



## SSE Briefing Note on Planning Application UTT/18/0460/FUL

### Airport Kiss & Fly

#### 1 Passenger mode share

- 1.1 The Civil Aviation Authority conducts a Departing Passenger Survey<sup>1</sup> ('DPS') on an ongoing basis at all the major UK airports. Smaller airports are surveyed every few years. The DPS is carried out on a 24/7 basis, 365 days a year. About 0.2% of all departing passengers are surveyed (by CAA agency staff using a lengthy questionnaire) so at Stansted around 26,000 (500 per week) passengers were surveyed last year.
- 1.2 SSE makes extensive use of the DPS data and is in regular contact with the CAA on interpretational issues. In 2017, in anticipation of the current airport planning application, SSE commissioned the CAA to provide specific survey material for Stansted Airport on average vehicle occupancy.
- 1.3 Amongst the many questions asked of passengers is their means of travel to the airport. This enables the CAA to produce passenger mode share data. Summary statistics are published quarterly and annually. Stansted passenger mode share for 2017 was as follows:

**Table 1 – Modes of transport by passenger: 2017**

Rail	Bus/Coach	Car		Total <sup>**</sup>
		Kiss & Fly	Other <sup>*</sup>	
30.2%	20.6%	23.0%	26.1%	100.0%

<sup>\*</sup> Includes taxis and rental cars

<sup>\*\*</sup> Includes 0.1% walking and cycling.

- 1.4 We need to caveat the breakdown between Kiss and Fly ('K&F') and 'Other' in the above table because the published CAA statistics do not include this breakdown and it is not provided either in the Environmental Statement ('ES') or in the Transport Assessment ('TA'). SSE's estimate of the 2017 breakdown is based on earlier (pre-2017) data and upon interpretative analysis of related data in the ES and TA. Thus, whilst we have not been able fully to validate the above breakdown, we have a reasonable degree of confidence in it.

#### 2 Forecourt Drop-off and Pick-up

- 2.1 In 2012 Stansted Airport began charging for 'express' passenger drop-off and pick-up on the terminal forecourt. The charge was initially £2.50 and it is now £3.50, with excess charges if more than 10 minutes, for example, the charge for 20 minutes is £25.00. Local residents can apply for a discount card which entitles users to a reduced rate of 50 pence for those living within five miles of the airport and £1.00 for those living within 10 miles. There is also a free drop-off and pick-up facility in the mid-stay car park where a shuttle bus service takes passengers to and from the airport. It is understood that very little use is made of this.

<sup>1</sup> <https://www.caa.co.uk/Data-and-analysis/UK-aviation-market/Consumer-research/Departing-passenger-survey/Departing-passenger-survey/>

- 2.2 Drop-off and pick-up charges only apply in the case of K&F passengers. SSE estimates that K&F revenues were about £6.3m in 2017. At constant pricing and constant K&F mode share, revenues would increase to £8.5m at a throughput of 35mppa and £10.4m in the 43mppa case.

### 3 Stansted car parking income

- 3.1 The financial accounts for Stansted Airport Limited ('STAL') show that car parking revenues increased from £26.7m for year ended 31 December 2012 (BAA's last full year of ownership) to £61.5m in year ended 31 March 2017 (the most recent available accounts). Comparative data is set out in Table 2 below:

**Table 2 – Stansted car parking revenues: comparative data**

	Year ended 31 December 2012	Year ended 31 March 2017	Change %
Passengers	17.5m	24.4m	+39%
Car parking revenues	£26.7m	£61.5m	+130%
Average Car parking revenue per passenger <sup>‡</sup>	£14.20	£23.40	+65%

<sup>‡</sup> Excludes passengers using road, rail, bus, coach, taxi and rental car modes of transport. Note that each passenger who parks is counted twice in the airport statistics – i.e. outbound and return.

### 4 The UDC-STAL s.106 Agreement

- 4.1 With regard to airport car parking, the relevant part of the 2003 s.106 Agreement between UDC and STAL is as follows:

#### Part 4 – Obligations relating to Surface Access to the Airport

1. From the Implementation Date not to permit the use of any public car parking facilities without charging a levy in respect of such use.
2. From no later than 12 months after the Implementation Date not to permit the use of any communal use staff car parking facilities without charging a levy in respect of such use in addition to the car park tariff payable in respect of such use.
3. The levies referred to in paragraphs 1 and 2 of this Part shall be not less per transaction than the levies charged during the financial year 2001/2002 and shall be reviewed by STAL in each subsequent financial year taking into account all relevant factors including any increase in the Retail Price Index during the preceding year.
4. The obligations referred to in paragraphs 1 and 2 of this Part shall absolutely cease and determine in the event any levy or tax of whatever nature is raised by UDC or ECC or the highway authority from time to time or by any other person body or authority with authority to do so on vehicles leaving or entering the Airport or on vehicles using the Local Road Network (other than for on-street parking) or using the Airport roads or on-Airport parking facilities.
5. Without prejudice to the other obligations of STAL hereunder with effect from the Implementation Date to apply the income from the levy referred to in paragraphs 1 and 2 of this Part to finance initiatives in accordance with the SASAS [Stansted Airport Surface Access Strategy] to promote the use by passengers and staff of STAL and others employed at the Airport of modes of transport to and from the Airport other than private motor vehicles hackney carriages and private hire vehicles and (in the case of staff of STAL and other employed at the Airport) to encourage and promote car sharing.

- 4.2 The levy per car parking transaction in 2001/02 was 21 pence. Under BAA's ownership of STAL this was reviewed each year and increased in line with RPI. By 2012 the levy had reached 30 pence per transaction. However, almost immediately after acquiring Stansted Airport from BAA in 2013, MAG unilaterally decided to reduce the levy from 30 pence to 25 pence and MAG has since frozen the levy at 25 pence.
- 4.3 SSE discovered the above information only as a result of a series of Freedom of Information (Fol) requests to UDC over the past year. Upon querying the apparent disregard by MAG of the requirement to *"take into account ... any increase in the Retail Price Index during the preceding year"* the response was that there was no actual legal obligation upon MAG to increase the levy in line with RPI, nor was MAG in breach of the 2003 s.106 agreement by reducing the levy.
- 4.4 SSE also sought to establish through Fol requests to UDC the total annual income from the levy and some information on how MAG spent the proceeds from the levy. It transpired that neither UDC planning officers (nor anyone else at UDC) carried out compliance monitoring in relation to either the levy income or the expenditure and UDC held no records of this. On further pressing however we were eventually provided with levy income figures of £549,000 for MAG's first full year of ownership (2013/14) and £552,000 for the latest year (2017/18).
- 4.5 Comparing these figures to the figures provided in Table 2 above it seems odd that Stansted's passenger number have grown 39% over the approximately four-year period following the MAG acquisition and its car parking revenues have grown by 130%. However, the income from the car parking levy has remained flat. The reduction from 30 pence per transaction to 25 pence provides a partial explanation but that does not fully explain the apparent discrepancy. There has clearly been a major hike in airport car parking charges.

## 5 Concluding points

- 5.1 If, as has been proposed, MAG were to apply a 10 pence per transaction levy to passenger drop-off/pick-up, this would generate about £245,000 at an airport throughput of 35mppa.
- 5.2 Finally, it is important to note that these funds are not community benefits but rather monies which enable MAG to help subsidise local bus services for its staff and coach services for its passengers on routes (and at times of day) which might otherwise not be viable.

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*Stop Stansted Expansion  
12 November 2018 (R)*