



House of Commons  
Scottish Affairs Committee

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# Airports in Scotland

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**Fifth Report of Session 2021–22**

*Report, together with formal minutes relating  
to the report*

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## The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

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# 1 Introduction

1. Airports provide economic and strategic value to Scotland. Airports in Scotland provide lifeline services for isolated communities<sup>1</sup> and allow time sensitive products to be traded internationally.<sup>2</sup> We heard that this demand for aviation must be balanced with environmental concerns<sup>3</sup> and that airports and the aviation industry should sustain focus on the 2045 net zero target set by the Scottish Government<sup>4</sup> and the 2050 net zero target from the UK Government.<sup>5</sup>

2. In 2019 28.9 million passengers travelled through Scottish airports.<sup>6</sup> 92% flew through Aberdeen, Edinburgh and Glasgow.<sup>7</sup> These numbers were severely reduced during 2020 and 2021.<sup>8</sup> The Airport Operators Association (AOA) gave details: “Passenger numbers declined by more than 75.1% in Scotland across the whole of 2020 (compared to a 73.5% decline in England), with two-thirds of 2020’s 7m passengers travelling between January and March. Between April and December 2020, passenger numbers were down nearly 90%”.<sup>9</sup> We also heard that in order to recover to the levels of passenger numbers and the ability of Scotland to connect to other areas of the UK, Europe and the rest of the world seen in 2019: “we are probably looking at 2025 or 2026”.<sup>10</sup>

3. During the inquiry, the predominant themes that were raised with us included: the importance of post-pandemic economic recovery for Scottish airports; the effect of travel restrictions across the UK and the differing restrictions within it; and connections from Scotland to the rest of the world. New arrangements for intergovernmental working have come through in the most recent Intergovernmental Review<sup>11</sup> and provide the potential for more effective avenues of communication between all of the Governments within the UK around issues that were raised about airports during the pandemic.

## Our inquiry

4. We launched our inquiry, Airports in Scotland, on 27 July 2021 and published a call for written evidence.<sup>12</sup> As part of the inquiry we received 21 submissions of written evidence and held three public oral evidence sessions. We thank everyone who has contributed to our inquiry.

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- 1 Airport Operators Association ([AIS0005](#)), Edinburgh Airport ([AIS0006](#)), NATS ([AIS0008](#)), The UK Regional and Business Airports (RABA) Group ([AIS0010](#)), AGS Airports ([AIS0012](#)), Scottish Chambers of Commerce ([AIS0013](#)), Highlands and Islands Airports Limited ([AIS0016](#)), VisitScotland ([AIS0020](#)), Scottish Government ([AIS0022](#))
- 2 Loganair Limited ([AIS0001](#)), Airport Operators Association ([AIS0005](#))
- 3 Loganair Limited ([AIS0001](#)), Airspace Change Organising Group ([AIS0004](#)), Airport Operators Association ([AIS0005](#)), Edinburgh Airport ([AIS0006](#)), NATS ([AIS0008](#)), UK Civil Aviation Authority ([AIS0011](#)), AGS Airports ([AIS0012](#)), Department for Transport ([AIS0014](#)), Scottish Government ([AIS0022](#))
- 4 Scottish Government, [Climate Change Policy - Reducing greenhouse gas emissions](#), December 2020
- 5 The initial target set out in 2008 was an 80% reduction of 1990 levels by 2050. This was amended by [Climate Change Act 2008 \(2050 Target Amendment\) Order 2019](#) to net zero by 2050
- 6 Airport Operators Association ([AIS0005](#))
- 7 Airport Operators Association ([AIS0005](#))
- 8 Loganair Limited ([AIS0001](#)), Airspace Change Organising Group ([AIS0004](#)), Airport Operators Association ([AIS0005](#)), Edinburgh Airport ([AIS0006](#)), AGS Airports ([AIS0012](#)), Scottish Chambers of Commerce ([AIS0013](#)), Highlands and Islands Airports Limited ([AIS0016](#)), VisitScotland ([AIS0020](#))
- 9 Airport Operators Association ([AIS0005](#))
- 10 [Q3](#) [Karen Dee]
- 11 UK Government, [Review of intergovernmental relations](#), 13 January 2022
- 12 Scottish Affairs Committee, [Airports in Scotland: call for evidence](#), 27 July 2021

5. Our inquiry spanned several months. We made every effort to ensure that the findings of this Report are accurate and up to date; however, we realise that the issue of airports in Scotland is a fast-moving topic and there is the potential for some aspects of this Report to be out of date shortly after publication.

## 2 Economic recovery for airports

6. The covid-19 pandemic had profound effects on airports in Scotland. Airport finances have suffered and there have been job losses due to the decrease in passenger numbers. Policy choices made by both the UK and Scottish Government have affected the way airports have been able to respond to the pandemic. For example, the support packages made available to airports—including the UK Government Coronavirus Job Retention Scheme<sup>13</sup> and Scottish Government rates relief<sup>14</sup>—were welcomed and utilised by Scottish airports.<sup>15</sup> Other policy choices during this period had various effects on how airports responded to the pandemic: differing restrictions across the UK, the UK Government Aviation Skills Retention Platform,<sup>16</sup> funding of lifeline services for isolated communities, net zero targets, and airspace modernisation. These are discussed in more detail below.

7. The pandemic curtailed connectivity within Scotland, nationally and internationally. Passenger numbers across Scotland were severely reduced with Glasgow Airport reporting 2 million passengers travelling through their airport last year. They stated: “The last time we carried 2 million passengers was in 1973”.<sup>17</sup> Brian McClean—Director of Communications and Sustainability, AGS Airports—told us: “This has absolutely set us back decades when it comes to loss of passengers and loss of connectivity”.<sup>18</sup>

### *Travel restrictions across the UK*

8. Pandemic restrictions have varied across the four nations, due to the devolved nature of health and transport policy. Restrictions also varied through the pandemic due to differing public health issues, for example pre-vaccine rollout and post-vaccine rollout. Restrictions included: where people could travel, duration of quarantines, and covid testing rules on return to Scotland.<sup>19</sup> The restrictions were described by Gordon Dewar—Chief Executive, Edinburgh Airport—as: “far, far harder, and have been throughout the pandemic, here in the UK, and in Scotland in particular, than they have been anywhere else”.<sup>20</sup> Even with these restrictions in place, airports in Scotland remained open during the pandemic. Gordon Dewar described the economic impact on Edinburgh Airport: “At the bottom of the curve, we were down at less than 1% of pre-pandemic levels of demand, which is actually worse than being closed, because you have all the costs of being open but very little revenue to support that”.<sup>21</sup> Brian McClean—Director of Communications and Sustainability, AGS Airports—noted that the choice to stay open was made:

13 UK Government, [Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme](#), accessed 26 January 2022

14 Scottish Government, [Non-domestic rates relief to help during coronavirus](#), 21 March 2021

15 [Q86](#), [Q87](#), [Q88](#)

16 UK Government, [Aviation Skills Retention Platform](#), 4 March 2021

17 [Q84](#)

18 [Q84](#)

19 A timeline of covid restrictions in Scotland can be found: Scottish Parliament Information Centre, [Timeline of Coronavirus \(COVID-19\) in Scotland](#), accessed 1 March 2022

20 [Q81](#) [Gordon Dewar]

21 [Q80](#)

[w]hen perhaps it did not make financial sense to do so. That was to provide lifeline services. It was also to support key workers being able to move around the UK. Also, in Aberdeen, it was to ensure that, essentially, we kept the lights on and the oil and gas industry could continue to operate.<sup>22</sup>

9. The variety of policy differences introduced by national governments posed challenges for businesses that operated internationally, such as airports. Representatives from the airports we spoke to noted the importance of joined up working, and talked of a lack of clear public health benefit arising from varying restrictions. Brian McClean—Director of Communications and Sustainability, AGS Airports—noted that: “is really challenging [ ... ] It is really important that there is a joined-up approach when it comes to the four nations”.<sup>23</sup> He continued:

There were points during the height of the pandemic, or when we were coming out of the pandemic, when you could fly to one country from England but not from Scotland. [ ... ] the only real winners were the likes of Manchester and Newcastle airports, where passengers from Scotland would travel to fly. I say it was the worst of both worlds because there was no public health benefit there. People were still travelling.<sup>24</sup>

10. The level, variation and length of restrictions in Scotland and the UK were more of a hindrance to Scottish airports in comparison to airports operating in the rest of Europe. Gordon Dewar—Chief Executive, Edinburgh Airport—explained: “We are behind England, and England and the UK are significantly behind Europe”.<sup>25</sup> When asked about comparisons with international restrictions, Robert Courts MP—Parliamentary Under Secretary of State, Department for Transport—stated: “I think that we were within the band of tolerance of comparable countries [ ... ] We have to look at the data and the science and then form our own conclusions”.<sup>26</sup> Intergovernmental working and the issues raised by different policies operating in different parts of the UK is discussed in chapter 3 below.

### *Economic support packages*

11. In March 2020 the Chancellor of the Exchequer told the House of Commons that he was considering a: “specific potential support package for airlines and airports”.<sup>27</sup> Karen Dee—Chief Executive, Airport Operators Association (AOA)—noted that the aviation industry: “never saw a sector-specific support package—we still have no sector-specific support package”.<sup>28</sup> Although there was no specific airport package the schemes most widely used by airports were the furlough scheme from the UK Government<sup>29</sup> and the rates relief scheme from the Scottish Government.<sup>30</sup> Robert Courts MP explained that: “The approach that the Government took was big cross-economy support”.<sup>31</sup>

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22 [Q84](#)

23 [Q93](#)

24 [Q93](#)

25 [Q93](#)

26 [Q174](#)

27 HC Deb, 17 March 2020, [Col. 932](#) [Commons Chamber]

28 [Q8](#)

29 UK Government, [Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme](#), accessed 26 January 2022

30 Scottish Government, [Non-domestic rates relief to help during coronavirus](#), 21 March 2021

31 [Q176](#)



12. Edinburgh Airport, AGS Group and Highlands and Islands Airports Limited (HIAL) all utilised the furlough and rates relief schemes. At their peak Edinburgh Airport had two thirds of staff on furlough,<sup>32</sup> AGS Group had 40% furloughed<sup>33</sup> and HIAL had one third of staff furloughed.<sup>34</sup> We heard that the economic support packages were welcomed by airports in Scotland as the packages safeguarded jobs. Karen Dee—Chief Executive, Airport Operators Association (AOA)—explained: “the furlough scheme was very useful support in protecting what are, in many cases, very highly skilled jobs that we cannot afford to lose”.<sup>35</sup> Whilst this Report focuses on the work of the UK Government, we are aware of the steps taken by the Scottish Government to support the sector, including Non-domestic Rates Relief to eligible businesses in the aviation sector in 2020/21 and 2021/22.<sup>36</sup> It also “waived police costs”<sup>37</sup> for all airports in Scotland.

### Glasgow Prestwick Airport

13. In November 2013 the Scottish Government purchased Glasgow Prestwick Airport.<sup>38</sup> From November 2013 to 31 March 2021 the Scottish Government provided Glasgow Prestwick Airport with £43.4 million in loans.<sup>39</sup> The last time the Scottish Government provided loans to Glasgow Prestwick Airport was in financial year 2019–20 and the sum involved was £3.5 million for “day to day operations”.<sup>40</sup> As this was a loan, Glasgow Prestwick Airport legally owe the Scottish Government £43.4 million but the Scottish Government have made an accounting judgement that the loan is only worth £11.6 million<sup>41</sup> as an asset. This was confirmed by independent auditors.<sup>42</sup> In 2020–1 £1.2 million in interest should have been charged on these loans to a “total accrued interest of £6.3 million”,<sup>43</sup> but as in previous years the “interest on these loans has been impaired to nil”.<sup>44</sup>

14. In contrast to Glasgow Prestwick Airport, we heard evidence that Edinburgh, Aberdeen and Glasgow airports have not received direct financial provision for the Scottish Government for day-to-day operations.<sup>45</sup> Gordon Dewar—Chief Executive, Edinburgh Airport—said that Edinburgh Airport had stated before the pandemic that the subsidy offered to Glasgow Prestwick Airport: “fundamentally skews what should be a competitive and fair playing field”.<sup>46</sup> He went on to say: “It would be good to see an endgame that stops seeing that amount of money spent on an airport that doesn’t

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32 [Q87](#)

33 [Q88](#)

34 [Q86](#)

35 [Q8](#)

36 Scottish Government ([AIS0022](#))

37 [Q94](#)

38 Audit Scotland, [The Scottish Government’s purchase of Glasgow Prestwick Airport](#), February 2015

39 Auditor General Scotland, [The 2020/21 audit of the Scottish Government Consolidated Accounts](#), December 2021, page 11

40 Scottish Government, [Funding provided to Glasgow Prestwick Airport: FOI release](#), 3 February 2022

41 Auditor General Scotland, [The 2020/21 audit of the Scottish Government Consolidated Accounts](#), December 2021, page 11

42 Auditor General Scotland, [The 2020/21 audit of the Scottish Government Consolidated Accounts](#), December 2021, page 11

43 Auditor General Scotland, [The 2020/21 audit of the Scottish Government Consolidated Accounts](#), December 2021, page 11

44 Auditor General Scotland, [The 2020/21 audit of the Scottish Government Consolidated Accounts](#), December 2021, page 11

45 [Q94](#), [Q96](#)

46 [Q97](#)

sustain jobs in any meaningful way”.<sup>47</sup> Brian McClean—Director of Communications and Sustainability, AGS Airports—stated that the funding from the Scottish Government: “distorts the market completely”.<sup>48</sup>

**15. The purchase and funding provided to Glasgow Prestwick Airport represents significant issues for the taxpayer. Additionally, the funding received by Glasgow Prestwick Airport from the Scottish Government has ensured there is not a level playing field across airports in Scotland, leading to a distortion in the market. It would have been more appropriate had the money from the Scottish Government been spent across airports in Scotland, rather than being poured into an airport which did not reflect a commercial success.**

### Employment at airports

16. A combination of pandemic restrictions on travel, and a reduction in passenger numbers passing through Scottish airports, led to a significant number of job losses for people who worked at Scottish Airports. Gordon Dewar—Chief Executive, Edinburgh Airport—told us: “about a third of all jobs on airports were being lost directly. That is pretty consistent across the UK”.<sup>49</sup> We received evidence that:

- Direct Edinburgh Airport employees lost 250 of 750 jobs and more than 2,000 jobs were lost across the airport campus;<sup>50</sup>
- Glasgow Airport lost 2,000 jobs directly from airport staff and indirectly from other services at the airport;<sup>51</sup>
- Aberdeen Airport lost 400 jobs directly from airport staff and indirectly from other services at the airport;<sup>52</sup> and
- HIAL did not have any direct job losses but did lose concessions, such as cafes in airports.<sup>53</sup>

17. On 4 March 2021, the UK Government launched the Aviation Skills Retention Platform.<sup>54</sup> This platform is designed to: “find jobs for candidates who currently may be unable to work as a result of the pandemic, or similar roles that match their existing skillset”.<sup>55</sup> The UK Government stated:

The scheme will preserve essential expertise while addressing the wider skills shortage in the market, by both supporting those who are currently not working, and nurturing existing skills to lay the foundations for future growth when international travel restarts.<sup>56</sup>

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47 [Q97](#)

48 [Q99](#)

49 [Q91](#)

50 [Q91](#)

51 [Q91](#)

52 [Q91](#)

53 [Q91](#)

54 UK Government, [Aviation Skills Retention Platform](#), 4 March 2021

55 UK Government, [Aviation sector boost as new jobs portal launches](#), 4 March 2021

56 UK Government, [Aviation sector boost as new jobs portal launches](#), 4 March 2021

18. Gordon Dewar—Chief Executive, Edinburgh Airport—told us Edinburgh Airport signed up to the Aviation Skills Retention Platform. However, he was concerned that the platform was not being used to its full potential: “it is not punching as well as it might in terms of its visibility and findability through web searches and so on. More needs to be done to get the best out of that very good idea”.<sup>57</sup> When asked about the visibility of the platform, the Minister, Robert Courts MP, acknowledged that more could be done: “Is there a need for greater visibility of it and for it to be better known? I would like to make that happen, yes”.<sup>58</sup> The Minister explained that a roundtable is due to take place to discuss the Aviation Skills Retention Platform and: “we will spread awareness of it and take feedback on the way it comes back. It is fairly early days in assessing its performance”.<sup>59</sup>

## Connectivity

19. Connectivity for airports relates to how many routes there are to connect areas of Scotland to other destinations within Scotland, the UK or the rest of the world. Without these routes running from and through Scottish airports, the ability of people and businesses to connect rapidly to the rest of the world is limited. In 2017, Airlines UK and ABTA produced a report *Reaching Out to the World – How Scotland’s Aviation Connectivity Compares*,<sup>60</sup> that outlined the connectivity deficit Scotland already faced pre-pandemic. The report considered countries with similar populations sizes, and ranked Scotland as tenth out of eleven for connectivity to countries (35) and ninth for destinations (131).<sup>61</sup>

20. Aviation plays a very considerable role in connecting isolated communities in Scotland to essential resources and services. These communities face significant consequences if these lifeline flights are unable to run. Inglis Lyon—Managing Director, Highlands and Islands Airports Limited (HIAL)—described the role of HIAL services during the pandemic: “they really are lifeline services. It is the other end of the Aberdeen oil and gas business. It is patient transfers to hospitals. It is medical supplies going back and forth”.<sup>62</sup> He added: “The primary role of these [services] was to ensure that these remote communities remained connected”.<sup>63</sup>

21. Aviation connectivity is also key for Scottish business to deliver time-sensitive products to international markets rapidly, but the pandemic has meant that Scottish airports have lost domestic and international aviation routes. Karen Dee—Chief Executive, Airport Operators Association (AOA)—described route loss at Glasgow airport: “[it] has lost all of its transatlantic routes, most of its international routes, and more than 50% of its domestic routes as a result of the pandemic”.<sup>64</sup> She went on to explain how this affects businesses in Scotland: “It will be more difficult to get some of your goods to market without flights to get the freight going”.<sup>65</sup> Logan Air outlined how air routes for businesses in isolated communities are unavoidable: “The ability to provide direct routes to key markets for

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57 [Q92](#)

58 [Q181](#)

59 [Q180](#)

60 Airlines UK, ABTA, RDC, [Reaching Out to the World – How Scotland’s Aviation Connectivity Compares](#), September 2017

61 Airlines UK, ABTA, RDC, [Reaching Out to the World – How Scotland’s Aviation Connectivity Compares](#), September 2017, page 10

62 [Q83](#)

63 [Q85](#)

64 [Q10](#)

65 [Q28](#)

time-sensitive products such as high-value seafood will be a significant economic enabler for island communities”.<sup>66</sup> The Minister, Robert Courts MP, was aware of issues around aviation connectivity and told us: “I want to see the ability to get freight and high-quality value goods moved quickly from their point of production to wherever in the world they are needed”.<sup>67</sup>

### ***Flights between Inverness and London Heathrow***

22. The Inverness to Heathrow route was highlighted as being: “an essential piece of business for the highlands to retain”.<sup>68</sup> British Airways suspended the flights between Inverness and Heathrow from Sunday 16 January 2022 and these flights returned on Monday 28 February 2022.<sup>69</sup> In a letter following our evidence session on 10 January 2022, Inglis Lyon—Managing Director, Highlands and Islands Airports Limited (HIAL)—told us that:

The London Heathrow route is essential for the economy of the Highlands and Islands as it provides a direct link to one of the world’s leading aviation hubs. Moreover, it has a high degree of connecting traffic, with just under half who use the service travelling onwards to the rest of the world, and similar numbers in reverse.<sup>70</sup>

When asked about increasing the places that are connected by flights within the UK, Robert Courts MP stated that: “it is a commercial decision. It is not for Government to require a service to be run, other than in lifeline circumstances where, of course, both the Scottish Government and the UK Government have stepped in with PSO [Public Service Obligation] policy”.<sup>71</sup>

### ***Connectivity and decarbonising aviation***

23. For many isolated communities in Scotland flying is an essential and unavoidable way to connect to lifeline services and support trade. However, UK aviation contributes to greenhouse gas emissions. Some 8% of the UK’s total greenhouse gas emissions, around 38.4MtCO<sub>2</sub>e (million tons of CO<sub>2</sub> equivalent) in 2019, are emitted from aviation.<sup>72</sup> Both the UK Government and the Scottish Government have committed to reducing greenhouse gas emissions with a 2050 net zero target for the UK,<sup>73</sup> and the Scottish Government have introduced a 2045 net zero target.<sup>74</sup> In addition, reducing the emissions from aviation is

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66 Loganair Limited ([AIS0001](#))

67 [Q194](#)

68 [Q104](#) [Inglis Lyon]

69 [British Airways suspends Inverness-Heathrow flights after Covid cuts demand](#), The Scotsman, 14 January 2022

70 [Correspondence with Inglis Lyon, Managing Director, Highlands and Islands Airports Limited, on flights between Inverness and London Heathrow, dated 18 January and 25 January 2022](#)

71 [Q185](#)

72 Department for Business, Energy & Industrial Strategy, [Final UK greenhouse gas emissions national statistics: 1990 to 2019](#), accessed 17 February 2022. The 2019 figure was chosen due to the effect of the covid-19 pandemic on aviation emissions in 2020.

73 The initial target set out in 2008 was an 80% reduction of 1990 levels by 2050. This was amended by [Climate Change Act 2008 \(2050 Target Amendment\) Order 2019](#) to net zero by 2050

74 Scottish Government, [Climate Change Policy - Reducing greenhouse gas emissions](#), December 2020

part of the UK Government's net zero strategy.<sup>75</sup> However this reduction in emissions can be seen to be in potential conflict with Scotland's dependence on aviation. Gordon Dewar—Chief Executive, Edinburgh Airport—explained:

Scotland should not underestimate just how dependent it is on aviation, whether for the lifeline services that Inghis provides out to the highlands and islands or for bringing international students to Scottish universities. These things are utterly crucial for everything that we do, but we have to acknowledge that as we grow and reinstate some of that connectivity, we need to do it at a much lower intensity, and to continue to lower that carbon intensity to get it down to zero.<sup>76</sup>

24. The UK aviation sector was the “first in the world to commit to net zero”<sup>77</sup> and has produced a roadmap to achieve this target.<sup>78</sup> Karen Dee—Chief Executive, Airport Operators Association (AOA)—gave us some detail:

Our road map demonstrates that we believe that we can deliver the net zero targets in a way that should not necessarily prevent us from continuing to grow and provide those economic benefits. [ ... ] Our decarbonisation report showed that passenger numbers have increased but we have been able to reduce emissions at the same time.<sup>79</sup>

The roadmap states it: “shows how we can accommodate a 70% growth in passengers by 2050 whilst reducing net carbon emissions levels from just over 30 million tonnes of CO<sub>2</sub> per year down to zero”<sup>80</sup> through a raft of measures. This was emphasised to us by Brian McClean—Director of Communications and Sustainability, AGS Airports: “There is no silver bullet when it comes to decarbonising aviation; it will take a whole raft of measures, from airspace modernisation to progressing hydrogen electric flights and sustainable aviation fuels—we need to scale that up, encourage more take-up and make it more affordable”.<sup>81</sup> Despite the industry's statements about its commitment to decarbonisation, we are aware that airports have been accused of “greenwashing”<sup>82</sup> by environmental groups.<sup>83</sup>

25. The UK Government ran a consultation on its Jet Zero Strategy between 14 July and 8 September 2021.<sup>84</sup> The ambitions of the strategy are to: “decarbonise aviation in a way that preserves the benefits of air travel and maximise the opportunities that decarbonisation

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75 UK Government, [Net Zero Strategy: Build Back Greener](#), October 2021, page 25

76 [Q117](#)

77 [Q29](#)

78 Sustainable Aviation, [Decarbonisation road-map: a path to net zero](#), 3 February 2020. Sustainable Aviation is an industry group that includes major UK airlines, airports, manufacturers, air navigation service providers and key business partners. <https://www.sustainableaviation.co.uk>

79 [Q42](#)

80 Sustainable Aviation, [Climate Change](#), accessed 14 December 2021

81 [Q111](#)

82 Greenwashing is when an organisation gives the impression that their products are more environmentally friendly than they really are. i news, [What is greenwashing? The meaning of the green sheen explained as COP26 continues in Glasgow](#), 3 November 2021

83 Airport Watch, [Airport Greenwash](#), accessed 1 March 2022; Stay Grounded, [Action at UK airports targets “greenwashing” of aviation](#), 3 November 2021

84 UK Government, [Jet zero: our strategy for net zero aviation](#), 14 July 2020

can bring”.<sup>85</sup> Robert Courts MP told us that the UK Government: “[w]ill release our final jet zero policy later in the year. The analysis that we have suggests that aviation can be decarbonised and can have a thriving, growing sector at the same time”.<sup>86</sup>

**26. Aviation connectivity from isolated communities in Scotland is a necessity. Lifeline services are essential for the transport of essential supplies, for the movement of people for medical appointments and key personnel in the energy industry as well as to support a thriving business community and to grow international exports from Scotland. We have heard about the perceived conflict with net zero ambitions and keeping isolated communities in Scotland connected to lifeline services, but we are aware of the variety of steps being taken to move towards a carbon neutral aviation and that these steps will not necessarily restrict connectivity.**

### Airspace modernisation

27. In December 2018 the Civil Aviation Authority (CAA)<sup>87</sup> published the Airspace Modernisation Strategy. The objective of this strategy was to: “Deliver quicker, quieter and cleaner journeys and more capacity for the benefit of those who use and are affected by UK airspace”.<sup>88</sup> The strategy outlined why it is essential for the UK to modernise its airspace: “UK airspace is some of the most complex in the world, yet its design dates back to the 1950s and 1960s”.<sup>89</sup> NATS<sup>90</sup> gave us more detail in oral evidence: “UK airspace was designed in the 1950s, it was never envisaged that it would need to cope with the volume of flights—over 2.6 million a year before the pandemic—that it does today. Since 1950, annual air traffic movements in and out of UK skies have increased by more than 1,000%”.<sup>91</sup>

28. An increase in flights is not the only reason why airspace modernisation is taking place. Net zero commitments will be supported with modernised airspace across the UK. The CAA explained:

The green dividends that modernisation can deliver are an important component of the UK’s commitment to reach net zero by 2050 [ ... ] operational improvements are likely to reduce CO2 emissions from UK aviation by around 4.6% by 2050 relative to 2016, with the potential for additional savings from future innovations.<sup>92</sup>

29. There is a seven-stage process for any airspace change; this includes, but is not exclusive to, the Airspace Modernisation Strategy. These stages are outlined in the airspace change guidance, also known as CAP 1616:

- Stage 1–Define;

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85 UK Government, [Jet zero: our strategy for net zero aviation](#), 14 July 2020

86 [Q190](#)

87 The CAA is the UK’s independent regulator and is working with the Department for Transport “to act as cosponsors for the modernisation of the UK’s airspace”. UK Civil Aviation Authority ([AIS0011](#))

88 Civil Aviation Authority, [Airspace Modernisation Strategy](#), December 2018

89 Civil Aviation Authority, [Airspace Modernisation Strategy](#), December 2018, page 5

90 NATS is an air navigation services specialist providing, under licence, en route air traffic management services over the UK and eastern North Atlantic. NATS ([AIS0008](#))

91 NATS ([AIS0008](#))

92 UK Civil Aviation Authority ([AIS0011](#))



- Stage 2–Develop and assess;
- Stage 3–Consult;
- Stage 4–Update design and submit airspace change proposal;
- Stage 5–Decide;
- Stage 6–Implement; and
- Stage 7–Post-implementation review.<sup>93</sup>

The AGS group and Edinburgh Airport are at stage 2 of this process for the Airspace Modernisation Strategy.<sup>94</sup>

30. The Airspace Modernisation Strategy is being coordinated by the Airspace Change Organising Group (ACOG). ACOG was commissioned by the Department for Transport and the CAA to coordinate the redesign of airspace in the UK in 2019, and ACOG published the Airspace Masterplan Iteration 2 on 27 January 2022.<sup>95</sup> Within this document it laid out a regional “‘clustered’ approach to the delivery of the programme”.<sup>96</sup> This would mean that geographical areas will achieve milestones in the CAP 1616 process at the same time. The Airspace Masterplan Iteration 2 described what would happen if one airport in a region was ahead of another in the process, by stating that, an airport: “will be held at the relevant stage of CAP 1616 process”.<sup>97</sup> This would allow each geographical cluster to move together through the CAP 1616 process. Gordon Dewar—Chief Executive, Edinburgh Airport—told us that: “This thing is going to work best when all the airports involved in the shared airspace that we have are moving forward together”.<sup>98</sup>

### **Funding of airspace modernisation**

31. All airspace change that goes through the CAP 1616 process is funded within the aviation industry, Robert Courts MP stated that in regards to changes in airspace: “the principle is that the user pays”.<sup>99</sup> This arrangement worked well pre-pandemic but the impacts of covid-19 have affected the financial health of airports leading to a lack of funds to implement the CAP 1616 process. Gordon Dewar—Chief Executive, Edinburgh Airport—reported that Edinburgh Airport did not have money available to progress the programme at stage 2: “there is simply no cash in our business to keep the momentum going”.<sup>100</sup> The UK Government announced funding of £5.5 million on 19 March 2021<sup>101</sup> to: “support airports to develop and evaluate design options aimed at making journeys quicker, quieter and cleaner”.<sup>102</sup> The Minister, Robert Courts MP said: “We have done

93 Civil Aviation Authority, [Airspace change CAP 1616, Fourth edition](#), March 2021, page 19

94 [Q120](#), [Q121](#)

95 Airspace Change Organising Group, [UK Airspace Change Masterplan Iteration 2, CAP2312B](#), December 2021

96 Airspace Change Organising Group, [Airspace Masterplan FAQs](#), accessed 11 February 2022

97 Airspace Change Organising Group, [Airspace Masterplan FAQs](#), accessed 11 February 2022

98 [Q121](#)

99 [Q200](#)

100 [Q121](#)

101 UK Government, [£5.5 million to drive improvements to UK’s ‘motorways in the sky’](#), 19 March 2021

102 UK Government, [£5.5 million to drive improvements to UK’s ‘motorways in the sky’](#), 19 March 2021

that to make sure that [the airspace modernisation programme] remains on track”.<sup>103</sup> On 21 January 2022 a further £3.7 million of funding was added to this original funding to: “support airports in reducing journey times, pollution and flight delays”.<sup>104</sup>

32. Brian McClean—Director of Communications and Sustainability, AGS Airports—welcomed the additional funding announced by the UK Government to help with stage 2 but had concerns about stage 3 funding.

the support and funding that we have received to date has been hugely welcome, and it has allowed us to get to the point where we can complete stage 2, but we do need more as we move into the next stage, which is consulting with the public.<sup>105</sup>

Gordon Dewar—Chief Executive, Edinburgh Airport—shared this concern: “we do not want to lose that momentum when we run out of funding at stage 2. [ ... ] it would be a terrible shame if we had to down sticks again and lose six months or 12 months”.<sup>106</sup>

33. Gordon Dewar—Chief Executive, Edinburgh Airport—reminded us that airports have not financially recovered from the pandemic and spending money on airspace change would not be a priority: “We are only spending money on bare essentials [ ... ] theoretically, that project could wait a bit of time [ ... ] but that would be a really tough decision that I think we would be forced to make”.<sup>107</sup> Brian McClean—Director of Communications and Sustainability, AGS Airports—requested more funding for stage 3 as the recovery for the aviation sector is predicted to take until 2025. “In order for us then to progress to stage 3, which is the point at which you go out to consult on the design options, we would require, and we are asking for, funding to be extended”.<sup>108</sup> The Minister, Robert Courts MP, noted that the airspace modernisation programme is: “making good progress”.<sup>109</sup>

**34. The airspace modernisation programme has the potential to benefit the whole of the UK by making journey times quicker, quieter, and helping to reduce carbon emissions from aviation. We are concerned that this programme, that can offer significant environmental benefits, is at risk of collapse if it is not properly funded. Without a swift financial recovery, Scottish airports reported that they will not have the funds to invest in moving to stage 3 of the airspace change process. The airspace modernisation programme must continue at pace if the benefits are to be fully realised for Scotland and the UK.**

## The Strategic Framework for aviation recovery

35. During the inquiry we heard about the way in which the finances of airports in Scotland have been adversely affected by the covid pandemic. We were told that airports have remained open to provide lifeline services and have continued to pay the fixed costs of running an airport with severely reduced passenger numbers, flights and cancelled routes.<sup>110</sup> We heard that the best way for the aviation industry to recover is: “to be able to

103 [Q200](#)

104 UK Government, [Government commits funding to build back better and greener in our skies](#), 21 January 2022

105 [Q124](#)

106 [Q121](#)

107 [Q122](#)

108 [Q120](#)

109 [Q200](#)

110 [Q10](#), [Q84](#), [Q86](#), [Q88](#)



operate and trade”.<sup>111</sup> Gordon Dewar—Chief Executive, Edinburgh Airport—told us that all governments should be: “planning for how we can look at the recovery: how we can use funding, how we can use initiatives, and how we can work together as an industry and Government to create the best conditions for a recovery”.<sup>112</sup> Inglis Lyon—Managing Director, Highlands and Islands Airports Limited (HIAL)—noted that: “The biggest danger we have is that we do not invest in the recovery. The biggest danger we have is that we leave things to chance. We now have to start planning for that recovery”.<sup>113</sup>

36. We heard that the recovery plan the airports are looking for also needs to focus on environmental considerations. We have been assured that returning aviation back to 2019 levels does not mean getting back to 2019 emissions. Sustainable Aviation are: “targeting at least an overall 15% reduction in net emissions relative to 2019 by 2030, and a 40% net reduction by 2040”.<sup>114</sup> The Airport Operators Association noted: “UK aviation has committed to achieving net zero by 2050”.<sup>115</sup> The UK Government have focused on decarbonising aviation as outlined in the Jet Zero Strategy consultation.<sup>116</sup>

37. The UK Government have been working on a strategic framework for aviation recovery. This was first mentioned in the House of Commons on 10 June 2021.<sup>117</sup> Robert Courts MP subsequently informed us that the UK Government: “had to pause that [the strategic framework for aviation] while we have been dealing with the Omicron crisis”.<sup>118</sup> He told us that the strategy: “will cover things like skills, regional connectivity, DA [devolved administration] connectivity, airspace, slot policy and others [ ... ] that will be our vision for the future of the sector over the course of the next 10 years or so”.<sup>119</sup>

**38. We are convinced that a UK Government-led recovery plan for airports is urgently needed. The paused strategic framework that is being developed by the Department for Transport for the aviation industry to help them recover from the impact of the covid pandemic needs to be published as soon as possible. As Scottish airports have been more adversely affected by the pandemic than other airports in the UK, the strategic framework should specifically consider policy interventions to help Scottish airports recover.**

39. *We recommend that the UK Government’s strategic framework for aviation recovery should include:*

- *How airports in Scotland can increase their passenger numbers and grow their businesses whilst meeting net zero targets and using greener methods of operating;*
- *How airports in Scotland can continue to deliver current connectivity and recover any routes that have been lost throughout the pandemic; and*

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111 [Q22](#) [Karen Dee]

112 [Q141](#)

113 [Q90](#)

114 Sustainable Aviation, [UK Aviation Industry Strengthens Commitment to Achieving Net Zero and Launches First Interim Decarbonisation Targets](#), 22 June 2021

115 [Q42](#) [Karen Dee]

116 At publication no analysis of the consultation has been produced

117 HC Deb, 10 June 2021, [Col 1178](#) [Commons Chamber]

118 [Q175](#)

119 [Q175](#)

- *What the context is in which the UK Government would step in with funding for stage 3 of the Airspace Modernisation Programme.*

### 3 Intergovernmental working

40. Transport is generally a reserved matter with policy coming from the Department for Transport. However, some transport issues concerning airports including airport expansion (planning) and aviation noise, are devolved.<sup>120</sup> During the pandemic public health, which is a devolved matter, influenced the way people travelled. We heard evidence that outlined the ways in which intergovernmental working took place during the pandemic. We heard there was an existing positive relationship between officials in UK and Scottish Government on aviation. Robert Courts MP informed us that: “there is a strong working relationship between officials in Transport Scotland and my own in the Department for Transport responsible for airports”.<sup>121</sup>

#### Travel restrictions and intergovernmental working

41. Travel restrictions throughout the pandemic have varied across the four nations as public health is a devolved matter. These have included differences between lockdown guidance, quarantine times for inbound passengers and differing countries on a traffic light list.<sup>122</sup> Although devolved, the general consensus from witnesses was that they wanted all Governments of the UK to have a joined up, four nations approach regarding travel restrictions and quarantine measures during the pandemic. Karen Dee—Chief Executive, Airport Operators Association (AOA)—told us: “We did suffer a little bit from a divergence between the four nations”,<sup>123</sup> and that there “is a case for much better collaboration”.<sup>124</sup> This was echoed by Inglis Lyon—Managing Director, Highlands and Island Airports Limited (HIAL): “The lack of a four-nation approach to international travel really wasn’t helpful at all. It is very difficult to explain”.<sup>125</sup>

42. The Airport Operators Association (AOA) described the: “UK Government’s approach and the Scottish Government’s approach not aligning at crucial moments”.<sup>126</sup> However, Robert Courts MP—Parliamentary Under Secretary of State, Department for Transport—told us the UK Government’s viewpoint was that: “there was co-operation at every stage”.<sup>127</sup> He continued:

the same policy has been followed by most of the Administrations throughout the UK, perhaps with some slight differences in timing, and I think that is right. It is the purpose of a devolved system to be able to do that [ ... ] I am keen for us to step together and to walk together along this journey if at all possible, while respecting the right to go at different speeds if required under that constitutional settlement.”<sup>128</sup>

120 Scottish Parliament Information Centre (SPICe), [Transport in Scotland: subject profile](#), 3 June 2021, page 13

121 [Q171](#)

122 Lockdown restrictions varied across the UK. For more details see: Scottish Parliament Information Centre (SPICe), [Timeline of Coronavirus \(COVID-19\) in Scotland](#), accessed 11 February 2022

123 [Q4](#)

124 [Q5](#)

125 [Q93](#)

126 Airport Operators Association ([AIS0005](#))

127 [Q173](#)

128 [Q173](#)

Although public health is a devolved matter, a case can be made for better coordination of timings and announcements of travel restrictions.<sup>129</sup>

43. An Intergovernmental Review was published on 13 January 2022.<sup>130</sup> This provides a new structure with three tiers:

- Top tier: The Prime Minister and Heads of Devolved Governments Council (“The Council”);
- Middle tier: The Interministerial Standing Committee (IMSC), the Finance Interministerial Standing Committee (F:ISC) and additional time limited interministerial committees formed as necessary; and
- Lowest tier: a number of interministerial groups (IMG) formed to discuss specific policy areas.<sup>131</sup>

The interministerial groups are expected to meet “regularly”,<sup>132</sup> before the most recent intergovernmental review meetings were “as needed”.<sup>133</sup> Annex B of the Intergovernmental Review outlined the Interministerial Group (IMG) on transport, which includes the UK Government Department for Transport.<sup>134</sup>

**44. During the pandemic, the differing policy choices of the Scottish and UK Government had an effect on the financial stability of airports in Scotland as these policies did not always align. Edinburgh Airport maintained that the Scottish Government’s overly cautious approach was confusing for passengers and did not provide the intended health benefits for those travelling via Scottish airports. It was widely known that people living in Scotland travelled to England to fly out of the UK, which meant reduced passenger numbers and revenue for Scottish airports. The Scottish Government’s stricter approach brought severe difficulties for Scottish airports and people in Scotland.**

**45. We welcome the publishing of the Intergovernmental Review on 13 January 2022 and we look forward to seeing how interministerial groups will work together to consider how their separate policies will interact with each other in the future, particularly should another pandemic arise. Respect of devolved competencies must continue but if travel restrictions are put in place again to tackle covid-19 or other health emergencies, there must be better coordination on timings and announcements of travel restrictions across the UK, so that joined up working can take place.**

***46. We recommend that the interministerial group on transport produce a report within the next six months outlining the steps they will take to improve communications between devolved nations around the timings of travel restrictions. It should investigate how to develop new communication processes that respect devolved competencies and***

129 This is discussed in our previous report: Scottish Affairs Committee, First Report of Session 2019–21, [Coronavirus and Scotland: Interim Report on Intergovernmental Working](#), HC 314

130 UK Government, [Review of intergovernmental relations](#), 13 January 2022

131 Intergovernmental Relations in the United Kingdom, [Research Briefing CBP8371](#), House of Commons Library, January 2022

132 UK Government, [Review of intergovernmental relations](#), 13 January 2022, para 11

133 Intergovernmental Relations in the United Kingdom, [Research Briefing CBP8371](#), House of Commons Library, January 2022, para 1.1

134 UK Government, [Review of intergovernmental relations](#), 13 January 2022, page 12

*explore where joined up working can take place. The interministerial group on transport should also review the effects of the timings of travel restrictions over the pandemic have affected airports.*

## 4 Air Passenger Duty

47. Air Passenger Duty (APD) is a tax charged on all passenger flights from UK airports. The rate of duty varies according to passenger destination and the class of passenger travel.<sup>135</sup> The proceeds from APD are received into the Consolidated Fund; there is no legal requirement to allocate the funding to particular areas.<sup>136</sup> Karen Dee—Chief Executive, Airport Operators Association (AOA)—explained that revenue generated from APD did not go towards improving the environment:

APD is not an environmental tax and does not work as an environmental tax. It is a flat charge that is passed onto the consumer, regardless of whether it is a cleaner flight or other measures that may be taken. None of the revenue comes back to incentivise different types of green behaviour. It is just a tax.<sup>137</sup>

APD was announced in the November 1993 budget by the then Chancellor of the Exchequer, Kenneth Clarke.<sup>138</sup> Although there was no reference to the environment in that announcement, Robert Courts MP—Parliamentary Under Secretary of State, Department for Transport—told us: “APD arguably is a green tax already”.<sup>139</sup> However, the evidence we have received does not support this statement. Although APD is a charge on something that produces carbon emissions and is banded according to distance of flight,<sup>140</sup> it is not an environmental tax as money raised does not directly support environmental measures.<sup>141</sup>

### *Air Departure Tax*

48. Air Passenger Duty (APD) became a devolved matter via the Scotland Act 2016,<sup>142</sup> allowing the Scottish Government to design and collect its replacement, Air Departure Tax (ADT). The Air Departure Tax (Scotland) Act 2017<sup>143</sup> made provision for such a tax but this has not yet been introduced. Revenue Scotland explained why Air Departure Tax has not yet been put in place:

On 23 April 2019, the Scottish Government deferred the introduction of ADT beyond April 2020 until issues have been resolved regarding the tax exemption for flights departing Highlands and Islands airports.<sup>144</sup>

49. The tax exemption for Highlands and Islands flights was introduced by Gordon Brown—former UK Prime Minister, and at the time Chancellor—in March 2000.<sup>145</sup> A written answer, published on 19 April 2000, explained that the Scottish Highlands and Islands exemption: “is being introduced in recognition of the reliance on air transport by many people in this remote region. It is the only UK region with a population density less than 12.5 people per square kilometre”.<sup>146</sup>

135 HM Revenue & Customs, [Rates for air passenger duty: guidance](#), April 2019

136 [PQ 49580](#) on Air Passenger Duty, 25 October 2016

137 [Q28](#)

138 HC Deb, 30 November 1993, [column 934](#)

139 [Q196](#)

140 HM Revenue & Customs, [Rates for Air Passenger Duty](#), 1 April 2021

141 [PQ 165148](#) on environment protection, 25 July 2018

142 Scotland Act 2016, [section 17](#)

143 [Air Departure Tax \(Scotland\) Act 2017](#) [Scottish Parliament]

144 Revenue Scotland, [Air Departure Tax](#), accessed 15 February 2022

145 HC Deb, 21 March 2000, [col 869](#)

146 HL Deb, 19 April 2000, [col 106WA](#)

50. When Air Passenger Duty was devolved, the UK held EU membership. For the Scottish Government to introduce Air Departure Tax it had to obtain EU State Aids approval to sustain exemptions, as already existed in Air Passenger Duty, for Highlands and Islands airports.<sup>147</sup> Due to this legal issue with applying for EU State Aids approval, on 23 April 2019 the Scottish Government deferred the introduction of Air Departure Tax and maintained the UK Government Air Passenger Duty charges. They stated that: “No revised date has yet been set for the introduction of ADT in Scotland”.<sup>148</sup>

**51. Now that we have left the European Union, the Scottish Government and the UK Government should work together to resolve any legal issues around the Highlands and Islands exemption as quickly as possible. This will allow for the Scottish Government to alter ADT rates to reach policy goals of better connectivity or reducing carbon emissions.**

### **APD and the environment**

52. As set out above, the money from APD is not ringfenced to be spent on green initiatives. However, Gordon Dewar—Chief Executive, Edinburgh Airport—commented that: “not spending the money [ ... ] on anything remotely to do with delivering the alternatives seems like a wasted opportunity”.<sup>149</sup> Brian McClean—Director of Communications and Sustainability, AGS Airports—went on to support this viewpoint as he told us that an amended version of APD could be used to: “incentivise cleaner, greener aircraft”.<sup>150</sup>

53. The Minister, Robert Courts MP, argued that APD was already a green tax as: “It is a tax you pay if you fly and, therefore, if you fly you are creating an emission and you are paying a tax for it”.<sup>151</sup> In response to comments about hypothecating the tax, the Minister went on to explain why hypothecation is not something that the UK Government tends to pursue:

The UK does not tend to hypothecate taxation. There are often arguments to do so, but the problem with doing that is that it takes away from democratic accountability of what you are spending on a particular project [ ... ] Otherwise you end up in a position where you are putting a certain amount into a certain pot on a hypothecated basis, which will rise and fall depending on how well that industry does rather than how important the need is.<sup>152</sup>

**54. We received limited submissions about ringfencing the funds raised by Air Passenger Duty for environmental purposes. However, we consider the issue to be worth further investigation. We recommend that the UK Government investigate how money raised from Air Passenger Duty could be used for environmental purposes and report the results of this investigation to the House by the end of 2022.**

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147 Statement on Air Departure Tax (Update), Scottish Parliament, 5 October 2017, [col 28–40](#)

148 Revenue Scotland, [Air Departure Tax FAQs](#), accessed 15 February 2022

149 [Q108](#)

150 [Q118](#)

151 [Q196](#)

152 [Q197](#)

### APD reduction in 2023

55. APD is a tax which is an extra charge on the cost of a flight. We heard from Karen Dee—Chief Executive, Airport Operators Association (AOA)—that this extra charge can make: “it much more difficult for an airline, and therefore UK airports, to make a route viable” due to increased costs for the passenger.<sup>153</sup> In the Autumn Budget 2021 the Chancellor announced: “flights between airports in England, Scotland, Wales and Northern Ireland will [ ... ], from April 2023, be subject to a new lower rate of Air Passenger Duty”.<sup>154</sup> The reason for this was to: “to support greater air connectivity within the UK”.<sup>155</sup> The announcement of a reduction in APD was warmly greeted by Gordon Dewar—Chief Executive, Edinburgh Airport: “It is a huge step in the right direction”,<sup>156</sup> and that it could be: “part of the recovery plan”.<sup>157</sup> However, he did question why this had to wait until 2023:

The fact we have deferred that advantage coming into play until April next year when, actually, you could not think of a better year to do it than this year when everyone is on their knees and looking for a recovery.<sup>158</sup>

Brian McClean—Director of Communications and Sustainability, AGS Airports—added to this: “We need to see that brought in this year at a time when we really need it”.<sup>159</sup>

56. Robert Courts MP explained why the decision was taken to put the APD reduction in place in 2023:

it has been the practice ever since then that any changes to rates and routes are announced 12 months in advance. There is a reason for that, which is that the carriers then have to work out the routes that the APD applies to [ ... ] It takes some time to operationalise.<sup>160</sup>

**57. Scottish Airports told us that they welcomed the reduction in Air Passenger Duty but would like to have seen this take place in 2022 rather than waiting for its introduction in 2023. However, we recognise the operational issues that carriers would have experienced due to length of time it takes to implement these changes.**

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153 [Q27](#) [Karen Dee]

154 UK Government, [Autumn Budget and Spending Review 2021 Speech](#), 27 October 2021

155 HM Treasury, [Autumn Budget and Spending Review 2021](#), 27 October 2021, page 8

156 [Q108](#)

157 [Q108](#)

158 [Q108](#)

159 [Q110](#)

160 [Q195](#)



# Conclusions and recommendations

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## Economic recovery for airports

1. The purchase and funding provided to Glasgow Prestwick Airport represents significant issues for the taxpayer. Additionally, the funding received by Glasgow Prestwick Airport from the Scottish Government has ensured there is not a level playing field across airports in Scotland, leading to a distortion in the market. It would have been more appropriate had the money from the Scottish Government been spent across airports in Scotland, rather than being poured into an airport which did not reflect a commercial success. (Paragraph 15)
2. Aviation connectivity from isolated communities in Scotland is a necessity. Lifeline services are essential for the transport of essential supplies, for the movement of people for medical appointments and key personnel in the energy industry as well as to support a thriving business community and to grow international exports from Scotland. We have heard about the perceived conflict with net zero ambitions and keeping isolated communities in Scotland connected to lifeline services, but we are aware of the variety of steps being taken to move towards a carbon neutral aviation and that these steps will not necessarily restrict connectivity. (Paragraph 26)
3. The airspace modernisation programme has the potential to benefit the whole of the UK by making journey times quicker, quieter, and helping to reduce carbon emissions from aviation. We are concerned that this programme, that can offer significant environmental benefits, is at risk of collapse if it is not properly funded. Without a swift financial recovery, Scottish airports reported that they will not have the funds to invest in moving to stage 3 of the airspace change process. The airspace modernisation programme must continue at pace if the benefits are to be fully realised for Scotland and the UK. (Paragraph 34)
4. We are convinced that a UK Government-led recovery plan for airports is urgently needed. The paused strategic framework that is being developed by the Department for Transport for the aviation industry to help them recover from the impact of the covid pandemic needs to be published as soon as possible. As Scottish airports have been more adversely affected by the pandemic than other airports in the UK, the strategic framework should specifically consider policy interventions to help Scottish airports recover. (Paragraph 38)
5. *We recommend that the UK Government's strategic framework for aviation recovery should include:*
  - *How airports in Scotland can increase their passenger numbers and grow their businesses whilst meeting net zero targets and using greener methods of operating;*
  - *How airports in Scotland can continue to deliver current connectivity and recover any routes that have been lost throughout the pandemic; and*
  - *What the context is in which the UK Government would step in with funding for stage 3 of the Airspace Modernisation Programme.* (Paragraph 39)

### Intergovernmental working

6. During the pandemic, the differing policy choices of the Scottish and UK Government had an effect on the financial stability of airports in Scotland as these policies did not always align. Edinburgh Airport maintained that the Scottish Government's overly cautious approach was confusing for passengers and did not provide the intended health benefits for those travelling via Scottish airports. It was widely known that people living in Scotland travelled to England to fly out of the UK, which meant reduced passenger numbers and revenue for Scottish airports. The Scottish Government's stricter approach brought severe difficulties for Scottish airports and people in Scotland. (Paragraph 44)
7. We welcome the publishing of the Intergovernmental Review on 13 January 2022 and we look forward to seeing how interministerial groups will work together to consider how their separate policies will interact with each other in the future, particularly should another pandemic arise. Respect of devolved competencies must continue but if travel restrictions are put in place again to tackle covid-19 or other health emergencies, there must be better coordination on timings and announcements of travel restrictions across the UK, so that joined up working can take place. (Paragraph 45)
8. *We recommend that the interministerial group on transport produce a report within the next six months outlining the steps they will take to improve communications between devolved nations around the timings of travel restrictions. It should investigate how to develop new communication processes that respect devolved competencies and explore where joined up working can take place. The interministerial group on transport should also review the effects of the timings of travel restrictions over the pandemic have affected airports.* (Paragraph 46)

### Air Passenger Duty

9. Now that we have left the European Union, the Scottish Government and the UK Government should work together to resolve any legal issues around the Highlands and Islands exemption as quickly as possible. This will allow for the Scottish Government to alter ADT rates to reach policy goals of better connectivity or reducing carbon emissions. (Paragraph 51)
10. We received limited submissions about ringfencing the funds raised by Air Passenger Duty for environmental purposes. However, we consider the issue to be worth further investigation. (Paragraph 54)
11. *We recommend that the UK Government investigate how money raised from Air Passenger Duty could be used for environmental purposes and report the results of this investigation to the House by the end of 2022.* (Paragraph 54)
12. Scottish Airports told us that they welcomed the reduction in Air Passenger Duty but would like to have seen this take place in 2022 rather than waiting for its introduction in 2023. However, we recognise the operational issues that carriers would have experienced due to length of time it takes to implement these changes. (Paragraph 57)

# Formal minutes

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## Tuesday 15 March 2022

Members present

Pete Wishart, in the Chair

Andrew Bowie

Deidre Brock

John Lamont

### *Airports in Scotland*

Draft Report (*Airports in Scotland*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 57 read and agreed to.

*Resolved*, That the Report be the Fifth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

### **Adjournment**

Adjourned till Monday 21 March 2022 at 2.30 p.m.

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Monday 22 November 2021

**Karen Dee**, Chief Executive, Airport Operators Association [Q1–52](#)

**Dave Curtis**, Director Future Airspace and Operations, NATS [Q53–78](#)

### Monday 10 January 2022

**Inglis Lyon**, Managing Director, Highlands and Islands Airports Limited; **Gordon Dewar**, Chief Executive, Edinburgh Airport; **Brian McClean**, Director of Communications and Sustainability, AGS Airports Limited [Q79–170](#)

### Tuesday 1 February 2022

**Robert Courts MP**, Parliamentary Under-Secretary of State, Department for Transport [Q171–203](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

AIS numbers are generated by the evidence processing system and so may not be complete.

- 1 AGS Airports ([AIS0012](#))
- 2 Airport Operators Association ([AIS0005](#))
- 3 Airport Operators Association ([AIS0017](#))
- 4 Airspace Change Organising Group ([AIS0004](#))
- 5 Archer, Mr Ian ([AIS0007](#))
- 6 Convention of Scottish Local Authorities (COSLA) ([AIS0015](#))
- 7 Department for Transport ([AIS0014](#))
- 8 Edinburgh Airport ([AIS0006](#))
- 9 Highlands and Islands Airports Limited ([AIS0016](#))
- 10 Highlands and Islands Airports Limited ([AIS0023](#))
- 11 Loganair Limited ([AIS0001](#))
- 12 NATS ([AIS0008](#))
- 13 NATS ([AIS0018](#))
- 14 NATS ([AIS0019](#))
- 15 Scotia Seaplanes Ltd ([AIS0002](#))
- 16 Scottish Chambers of Commerce ([AIS0013](#))
- 17 Scottish Government ([AIS0022](#))
- 18 Strathaven Airfield Ltd ([AIS0003](#))
- 19 The UK Regional and Business Airports (RABA) Group ([AIS0010](#))
- 20 UK Civil Aviation Authority ([AIS0011](#))
- 21 VisitScotland ([AIS0020](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the publications page of the Committee's website.

### Session 2021–22

Number	Title	Reference
1st	Universities and Scotland	HC 54
2nd	Welfare policy in Scotland	HC 55
3rd	The UK Shared Prosperity Fund and Scotland	HC 52
4th	Renewable energy in Scotland	HC 51
1st Special Report	Welfare policy in Scotland: UK and Scottish Government Responses to the Committee's Second Report	HC 790
2nd Special Report	The UK Shared Prosperity Fund and Scotland: Government Response to the Committee's Third Report	HC 791
3rd Special Report	Renewable energy in Scotland: Government Response to the Committee's Fourth Report	HC 901

### Session 2019–21

Number	Title	Reference
1st	Coronavirus and Scotland: Interim Report on Intergovernmental Working	HC 314
2nd	Coronavirus and Scotland	HC 895
1st Special Report	Problem drug use in Scotland: Government Response to the Committee's First Report of Session 2019	HC 698
2nd Special Report	Coronavirus and Scotland: Government Response to the Committee's First and Second Reports	HC 1118