and 633,000 jobs through direct, indirect and induced impacts in 2012. This equated to around 2.1% of UK GDP and 2.2% of employment. Research for ACI EUROPE undertaken by InterVISTAS Consulting into the economic impact of airports in Europe (CD11.11 InterVISTAS, 2015) estimated the direct, indirect and induced impact of UK airports at around €34.5 billion in GDP and 491,400 jobs, equating to around 1.8% of the UK economy.
- 1.2.2. I have explained the mechanisms through which air connectivity supports broader economic activity through enabling trade, inward investment, labour attraction and retention, agglomeration and tourism. I have also noted that the UK is a highly global economy. Hence, air connectivity is more important to all parts of the UK than is necessarily the case in other countries of the world. The importance of air connectivity to the area around Bristol Airport must be seen in this context as global connectivity is a vital component of the current and future economic performance. Connectivity must also be considered as a dynamic element in underpinning growth, i.e. the level of connectivity available to businesses in a region has to keep pace with that available to competitor regions. This is important in the context of the need for Bristol Airport to be able to grow its connectivity by expanding to 12 mppa to ensure that the West of England and wider South West and South Wales economies can

maintain their competitive position and continue to be attractive to businesses, investors and tourists alike.

1.3. Policy Context

1.3.1. I have considered the policy context for the Appeal Proposal and identified that both nationally and regionally, there is strong recognition of the economic value of air connectivity and its importance to future economic prosperity and this translates to strong policy support for sustainable aviation growth.

1.3.2. Aviation 2050: The Future of UK Aviation (December 2018) was published shortly after the submission of the 12 mppa planning application. In it, the Government states that:

“Aviation has an important role to play in the future of our country. It is key to helping to build a global Britain that reaches out to the world. It underpins the competitiveness and global reach of our national and our regional economies.” (CD9.29 HM Government, December 2018, p. 18)

1.3.3. This policy support for aviation growth has been re-emphasised more recently both generally and in the context of the UK’s recovery from the COVID-19 pandemic. In February 2020, the Secretary of State made clear:

“Our airports are national assets and their expansion is a core part of boosting our global connectivity. This in turn will drive economic growth for all parts of this country, connecting our nations and regions to international markets, levelling up our economy and supporting a truly global Britain.” (CD6.8 Grant Schapps, 2020)

1.3.4. I have identified that, regionally, there is specific recognition of the role that Bristol Airport plays in providing international connectivity and of the importance of infrastructure in supporting growth. For instance, The West of England Local Industrial Strategy (CD11.7 HM Government, July 2019) highlights the global nature of the West of England economy and the importance of international links to future prosperity:

“The West of England’s ingenuity makes it a major force in the global marketplace. Historically, trade put the region on the map and it remains a critical gateway to the nation and to the world. At the crossroads of major motorways and rail networks, with

an international airport and port, the region provides the right environment for businesses to thrive and grow.” (CD11.7 HM Government, July 2019, p. 4)

1.3.5. Overall, national, regional and local policy is strongly supportive of airport growth to support economic development and future prosperity. More recent policy has not changed this original position that was set out in the original Economic Impact Assessment (EclA). In fact, the clear articulation of the Government’s national economic strategy through Build Back Better (CD11.10 HM Treasury, March 2021) and its focus on levelling up and Global Britain, alongside the Government’s statements within Aviation 2050, strengthen this position.

1.4. Assessment Summary

1.4.1. York Aviation’s approach to the Socio-Economic Assessment of the 12 mppa application is a comprehensive, robust and best practice approach. The approach was examined in detail by North Somerset Council’s consultants at the planning application stage and was agreed. The approach adopted for the later Economic Impact Assessment Addendum (EclA Addendum) and Environmental Statement Addendum (ESA) was not changed save for the addition of some elements to address comments made by NSC and other parties.

1.4.2. My Proof presents an overview of the results of the Socio-Economic Assessment of the Appeal Proposal.

1.4.3. The expansion of Bristol Airport to 12 mppa will enable it to support more permanent jobs and associated GVA each year, both in terms of its direct, indirect, and induced impacts, but also in terms of its ability to catalyse economic impact in the wider economy by enabling trade, foreign direct investment (FDI), competition, agglomeration, labour market effects and inbound tourism.

1.4.4. The total additional GVA and employment, net of displacement, supported by Bristol Airport in the 12 mppa scenario compared to the future baseline is estimated to be:

- £70 million in GVA and 710 jobs (570 FTEs) in North Somerset;
- £220 million in GVA and 2,460 jobs (2,040 FTEs) in the West of England;
- £310 million in GVA and 4,000 jobs (3,210 FTEs) in the South West and South Wales.

1.4.5. The Appeal Proposal’s impact on GVA and employment was assessed as being major beneficial and significant in North Somerset and the West of England, and moderate

beneficial and significant in the South West and South Wales. These conclusions remain the same for the Faster and Slower Growth Cases. These are the same levels of significance assessed in the original Environmental Statement.

1.4.6. My Proof also summarises a range of other socio-economic evidence:

- the EclA Addendum presents a high-level socio-economic cost benefit analysis that sets out the primary benefits of the Appeal Proposal to passengers, the airport company, and the UK Government, against key costs, notably the costs of construction and carbon. This high-level assessment identified that the Appeal Proposal would have net benefits of between £820 million and £863 million over the 60 years from 2018;
- the EclA Addendum also highlights the importance of the airport in securing FDI (CD2.22 York Aviation, 2020, pp. 23-26). Growth in foreign owned companies over recent years has been closely correlated with growth at Bristol Airport. The airport is the largest gateway for business travel to / from the South West;
- I would also highlight the potential of the Appeal Proposal to support regeneration in the areas around Bristol Airport. Parts of South Bristol and Weston-super-Mare are significantly deprived areas. They are also important labour catchment areas for the airport and, hence, there is a significant opportunity to harness the growth of the airport to support regeneration. The draft Section 106 agreement recognises this issue and provides for the development of a Skills and Employment Plan as a key vehicle to secure the economic benefits of the Appeal Proposal locally.

1.4.7. The Assessment considered in qualitative terms the impact of the Faster Growth and Slower Growth cases set out in the air traffic forecasts. It was concluded that the impact of faster or slower growth was more about the timing of the delivery of economic benefits rather than the level of benefits. Economic impacts, in terms of either GVA or jobs, are ultimately closely linked with passenger volumes at an airport. Therefore, if, as in the Slower Growth Case, Bristol Airport grows more slowly than anticipated in the Core Case, then it will still ultimately deliver the assessed economic benefits, but delivery will be delayed until around 2034. Conversely, of course, if the airport were to grow more quickly than anticipated, as per the Faster Growth Case, delivery of economic benefits would be accelerated, with the assessed benefits delivered in around 2027.

1.4.8. Overall, I believe strongly that the impacts identified in the EclA Addendum clearly demonstrate that the Appeal Proposal represents a substantial economic opportunity for North Somerset, the West of England and South West region, providing significant net economic benefits. It will support a significant increase in GVA and jobs across the different economies the airport serves and provide benefits to wider society. These impacts will support national and regional economic strategy, as set out in a range of Government policies, and it will support 'levelling up' in the UK. The Appeal Proposal also represents a private sector investment at a time when the UK requires economic stimulus to recover from COVID-19 and is moving into a world of new trading relationships following the UK's withdrawal from the EU, where connectivity to support new trading relationships will be particularly important.

1.4.9. I would highlight, at this point, the conclusion reached by NSC Officers in relation to the original planning application, based on the views of its advisors, that:

"Whilst there is not consensus over the exact scale of economic benefit, it is clear that the proposals will have a substantial net economic impact for North Somerset and the wider sub-region." (North Somerset Council, 2020, p. 64)

1.4.10. This makes clear that NSC Officers were of the same mind as I as regards the economic impact of the Appeal Proposals. There is no reason for this position to have changed.

1.5. Response to Issues Raised by North Somerset Council and Third Parties

1.5.1. My Proof considers the various comments made in relation to objectors' issues with the Socio-Economic Assessment. In my view these comments are not valid and do not change the outcome of the Socio-Economic Assessment as set out in the EclA Addendum and ESA. They do not affect my conclusion that the Appeal Proposal will have significant beneficial impacts on the North Somerset, West of England, and South West and South Wales economies.

1.5.2. I have also noted the supporting comments from a range of organisations that highlight the crucial economic importance of Bristol Airport and its development in line with the Appeal Proposal. These comments highlight and provide additional evidence in relation to many key points made within the Socio-Economic Assessment.

1.6. Conclusion

1.6.1. Overall, I have clearly demonstrated that the Appeal Proposal will support substantial and significant net economic benefits and that the foundations for my position are sound and robust. This addresses, in part, Reason for Refusal 1, and Inspectors' issue g).