

Annual Review 2015



By comparison with the non-stop campaigning style that has characterised SSE almost since the beginning, 2015 has been a quiet year. In order to fully understand the reasons for this, let me briefly recap on the recent history of Government aviation policy.

More than three years ago, the Government ducked the issue of new runway capacity at one or more of London's airports by setting up an independent 'Airports Commission', comprising a panel of experts chaired by Sir Howard Davies, to examine all the options and to publish a final report with recommendations in the summer of 2015. The timing of the final report was designed to avoid a potentially divisive political debate on the issue because the Government insisted that the Commission must not publish its final report until after the May 2015 general election.

SSE engaged fully with the Commission and made 11 separate evidence submissions setting out the case against a second Stansted runway and we were rewarded for this major effort in the Commission's interim report. Stansted was not even included on the Commission's short list. It was to be a straight choice between Heathrow and Gatwick.

During the first six months of 2015, for SSE it was largely a case of watching and waiting whilst the owners of Heathrow and Gatwick airports pursued high profile, multi-million pound campaigns aimed at promoting their own new runway proposals and attacking one another. The general election came and went on 7 May and still the waiting went on. It was not until 1 July that the Airports Commission published its final report, and still the waiting went on.

The Government said that it needed time to study the Commission's recommendations. The Prime Minister at first promised a decision by the autumn and then said there would be a decision by the end of the year. And so we all continued to wait - knowing that the Commission was only advisory and the Government would ultimately decide whatever it wanted to decide.

Finally, on 11 December, the Government made its decision, which was to say that yet more studies were required before a final decision could be made! We're now told that a final decision should be made in the summer. From a political perspective, this neatly postpones the decision until after the May 2016 election for a new London mayor.

The delay could be even longer. Just last week, when asked when a final decision on the Airport Commission's recommendations would be made, Transport Secretary Patrick McLoughlin said the following: "I hope later this year. We have said we would hope to move some way by the summer of this year." He then added: "There's lots of other things which are going on in the political spectrum - if there's a referendum this summer, and the like. But I would hope by the summer of this year we will be able to make progress."

The politically charged nature of the debate about airport expansion was abundantly clear at all the main party conferences last autumn where SSE was once again represented. A key message which we heard time and time again at all the party conferences was that current airports policy was far too 'London-centric' and that more emphasis needed to be placed on encouraging the development of regional airports. It seems however that the Government is not sympathetic to this argument.

So that's how matters presently stand, which is not very different from where matters stood 12 months ago, and so we still cannot assume that Stansted is off the hook as regards a new runway. It currently seems to be a choice between Heathrow and Gatwick but we know very well from past experience that Government policy can change almost in the blinking of an eye.

Apart from keeping closely in touch with the political vacillation on airports policy throughout 2015, SSE has continued to seek to safeguard the interests of the local community on flight path issues, crossing swords with both NATS and the CAA in the process. In addition, SSE has continued to press Stansted Airport Ltd, on issues such as night flights, returning the airport-owned housing stock to private ownership and dealing with the long outstanding issue of homeowner compensation arising from the expansion of the airport.

Meanwhile, Stansted Airport last year recorded its busiest year since 2007, handling a total of 22.6m passengers, an increase of 13.0% on the previous year. The number of ATMs (flights) were up 9.6% to 157,200. A staggering 85% of Stansted's passengers are now Ryanair.

With low oil prices driving down the cost of air travel, it seems almost inevitable that Stansted will this year exceed its previous peak of 24m passengers, achieved in 2007. However, it is worth noting that it took 193,700 ATMs to cater for those 24m passengers in 2007 and, on current load factors, it would now take 30,000 fewer ATMs to handle that same number of passengers. Stansted, of course, has planning consent to handle 35m passengers a year and there is little doubt that the airport is technically capable of handling considerably more than that. Whether this would be environmentally acceptable is quite another matter.

As we enter 2016, we know to expect some significant developments and we know there will be work to do to seek to safeguard the interests of our local community. And so our campaign must continue. Long may it remain at a less frenetic pace than in the past!

Many thanks for your ongoing support.

Stop Stansted Expansion
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