

One Nation Recovery Papers

Helping the North and Struggling Communities

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Introduction

The Prime Minister has rightly identified that talent is evenly spread across the United Kingdom, but opportunity is not. As a One Nation Prime Minister he has set his goal at “levelling up” the country and it will be in the North of England that this is truly tested.

The devastation of the Covid-19 pandemic has created a sharp focus on the economy and, as the Chancellor has outlined, sadly there will be many businesses that are not able to survive. A plan to “Build Back Better” must work hand-in-hand with our “Global Britain” objective and creating **a new M62 free-trade corridor** connecting Freeports, as proposed in this report, is one way to achieve this in a way that benefits The North.

The geographical advantages of The North’s access to Europe and the Atlantic have often been overlooked. We should be careful to not always look at the map of the world in one direction on a Mercator projection map. Remember, Edinburgh is further West than Bristol!

This report looks at transport infrastructure schemes, a new approach to “freeports”, the development of a ‘M62 free-trade corridor’, the need for regional transformation to be led by the local community, and the importance of air travel in helping to level up the Union and keep us all growing together as One Nation.

It is a recurring theme throughout the report of immediate, short term, medium term and long term projects, that can make a real, immediate impact on people’s lives and opportunities as we come out of the misery and desolation of the pandemic, but also recognising the step by step projects in terms of geographic size, cost and time frames, that can transform the economy of The North for decades to come.

Large long term projects can only reach their full potential with smaller, more immediate projects that put in place key building blocks, but fundamentally also deliver immediate benefits.

Each contributor has approached this report independently with their own thoughts, but the core theme that has linked all of these submissions together is the recognition that the recovery and investment in the UK that must now take hold, must start in The North.

Recommendations

During this parliament several projects need to be started with the longest term and by far most ambitious one being a new **M62 Rail Freeport Trade Corridor** that would easily rival the advantages of HS2. Two projects should be started on the “M62” route:

- The M62 free-trade corridor: planning for and starting the construction of a new freight rail line East to West, starting between Leeds and Manchester, and connecting Freeports.
- The identification of rail freight pinch points and the construction of medium-term projects to alleviate them.

To fully leverage the benefits of a project of this magnitude and crucially to have impacts on people’s lives today and not ‘jam tomorrow’; other vital projects must also be undertaken by:

- Ensuring that community needs are identified from the bottom up to build into a wider regional picture.
- Exploiting the changes to the Green Book to incorporate local rail schemes to leverage the advantages of HS2 and build opportunity for the future.
- Investing in medium size transport projects in cities to create a revolutionary change in the convenience of travel into the areas of employment, leisure, and education, through one co-ordinated office of an over-arching Mayor.
- Ensuring that as many local contractors as possible are used for infrastructure projects to allow the revenue investment benefits to regenerate the Northern industrial base.
- Carrying out an immediate impact assessment and acceleration of Broadband rollout in Northern communities, especially in rural areas.
- Carrying out a fully co-ordinated analysis of bus schemes to translate into best practice and allow government to support local governments to rollout.
- Ensuring that “social infrastructure” is focused upon in parallel with “capital infrastructure”.
- Creating a network of Regional Hub Air Routes.
- Creating an Air Discount Scheme.
- Building the Third Runway at Heathrow.

1. The M62 Free Trade Corridor: infrastructure in the North to exploit the opportunities of Freeports.

Rt Hon. Alec Shelbrooke MP (Elmet and Rothwell)

Introduction

At the 2019 Conservative Party Conference, the Prime Minister described how talent and innovation was spread evenly across the United Kingdom, but due to infrastructure constraints, opportunity was not.

The HS2 project has many critics, but this will be the first major railway to be built to the North of England since the Victorian era and the first major, game changing, transport infrastructure to be built to Yorkshire since the M62 and the arrival of the M1 in Leeds in the 1970s. HS2 provides an opportunity to leverage this rail infrastructure revolution skills base, equipment and expertise to deliver new free trade rail routes.

However, long term visions do not deliver the real change that people need to see today so it is important that a further range of smaller projects are commissioned.

Short Term Projects

In recent decades, relatively small projects around the region have been completed, such as the M1 link road in Leeds from the northern end of the M1 to the A1. This has taken a huge amount of traffic away from towns and villages, thus allowing the free flow of commerce thanks to by-pass projects around areas such as at Ilkley.

However, although these have had a significant impact at local level, there has not been a game changing infrastructure development that leverages investment throughout the region. As a key freight link between regions, improvements to rail infrastructure can have the most far reaching impact, reducing the need to transport freight on the road, thereby reducing traffic and emissions.

Rail Game Changers

A combination of weak local and regional political will and lack of investment has meant that inefficiencies in existing infrastructure across the North of England have not been remedied, placing unnecessary and costly pressure on supply chains.

One should also not overlook the power of small, but effective projects, within the rail industry. For example:

- The delivery of the Olive Mount Chord project that restored three hundred metres of track, costing £8 million, allowing trains travelling east from Liverpool docks to not have to travel in a westerly direction before doubling back on themselves¹.
- The Government is doubling the track bed in the Mirfield area of West Yorkshire, preventing trains from cutting across each other on the Trans Pennine line, allowing a freer flow of freight and better commute times².

Recommendation 1:

A full assessment of rail choke points to speed up traffic, both commuter and freight.

Medium Term Projects

Even mid-range projects such as light transport systems in Yorkshire's cities have been constantly thwarted before they had serious planning consideration.

The Prime Minister was right to highlight how my home city, Leeds, is one of the few major cities in Europe that does not have a mass local transport system. In my view this is as much a lack of ambition from the local council as it is a lack of funding from central government.

Projects such as an integrated tram-train system could utilise the heavy rail network in Leeds, and also come right into the city. This would have a fundamental effect on the economic growth of the city and also bring opportunities to the city's hinterland.

Build Back Better (Local Transport)

The Covid-19 pandemic has led to a fundamental change in our city centres; areas have become pedestrianised and car use restricted. This, coupled with serious air pollution considerations, will be key to any future transport planning.

Eventually, we will return to city centres and heavy reliance on public transport, but the emphasis must be placed on the planning of new,

¹ <http://news.bbc.co.uk/1/hi/england/merseyside/7197900.stm>

² <https://www.railengineer.co.uk/plans-revealed-for-major-railway-upgrade-in-west-yorkshire/>

convenient and efficient transport systems which will enable commuters to eschew their cars in favour of more green and efficient means of travel.

Currently, in Leeds and other major West Yorkshire cities, the car is often the only real choice. Once we recognise the need for further rail integration it will open commuter belts that currently only have road access. With former Beeching rail routes having been obliterated by house building, the need for light engineering systems becomes more attractive.

Light Rail Systems

Park and Ride schemes have had some impact, but the daily commute into Leeds is still an arduous task. The transportation of commuters needs to be far more ambitious in order to bring about the change in psychology that will be needed for people to ditch the car and take the tram.

This mode of transport and development has been proved, for example, in Manchester, Sheffield, Karlsruhe (Germany) and Melbourne (Australia) and they have all improved commuter times and accessibility.

Leeds is an example where local political will is weak. There is a political, corporate mindset, that complains about the integrated transport of cities such as Manchester, whilst constantly dropping its own major plans. In my view, real change will only come from an over-arching mayor's office, coupled with new powers in transport infrastructure planning law that will be needed to effect such a change.

Despite the current problems with Crossrail, it is the recognition of the need for projects such as Crossrail 2 that shows how bodies such as Transport for London can enact transport needs. This is easier in the capital city, where the office of mayor helps to speed infrastructural developments and illustrates why high levels of investment are happening in the South. This is common the world over, but enlightened local authorities can change this lack of development.

Recommendation 2:

Invest in medium size projects in cities to create a revolutionary change in the convenience of travel into the areas of employment, leisure and education, through one co-ordinated office of an over-arching Mayor.

Capital Spending in The North over The South

The fundamental changes to the UK's economy, as we come out of the Covid crisis and the application of the Conservative Party's 2019 manifesto, gives a unique opportunity to accelerate the closing of the North-South Divide, which the Prime Minister has described as "Build Back Better". I believe that, as we adjust our economy, capital infrastructure spending should be focused primarily in the North of England. London and the Home Counties have a proven record of economic resilience to bounce back quickly after major economic events, whether caused by recession or a fundamental shift in the nation's economy, including when we moved away from a heavy industrial base to a service industry base in the latter part of the Twentieth century.

The fundamental shift in the economy that took place in the 1980s took Northern cities, towns and villages years, if not decades to recover, whilst the commerce of the South grew, and continues to grow, at an increasing rate.

Northern Gateway to an Industrial Future

In this century the North has begun to rebalance itself and now is at the gateway to an industrial future that can build on these gains and bring about growth rates similar to those in the South.

Fundamentally, this depends on the exploitation of our new trading situation outside of the EU. But it cannot be achieved with an infrastructure that has seen little fundamental change for almost half a century.

In a previous report, my colleague Stephen Hammond MP spoke of Freeports, saying: *"The principal economic criticism is that Freeports merely redirect economic activity or investment from one region to another, rather than increasing the size of the economy overall. And that the secondary effect is to displace economic activity and jobs from the area surrounding the port into the port rather than increasing regional activity."*

This could be true in the North if the huge opportunities were realised for the ports of Liverpool and Hull, if they became freeports. But we must guard against them sucking the surrounding region's economy dry.

As he went on to say:

"The Conservative Party manifesto for the 2019 General Election committed to create up to 10 freeports, and in February 2020 a consultation was

published with the objectives for freeports to be national hubs for trade and investment, the promotion of regeneration and job creation, and the development of innovation hotbeds.”

This is correct, but the combination of these two analyses in the north can only be achieved with a massive transport infrastructure investment.

The M62 Free Trade Corridor

This brings me on to my key recommendation. An M62 free trade corridor.

A report earlier this year, led by Jim Steer, a transport consultant and a former director of the Strategic Rail Authority identified that average journey times of Trans-Pennine freight was just 17MPH³. He argued that long-term high-end infrastructure projects such as HS2 and a new high-speed link between East and West will take far too long to enact the effects that we need to see in The North to make fundamental difference to freight commerce.

This very much ties in with my first recommendation, to allow the pinch points to be freed up, but it should not take us away from the importance of long term, game changing rail infrastructure and the opportunities that surround it.

Inland Freeports

The freeport status should be extended to manufacturing hubs between the ports of Liverpool and Hull, that would allow products to be enhanced whilst on route to new markets, thus taking advantage of their new status. Crucially these would be inland manufacturing Freeports using container freight, that would easily allow components to be imported, engineered, and then put back on the route to the port on either coast for export around the world.

I have specifically and deliberately called these 'Freeports' instead of 'Enterprise Zones' as they would be specifically fenced and secured areas of tax advantage, that would then have to apply import, export tax for goods leaving the port, through entry and exit points with the UK.

These inland ports should be close to major urban settlements and, with *Recommendation 2*, would create a fully integrated workforce that would spread the economic regeneration throughout the region.

A Lack of Infrastructure Investment

³Page 13, <https://images.rail.co/wp-content/uploads/Revisiting-High-Speed-North-1.pdf>

But we must also recognise that there is insufficient capacity after decades of under investment in the North.

The North has not just suffered from the de-industrialisation in the 1980s, but it also did not see any major game-changing investment during the years of the Labour Government in the first part of this century.

Often it has been said that politically, Labour took these traditional manufacturing communities for granted, under the assumption they would never vote Conservative due to the radical changes of the 1980s.

However, the result of the 2019 election has shown that this premise is no longer valid and comes on the back of Labour being wiped-out in previously solid political heartlands, such as Glasgow, with no obvious way back.

The destruction of the 'Red Wall' in the 2019 General Election gives a golden opportunity for the Conservative Party to transform the lives of people in these previous Labour strongholds through the delivery of its 2019 manifesto.

Northern Powerhouse Rocket Boosters

The policy and promotion of the Northern Powerhouse can often be criticised by opponents for not delivering enough fundamental change, but it has seen the Government invest over £13 billion as of June 2019.⁴ This strategy has fundamentally put the idea of "The North" as a specific area of government focus into the political debate in a way that will long outlive this administration.

Now is the time to put "rocket boosters" on that vision.

So, by creating manufacturing, tax incentivised freeports along a freight rail corridor, with the a local integrated transport system to transport employees quickly and easily to these hubs, the proven effects of freeports can be spread across the whole of the M62 corridor region. This will create a unique opportunity to exploit the geographical maritime advantages of the ports of Hull and Liverpool, enhanced by similar travel times as it is often overlooked that large container ships are limited in their passage through the English Channel as they are only able to sail at high tide.

This will create exciting industrial growth, fit and flexible enough to sustain the region for decades to come.

⁴ <https://www.buyassociation.co.uk/2019/07/24/northern-powerhouse-celebrates-five-years-of-investment/>

A Rail Version of The Rhine!

Examples of similar schemes can be seen in the way that Germany has been able to exploit the advantages that the river Rhine and its tributaries affords. For example, when the traditional industries of the Ruhr closed, new businesses were able to develop and take advantage of its waterways and rail links, thus allowing its economy to adapt to changes in world demand. Although Jim Steer's report correctly highlights that there is a huge lead time to deliver these major infrastructure projects, and that medium sized projects can deliver far quicker advantages, there is still, I believe, a fundamental need to create a system that is akin to the advantages that The Rhine brings to the German economy.

We should also be very keenly aware that to achieve an unprecedented economic growth in The North will need huge investment in East-West capital infrastructure projects.

HS2 alone is expected to create tens of thousands⁵ of jobs and therefore it would not be unreasonable to see greater levels of employment across the North when the 'Freeports Corridor of Manufacturing' has been created.

Closing of The North/South Divide

I believe that over the course of this parliament we could see a fundamental closure of the North/South divide, provided the government takes the conscious decision to put the bulk of its investment in The North rather than the prosperous South.

Construction of the much-touted HS3 or Trans-Pennine rail project between Leeds and Manchester would give an enormous boost to the prospects of the Freeports Corridor as the Pennines section represents the most challenging topographical environment; the sections West of Manchester and East of Leeds being on relatively flat ground.

Recommendation 3.

During this parliament two projects should be started on the East to West routes:

- 1. The identification of rail freight pinch points and the construction of medium-term projects to alleviate them.**
- 2. Planning and start of construction of a new, freight rail line East to West, starting between Leeds and Manchester.**

⁵ <https://www.gov.uk/government/news/hs2-reaches-9000-jobs>

2. How to Help The North and Struggling Communities

Paul Howell MP (Sedgefield)

Introduction

When considering a question like this there are many dimensions to incorporate and each of them requires fitting into a timeline.

I would also reflect that there are two subtly different questions in that it is one thing to help the North and another to help struggling communities. The North has some very strong and vibrant communities and the rest of the country has some struggling communities, so our considerations need to be presented in cognizance of this. I am therefore thinking of this as two intersecting agendas.

One of the challenges when it comes to helping The North is describing it. The perspective often presented as being seen from London is that anything north of Watford is The North whereas if you are in Newcastle then Manchester feels like the south.

The North as a composite has many facets and to propose helping The North, we have to consider these. The challenges to Manchester may be similar to Leeds but different to Cumbria who may be similar to the Yorkshire Dales and within each of these there are again many different sub-sets of difference and commonality. Even in my own constituency of Sedgefield the range of challenges and needs is dramatically different for different communities.

The Green Book

At a macroeconomic level there are some key considerations that are appropriate. These would typically start with a discussion on infrastructure and public sector investment. There has been in the past a structural failure of government processes in the methodology applied through the Green Book.

This determined the “value for money” of any investment and in particular, the payback to the public purse. This however was primarily computed on the basis of financial values as opposed to any social value, or even taking consideration of the relative impact on the local communities. So therefore, investing into a region that is economically vibrant would automatically have provided a better financial return than one that is less so, but the proportionate impact on its population would be completely different. This led to a vicious circle of investment driving value; driving investment; driving value. Investment in the stronger economy of the South East has increasingly driven the divergence from other parts of the country.

Rail capacity

The changes to the Green Book at the November 2020 Spending Review now reflects the opportunities to enhance regions of the UK to facilitate their development progress along a levelling up agenda, through a new matrix of 'Regional Impact'.

Whilst I support HS2 as a concept it is on the basis of increasing overall rail capacity between the regions. Any changes to the time to get from Birmingham to London is, in my opinion, incidental.

The rationale for this investment is about enabling overall capacity on rail for both freight and passengers to improve. It is critical that this important investment in rail is inclusive and fully incorporates the Northern Powerhouse Rail agenda and the improvements to the east coast mainline.

Recommendation 1:

Exploiting the Changes to The Green Book to incorporate local rail schemes to leverage the advantages of HS2

Keeping Infrastructure Contracts Local

If the regions are to see maximum benefit from initiatives like this it is also fundamental that as far as sensibly possible contracts are prioritised to UK-based companies.

These are typically based in the historically economically poorer regions where manufacturing bases have suffered in recent times. Easy examples being contracts for bridges should go to companies like Cleveland Bridge in Darlington and for rolling stock and signals to companies like Hitachi in Newton Aycliffe and Bombardier in the Midlands.

It is this leveraging of investment into its socio-economic dimensions that provides value to more parts of the UK and supports the belief that government is utilising all its opportunities to drive levelling up.

Recommendation 2

Ensure that as many local contractors as possible are used for infrastructure projects to allow the revenue investment benefits to regenerate the Northern industrial base.

Struggling Communities

When talking about helping struggling communities then this becomes a much more localised discussion.

It needs to start with the community and its needs and build up into what is required. Continuing the commentary above on physical infrastructure this becomes more about community connectivity rather than intercity connectivity. You therefore need to look at immediate and short term needs and options.

Broadband

Broadband and its coverage has always been a moot discussion area but now since Covid it is even more critical. If ever it was considered “nice to have” it certainly isn't anymore and the need for urgent delivery of good broadband is now an imperative for all communities.

Physical infrastructure needs to start with the “last mile” and ensure that whether it be on foot, bike or bus, people can get to the broader connections that facilitate employment and leisure. It is therefore worth looking at all components of this, but it is of absolute importance that all aspects are considered and delivered as part of an integrated whole with prioritisations driven by community impact.

Recommendation 3:

Carry out an immediate impact assessment and acceleration of Broadband rollout in Northern communities, especially in rural areas.

Bus Solutions

When it comes to physical connections there are some local rail opportunities that are possible but also the local bus connections need significant consideration.

In Sedgefield, the south of the constituency sits as part of the Tees Valley combined authority and as such has an ongoing trial with an initiative introduced by the Tees Valley Mayor Ben Houchen called “Tees Flex” which is effectively buses on demand.

It is early days, but this seems to be being very well received. The scheme provides an opportunity for services to be demand led rather than service driven and is an innovative opportunity to test and then develop service needs.

However, the north of the constituency does not sit within the Tees Valley and is therefore excluded from this initiative. It will be interesting to see how the trial goes and what demand pressure comes from communities just outside its scope.

Recommendation 4:

Carry out a fully co-ordinated analysis of bus schemes to translate into best practice and allow government to support local governments to rollout.

Local rail Link Ups

As regards rail then we have short, medium and long-term initiatives required. In rail terms a short-term investment would be to put the station back into Ferryhill which would connect, using existing lines, local communities to potential jobs in the Tees Valley.

A medium-term follow-up to this would be the reinstatement of the Leamside line which would connect Ferryhill, at its southern point, through towns like Washington up to Sunderland and Newcastle with all the opportunities that can bring. The Leamside line project is of a different scale to Ferryhill station in that it requires the reinstatement of a mothballed railway and includes several stations and potential connections.

Getting Ready for HS2

This Leamside initiative is also a fundamental part of the improvements that are required to the east coast mainline capacity to enable the region to be HS2 ready. A planned commitment to progress all these stages would show real intent to the people and communities and would deliver a platform from which private investment could flow with a belief that government is committed.

Complimentary Projects

It is also worth considering that options can flow into one another, for example a decision to work on a rail route could be given a short-term kick start by introducing a temporary bus route whilst rail construction takes place. The visibility of the rail investment could encourage private investments whilst the bus develops a demand flow.

The illustration above attempts to show that for physical infrastructure there are immediate (Broadband and buses), short term (Ferryhill station), medium term (Leamside) and long term (HS2 connection) options to deliver maximum private sector investment. Alongside these a route map of commitments

would make a substantial difference. Transitional arrangements could be a bus from Ferryhill into Teesside to the employment basins with a plan to be replaced by a faster and more efficient rail journey that people can see in its delivery process.

As discussed above, there are short, medium, and long-term opportunities on infrastructure improvement, but it is important that whatever is done is from the perspective of local communities and that they can see progression. There is little point promising a new rail connection to the cities if that will take years to physically deliver whilst the community is close to crisis.

**Recommendation 5:
Analyse the short and quickly deliverable rail projects and start medium projects that deliver benefits now and will be enhanced with the delivery of longer-term projects such as HS2**

Social Infrastructure

Whilst these infrastructure agendas are important and the immediate and short-term aspects require delivery there is also a real need for a parallel agenda in what could be called social infrastructure improvements.

This particularly relates to community resilience and development and is something that the APPG for Left Behind Communities, that I jointly chair, is particularly looking at.

We have a lot of cross over to the Levelling Up Group founded by Danny Kruger MP in promoting the need to support communities. The Left Behind Communities APPG has recently included sessions on the impact of Covid-19 and social infrastructure; employment skills and education; communities in control: capacity, confidence, cash; barriers to community enterprise; boosting connectivity: buses, broadband and Beeching. We are strong advocates for the application of Dormant Assets funding into this space.

**Recommendation 6:
Ensure that “social infrastructure” is focused upon in parallel with “capital infrastructure”.**

Improving Community Resilience

These are critical considerations in developing communities to be able to help their resilience and their aspirations. The foundations for helping communities should include platforms driven by these considerations. I anticipate as we investigate these further, we will see that again these will all have short, medium, and long-term considerations.

When we discussed communities in control, it included looking at how we leverage opportunities for funding support through patient finance into facilities that enable voluntary groups to thrive and develop.

Considerations include not only the availability of funds but also the ability of people to be confident that they will have support in terms of community capacity of for example volunteers locally. It could also relate to how the community feel about support from local authorities, police etc, if there are other considerations such as anti-social behaviour to deal with.

Employment, skills and education will resonate from early learners and primary education through teenagers and on to retraining for changing opportunities for an older workforce. This showed a need for broader consideration of more practical skill sets through technical apprenticeships and training for all ages but also a communication and engagement on aspiration could add substantial value.

Once you start to consider developing plans it seems natural that if the opportunity for developing community enterprises can be facilitated that they will potentially deliver both physical and social benefits that can lead to the start of an upward spiral for the community.

These, amongst others, are areas for action that can help support struggling communities and by researching and promoting them through the APPG I hope we can deliver the information and representation that delivers policy changes that will support both the north and all struggling communities.

Local Investment Builds Regional Improvement

When talking about supporting communities and regions, I contest that the actions required start from those which communities need most and build up to what is required at a regional level. It is also critical that whatever the actions are, they are done with the local community and not to them. There is certainly not a one size fits all option and it is only by a cohesive approach to macro level support, aligned to locally specific priorities, engaged into a pragmatic timetable that optimum progress can be delivered.

We talk about equalising opportunities, one aspect of this is expectation and belief. I believe that if we can initiate the most local of projects whilst committing to the next and bigger investments, we can start a spiral upwards, where communities believe they will be invested in, which stimulates further investment, which further pushes belief and opportunity, which encourages further growth and up we go. Soon the half empty glass looks half full and communities have aspirations.

Recommendation 7:

Ensure that community needs are identified from the bottom up to build into a wider regional picture.

3. Levelling Up Across the United Kingdom Can only be Achieved with a Sustainable Aviation Network

Andrew Bowie MP (West Aberdeenshire and Kincardine)

Introduction

Uniting the country is a great slogan. But what does it mean?

Is it a constitutional statement - bringing the four nations of our United Kingdom closer together? Yes. Is it about bringing people together, no matter where they live or what their background? Also, yes. But fundamentally, it is a practical statement. It is about uniting people and places. About connecting people. Through technology, yes, but also by improving our internal transport network on our islands.

Lots has been written and spoken about investing in roads, buses and railways. And this is vital. People need good quality, reliable modes of public transport to link our cities and towns together to make it easier and cheaper for people to move around our country for work and leisure purposes.

We need to make it easier for people and capital, to move outside the South East, across our country – with investors, industry and money, flowing quickly and uninhibited through our country.

But one area that has not had as much focus is the aviation sector.

The Case for Air Travel

Aviation is of huge strategic and economic importance to the UK. The UK aviation sector has a turnover of over £60 billion, contributing over £22 billion to our GDP. It employs nearly one million people.⁶

It is of vital strategic and economic importance to the country, particularly to our regions. Local economies the country over depend on a thriving domestic and international aviation network that brings connectivity- linking up important industrial hubs like East Anglia to Aberdeen, whilst bringing tourism, jobs and investment to the parts of our country that feel left behind.

The 2018 Government Paper, 'Aviation 2050' explains how airports can generate economic benefits for an entire region. "Specialist aviation services, freight companies, logistics hubs and aerospace investment are often

⁶ HM Government, 'Aviation 2050; The future of UK aviation' (2018), p6

located close to airports, creating jobs in the local area. Regional airports also act as wider magnets attracting non-aviation businesses due to the air connections the airport offers but also the strong road and rail access links that support the airport.”⁷

Aviation Industry Challenges

However, the air travel sector has been amongst the hardest hit by the Coronavirus pandemic. As a recent House of Commons Transport Select Committee inquiry found, Covid has reduced air passenger numbers by a staggering 97% this year⁸ with UK aviation facing a loss of £20 billion.

Heathrow, the world’s seventh busiest airport by passenger traffic⁹, with an annual count of 80 million passengers and a key link for many regional airports to Europe and the wider world, saw passenger numbers drop by 88%, year-on-year, in August 2020.¹⁰

Manchester Airport is closing Terminal 2 (for a second time) due to low passenger numbers and AGS Airports (owners of Aberdeen, Glasgow and Southampton) have warned of tens of thousands of job losses on the horizon.

The collapse of FlyBe early this year hit regional air connectivity hard with the majority of its flights linking UK regional hubs to each other and Heathrow. 40% of all the UKs domestic flights were operated by Flybe before its collapse.¹¹

Southampton, Exeter, Belfast, Teesside, Cardiff, Aberdeen, Doncaster Sheffield, Birmingham, Edinburgh, East Midlands, Manchester, Glasgow, Newcastle, Leeds Bradford, Liverpool (John Lennon) and Bristol all saw flights, vital links to other hubs, disappear. Most have not been replaced.

The majority of arguments opposed to investment in aviation focus on the environmental consequences of expansion, but fail to take into account the benefits of improving turn-around times, and the reduction in emissions that reducing queues can provide – including the removal of freight from roads.

In the case of London Heathrow, Heathrow’s commitment to achieving net zero by 2050¹² is evidence of the positive development that can be achieved

⁷ Ibid., p86

⁸ <https://houseofcommons.shorthandstories.com/coronavirus-impact-aviation-transport-report/index.html>

⁹ Airports Council International, US Global Investors

¹⁰ <https://www.heathrow.com/latest-news/passenger-numbers-remain-down>

¹¹ <https://www.bbc.co.uk/news/business-51749882>

¹² <https://www.heathrow.com/latest-news/heathrow-targets-zero-carbon-airport-by-mid-2030s>

when the Government works proactively with private sector businesses, while ensuring that developments are sustainable in the long-term.

Aviation needs Investment

However, we have seen, with the recent reinstatement of the Tees Valley-London Heathrow route (with the support of the Conservative Tees Valley Mayor, Ben Houchen who saved the airport from closure just last year) and the new Dundee to London City connection, the demand for domestic air travel remains. With 40% of exports from the UK to non-EU countries passing through Heathrow, it is vital that this transport link receives investment.

So, if we are serious about levelling up the country, creating jobs, spreading wealth, investing in our regions, promoting domestic tourism, let's get serious about investing in domestic aviation and support our regional airports.

Recommendation 1 - Create a network of Regional Hub Air Routes

- Many routes in the Scottish Highlands and Islands would not be commercially viable without Government support, so the Scottish Government impose PSOs on operators to ensure a certain level of service between these more remote locations and a central location. These are known as 'lifeline routes'.
- The UK Government could emulate this by creating Regional Hub Air Routes - a network of economic and socially vital connections based on industrial connections or projected demand, that would be underpinned by Government support. PSOs would be imposed on the operator of the route, which would be granted through the usual competitive tender.
- These routes need not be between regional hubs but also from regional hubs to international airports, thereby encouraging foreign investment and visitors to the UK regions.

Recommendation 2 - Create an Air Discount Scheme

- Discounting Air Travel for travel **between** regional hubs should be looked at.
- This would combat the high air fares charged and encourage travel between regions within the UK. An automatic discount would be applied for, such as, for example, a flight between Manchester and Aberdeen. This would encourage workers, and tourists, to travel, domestically between regions, avoiding the national/international hubs.

Recommendation 3 - Build the Third Runway at Heathrow

- Whilst growing our regional links is vitally important, so is keeping our regions connected to Britain's biggest and most interconnected airport. Building the third runway will protect domestic slots which are at risk from more lucrative long-haul flights taking slots if Heathrow continues with only two runways.
- In 2018, the Government announced its support for the third runway and announced that it was willing to intervene to protect 15% of the slots on that runway for domestic flights. It must now act and follow through on this promise. And Heathrow must build its third runway.

Aviation is a critical sector in the UK's economy. If we really want to level up and unite the country, delivering jobs and investment to our regions, connecting our whole country to the wider world – a truly Global Britain, then we must invest and protect our domestic aviation market.

We must invest in improving our road network. We must invest in our railways – not just HS2, but HS3, 4, 5. We must make sure that our bus network is modern, affordable and reliable.

But to effectively connect our regions, we must talk about aviation.

In taking the above steps, Britain can rise above the rest of the world and our regions will truly take off.