

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT AIRPORTS SLOT ALLOCATION
(ALLEVIATION OF USAGE REQUIREMENTS)
(NO. 2) REGULATIONS 2021

Tuesday 19 October 2021

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Saturday 23 October 2021

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The Committee consisted of the following Members:

Chair: † GERAINT DAVIES

† Aldous, Peter (*Waveney*) (Con)
 † Bacon, Gareth (*Orpington*) (Con)
 † Courts, Robert (*Parliamentary Under-Secretary of State for Transport*)
 † Docherty-Hughes, Martin (*West Dunbartonshire*) (SNP)
 Eagle, Dame Angela (*Wallasey*) (Lab)
 † Johnson, Dr Caroline (*Sleaford and North Hykeham*) (Con)
 † Jones, Andrew (*Harrogate and Knaresborough*) (Con)
 † Kane, Mike (*Wythenshawe and Sale East*) (Lab)
 † Kawczynski, Daniel (*Shrewsbury and Atcham*) (Con)

Lewis, Clive (*Norwich South*) (Lab)
 † Lloyd, Tony (*Rochdale*) (Lab)
 † Mackinlay, Craig (*South Thanet*) (Con)
 † Merriman, Huw (*Bexhill and Battle*) (Con)
 † Mortimer, Jill (*Hartlepool*) (Con)
 † Solloway, Amanda (*Lord Commissioner of Her Majesty's Treasury*)
 † Stringer, Graham (*Blackley and Broughton*) (Lab)
 † Twist, Liz (*Blaydon*) (Lab)

Chloe Freeman, Guy Mathers, *Committee Clerks*

† **attended the Committee**

Second Delegated Legislation Committee

Tuesday 19 October 2021

[GERAINT DAVIES *in the Chair*]

Draft Airports Slot Allocation (Alleviation of Usage Requirements) (No. 2) Regulations 2021

9.25 am

The Chair: Before we begin, I would like to remind Members to observe social distancing and only to sit in places that are clearly marked. I would also like to remind Members that Mr Speaker has stated that masks should be worn in Committee. *Hansard* colleagues would be most grateful if Members could send their speaking notes to Hansardnotes@parliament.uk.

The Parliamentary Under-Secretary of State for Transport (Robert Courts): I beg to move,

That the Committee has considered the draft Airports Slot Allocation (Alleviation of Usage Requirements) (No. 2) Regulations 2021.

It is an honour to serve under your chairmanship this morning, Mr Davies.

The draft regulations will be made under the powers conferred by the Air Traffic Management and Unmanned Aircraft Act 2021. The Act created a more flexible set of powers for Ministers to implement slot alleviation measures related to the impact of covid-19, subject to a vote, of course, in both Houses. It allows us to tailor our responses in ways that were not possible before the Act. Ordinarily, airlines must operate slots 80% of the time in order to retain the right to the same slots the following—that is known as the 80:20 rule or the “use it or lose it” rule. However, the powers provided by the Act enable the Secretary of State to provide alleviation from that rule if he is satisfied that there is a reduction in demand due to the covid-19 pandemic, and that the reduction is likely to persist.

Under normal circumstances, the 80:20 rule helps to encourage the efficient use of scarce airport capacity while allowing airlines a degree of flexibility in their operations. In response to the covid-19 pandemic, the EU Commission waived the 80:20 rule for the summer 2020 and winter 2020 seasons. Following the UK’s departure from the EU, the UK Government decided to extend the waiver to cover the summer 2021 season, which runs until 30 October, through the Airports Slot Allocation (Alleviation of Usage Requirements) Regulations 2021, which we debated earlier this year.

By providing airlines with the legal certainty that they would be able to retain their slots even if not operated, the commercial impacts of the covid-19 outbreak on the industry were mitigated. That is because airlines might have otherwise opted to incur the financial costs—the loss—of operating flights at low load factors merely to retain those slots. The policy also supported sustainability by reducing the likelihood of needless emissions from near-empty aircraft.

Graham Stringer (Blackley and Broughton) (Lab): The Minister is talking about the potential commercial impact of not making the changes in the regulations. Unfortunately, the statutory instrument is not accompanied by a regulatory impact statement because, according to the explanatory note, the proposals are expected to last for less than a year. When one reads the amendment to article 2 of Council Regulation No. 95/93 in subparagraph (4) (b) it refers to November 2023, which is more than 12 months. Can the Minister explain that discrepancy?

The Chair: May I inform the Committee that I will call other Members to speak after the Minister and the Opposition spokesperson if anyone wants to elaborate on the matter? I am just making the point to keep interventions short.

Robert Courts: Thank you, Mr Davies. If I may, I will make some progress and return to the hon. Gentleman’s point in a moment.

Owing to the continued uncertainty and low passenger demand forecasts, we set out a package of measures on 19 July to alleviate slot usage requirements for the winter 2021 season, which runs from 31 October 2021 to 26 March 2022. That package was developed following consultation with the aviation industry and careful consideration of responses. It is fair to say that there were a range of views, from calls for a full waiver to support for no alleviation.

The draft instrument applies to England, Scotland and Wales. It is a devolved matter for Northern Ireland and does not therefore apply to it.

In the draft instrument, we have set out a package of alleviation measures that are designed to work together. They include changing the minimum usage ratio to 50:50, meaning that airlines are required to sue their slots at least 50% of the time to retain the right to operate those same slots in the following year. The reintroduction of a utilisation rate should encourage efficient slot use while also supporting sector recovery. There is a utilisation rate rather than a full waiver that we have seen in the past.

The draft regulations would also allow airlines that hand back a full series of slots to the slot co-ordinator before the start of the season to retain the right to operate that series of slots the following year. That will provide an opportunity for other airlines, including new entrants, to apply for and operate those slots on a temporary or ad hoc basis. The measure will apply to traded and leased slots, but not to newly allocated slots. That will prevent carriers from acquiring slots with no intention of using them. However, airlines that have announced that they have permanently ceased or will permanently cease operations at an airport before the start of the winter 2022 season will not benefit from the regulations in winter 2022.

The draft regulations expand the reasons that airlines may use to justify not using slots to include covid-19 related restrictions. That provides a guard against the risk of unforeseen covid-19 related measures or restrictions being imposed during the season. It will apply where unforeseen covid-19 related measures, including flight bans, quarantine or self-isolation requirements are applied at either end of a route and have a severe impact on

demand for the route or the viability of it. That will apply where restrictions could not reasonably have been foreseen in time to hand back the full slot series. There will be a three-week recovery period during which the provisions, sometimes known as force majeure, may still apply following the end of the covid restrictions. That gives airports and airlines time to respond to any unforeseen restrictions. The measures will cover the winter 2021 scheduling period, from 31 October 2021 to 26 March 2022.

We are currently considering alleviation for summer 2022 and we plan to consult with industry and interested Members to inform our policy later this year.

The instrument provides the necessary relief for the aviation sector for the winter 2021 scheduling period. Through this package of measures we have aimed to strike a balance between supporting the financial health of the sector while encouraging recovery.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The Minister said that Northern Ireland is excluded from the measure due to devolution. Can he expand on why it is good for them and not good for the rest of us?

Robert Courts: The reason is that aerodromes are a devolved matter in relation to Northern Ireland. There are also no co-ordinated slot airports in Northern Ireland, so the Northern Ireland Executive have agreed that it was not necessary for the powers of the 2021 Act to extend to, or apply in relation to, Northern Ireland.

I am conscious that I promised to respond to the query from the hon. Member for Blackley and Broughton.

Graham Stringer: The Minister is seeking inspiration.

The Chair: It has flown over.

Robert Courts: I am grateful to the hon. Gentleman for allowing me time to collect my thoughts. An assessment is always conducted of the impact of any measure that the Government introduce. Obviously, there is also a consultation period that takes into account the views of the sector. In any event that informal assessment is made, but hon. Gentleman asked about a formal impact assessment. In this case, we make provision for a period of less than 24 months, because the winter 2021 season lasts until March 2022 and any alleviation beyond that would require a fresh statutory instrument. I hope that clears up the matter, but I could come back to it later.

I commend the regulation to the Committee and I hope that everyone has found my remarks informative. I can deal with any other points when I reply to the debate.

The Chair: I will call the Opposition spokesperson next. There will be an opportunity for others to speak, but this particular slot is limited to one and a half hours and I do not expect it to go on for more than 80% of that.

9.35 am

Mike Kane (Wythenshawe and Sale East) (Lab): I certainly will not be taking up 80% of the slot, Mr Davies.

After yesterday's events, nothing screams louder than a debate on airport slots on a Tuesday morning at 9.30 to say that democracy continues in the light of the terrible events that visited our colleague from Southend. It is a pleasure to serve under your chairmanship, Mr Davies.

We all know that no industry has been as badly hit by the covid-19 pandemic as the aviation sector. I and my colleagues have been fighting for support for a deal to help that industry until such a time it could bounce back on its own two feet. The sector is not just important to airport operators and airlines, but to all those in the supply chains and not forgetting our constituents, many of whom are desperate to get overseas after a really challenging 20 months for holidays, for business and to visit loved ones. It is crucial that we protect what we have, even more so in the absence of the sectoral deal that we called for.

The instrument before us will further suspend the usual rules around allocation of airport slots, often referred to as the "use it or lose it" clause, to enable an airline to have grandfather rights to them. We cannot take a chance on the future of the world's third largest aviation industry, and so ensuring the current process continues, as it has since we originally met to discuss the regulations, is the right thing to do by the wider industry.

In saying that, I express a couple of caveats. At a time when no passengers were able to fly it was nonsensical to see empty flights taking off to preserve the slot allocation for a given airline. We know that there are historical issues with bigger airlines sitting on slots and preventing other airlines from entering the marketplace. At the height of the pandemic, we also saw some very poor practices by one or two of our major airlines in terms of hire and rehire. They may carry our flag but do they carry our values? For that reason it is vital that we should be down here to support the Employment and Trade Union Rights (Dismissal and Re-engagement) Bill to be introduced by my hon. Friend the Member for Brent North (Barry Gardiner) on Friday.

Will the Minister assure me that the Government will react quickly to reassess the situation as the aviation industry reactivates? Recovery has been slow and UK airports and airlines have recovered at a slower rate than our European counterparts. That has much to do with the impact of the sector-specific deals that our major competitors established during the pandemic. It is vital that as we slowly emerge from the pandemic and rebuild our aviation sector, we build back green and build back better.

I look forward to working with the Minister on the modernisation of our airspace, which is a vital part of upgrading the analogue infrastructure to the digital age for our aviation industries. That will give them a much needed boost of confidence, so that we can keep our world-class sector here in the United Kingdom.

9.38 am

Huw Merriman (Bexhill and Battle) (Con): It is a pleasure to serve under chairmanship, Mr Davies.

I welcome what I would effectively call a compromise. At the very start of the pandemic, it would have been absolute madness to expect airlines to fly for 80% of the time or to lose their slots. That would have meant bankruptcy for the airlines, and it would have been bad

[*Huw Merriman*]

for the environment. It was therefore right that we took that figure to zero, but to reopen the market it is absolutely vital that we now provide a nudge, and the Government can provide it, to ensure that if airlines do not use their slots for a proportion of time, they will lose them. We need to see new entrants come into the market and airlines given every incentive to fly.

I welcome the regulations, and I have two questions on the detail. First, to use an example of an airport near me, Gatwick, Virgin previously announced that it is moving all of its operations over to Heathrow—permanently, in its view. I agree with my hon. Friend that it is right there is an opportunity for sub-letting to go on, and hopefully airlines will then return back to their airport, unless, as he said, airlines have previously specified that they will be permanently moving operations or ceasing operations. Does that mean that applies to a notice given previously, as indeed Virgin has given to Gatwick, or will there be a more formal period in which airlines may review their decision or lose their slots?

Secondly, I note that the Civil Aviation Authority has just announced the details of a consultation regarding the increase in charges that Heathrow can apply to airlines. That will cause controversy. It is a huge shame that we are starting to see a bit of a squabble between the airlines and the airports about the recovery of revenue. The market has been united in trying to reopen and it is great shame that the seeds of divide and rule have appeared. Has the Minister taken into account the implications of the regulations, under which the Government are trying to encourage more flying, in the light of the announced consultation? What impact will slot reallocation have on allowing airlines to fly and on allowing airports to retain revenue? Heathrow may then not need to increase charges, which as we all know will get passed on to the passenger, as much as proposed.

9.41 am

Graham Stringer: It is a pleasure to be here this early on Tuesday morning to talk about airport slot allocation. I would like to use the opportunity to ask the Minister a number of questions.

I have no quarrel with the principle behind the regulations. It is sensible to take account of the fact that the world has been different over the past 18 months because of covid, and we do not want to damage or ruin an industry that provides so many jobs. In that sense it is a pity that there is no regulatory impact assessment accompanying the regulations, because important issues lie behind them. Even after the Minister was inspired to reply to my earlier intervention, I did not understand his response. I should say that I made a mistake in referring to the change in sub-paragraph (4)(b) and that the scheduling period runs until March 2023, which is considerably more than 12 months. I believe that on its own that means that a regulatory impact assessment was required. Other issues in themselves, however, require an answer.

Airlines want to monopolise slots not only because that means they can carry out their business but because of their value. There is a grey market in the trading of airport slots. A regulatory impact assessment may have been able to provide an answer as to who own those

slots. Do the airlines own them? They assume that they do. What is the assumption? Clearly, airports lay down the tarmac for the runways and they have an interest in that, but it is not clear from the notes provided that the airports were consulted. If they were not consulted, why not? What will be the impact of the proposed regulations on the grey market in trading air slots? It is an obscure but very important issue. Some years ago, when I served with the hon. Member for Bexhill and Battle on the Transport Committee, the slots were changing hands for at least £20 million a time. Given that the period in question will be extended for more than 12 months, those commercial interests should have been accounted for. What will be the impact of the proposed changes?

There is nothing in the notes that justifies the reduction from 80% to 50% in respect of retaining rights. It may well be a sensible measure. As far as I can tell from the notes, it is based on a reduction in flights that has occurred over time, but there has been a huge change within the last couple of weeks to where we can fly to, and where people can fly into this country from. It is likely that people will be able to fly into this country from the United States in two or three weeks. What will that do to the percentages that are proposed in these changed regulations? In a normal competitive environment, one would want them to be as high as possible, to stop the misuse of what are effectively anti-competitive grandfather rights. What account has been taken of the greater freedoms that we all now have to fly to and from this country?

Although I do not think that there is anything wrong in principle with what the Government and the Minister are suggesting, the detail is quite simply unjustified. It is unjustified because there is no regulatory impact assessment. These are important matters that relate to the commercial operation of airlines in this country, and of airports. I would be grateful if the Minister could reply to the questions and to the general points that I have made.

9.46 am

Craig Mackinlay (South Thanet) (Con): First, I have a declaration of interest: I had a fledgling interest in an airline start-up that came to an end after 9/11 in 2001, and did not get any further.

Covid has hit this country's aviation industry probably worse than any other. The figures across Europe put the UK's reduction in air travel as far worse than that of any other country, and the recovery has been far slower. This is not the forum to discuss the fact that we have had some rather odd and illogical covid measures that have not applied in other countries, but which have caused the sluggish reflation of that industry.

We do not have a perfect industry or a perfect market operating with airlines and airports, because we have limited airport space. That has always been a limiting factor, so it is not the fair, complete and normal market we might expect—but thank heavens that we do have a more liberated market than in the 1970s. We could have had a candied industry in aspic following the flag carriers of various countries, and we would not have seen the rise of a multitude of low-cost carriers that has liberated all of us and enabled lower prices and a great deal more choice.

On the 50% measure that is being applied, will the Minister's Department commit to looking at the load factors? They are published widely; the CAA publish these figures, and I am sure that they are at the fingertips of the Minister and his Department. Will they look at the load factors of those airlines that are using the 50% reduction in the required use of their slots to see whether they are using it for other commercial advantage, such as by getting their flights filled up to 99% or 100%, rather than to more typical pre-pandemic levels of, say, 85% or 90%, which would have been more typical? Will the Minister be looking at what these airlines are actually carrying and giving the nudge by saying, "Come on, your load factors are higher than previously; it's time you started using these slots whose usage this legislation is allowing you to reduce." I am fully in favour of free markets, but the flexibility and value of these slots is really quite exceptional. If airlines are not prepared to use them, they should be losing them in the longer term, so that new entrants can come in and we can all enjoy new airlines such as Wizz Air, Ryanair or EasyJet, which are a new and beneficial feature of low-cost travel for all of us.

9.50 am

Tony Lloyd (Rochdale) (Lab): May I say what a pleasure it is to serve under your chairmanship, Mr Davies?

I would like to ask the Minister a series of questions, although I will allow him time to collect his thoughts. The point that the hon. Member for South Thanet makes is very real: there is no free market when the allocation of slots is effectively determined by the perpetuation of existing control. That is a really important point, because it distorts what a free market can offer, including in respect of new entrants. Conversely, however, the Minister made the point that Northern Ireland is outside the remit of the statutory instrument. Pre-covid, there was a fledgling service from Manchester, for example, to the airport in Derry. The flight to Belfast City has been taken off. I have some interest, because I have used those flights in the past. The point I want raise is that, as we have seen the collapse of some individual airlines or routes, those slots will be reallocated. How does the Minister see the process of reallocation taking place? The hon. Member for South Thanet is absolutely right that we have to create the capacity for innovators to come in. It is not the large carriers that look for those new routes; they want to stick with their traditional routes as they know how to make money on those. They leave it to the marginal airlines to look for the new slots. How that will be done is therefore an important issue.

Looking again at the Manchester picture, at one time we had flights from Manchester to Heathrow, Gatwick and London City. Of those, only the Heathrow service now exists. People might say, "Yes, you can travel from Manchester to London," but if people want to travel onward and use global services, which are served by Gatwick in particular, it is necessary to make alternative arrangements. That is not good in terms of the national interest, and it makes the question of slots really important.

I want to ask the Minister whether he can look slightly beyond the remit of this present SI, which does have an end date, at what the picture will look like and at how we will make sure that the challenge comes into the existing big operators in a way that begins to make sure that we move towards a national strategic market-based solution to national needs.

Finally, we know that at the moment flight is one of the major contributors to climate change. Obviously slot allocation can be part of a process of trying to ensure that we move towards more efficient aircraft. What thought has the Minister and his colleagues put into the question of how slot allocation can be part of helping the industry move towards the lower-offending aircraft that we need to see in our skies?

9.53 am

Robert Courts: I am grateful for the opportunity to respond to the points that hon. Members have made, and I will do my best to go through all of them.

The hon. Member for Wythenshawe and Sale East asked about the hire and re-fire tactics, and what attitude we would take on slots. As he knows, slot allocation is something that the Government are legally prevented from interfering with or getting involved in; it is a matter for Airport Coordination Limited. I understand the point that he raises, but that is the reason why we cannot do that.

The hon. Gentleman also asked me about the plan for reactivating and re-energising the sector more broadly. He will of course remember that we are due to publish a strategic plan for the recovery of the sector by the end of the year, and I will look to deal with those points in that document. We will be producing that important document in due course. It will also deal with a number of points made by my hon. Friends. My hon. Friend the Member for South Thanet asked about load factors and new entrants. That is an important point and something we should address with a bit of time to breathe and think. What we are dealing with here is essentially an emergency short-term measure. It is not intended to be long-term policy on slots; it is simply providing some alleviation at the current time. He raises important points; we will be considering the matter, and will look to say more about it in the document in due course.

The hon. Member for Rochdale asked a similar question but with regards to the environment. He is familiar with the work of the Jet Zero Council, which has a big part to play. He asked specifically about the environmental impact and slot allocation. We will look at the wider slot policy point in the strategic document on the recovery of the sector and say more about that towards the end of the year. I am not seeking to swerve the question, and the hon. Gentleman has raised an important point, but the regulations are not the right vehicle to consider it, because they are an emergency measure to provide alleviation over the course of the winter season.

My hon. Friend the Member for Bexhill and Battle asked about some of the longer-term implications, and they will be covered in the strategic document. He started by saying that the regulations are essentially a compromise, and he is right. It is a matter of judgment, and to a certain extent that also answers some of the points raised by the hon. Member for Blackley and Broughton. In terms of the financial impact, both hon. Gentlemen will appreciate that that involves an element of judgment. Clearly, the aviation sector has been unable to fly and that has a financial impact. There is a desire for airlines to start to fly their slots again, but without doing so in such a draconian way that it causes them to retrench. That is the challenge.

[Robert Courts]

The Committee will recall that the last time that we debated this issue, it was a matter of full alleviation, so the 80:20 rule did not apply, but now 50% of the time flights are required. There is a judgment and an element of compromise and my hon. Friend for Bexhill and Battle is right to put it in those terms. He also asked about sub-letting, as he put it, and I think he means a full series hand-back, and the ability to come back and to fly some of those slots. If an airline knows that it cannot fly its slots, the intention is to encourage it to hand those slots back rather than to hold on to them and perhaps end up flying them, with all the environmental impact, and the economic impact on that airline. Because we are dealing with an evolving time, airlines may realise that they can fly slots, and that would encourage them to come back to airports where they are already established and start to re-establish services. It may also give an opportunity to new entrants if they are able to fly slots to demonstrate that they are able to do so. It is important to recognise that that would happen over the course of this season, and would not establish a long, historical right to fly slots. The point of the regulations is that airlines will retain their slots for the next season provided that they hand them back in this season.

A wider slot policy issue must be considered, which is why I referred to the strategic document that we will produce and release towards the end of the year. I am keen to stress that we need to look at the policy, but do so with a little bit more time to reflect, and not while the industry is in the midst of the immediate covid challenge.

Huw Merriman: I am keen for the Minister to say whether prior notification that an airline is moving away from an airport is indeed the notification that he has cited. Has that airline given the confirmation that it plans no longer to operate from that airport, or will there be a forward, formal date at which to vacate?

Robert Courts: I was just about to address that point. I did not mean to give the impression that I was not going to answer. It fundamentally comes down to whether ACL understands that to be a formal revocation. I would have to look at the circumstances to give a proper answer as to exactly what was said. It fundamentally comes down to whether operations have ceased or have been paused.

My hon. Friend also asked about the economic regulation of Heathrow. That is subject to an independent decision taken by the CAA. Obviously, there has been a huge amount of financial challenge over the course of the past 18 months, and that is why a support package, as part of wider economic measures, has been given. When making that independent assessment, the CAA must balance the interests of passengers and the airlines, and the financial viability of the airport. It balances those three factors when it reaches its independent decision.

The hon. Member for Blackley and Broughton asked about the impact assessment, and I apologise for not giving an answer that was quite clear the first time. If I understood him correctly, the November point—he referred to March '23, which I will address in a second—is about the powers that are conferred by ATMUA, or the Air Traffic Management and Unmanned Aircraft Act 2021, that enable us to introduce this regulation. Although

that period is clearly longer than a year, we are dealing here with a shorter period of alleviation. The powers last longer than a year, but the exercise of the powers that we are seeking here is for less than a year. The hon. Gentleman has the draft statutory instrument in front of him. He will see that paragraph 2 refers to a required percentage of

“50%, in the case of slots with a date falling within the scheduling period from 31 October 2021 until 26 March 2022”.

The start of the period is the date of the end of the month, which I gave in my opening speech, and it will last until 26 March 2022. The powers that we are seeking to exercise apply for this shorter period of less than a year, from the end of October to the end of March.

The hon. Gentleman asked why we did not have an impact assessment for a longer period. That is a perfectly fair and reasonable point, but the difficulty, and the reason why we have not done such an assessment, is that it would depend on the usage ratio that we applied. He will remember that last time we considered this statutory instrument, there was a full alleviation, so there was no requirement to fly the flights at all. That would clearly have one economic impact, whereas we are now talking about a 50% usage rule, which will have a different economic impact. In the next season, there will be another period. I do not know now—we would have to consult—what we would do at that time; clearly that would have another economic impact. We are dealing with a period of less than a year.

The hon. Gentleman also made a point about the end of March 2023. If I understood him correctly, he took that from paragraph 2(4)(b), which is about the entitlement for the air carrier to retain the slots in the next scheduling period. He will remember that the issue we are dealing with here concerns this scheduling period. In normal circumstances, if slots are not flown 80% of the time, they cannot be kept in the next scheduling period. We are operating relief for this scheduling period. New paragraph 2a to the Council regulation states that

“the scheduling period from 31 October 2021 until 26 March 2022 shall entitle the air carrier to the same series of slots for the scheduling period from 30 October 2022 until 25 March 2023”.

If I understood the hon. Gentleman correctly, I think I can answer him by saying that this is not power we are exercising; we are simply pointing out that the airline will get to keep the slot for that scheduling period. I hope that I have explained the detail of the matter, now that I have found the relevant bit of the SI, and that I have understood his point correctly.

The hon. Gentleman asked about a number of other points. He asked about ownership of slots. Slots are a permission to fly, rather than an ownership, and are dealt with by ACL. I understand the substantial point that he makes, which is important, and we will have to look at slots policy, as I have explained, but the slots are a matter that is dealt with by ACL as a process independent of government.

I think I have dealt with the hon. Gentleman's detailed point. The broader point he made is about assessment of the impact. Clearly there has not been a formal impact assessment, as we have discussed. There is obviously an informal one, but what we are doing here is seeking to allow relief, because if an airline cannot fly, it is quite clearly suffering an economic impact. That is what we are seeking to do. If an airline were not to have this

relief, it would be required to fly the flight to keep the slot, and would be wasting fuel without a full load factor, and in some cases even empty. Clearly that would have an adverse economic impact for the airline, as well as an environmental impact, which I appreciate is separate from the point that he raises.

I think I have dealt with all hon. Members' points. I am pausing for a second in case anyone thinks I have not. I am grateful for the points that have been made. The regulations are a short-term relief package. If we do not take this action, the default position will accrue and airlines will have to fly 80% of the time or lose the slots. That will mean that an airline either has to lose its slots or fly them empty, with all the adverse financial and environmental consequences that that would have,

which I submit to the Committee would be a result that we would all want to avoid. We will, of course, look at the longer-term piece for the aviation industry in more detail at the end of year.

I hope I have covered all the points raised and I urge the Committee to support the regulations.

Question put and agreed to.

Resolved,

That the Committee has considered the draft Airport Slot Allocation (Alleviation of Usage Requirements) (No. 2) Regulations 2021.

10.5 am

Committee rose.

