



Development of Bristol Airport to Accommodate 12 Million Passengers Per Annum

Air Traffic Forecasts

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.
- 1.1.2. York Aviation was engaged by BAL to provide updated air traffic forecasts to inform the planning appeal against North Somerset Council's (NSC) decision in March 2020 to refuse planning permission for the expansion of Bristol Airport to accommodate 12 mppa. The updated forecasts provided the basis for the supplementary environmental assessments for the Appeal Proposal presented in the Environmental Statement Addendum.
- 1.1.3. I was the Project Director for this work and the lead author of the associated air traffic forecasts report submitted with the ESA, Passenger Traffic Forecasts for Bristol Airport to Inform the Proposed Development to 12 mppa (CD2.21 York Aviation, 2020).

1.2. The Drivers of Air Transport Demand

- 1.2.1. My Proof identifies the fundamental long-term growth drivers for air transport demand: population growth, economic growth and personal wealth. Air passenger numbers have grown at a multiple of GDP over the long run and GDP has grown at a multiple of population. There have clearly been other influences on growth, notably the falling cost of air travel over time, driven by liberalisation and greater efficiency, but the fundamental link between long run economic growth and the demand for air travel is clear.
- 1.2.2. I have then demonstrated that these growth drivers are expected to be strong in the UK in the long-term following recovery from the COVID-19 pandemic. Economic growth is already returning and the UK economy is expected to recover to 2019 levels of GDP by 2022. This view of long-term economic growth is supported by the UK's long-term population projections, which see continued population growth in the UK over the coming decades. This will underpin future economic growth and, with it, air transport growth.

1.3. UK Government Policy

- 1.3.1. My Proof demonstrates that current UK Government policy is strongly focused on fuelling economic recovery, promoting a Global Britain, and levelling up the cities and regions of the UK, including through improving their global competitiveness. This is set out clearly in Build Back Better: Our Plan for Growth (CD11.10 HM Treasury, March 2021).
- 1.3.2. This feeds through to the Government's strong policy support for sustainable aviation growth to realise the economic benefits it brings. The Government's policy position is based on a long-term view of future growth in the UK air transport market, which is driven by economic fundamentals and not short-term variations in demand, and this is made clear within the UK Aviation Forecasts 2017.
- 1.3.3. In December 2018, the UK Government published its future strategy for UK aviation in Beyond the Horizon: The Future of UK Aviation - Making Best Use of Existing Runways (CD6.4 HM Government, 2018). The strategy sets out the latest UK Government view of future passenger demand growth. Whatever the scenario considered, the UK Government expects demand for passenger air travel to grow significantly in the future over the long-term. This confirms that there is expected to a strong and growing market in the UK that Bristol Airport will be operating in. I would also note that the Government's continued adherence to the 'Making Best Use' policy has been confirmed since the Government's adoption of 'Net Zero' in June 2019.

1.4. The Relevance of Short-Term Forecasts and Aviation's Recovery from COVID

- 1.4.1. It is important to understand the ultimate purpose of the Appeal Proposal forecasts. The air traffic forecasts are there to identify that Bristol Airport will reach 12 mppa, the broad timescale over which this threshold is expected to be reached, and what the characteristics of the airport at 12 mppa are likely to be.
- 1.4.2. In this context, the short-term forecasts for the UK air transport market and, by extension, Bristol Airport are of no great relevance to the environmental assessment. They are simply a step on the path to 12 mppa. The extent of travel restrictions through much of 2020 and the early part of 2021 has been such that passengers could not travel whether they wanted to or not. The current throughput seen at Bristol Airport and other UK airports is not a reflection of demand. It is simply passenger

throughput. From the perspective of the Appeal Proposal, what is important is that air passenger throughput will in time return to being driven by the long run drivers of demand described above and that this will support air passenger growth in the medium to long term. I do not believe there is any reason to believe that will not be the case when travel restrictions are fully lifted.

1.5. The Effect of the Sixth Carbon Budget

1.5.1. Whilst the recent announcement concerning the Sixth Carbon Budget clearly represents an important evolution in the way that the emissions from international aviation are accounted for in UK legislation, I do not believe that it reflects a substantially changed circumstance in relation to forecasts of future aviation growth in the UK:

- whilst international aviation has not been formally included previously within carbon budgets, it was always accounted for within the budgeting process;
- the requirement to reduce carbon emissions and thereby aviation's effect on climate change has been recognised for some time and the recent announcement as regards inclusion in the Sixth Carbon Budget does not change the direction of travel;
- it should also be recognised that global aviation already has in place a long-standing programme, CORSIA, to meet its emissions targets, and that its inclusion within the UK and EU Emissions Trading Schemes, means that the sector will be committed to reducing its net emissions;
- the Sixth Carbon Budget applies to the period from 2033 to 2037; some 12 to 16 years into the future. This gives considerable time for the aviation industry to adapt and innovate to reduce average carbon emissions per passenger.

1.5.2. There may be some potential for the Sixth Carbon Budget to result in slower growth in air passenger demand in the future but that simply highlights the importance of considering a range for future forecasts, as the Appeal Proposal air traffic forecasts have done.

1.6. Bristol Airport's Catchment Performance and Historic Performance

1.6.1. Bristol Airport has been one of the best performing regional airports in the UK over the last 20 years. Bristol Airport has outperformed the UK as a whole substantially; it has also outperformed the airports that surround it, having been able to capture and

deliver growth more effectively and to a greater extent than these regional competitors.

1.6.2. I have shown that Bristol Airport's catchment area has strong economic fundamentals and has exhibited high levels of growth compared to the UK as a whole and that the UK Government's population projections suggest that the areas around the airport will continue to grow strongly.

1.6.3. I would, therefore, expect previous market dynamics to re-establish themselves once recovery starts in earnest, with Bristol Airport resuming steady growth moving forward, with recovery ahead of the UK as a whole, aligned with historic trends.

1.7. Overview of Forecasting Approach

1.7.1. The forecast methodology used for the Appeal Proposal is a best practice approach that deals effectively with the inherent uncertainty in forecasting and the particular risks in the market at the current time. It enables robust consideration of a wide range of issues that might effect the quantum of demand or its allocation across different airports. Notably, it enables robust consideration of different future economic growth paths, different carbon cost profiles, new runway capacity in the London system, and different levels of taxation on flying.

1.7.2. The process has enabled York Aviation to identify a wide range of forecasts for Bristol Airport from which three scenarios have been identified to provide a rounded and reasonable view of if and when, in broad terms, Bristol Airport will reach 12 mppa, thereby enabling the environmental assessment to consider significant effects and the implications of faster and slower growth. In summary, these scenarios are:

- **Core Case:** this represents a balanced view of the future market and current risks that is felt to be a reasonable best estimate of when Bristol Airport will reach 10 mppa and 12 mppa. This Core Case reflects a largely central view of issues such as economic growth and carbon costs moving forward;
- **Slower Growth Case:** this represents a reasonable worse case in terms of the future growth of the airport being slower than expected, reflecting potentially slower than expected recovery from COVID-19, lower economic growth in the future/or other adverse market conditions, such as increased carbon costs; and
- **Faster Growth Case:** this represents a reasonable worse case in terms of the future growth of the airport being faster than expected, reflecting a more rapid

bounce back from COVID-19 and / or faster economic growth in the future. Hence, this case shows an accelerated point at which both 10 mppa and 12 mppa are reached.

1.7.3. The air traffic forecast outputs that provide the basis for the environmental assessment have been prepared using industry standard approaches and are designed to reflect the position of Bristol Airport in around 10 years time. I do need to stress, however, that the air traffic forecast outputs to support the environmental assessment are relatively insensitive to the point in time at which 12 mppa is reached.

1.8. Summary of the Air Traffic Forecasts

1.8.1. The air traffic forecasts identify that Bristol Airport can be expected to grow to 12 mppa and that it will reach this threshold between 2027 and 2034, with a reasonable most likely outcome being about 2030. This is the fundamental conclusion in relation to the air traffic forecasts. I note that this position has been agreed with NSC.

1.8.2. I have considered the potential influence of the current short term market conditions relating to COVID-19. I have shown above that the fundamentals for future growth remain strong and, as a consequence, that growth will return and that the timeframe in the forecasts for Bristol Airport reaching 12 mppa is reasonable.

1.9. Air Traffic Forecast Outputs for the environmental assessments

1.9.1. In many ways, the detailed air traffic forecast outputs that support the environmental assessment are the core outputs from the Appeal Proposal forecasts. My Proof has summarised the outputs taken from the air traffic forecasts and used within the environmental assessment. These are:

- air transport movements;
- busy day timetables;
- fleet mix;
- 92 day movements and fleet mix;
- night movements and quota count;
- average range (flight distance) forecasts;
- surface origins and destinations of passengers;
- passenger demand displacement to other airports.

1.9.2. The quantitative assessment of significant effects within the environmental assessment was based on quantitative outputs based on the Core Case passenger forecasts. Sensitivity testing of the environmental effects was undertaken qualitatively based on a qualitative assessment of the way in which the passenger forecast outputs to support environmental assessment would be affected by slower or faster passenger growth at the airport, reflecting the Slower Growth and Faster Growth cases. This assessment identified that the outputs from the detailed air traffic forecasts that are used as inputs to the environmental impact assessment were unlikely to be significantly affected by slower or faster growth in passenger numbers. I note that this view was shared by the Planning Inspectorate in relation to the recent Stansted Airport planning appeal (CD6.13 The Planning Inspectorate, May 2021, p. 6 para 30). Consequently, further quantitative sensitivity testing was not considered necessary or appropriate. I, therefore, conclude that the air traffic forecast outputs taken forward for the environmental assessment were a sound basis for considering the likely significant environmental effects associated with the Appeal Proposal.

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

1.10.1. My Proof considers the various comments made in relation to objectors' issues with the Appeal Proposal air traffic forecasts. In my view these comments are not valid and do not change the passenger forecasts or impact on the outputs developed from those forecasts. I continue to conclude that the Appeal Proposal air traffic forecasts are a robust and reasonable basis for considering likely significant environmental effects.