Report of the Director of City Development

Report to Executive Board

Date: 15th July 2015

Subject: Leeds Bradford International Airport

Are specific electoral Wards affected? ☒ Yes ☐ No

If relevant, name(s) of Ward(s): Otley and Yeadon

Are there implications for equality and diversity and cohesion and integration? ☒ Yes ☐ No

Is the decision eligible for Call-In? ☒ Yes ☐ No

Does the report contain confidential or exempt information? ☐ Yes ☒ No

If relevant, Access to Information Procedure Rule number: 

Appendix number:

Summary of main issues

1. Delivering sustainable and inclusive economic growth is a priority of the Best Council Plan. The economic competitiveness of core cities such as Leeds is increasingly dependent on the ability of businesses to access international markets and there is strong evidence that good international connectivity by air supports the economy of the city. Growth of Leeds Bradford International Airport will support this by providing a more extensive airline route network that will enhance the ability of Leeds City Region and its businesses to access global markets and attract inward investment and tourism.

2. Leeds Bradford International Airport is already a huge asset for Leeds and Leeds City Region. It is one of the UK’s fastest growing airports, supporting over 2,600 jobs and contributing in excess of £100m to the city region economy. The airport is currently used by 3.3m passengers per year. The Department for Transport (DfT) has forecast that there is the potential to increase this to 7.1m by 2030 and to above 9 million passengers per year by 2050. There is potential to expand the airport’s route network to open up new international connections, supporting international trade and creating new jobs.

3. Executive Board supported proposals to develop a clear and coherent policy approach to support the sustainable growth of Leeds Bradford International Airport and to maximise its positive economic role. A previous report to Executive Board in October, 2014 covered topics including support for the expansion of the airport's
route network, better transport links, future land-use strategy and planning policies, and employment and skills.

4. This report provides an update for Members on the matters surrounding the growth of Leeds Bradford International Airport. In the Executive Board meeting of 15<sup>th</sup> October, 2014 Members agreed the following recommendations:

i) The Council will develop a coherent policy approach that supports the sustainable growth of Leeds Bradford International Airport and seeks to maximise the economic and jobs benefits for Leeds and Leeds City region;

ii) The Council will support growth and expansion of the Airport’s route network to enhance the international connectivity of Leeds and Leeds City Region;

iii) The Council will support the development of proposals for better surface access to Leeds Bradford International Airport to support its growth and enable it to widen its catchment, subject to robust business cases being made for transport proposals with an appropriate package of financial contributions;

iv) The Council will consider the future land-use strategy surrounding the Airport in the context of existing planning policies and future growth, demand, sustainable development considerations and environmental constraints in the context of the Airport Masterplan;

v) The Council will encourage and support Leeds Bradford International Airport and businesses based there in connecting people with jobs (including through apprenticeships and skills programmes); and

vi) The Council will encourage and support Leeds Bradford International Airport to engage closely with the local community and to work in a positive partnership with the Council and others.

5. The Site Allocations plan will allocate employment land across the city over the next plan period up until 2028. It is proposed to release employment land surrounding the airport as part of this process. This will strengthen the Airport’s role as an economic hub, increase transport demand, enhancing the business case for surface access proposals, help meet needs for new employment sites in North West Leeds, and enhance the ability of Leeds to attract inward investment This paper provides some background to this proposal.

6. Further work has been undertaken over the last 9 months on potential transport improvements to enhance surface access to the Airport.

7. Members instructed the Director of City Development to coordinate the work set out above and to bring a report on progress back to Executive Board in mid-2015. This report is in response to that request.

**Recommendations**

8. This report sets out the progress being made on supporting the airport in its plans for growth. Members are recommended to:
i) Note the recommendations in the Site Allocations Plan for land use in the area surrounding Leeds Bradford International Airport;

ii) Continue to support growth of the airport and the wider economy to meet aspirations of achieving 7.1m passengers by 2030;

iii) Request that officers in Planning Policy, Economic Development and Highways & Transportation continue to work with Leeds Bradford International Airport to progress the Airport Masterplan through to the consultation stage;

iv) Request that officers in Planning Policy, Economic Development and Highways & Transportation continue to work on the proposals for surface access, working closely with Leeds Bradford International Airport and the West Yorkshire Combined Authority specifically to take forward the airport link road.
Purpose of this report

1.1 This report provides an update to Executive Board on the continuing work relating to the Leeds and Bradford International Airport (Leeds Bradford International Airport) and its surroundings. It follows a previous Executive Report dated 15th October, 2014 where Members agreed several actions with the final request to the Director of City Development that he co-ordinate the work set out in the resolutions and submit a progress report on such matters to Executive Board in mid-2015.

2 Background information

2.1 In March 2014 Members of Council recognised the importance of Leeds Bradford International Airport to the city region’s economy at a Full Council meeting where a White Paper motion approved that the:

“Council recognises the long term benefits Leeds Bradford International Airport brings to the local and regional economy and fully supports the city region’s proposed infrastructure improvements to improve both its accessibility and connectivity.”

2.2 Executive Board considered a report in October, 2014 and agreed the main principles for the development of the Council’s policy relating to the growth of the Leeds Bradford International Airport. The report considered the Council’s approach towards enhancing the positive role of the Leeds Bradford International Airport in supporting economic and jobs growth and providing international connections.

2.3 The report sets out the framework for the planned growth and improvement of the airport and its wider supporting infrastructure; together with the Council’s intentions around developing a unified approach across site allocations, transport and economic development.

2.4 Emphasis was placed upon the integral role played by the airport in ensuring the future economic competitiveness of both the local and regional economy, whilst the support which existed for improvements to the airport’s accessibility and connectivity was highlighted.

2.5 It also provided an update regarding the development of the Surface Access Strategy and the wider work being undertaken around the improvement of road access to the airport.

3 Main issues

3.1 It is important that Leeds City Council develops a clear and coherent policy approach to support the sustainable growth of Leeds Bradford International Airport and to maximise its positive economic role. To achieve the growth aspirations at the airport it is critically important that the council’s policies across economic development, planning and regeneration are all aligned. To do this Executive Board agreed to the recommendations set out in the October, 2014 report with a view that these be progressed by officers. These main issues are set
out below alongside an update for Members on the developments surrounding the Leeds Bradford International Airport since October 2014.

Economic Growth

3.2 Successful airports boost the economic competitiveness of their cities and city regions. They provide access for businesses to international markets, are critical to attracting inward investment and tourism, and are also major economic and employment hubs in their own right.

3.3 Tourism is important to the economic development and growth for the Leeds City Region. Leeds is now the fifth most popular conference destination in the UK with 25 hotels and 189 venues of which 18 are AIM accredited venues, second to London. Leeds Bradford International Airport is essential in maintaining strong connections which enable tourism, grows the visitor economy and acts as a global gateway.

3.4 A growing airport will help continue to deliver sustainable economic growth. The council recognises the requirement for Leeds Bradford International Airport to work in partnership with the Council and local communities to ensure that economic opportunities are realised, and the risks of adverse consequences of the airport’s growth managed and mitigated.

3.5 Leeds Bradford International Airport will play an important part in building the Leeds City Region’s future economy and the airport’s contribution to the regional economy is set to grow as the airport expands. The airport intends to carryout future developments in a sustainable way to minimise the effects on the environment and to ensure that local people are consulted and involved to alleviate as far as possible any concerns over the future development.

Surface Access Improvements

3.6 Improved surface access to Leeds Bradford International Airport is necessary to enhance its positive economic role in the area, and would help it capture increased market share from other airports. Currently the travel mode to the airport is predominantly by car, with around 56.3% arriving directly by this mode and a further 13.4% via off-site car parks; 5.1% by service bus; 10.6% by coach / minibus; and 14.5% by hackney carriage or private hire.

3.7 The council is progressing with its surface access strategy alongside the airport to improve accessibility, ensure delivery of surface improvements and also to ensure sustainable modes of transport are used, with targets for public transport use included in the surface access strategy. Aims include increasing public transport use by passengers (excluding taxis) to 20% of trips by 2024 and 25% by 2030. This framework includes a new link road, public transport improvements and a longer term ambition for a rail connection.

3.8 Work has been continuing on the airport link road. The previous Executive Board paper outlined the beginning of the process to investigate the investment case and its justification with a view to moving towards more formal public consultation during 2015/16. Since then an agreement has been reached as part of the West
Yorkshire Transport Fund (WYTF) that the road is necessary and will be taken forward. This will improve the accessibility of the airport by car and the journey time savings could also be used to deliver improved bus service frequencies. The WYTF is now working towards a Gateway 1 submission which will provide further details and will include a funding outline. All options for the road are still being considered including the upgrading of the existing highway along the A65 and B6152. At this stage no date has been set for public consultation on these proposals, however, this is still scheduled and will occur at the appropriate time.

3.9 A potential rail link to the airport is the final part of the surface access strategy and is part of the longer term ambition for enhanced connectivity and transport integration at the airport site. The West Yorkshire Combined Authority (WYCA) is currently taking forward this aspect of the strategy and in December, 2014 the DfT published its ‘Connectivity Study: Option Assessment Report’ of the airport. This recognised the rail link as a longer term aspiration as opposed to the relatively short / medium term delivery of the link road which is considered to have the greatest benefit on the area. Work on the rail link is progressing and being led by WYCA.

*Airport Masterplan*

3.10 Officers have been working with representatives from the airport and stakeholders in order to agree the airport masterplan and ensure it accords with the wider ambitions of the city and the city region. This has included several aspects relating to the airport and the surrounding land, the wider North West Leeds economy and further work on surface access. This information provides a clear understanding of the area and how the airport relates to the economy, as well as the wider ambitions of the airport and what this will mean for Leeds.

3.11 The airport is already growing at considerable rate; between 2008 and 2013 it experienced a 16% increase in passenger numbers, representing the largest increase of all major national and regional airports across the UK. As the largest employer in North West Leeds and one of the largest in the city region Leeds Bradford International Airport annually generates over £100m towards the city region economy and there are clear benefits to further growth of the airport.

3.12 Leeds Bradford International Airport currently serves 60 international scheduled flights, 7 domestic scheduled flights and 12 charter destinations. Over the last 3 years the airport has introduced 5 new airlines and 25 new routes and has further ambitions to increase their connectivity further. The highest demand for air travel outside the South-East is concentrated around Leeds and Sheffield city regions and the east coast. The Leeds Bradford International Airport is well placed to take advantage of this.

3.13 The airport needs to grow in order to meet the scale of expansion needed to accommodate a predicted increase in passenger numbers from 3.3m to 7.1m by 2030. Leeds Bradford International Airport has the potential to be the largest airport in terms of passenger numbers east of the Pennines based on the projected demand. The growth of Leeds Bradford International Airport is recognised and supported both nationally and locally, in order to achieve this growth the masterplan proposes the development of high quality airside and
landside facilities, a commercial hub surrounding the airport and improved surface access.

3.14 The commercial hub is regarded by Leeds Bradford International Airport as an integral component for growth, creating a sense of arrival and place and providing the opportunity for new inward investment. This includes the expansion of core operational and supply chain activities aimed at enhancing Leeds Bradford International Airport’s profile and ‘investability’ particularly to flight operating companies for route development. Over time it may also strengthen the case for improved connections and accessibility to the airport.

3.15 The airport masterplan comprises 36.2 hectares of net additional land outside their operational land boundary. Proposed land uses for the hub include an Air Innovation Park, Airport Village and an Air Freight Park. The Airport are proposing that this land is allocated accordingly in the Site Allocation Plan. This land is owned by Leeds City Council and the City of Bradford Metropolitan District Council on behalf of the five West Yorkshire local Authorities. The Airport has an option to purchase the land, originally approved as part of the sale of the Airport in 2007.

3.16 The largest part of the masterplan is the Air Innovation Park which would have a focus on attracting research and development companies and other business, with high spec facilities and links to the universities. This would include innovation and incubation facilities as well as broader employment uses. The Air Innovation Park would have limited direct linkage to the core operations of the airport but as the airport expands there is the potential for it to attract occupiers in the aviation sector which have a preference to be located in close proximity to the airport.

3.17 Support services to Leeds Bradford International Airport would be provided in the form of an Airport Village which is within the airport’s operational land boundary, the proposals include a new mixed use commercial centre with potential for hotel, restaurant and convenience retail development.

3.18 An Air Freight Park would form new industrial accommodation to serve the growth in demand anticipated from the increase in air freight cargos. Currently Leeds Bradford International Airport is ranked 24th nationally in terms of cargo. The airport considers there to be an opportunity to increase freight over the medium term. This would have implications for the need for additional cargo/freight handling facilities, transit sheds and distribution facilities.

3.19 Related to its core operational requirements further operational facilities are required, including increasing the size of passenger terminal. Leeds Bradford International Airport will require an expanse of land to the west of the existing terminal building currently comprising office and ancillary accommodation in order to make way for the expansion. This area is approximately 3.2 ha and would be located within the existing operational land boundary. The overall expansion proposed by Leeds Bradford International Airport is an additional 36.2 hectares. This land is currently within the green belt, outside the operational land boundary and the existing employment allocations and is proposed for an Air Innovation Park. A map is available as part of the background documents.
3.20 The Site Allocations plan will allocate future development sites across Leeds over the plan period up until 2028. The National Planning Policy Framework (NPPF) requires the Council to have an up to date development plan, or ‘Local Plan’. This needs to include both strategic policies and site specific allocations that put the policies into effect. The Site Allocations plan is part of a process that must ultimately lead to the delivery of new development of an appropriate form and quality, alongside the necessary infrastructure.

3.21 Proposals were brought to Members for consideration at the Executive Board meeting on 11th February, 2015. The report included reference to the Leeds Bradford International Airport but did not include any recommendations as at the time it was not possible to quantify the size and scale of growth of the airport over the plan period, and the implications for future general employment or other airport related allocations.

3.22 To provide evidence needed to make a recommendation to Members, the Council commissioned an employment needs assessment of the North West Leeds area completed by BE Group (is listed as a background document). This examined the employment characteristics of the area including employment needs, restrictions and potential opportunities. Over 200 local employers were surveyed as well as local property agents, the universities and other stakeholders. The study also included a review of the socio-economic profile of the local area and an analysis of property sales data.

3.23 The report provided additional evidence of employment need and was included in recommendations to Development Plans Panel on 16th June. The assessment from BE Group focussed on specific demand from the North West Leeds area and suggested a need for 12-14 hectares of general employment land was needed in the area, over and above the target requirement in the Core Strategy. This is related to indigenous business growth in the area.

3.24 The BE Group report did not focus on city wide employment need and the implications for additional demand over and above the local requirement were not quantified. However, the report did conclude that there are benefits of locating further employment land in close proximity to the Leeds Bradford International Airport as this would provide collocation benefits for both the airport and businesses in an employment hub. It proposed that expanding the node surrounding the airport would represent a logical, efficient and attractive solution in the area from a market perspective.

3.25 Further evidence from the BE Group assessment show that the residential population of North West Leeds is well educated and economically active. Even at the time of the 2011 Census when the recession was impacting on employment throughout the UK, unemployment rates in North West Leeds were about 4-5 percent, which from an economic perspective is considered ‘full employment’.

3.26 Businesses have a strong loyalty to the area, particularly due to a desire to retain staff that would otherwise be lost in any relocation. There is evidence of many small but growing businesses in the area with strong ties to North West Leeds.
This connection to the area is such that operators are prepared to remain in suboptimal premises in order to stay in the area. The desire to retain labour means other employment opportunities across Leeds such as the Aire Valley Enterprise Zone or Thorpe Park are not suitable for many North West Leeds businesses who are keen to stay in the local area.

3.27 There has been a loss of older employment stock in the area, with land being taken up for residential purposes. The industrial market is particularly constrained in terms of supply, which is limiting take-up of premises and delaying businesses' plans to upgrade premises. There is evidence of latent demand now for further premises, which would enable existing businesses to upgrade or expand and allow choice for businesses looking to enter the market.

3.28 The office market has more choice in terms of currently available premises and urgency for further stock is not as apparent as in the industrial sector. However, there is a lack of serviced office space that could potentially support businesses currently operating from home and looking to upgrade their premises. This would provide an option for micro businesses seeking more professional accommodation.

3.29 In order to satisfy future demand for employment it is proposed that a site adjacent to existing employment areas surrounding the airport is included for allocation. Through the Site Allocation plan there is an opportunity to help meet longer term aspirations to designate Leeds Bradford International Airport as an employment hub. This would provide an opportunity to contribute toward general employment land within the Outer North West area and secure opportunities for employment uses associated with airport growth (including logistics and freight).

3.30 The Airport Masterplan identifies a need for 36.2 hectares of land at the airport which would need to be taken out of the Green Belt. This significant loss of Green Belt could be justified on the basis of the strategic need in contributing to the overall general employment requirement. The proposal would be subject to a detailed Supplementary Planning Document to set out detailed land uses and planning requirements, which would entail a significant contribution from the Leeds Bradford International Airport to the provision of infrastructure.

3.31 Consultation on the Site Allocations plan including the proposals for additional employment land surrounding the airport is due in the autumn subject to Development Plans Panel and Executive Board approval.

Employment and Skills

3.32 The Employment and Skills service initiated a meeting with the Leeds Bradford International Airport Human Resources Manager and Business and HR Administrator in January 2015 to provide Leeds Bradford International Airport with details of the service’s recruitment and apprenticeships offer, and for Leeds Bradford International Airport to explain the structure of the organisation, job roles, and the pattern of recruitment - including any particular challenges. The meeting was very positive, with Leeds Bradford International Airport expressing strong interest in working with the Council to facilitate the recruitment of local residents to the range of job opportunities on offer. It was agreed that Leeds Bradford
International Airport would share their forecast pipeline of future recruitment needs, and we would work together to demonstrate how we could add value to their recruitment processes, before looking to expand the relationship further into the development of potential skills programmes and a broader recruitment offer to the wide range of businesses at the airport.

3.33 Since then, the service has promoted 12 vacancies on behalf of the airport, and Leeds Bradford International Airport have reported that five job outcomes have been achieved as a direct result of our work. Leeds Bradford International Airport have also added the service as an option in response to a question in their application process relating to the source of candidates finding out about the opportunity being applied for.

3.34 At a recent review meeting (May 2015) Leeds Bradford International Airport expressed their considerable satisfaction with the work we have carried out, and we are now exploring introductions to the wider ecosystem of Leeds Bradford International Airport’s business partners, including retail and hospitality concessions based at the airport, and airlines/maintenance operators/suppliers.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Discussions on the future growth and economic role of the airport are ongoing and have been held between officers and representatives of Leeds Bradford International Airport in several meetings including Development Plans Panel. Members have also been consulted as part of the ongoing Leeds Bradford International Airport and Site Allocations work.

4.1.2 The Otley and Yeadon Ward Members have been given the opportunity to comment on the draft report. A briefing meeting has been arranged, and feedback will be reported verbally by officers at Executive Board.

4.1.3 Some initial comments have been received from one Ward Member. There is support for the recognition of the Airport as a strategic economic asset for Leeds and the city region, but there will need to ensure that the way in which the Airport is developed and operated going forward reflects this. The existing poor quality surface access was flagged as a major issue. The view was expressed that a comprehensive approach is needed with an emphasis on improving public transport, and a need to create “trigger points” at which airport expansion would require surface access improvements. The view was also expressed that there is already sufficient employment land available in the area to meet the needs of the airport and the local economy.

4.1.4 Subject to the outcome of the Executive Board paper on Site Allocations contained later in this agenda, these issues will need to be given further consideration during the consultation process, and also through the work on the surface access transport, and the consideration of the Airport Masterplan.
4.1.5 In compiling their report BE Group consulted a range of stakeholders including over 200 local businesses, the universities, Leeds Chamber of Commerce, West Yorkshire Combined Authority, Bradford Council, representatives from Leeds Bradford International Airport and property agents.

4.1.6 The Site Allocations plan and the Leeds Bradford International Airport masterplan will both be subject to separate public consultation before being finalised and this will be used as part of the final decision making process, dates for these have not yet been set.

4.2 **Equality and Diversity / Cohesion and Integration**

4.2.1 As a major source of employment, Leeds Bradford International Airport can make an important contribution to economic inclusion.

4.2.2 It will be important that equalities impacts, diversity and inclusion issues are taken into account as the detailed proposals for the growth of Leeds Bradford International Airport are developed.

4.2.3 An Equality, Diversity, Cohesion and Integration screening has been undertaken to assess the impact of this report on equality and diversity and is attached as an appendix

4.3 **Council Policies and the Best Council Plan**

4.3.1 The policy principles set out in this report are in line with the objective of the Leeds City Council Best Council Plan to promote sustainable and inclusive economic growth.

4.3.2 The growth of the airport is a priority in the Leeds City Region Local Enterprise Partnership’s Strategic Economic Plan.

4.4 **Resources and value for money**

4.4.1 The recommendations in this report do not have any direct implications for Council funding. There are opportunities to lever in external funding and it is important that the Leeds Bradford International Airport makes appropriate contributions to initiatives to support the airport’s growth.

4.5 **Legal Implications, Access to Information and Call In**

4.5.1 There are no significant legal issues relating to the recommendations in this report. There will be a need to consider legal issues, including planning conditions and obligations, as more specific proposals are developed for Leeds Bradford International Airport.

4.6 **Risk Management**

4.6.1 There is a risk that the economy of Leeds and Leeds City Region will be weakened if Leeds Bradford International Airport does not fulfil its potential for sustainable growth. This would have adverse implications in terms of job creation, and access to international markets for businesses. Without improvements in
transport links to the Airport and local infrastructure, there is a risk that there will be increased pressure on infrastructure and the growth of Leeds Bradford International Airport will be constrained. There are also risks that without a coherent, planned approach set out by Leeds City Council working with Leeds Bradford International Airport, the airport’s growth will be ad hoc, and it will be difficult to manage and mitigate risks of any adverse local or amenity impacts of growth.

4.6.2 These risks can be mitigated by Leeds City Council developing proactively a clear and coherent policy approach to support the sustainable growth of Leeds Bradford International Airport and, within this framework, to maximise its positive economic contribution.

5 Conclusions

5.1 The work to develop a clear and coherent policy approach to support the sustainable growth of Leeds Bradford International Airport and to maximise its positive economic role is ongoing. The main aspects include the Leeds Bradford International Airport masterplan, surface access, site allocations and employment and skills.

5.2 The surface access work is progressing and agreement has been reached as part of the West Yorkshire Transport Fund (WYTF) that the road is necessary and will be taken forward.

5.3 The Site Allocations and the airport masterplan which is being prepared by Leeds Bradford International Airport are both being progressed and will be subject to public consultation. The Site Allocations plan now includes proposals to allocate land surrounding the airport for employment purposes. This will strengthen the role of the Airport as an economic hub, help improve the business case for surface access transport improvements, meet local needs for employment of land and enhance the ability of Leeds to attract inward investment.

6 Recommendations

6.1 This report sets out the progress being made on supporting the airport in its plans for growth. Members are recommended to:

   i) Note the recommendations in the Site Allocations Plan for land use in the area surrounding Leeds Bradford International Airport;

   ii) Continue to support growth of the airport and the wider economy to meet aspirations of achieving 7.1m passengers by 2030;

   iii) Request that officers in Planning Policy, Economic Development and Highways & Transport continue to work with Leeds Bradford International Airport to progress the Airport Masterplan through to the consultation stage;

   iv) Request that officers in Planning Policy, Economic Development and Highways & Transport continue to work on the proposals for surface access, working closely with Leeds Bradford International Airport and the
West Yorkshire Combined Authority specifically to take forward the airport link road.

7 Background documents


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1 The background documents listed in this section are available to download from the Council’s website, unless they contain confidential or exempt information. The list of background documents does not include published works.