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<b>Meeting:</b>	Transport for the North Board
<b>Subject:</b>	International Connectivity Policy Position
<b>Author:</b>	Lucy Jacques, Acting Head of Policy and Strategy and Peter Cole, Principal Environmental and Sustainability Officer.
<b>Sponsor:</b>	Tim Foster, Interim Strategy and Programme Director
<b>Meeting Date:</b>	Thursday 29 <sup>th</sup> September 2022

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## **1. Purpose of the Report:**

- 1.1 This paper seeks Board approval to the International Connectivity Policy Position.
- 1.2 Once agreed by TfN Board this position will be embedded within the revised STP as well as used to shape future TfN workstreams and to influence Government policy by shaping future statutory advice.

## **2. Recommendations:**

- 2.1 The Board is asked to agree the International Connectivity & Aviation Policy Position.

## **3. Main Issues:**

- 3.1 TfN has a statutory duty to produce a Strategic Transport Plan on behalf of the North of England. The first Strategic Transport Plan was adopted by the TfN Board in Feb 2019. In September 2021, TfN Board agreed that TfN should commence work on a new programme of work to revise and update the Strategic Transport Plan (STP2) and seek adoption of the new plan no later than Spring 2024. The Board has now agreed the overall structure and principles behind STP2 and will agree the vision, objectives and structure of the STP in December 2022.
- 3.2 The adoption of the STP in 2019 was a major milestone for TfN and the STP continues to provide a powerful articulation of the North's vision and ambition to transform connectivity for the benefit of both people and business. The next STP will need to match the vision and ambition of the original Plan, but now incorporating the very significant development work undertaken since 2019 and with a recognition of the new context and challenges facing the transport network.
- 3.3 Our current Strategic Transport Plan (STP) sets out a high-level vision for international connectivity informed by TfN's Independent International Connectivity Commission Report (February 2017). Now, over five years after the original work was completed TfN has developed a policy position on international connectivity (appendix 1) as part of the development of our second Strategic Transport Plan for the North. This work has included consideration of aviation decarbonisation (appendix 2) in line with commitments made within TfN's Transport Decarbonisation Strategy.

## **4. Context – Economic Opportunity**

- 4.1 The International Connectivity Commission (2017) identified the importance of North's aviation sector (£5.5bn to the North's GVA and the North's airports handled over 40m passengers in 2016). Furthermore, northern seaports contributed 20% of all GVA generated by UK ports in 2014.
- 4.2 The connectivity to international destinations for goods and people across the North can act as a wider catalyst for employment, regeneration and growth and enhancing the visitor economy valued at £12.3bn per annum.

- 4.3 Whilst the focus remains on growth, access to markets and surface access improvements, there are significant challenges and opportunities related to zero emission travel, the green economy and recovery of patronage post COVID-19 to consider. The next Strategic Transport Plan will need to balance economic, environmental considerations, and be credible in how we address the implications and opportunities of aviation and shipping growth.
- 4.4 Maximising the full potential of our ports and airports is essential to growing the economy of the North, and there are clear opportunities to rebalance growth across the UK, specifically:
- a) Currently there is untapped spare capacity at Northern ports and airports for 60m additional passengers per year.
  - b) Only 39% of the North's total exports are shipped from Northern ports/airports.
  - c) 4.1m business trips in/out of the North in 2017, forecast to reach 9m by 2050.
  - d) 17.5m tonnes of additional freight exports forecast by 2050.
- 4.5 Maximising the full potential of our ports and airports is essential to growing the economy of the North, and requires significant investment in surface access, including NPR, HS2, electrification into major ports and fully gauge cleared transpennine routes. There are also clear opportunities for the North to play a leading role in innovation and new technologies for freight.

## **5. International Connectivity & Aviation Policy Position**

- 5.1 As a statutory Sub-national Transport Body, TfN's role is to set the overall transport vision, and to provide statutory advice on planning and priorities for large scale transport investment. Within this context, TfN recognises the importance of international connectivity in supporting a post-Pandemic recovery, whilst balancing this against the environmental impacts of international aviation.
- 5.2 The International Connectivity & Aviation Policy position has been developed with TfN partner officers, with input from Professor Piers Forster (Leeds) and Chris Paling (MMU) as independent advisory experts, and informal consultation with ports, airports and environmental organisations.
- 5.3 The policy position statement provides a review of current policy and emerging trends, to understand TfN's strategic priorities and actions within international connectivity and aviation. It builds on the 2017 work by Independent International Connectivity Commission for TfN.
- 5.4 The position focuses on the opportunities within aviation decarbonisation for the North, realising the potential of international gateways as economic hubs and delivering improvements for surface access to/from international gateways.
- 5.5 The position proposes TfN's role should be focused on coordinating and influencing national policy on international connectivity and supporting the work of partner authorities. Within this role, we will facilitate regular stakeholder roundtables, utilise our links with technical experts and academia and draw upon wider TfN workstreams to provide evidence-based recommendations within international connectivity and aviation.

## **6. TfN Aviation Decarbonisation Approach**

- 6.1 There are a number of key drivers for TfN looking at aviation decarbonisation as part of this policy position, including a commitment within the TfN Transport Decarbonation Strategy (2021) to consider the decarbonisation of aviation, as well as robust feedback from environmental stakeholders, that some level of consideration of aviation emissions by TfN is warranted.

- 6.2 TfN's ambition is to position the North as a leader and centre of excellence in relation to the development and production of alternative fuels and low emission technologies; capitalising on the North's proximity to multiple sources of renewable energy and potential waste industrial fuel feedstocks, as well as our emerging strengths in the generation, storage and use of hydrogen.
- 6.3 The policy position also acknowledges the high level of risk associated with a predominantly technological approach to the decarbonisation of aviation, similar to that proposed within the Government's Jet Zero Strategy (2022), in terms of achieving the emissions reductions required. However, effective national and local approaches to managing demand can actually benefit the North - including boosting our regional tourism and regional business productivity, making the case for productive use of existing unused air capacity in the North, improving sustainable surface access to our airports and strengthening the case for investment in long distance rail as a credible alternative to domestic aviation.
- 6.4 Further to providing resilience to national decarbonisation efforts, managing demand can also help to reduce emissions in the short and medium term, reduce the significant non-CO<sub>2</sub> warming contribution from aviation and achieve co-benefits around improved air quality and reduced noise nuisance.
- 6.5 Three high level approaches to aviation decarbonisation were discussed with TfN's Partnership Board in July, to gauge the level of support for developing a position that went beyond current national policy in this area, and in particular whether partners were supportive of Government developing a nationally led strategy for managing aviation demand.
- a) The first option 'Jet Zero Aligned' was the least ambitious in terms of pace of emissions reductions.
  - b) The second option 'Going Beyond', built on the first but included support for national demand growth being capped to 25% by 2050 and utilizing this to strengthen the investment case for long distance rail as a credible alternative to domestic aviation.
  - c) The third option 'Faster Further', again built on option 2 by including support for national government to impose a national moratorium on runway expansion, as a key pillar within a strategy to manage national demand. This option was the most closely aligned with the Climate Change Committee's recommendations within the 6<sup>th</sup> Carbon Budget.

None of these options proposed any unilateral regional action in terms of managing demand as this would likely have a disproportionate effect on our regional economy and communities and would also be less effective in reducing aviation emissions due to increased potential of 'leakage' to other regions.

- 6.6 Feedback from Partnership Board indicated support for an ambitious approach to aviation decarbonisation which could also still create the right conditions for rebalancing economic growth towards the North.

Importantly, for both Option 2 and Option 3, the focus on rebalancing economic growth towards the North is maintained through the position being supportive of productive use being made of existing unused runway capacity at northern Airports, albeit in the context of a national cap of 25% demand growth.

- 6.7 TfN are therefore proposing to incorporate the 'Faster Further' approach to aviation decarbonisation within this policy position. The approach also supports opportunities to:
- a) Take the lead on innovation in alternative fuels and zero emission technology.
  - b) Boost regional domestic tourism.

- c) Establish a pan Northern programme to offset aviation emissions.
- d) Change attitudes to travel choices through participation in a national public awareness campaign.
- e) Enhance sustainable surface access to airports via public transport – including investment in HS2 and NPR.
- f) Encourage the decarbonisation of air-side equipment.
- g) Ensure our network of northern airports are able to serve all of the North’s diverse communities.

6.8 Emissions from both domestic and international shipping constituted about 3% of total UK emissions in 2019. This is around the same amount that are emitted by our buses on a national basis, however, shipping has been on a downward emissions trajectory for the last decade, whilst aviation emissions have steeply risen. Regional breakdowns of shipping emissions are also not readily available at the point of writing – and for those reasons we have focused our attention at this point on aviation emissions.

## **7. Corporate Considerations**

### ***Financial Implications***

7.1 No direct financial implications of these recommendations beyond resource implications noted below. However, TfN’s ability to undertake this work in full will be subject to its 2022/23 funding allocation and the 2022/23 business planning process.

### ***Resource Implications***

7.2 There are potential human resource implications associated with the preparation of STP2, namely ensuring adequate resources within TfN to prepare the plan as per our agreed timeline. These have already been fully considered and will align to TfN’s overall financial position post-CSR and the outcomes of the business and budget planning process for FY2022/23.

### ***Legal Implications***

7.3 The statutory obligations on TfN under the Local Transport Act 2008 as amended by Cities and Local Government Devolution Act 2016 in preparation of the STP will be kept under review to ensure the STP is legally sound and complies with the legal requirements.

### ***Risk Management and Key Issues***

7.4 This paper does not require a risk assessment. TfN’s Corporate Risk Register includes risks associated to the continual embedment of the 2019 Strategic Transport Plan (STP). TfN will undertake a risk assessment during the development of the new STP.

### ***Environmental Implications***

7.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the EIA Directive and therefore does not stimulate the need for SEA or EIA.

The International Connectivity and Aviation Policy position delivers on commitments made within TfN’s Decarbonisation Strategy to consider aviation emissions and how they might be reduced.

### ***Equality and Diversity***

7.6 To accompany the revised STP we will also be undertaking an Equality Impact Assessment as part of the wider Integrated Sustainability Appraisal (ISA).

TfN's Transport Related Social Exclusion workstream will allow TfN and its partners to better understand the distribution and causes of TRSE in the North and will form an important part of the evidence base for the revised STP.

### **Consultations**

7.7 A consultation is not required at this time; the statutory consultation planned for the revised STP in Summer 2023 will be undertaken in due course.

### **8. Appendices**

8.1 Appendix 1 – TfN International Connectivity & Aviation Policy Position  
Appendix 2 – TfN Aviation Approach

### **Glossary of terms, abbreviations and acronyms used (*if applicable*)**

*Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.*

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|--------|----------------------------|
| a) TPE | TransPennine Express       |
| b) NPR | Northern Powerhouse Rail   |
| c) NTC | Northern Transport Charter |