House of Commons Transport Committee

Scrutiny of the draft Heathrow Expansion National Policy Statement

Evidence from the Chartered Institute of Logistics and Transport (UK)

Introduction

1. The Chartered Institute of Logistics and Transport (CILT UK) is a professional institution embracing all transport modes whose members are engaged in the provision of transport services for both passengers and freight, the management of logistics and the supply chain, transport planning, government and administration. Our principal concern is that transport policies and procedures should be effective and efficient, based on objective analysis of the issues and practical experience, and that good practice should be widely disseminated and adopted. The Institute has specialist forums, a nationwide structure of locally based groups and a Public Policies Committee which considers the broad canvass of transport policy. This evidence has been prepared by the Institute’s Aviation Policy Group.

2. This evidence seeks to provide responses to the questions in the terms of reference.

a. The extent to which the draft HENPS provides clear and coherent guidance to the Secretary of State about how to assess a proposed scheme

3. The draft HENPS is inadequate in setting out policy for all UK airports. On 22 October 2025, the Government launched a review of the 2018 Airports National Policy Statement. Under the Planning Act 2008, National Policy Statements are intended to set out policy for Nationally Significant Infrastructure Projects (NSIPs) which, for airports, include new runways, expansion for more than 10 million passengers per annum, or expansion for more than 10,000 Cargo Air Transport Movements. There have already been other airport NSIPs and more are likely, but these will not be covered by the HENPS. The draft HENPS notes that the Making Best Use (MBU) policy, also published in 2018, together with the 2013 Aviation Policy Framework (APF), remain in place and may be updated. However, it is our view that the revised ANPS should incorporate the MBU and APF. The UK air transport industry is served by multiple airlines and passengers choose between competing airports. Expansion policy should be consistent and policy for individual airports, including Heathrow, can only be set in the context of the national situation.

4. Previous Airports Policy White Papers including in 1978, 1985 and 2003, were all prepared on a national basis.

b. The robustness of the Government's evidence and rationale for the need for a third runway at Heathrow Airport

5. The evidence provided in the draft HENPS and accompanying documents does not adequately deal with air cargo. Cargo accounts for about 10% of airline revenue and, given that margins are less than 5% on average, this is critical in airline decisions on routes. Air cargo is

carried in three distinct ways: in all-cargo aircraft, in the belly holds of passenger aircraft, and in trucks. All cargo flights accounted for 34% of tonnage in 2025 but this proportion is much higher at certain airports (East Midlands 100%, Stansted 95%, Prestwick 100%). All cargo carriers tend to be either 'integrators' such as Fedex, UPS or DHL, or divisions of national carriers. Integrators have designed their UK networks around East Midlands and Stansted Airports because they optimise their entire air-road network rather than individual airport pairs. Having invested at these hubs which are more central to the UK and which can provide night time slots, Heathrow is not a solution for these integrators and remains as a spoke, not a hub. However 66% of air cargo is carried in the belly holds of passenger aircraft, with Heathrow having the largest tonnage. The third type of 'air' cargo is carried in trucks between airports, using air transport documentation. Some is trucked to and from the integrators' hubs at East Midlands and Stansted, some between UK airports, eg between a regional airport to Heathrow, and significant amounts are trucked between the UK and continental European airports. Estimates of the amount of trucked cargo are difficult, but the cross Channel element could amount to an additional 1.7 million tonnes or 40% of the total UK tonnage. The need for additional cargo capacity at Heathrow and other airports is a significant element of the total demand and is not adequately addressed in the draft HENPS.

6. The draft HENPS notes the hub argument, in particular noting that it remains significant for long haul flights and also provides domestic connections. Connecting passengers can be a valuable contribution to airline revenues and may turn marginal routes profitable and airlines are able to manage this through sophisticated revenue management systems that fill empty seats on particular routes at certain times. Historically the proportion of connecting passengers has been as high as 36.7% but airlines will reduce their sales of connecting tickets in favour of higher yielding traffic and in recent years this is a factor in the decline of connecting traffic to 26.6% in 2024. Heathrow has maintained competitive, expanding, and profitable, international connectivity without airlines needing to introduce the expensive demand aggregation device of scheduling waves of services to create connections, as at Atlanta or Amsterdam. It seems unlikely that the increment proposed in runway capacity will change the significance of connecting traffic or that the availability of connecting traffic will enable the operation of LHR routes that would not be operated without this traffic. An additional factor is the emergence of long haul narrow-bodied aircraft such as the Airbus A321LR which enable thinner routes from non hub airports to operate profitably. CILT's view is that, while there are some benefits in the hub model, connecting passengers can be switched on or off and do not represent a fundamental demand which needs to be met.

7. The draft HENPS also suggests that, without expansion, new airlines will not be able to operate from Heathrow and passengers are likely to suffer from higher fares. However, several new airlines have started in recent years (eg. Alaska Airlines, Riyadh Air, Indigo). CILT's view is that there is ample competition provided by other airline/airport combinations within the South East and the UK generally and fares are kept down through this competition.

8. The draft HENPS does not adequately deal with the way in which new capacity from a third runway would be released. Under current regulations, 50% of new capacity must be allocated to new entrant carriers, but incumbent carriers who pay for it will expect it to be allocated to them. Various alternatives have been explored but found to be legally, practically and politically difficult. There could be many unintended consequences, such as auctions benefitting only airlines with deep pockets, retaliatory action, and 'slot sitting' to retain their value on balance sheets.

c. Whether it is appropriate for Heathrow expansion to be designated as Critical National Growth Infrastructure

9. Critical National Infrastructure is defined as relating to the loss or compromise having an effect on loss of life or casualties or national security. It includes airports within the transport sector. However, the word 'growth' does not appear in the definition, and it is stretching the definition to suggest that not enabling growth at one airport would lead to the loss of life or casualties. In our view it is not appropriate to designated Heathrow expansion as Critical National Growth Infrastructure. In the absence of LHR expansion there is sufficient other airport capacity to meet the growth requirements of Aviation in the UK economy, as noted in our response to question j.

d. How effectively and robustly the draft HENPS sets out the assumptions and requirements of the Government's 'four tests' for expansion, on:

- Economic growth across the country
- Air quality
- Noise
- Climate change mitigation

10. In relation to the economic growth test, we note that the assumption is that employment effects arise through the reallocation of labour across the country rather than an increase in total employment.

11. In relation to climate change mitigation, the Climate Change Committee (CCC) were asked in November 2025 to provide specific advice on the proposals for Heathrow expansion and the ANPS review. If that advice has been received, it has not been published. However, the CCC have published their annual report to Parliament in June 2026 which notes that aviation emissions fell slightly by 0.5% in 2025 despite a 3% increase in passenger-kilometres. However, it advises that progress in reducing aviation emissions has been too slow and there are risks in achieving Carbon Budgets and the Growth Delivery Plan.

e. How adequate the information published alongside the draft HENPS is, including its accuracy, comprehensiveness and methodology, and how effectively evidence and data have been reflected in the draft HENPS, including on cumulative impacts

12. We do not submit any response to this point.

f. How robust are the methodology and data used for any forecasts or assumptions about the future underlying the analysis presented in support of the HENPS, and whether the range and use of scenarios in the document are appropriate

13. CILT's view is that the growth of passengers for the UK will not be dissimilar to the DfT's Current Trends forecast. High growth rates in some years will be balanced by low growth or reductions in others, as has been the case over the last 20 years. However, we expect growth rates in the South East to be slower than the regions, given that the opportunities for growth in the regions are relatively greater.

14. In 2015, the Airports Commission concluded that Heathrow has been full since 2005 and the draft HENPS repeats this conclusion for 2025. Although ATMs have been close to capacity in this period (apart from the Covid years) there has been a 25% increase in passenger numbers, showing that growth is possible even without additional runway capacity by increasing the average number of passengers per movement.

15. For the UK, ATMs have not grown in the last ten years and, in 2025, were only at 90% of 2017 levels, while passenger numbers have grown. Again this shows that growth can take place without the need for additional runway capacity.

16. While CILT's view is that total UK passenger numbers may not be dissimilar to DfT's aviation forecasts, the Allocation model produces some bizarre results, in part because of the capacity assumptions which do not reflect approved expansions. London City and Southend decline, Luton, Liverpool and Leeds Bradford are virtually static and Newcastle grows very slowly. We have considered airports with a 'bottom up' approach which gives these airports higher, yet realistic, growth rates, often below their master plan aspirations.

17. The DfT Aviation Forecasts do not include cargo tonnage, only making assumptions about all cargo ATMs. In our view this is inadequate, given the importance of cargo in airlines' revenue, the significance of all-cargo ATMs at particular airports, the under-reporting of air cargo that is trucked, and the general importance of air cargo in trade and the economy.

g. How comprehensive and realistic the requirements are in terms of environmental mitigation, supporting measures for communities who will be affected by expansion, and surface access to the airport

18. This section of our evidence relates to the requirements for surface access for expansion at Heathrow and other airports.

19. The two key targets in the draft HENPS Surface Access Vision are for Public Transport Mode Shares (PTMS) for air passengers of at least 50% at 116 million capacity and 55% at 130 million capacity. The PTMS was 41.5% at 84 million in 2024 having risen from 40.1% in 2019. Part of this increase is due to the introduction of the Elizabeth Line (which partly replaced TfL Rail and previously Heathrow Connect services). We expect 2025 data to show a further increase in PTMS but historically the PTMS has grown very slowly even when new services are introduced. It was 32% in 1972 (when only bus services were available), 34% in 1978 after the Piccadilly Line, and 36% in 2000 after Heathrow Express began. An increase to 50% and then 55% would be a significant challenge requiring not only new public transport services but also significant disincentives to use other modes (private cars and taxis).

20. The draft HENPS does not require new rail links to be completed as a condition of the development but encourages the Airport to work with others to enable them to be delivered. Additional rail links to the west and south have been proposed for many years, but none have been delivered and, while feasible, it is not clear how they would be funded. The Airport can

contribute to the extent that it benefits, but this is likely to leave a substantial sum to be funded from the public sector or other sources, and it is not clear if this will happen.

21. In any event, as noted above, the provision of additional rail links, or indeed additional bus and coach links, will have only a slow effect on the PTMS. If the PTMS is a condition of exceeding certain passenger levels, it is highly likely that it will result in a constraint on growth.

22. To achieve the target PTMS levels, it is likely that significant disincentives to use private cars and taxis will be required. The draft HENPS and Surface Access Vision note a requirement for a 'public transport first' strategy. In part this is delivered by car parking charges and drop off fees, but these will need to be significantly higher than currently to achieve any significant change in PTMS. The HAL scheme includes 'parkway' car parks to the north and south of the airport and these will have to become the main entry and exit points for private cars and taxis, meaning that the rail, bus and coach stations are clearly the 'public transport first' entry and exit points. At both the Eastern and Western Campus (Terminals 2 and 3 and Terminal 5 respectively) there will need to be a significant remodelling of the access and egress between the stations and terminals to make these routes as straightforward as possible.

23. In relation to other airports, there are also challenges to achieve higher PTMSs. We have studied Gatwick rail access in detail and believe that the required PTMS can be achieved with a combination of additional services (in particular overnight), lengthened trains and marketing. Stansted has significant spare rail capacity which can accommodate growth. Manchester requires a step change in reliability and service levels, but the potential is there. Birmingham will benefit from the new Interchange station on HS2. Some airports without rail links (Glasgow, Bristol, Leed Bradford) may be constrained by the severe and unacceptable conditions on their road access. However, most smaller airports would not be constrained by surface access.

h. How the Government's decision to select the Heathrow Northwest Runway scheme to inform the review has affected the draft HENPS and is likely to affect potential promoters

24. Notwithstanding our views about the need for a UK wide approach, the Government's decision to select the Northwest runway scheme is understandable given its maturity and the ability of HAL as the promoter. However, it is clear that many stakeholders, including critically airlines, would prefer the HWL scheme with a shorter runway. In the end, it must be a matter for HAL to decide which scheme to promote, taking account of the views of airlines and in accordance with whatever funding arrangements the CAA, as regulator, determines are appropriate. In this case, it would be appropriate for the HENPS to state that Government policy would accept either scheme. It is also important to note that Government policy cannot force HAL to deliver a particular scheme if they decide that the scheme is not viable.

25. Again notwithstanding our view that a UK wide approach to airport expansion should be considered first, there would be merit in safeguarding the land required for either scheme from incompatible development. This was recommended in the 2003 White Paper but never implemented. It was also recommended for a second runway to the south of Gatwick and was implemented there and remains the case.

i. How well the draft HENPS reflects Government policy on airports and aviation, and on other elements of broader a) transport, b) planning and c) climate and environment policy

26. Our soundings across the industry suggest very clearly that it is Treasury that is 'leading the charge' for Heathrow expansion. It is clearly advantageous to have a private sector funded development which leads to GDP growth that can be included in Treasury forecasts. Also, although the timing in relation to current political changes may be coincidental, there is concern that short term political considerations may be influencing the long term strategy which should be based on sound evidence.

27. Our view on the need for a UK wide approach is clear and we suggest that the draft HENPS is inconsistent with such a wider perspective which is apparent from the MBU policy.

j. To what extent the draft HENPS adequately takes into account changes in the context of airport expansion since 2018, such as, for example, current and future capacity at other airports, new legislative requirements, and developments in technology

28. The draft HENPS is inadequate in its consideration of the capacity of airports since 2018, including where expansion has been approved and the potential for further expansion. In the DfT Aviation Forecasts many airports are assumed to not increase capacity beyond their current or approved level whereas, in reality, they will seek to increase capacity when the current capacity is close to being reached. Stansted's capacity is held at 43 mppa until 2033 despite it having approval to grow to 51 mppa. Manchester is held at 38 mppa until 2040 despite there being no legal limit on its growth. Smaller airports are also held at capacities below their potential or approved limits. It is inconceivable that these airports will not grow, either within their current limits or by seeking approval for expansion, in particular over the next ten years, such that the need for additional capacity in the UK and the South East in particular is not as urgent as suggested.

k. Whether the draft reflects lessons learned from legal challenges to the 2018 Airports NPS

29. We do not submit any response to this point.

l. The effectiveness of the Government's consultation on the draft HENPS.

30. We do not submit any response to this point.

Submitted by
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