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Ref. A0938

PRIME MINISTER

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Airport Development Policy

(E(79) 69 and a letter dated 10th December from  
PS/Secretary of State for Trade)


BACKGROUND

✓ You discussed in E Committee on 4th December (E(79) 17th Meeting) the proposals from the Secretary of State for Trade for a third London airport. Summing up, you said that the Committee were disposed to favour his proposals - for developing Stansted - which should be presented in the context of the general strategy for airport development, rather than as a decision to build a third London airport. An early and comprehensive announcement was needed, which would require careful drafting. Parliamentary handling would be important, and so Cabinet should consider urgently both the proposals themselves, and the questions of timing of announcement, and of publication of the background reports. ✓ The paper (E(79) 69) has since been circulated to those members of Cabinet who are not on E, under cover of a letter from Mr. Nott's Private Secretary.

2. Forecasting future demand for airport traffic is notoriously difficult. And it could well be that the experts have even now made some mistakes in their assumptions. But the conclusion that extra capacity will eventually be needed in the South-East is robust against a wide range of possible assumptions. A rail-only Channel tunnel, or the development of airports in other regions of the country, would only absorb one or two years' growth in expected traffic.

3. Thus, unless air traffic is to be artificially restricted, further capacity will have to be provided. But the existence of uncertainty in the rate of growth is one of the arguments in favour of a site which can be progressively developed, and therefore in favour of Stansted. It would also be much cheaper than the alternatives, and could be available earlier.





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4. The handling of the announcement, and Parliamentary handling, are tied up with the necessary statutory procedures for this development. The Government is not formally the promoter of the development, and the Secretary of State for the Environment will eventually have to take a quasi-judicial decision following an inquiry. So the Government cannot pre-empt that decision now. But on the other hand the Government have promoted the studies by the two advisory committees (ACAP and SGSEA) of which the reports are now available for publication. The reports make no recommendation, and it would be reasonable for the Government to say that they conclude from the evidence that Stansted is the option that should now be developed, so that it can be put through the statutory processes leading to a final decision.

5. The "planning procedure" problems of handling the airport proposal are that:-

(a) a local public inquiry is desirable to let the individuals affected have a say.

(b) Some Parliamentary involvement is desirable in so important a decision. These two are not easily compatible. A Private Bill would take care of the Parliamentary interest, but would not directly engage the public (though it was used for Maplin last time round, and is always used by British Rail). A public inquiry cannot be followed by a Parliamentary debate because the Secretary of State cannot listen to additional argument after the inquiry without running the risk of legal challenge. And a debate before the inquiry would not influence the recommendation of the Inspector. The Special Development Order mentioned in Mr. Nott's paper is a possible way of getting round the dilemma. It is a procedure that has only been used once (to allow Parliamentary debate following the Windscale inquiry). The idea would be to hold a non-statutory public inquiry first, to allow the public their say, and then for the Secretary of State to put an order, based on his conclusions on the outcome of that inquiry, before the House and subject to negative resolution procedure. Thus there could be a Vote and both the House and public would each have been involved. Whether or not to use this route need not be decided immediately, in time for an early announcement. Mr. Nott is envisaging the need for an early "take note" debate in January on the reports of the advisory committees and the Government statement. The handling of the planning issue could be clarified then, or even left a little longer.





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6. It is desirable that, as well as deciding to pursue Stansted, you should rule out the possible options of a fifth terminal at Heathrow, or a second runway at Gatwick. In the Heathrow case in particular, major capital expenditures hang on this decision. E Committee has agreed on the case for a fourth terminal at Heathrow. But the rail access to the fourth terminal cannot be designed until it is known whether a fifth terminal might be needed. Objectors to the motorway schemes in that area would also claim that inquiries should be reopened if there remained doubt about the future volume of airport traffic.

HANDLING

7. You will wish first to establish that the full Cabinet are persuaded of the case for further airport development in the South-East. Do they accept that growth in air traffic should not be artificially restrained? Do they agree that extra capacity will eventually be needed?

8. Then, setting aside the questions of handling and tactics, you might consider the relative merits of the possible contenders, presumably following E and settling on Stansted and agreeing to rule out a fifth terminal at Heathrow, and a second runway at Gatwick.

9. You might then turn to the question of handling, and ask Mr. Nott to say what he now proposes in the light of the earlier discussion at E. He will have shown a draft for his statement to a number of key colleagues, but not to the whole Cabinet. You will want to consider both the immediate presentation, and how a decision on the best method of handling the planning aspects is to be taken. If that is to be announced during a debate in January, are consultations needed with the BAA and local authorities meanwhile? Or can the Government say that at present it has an open mind, and will await the outcome of the Parliamentary debate, and proposals from the sponsors of the airport, BAA, before deciding on the appropriate planning procedure. The latter would be a defensible stance.

CONCLUSION

10. As noted above, it is desirable that you should record definite conclusions on the items 16 a)-f) in Mr. Nott's paper (E(79) 69), probably accepting all his recommendations except 16 e), on which the position would be left open for the time being.





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11. You will also wish to agree timing for the announcement [next week?], and publication of the reports.

12. Finally you will wish to record your conclusions on the Parliamentary tactics for the debate in January, and for the planning aspects.

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(Robert Armstrong)

12th December, 1979