



**TOWN AND COUNTRY PLANNING ACT 1990, SECTION 73
TOWN AND COUNTRY PLANNING (INQUIRIES PROCEDURE)
(ENGLAND) RULES 2000**

APPLICATION BY LONDON CITY AIRPORT LIMITED

to vary Conditions 2, 8,

12, 17, 23, 25, 26, 35, 42, 43 and 50

attached to planning permission

**13/01228/FUL allowed on appeal APP/G5750/W/15/3035673
dated 26th July 2016**

LPA REFERENCE NUMBER 23/00059/REF

PINS REFERENCE NUMBER: APP/G5750/W/23/3326646

Summary Proof of Evidence – Need

Dr Christopher James Smith

November 2023

1 Summary

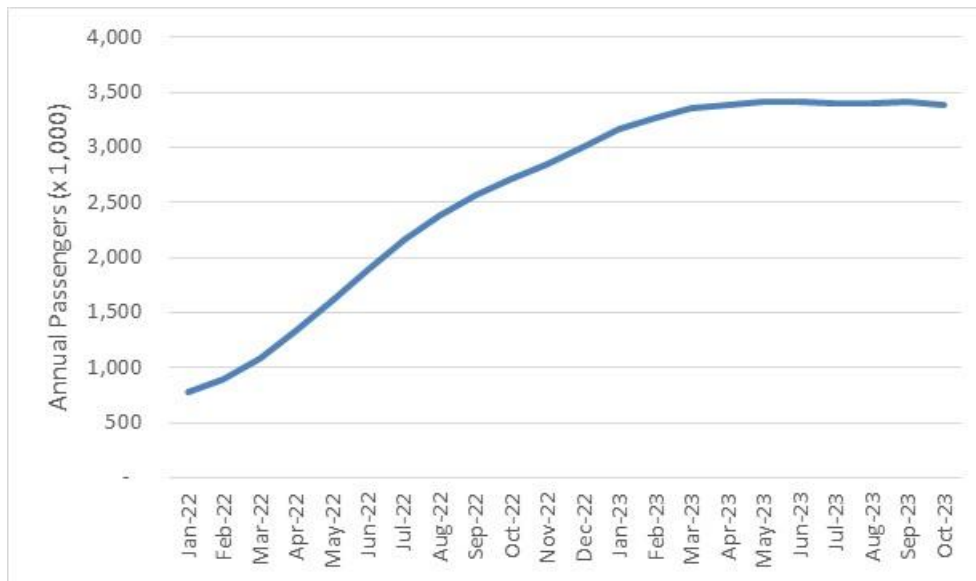
Features of London City Airport

1.1 London City Airport (LCY) has a number of features which distinguish it from other UK airports. Its short runway coupled with the steeper landing descent flight-path required by its location restrict the aircraft types which may serve the airport. Prior to the Pandemic, it had the highest proportion of passengers travelling for business reasons at 46%, the second placed airport being Heathrow with 26%. This very high business proportion reflects my understanding of the basis for the very establishment of the airport in the first place as a short take-off and landing facility close to the City of London and the then developing Canary Wharf complex. LCY also has a strict night curfew and closes for 24 hours at the weekend, a situation which is central to this Inquiry.

Historic Passenger Development

1.2 Passenger traffic at LCY had grown strongly up to the start of the Pandemic at the start of 2020. It suffered very badly during the Pandemic, and as noted in my report to LBN in June 2023 its recovery was lagging behind that of the other major London airports up to the end of January 2023. The gap between LCY's recovery and those of the other London airports has widened since then, and indeed LCY's growth has largely stalled over the summer months at 3.4 mppa.

Figure 1.1: Recovery of Passenger Traffic at LCY from the Pandemic



Source: Derived by CSACL from CAA Airport Statistics to August 2023, and estimated by CSACL thereafter.

1.3 Possible explanations for this are an increase in video-conferencing, more extensive Working From Home (WFH), and the impact of Brexit, although currently I have no data to offer a definitive explanation.

Future Growth in Traffic

1.4 On behalf of LCY, York Aviation Limited (York) has prepared forecasts of future growth in passenger numbers and aircraft movements. The approach used is largely unchanged from that used in the CADP process, the subsequent Public Inquiry (2016) and in the production of the Draft Master Plan in 2019. While non-standard, the approach is the most appropriate for use at LCY. It starts from an econometric assessment of demand in LCY's catchment area, followed by a route-level assessment of which services might be viable from LCY.

1.5 York's econometric model is based on the one used by the Department for Transport (DfT), and indeed York adopts a number of its assumptions. While York used the most recent economic growth (e.g. GDP) projections that were available, I have identified a number of weaknesses in several of the input assumptions, which collectively mean that there are material down-side risks such that it is likely that the forecasts are optimistic.

1.6 Having established a base demand, York then assesses which routes would be viable from LCY and creates its passenger forecasts in this way. While the

approach is detailed, the outputs are only as good as the input assumptions and judgements. The forecasts produced by York in 2016 had under-estimated both passenger demand and the rate of increase of passengers per ATM before the Covid-19 Pandemic struck.

Outcome of Forecasting Process

1.7 I consider it most unlikely that passenger numbers at LCY will reach York's forecast of 4.9 mppa in 2024 given that traffic to the end of October had reached 3.4 mppa on an MAT basis.

1.8 Consideration of the overall demand in the London area airports suggests that LCY would need to more than double its share of the London market from its current level of 2.0% to reach 4.4% in 2031 to realise the York forecasts.

1.9 Passenger traffic growth is very likely to be slower than that forecast by York, which will in turn mean that economic benefits will be slower to materialise.

1.10 Analysis of capacity at the London area airports indicates that the additional throughput sought in this Appeal of 2.5 mppa could be easily handled in the system without needing any further contribution from LCY.

Other Matters

1.11 In relation to Airports Policy issues, I consider that there is little between LBN and LCY, with both cases being potentially consistent with current Government policy.

1.12 I have also identified that not only could this incremental demand of 2.5 mppa be handled at other London airports, but also that the extra carbon emissions would be materially lower than if these passengers used LCY. This would result from the use of larger aircraft with much lower emissions per passenger at other London airports than would be the case at LCY. If this demand were handled elsewhere, it would assist Government in complying with its legal obligation to reach Net Zero by 2050.

1.13 While any decision to acquire new generation aircraft would be assisted by the new proposed longer operating hours, I consider that there are other and more powerful factors that will drive this decision forward. Certainly, longer operating hours at LCY is not the only factor that will be considered.



Conclusion

1.14 There are a number of weaknesses in the assumptions used by York in developing its passenger forecasts. Coupled with the stagnation of traffic recovery at LCY since March 2023, and the ability of other London airports to accommodate the incremental demand sought by LCY, it is not clear to me that the Need Case for this relaxation of conditions has been established.

1.15 Slower growth would in any event mean that economic benefits were delivered at a later time, even though the environmental costs and the noise intrusion would start immediately.

1.16 A further consideration is the lower carbon emissions which would result if the incremental demand were handled at other airports.