

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fourth Delegated Legislation Committee

DRAFT AIRPORTS SLOT ALLOCATION  
(ALLEVIATION OF USAGE REQUIREMENTS)  
(NO. 2) REGULATIONS 2022

*Monday 18 July 2022*

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**Friday 22 July 2022**

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**The Committee consisted of the following Members:**

*Chair:* JAMES GRAY

- |  |   |
|--|---|
| † Courts, Robert ( <i>Parliamentary Under-Secretary of State for Transport</i> ) | † Kane, Mike ( <i>Wythenshawe and Sale East</i> ) (Lab)           |
| Cryer, John ( <i>Leyton and Wanstead</i> ) (Lab)                                 | † Logan, Mark ( <i>Bolton North East</i> ) (Con)                  |
| † Davies, Dr James ( <i>Vale of Clwyd</i> ) (Con)                                | † Morris, Grahame ( <i>Easington</i> ) (Lab)                      |
| † Fletcher, Colleen ( <i>Coventry North East</i> ) (Lab)                         | † Newlands, Gavin ( <i>Paisley and Renfrewshire North</i> ) (SNP) |
| † French, Mr Louie ( <i>Old Bexley and Sidcup</i> ) (Con)                        | † Randall, Tom ( <i>Gedling</i> ) (Con)                           |
| Gardiner, Barry ( <i>Brent North</i> ) (Lab)                                     | † Robinson, Mary ( <i>Cheadle</i> ) (Con)                         |
| † Gibson, Peter ( <i>Darlington</i> ) (Con)                                      | † Winter, Beth ( <i>Cynon Valley</i> ) (Lab)                      |
| Gullis, Jonathan ( <i>Stoke-on-Trent North</i> ) (Con)                           | Stella-Maria Gabriel, <i>Committee Clerk</i>                      |
| † Holden, Mr Richard ( <i>North West Durham</i> ) (Con)                          |   |
| † Holloway, Adam ( <i>Gravesham</i> ) (Con)                                      | † <b>attended the Committee</b>                                   |

## Fourth Delegated Legislation Committee

Monday 18 July 2022

[JAMES GRAY *in the Chair*]

### Draft Airports Slot Allocation (Alleviation of Usage Requirements) (No.2) Regulations 2022

6 pm

**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 2022.

The regulations, if the Committee approves them, will be made under the powers conferred by the Air Traffic Management and Unmanned Aircraft Act 2021. They take the opportunity of our departure from the European Union to create a more flexible set of powers that will be available to Ministers when implementing slot alleviation measures. We are now able to take the approach that is best able to support our own circumstances.

To explain the circumstances behind the regulations, we have all seen the disruption that holidaymakers and other passengers have faced at some of the UK's airports, particularly over the recent Easter and half-term breaks. There have been unacceptable queues, delays, and short-notice cancellations of flights. The persistent impact of the covid-19 pandemic has presented challenges for the aviation sector as it recovers, and that sector has faced difficulties in ramping up operations to meet the high levels of demand.

Airlines, airports, and the myriad businesses that support aviation operations have struggled to recruit and train enough staff. Many other airports around the world have struggled in a similar way with similar challenges, and those challenges—combined with air traffic control restrictions in place over Europe, with airspace closures and strike action in European air traffic control—have resulted in short-notice cancellations of flights and considerable disruption for passengers.

The Government are doing everything in their power to support the aviation industry and ensure that passengers can fly with confidence over the summer. For example, on 30 June the Government set out a 22-point plan to support the aviation industry in avoiding further disruption over the summer peak period. One of the key elements of that package is the slot amnesty, which offers carriers more flexibility to plan and deliver reliable schedules. The slot amnesty introduces a one-off change to slots policy for the remainder of the summer 2022 season.

Critical to that amnesty will be the sector itself ensuring that it can develop robust schedules that it is confident it can deliver. Ordinarily, airlines must operate slots 80% of the time in order to retain the right to the same slots the following year at slot-constrained airports—the 80:20 rule or, as it is often called, the “use it or lose it” rule. When the pandemic initially struck, that 80:20 rule was fully waived to avoid environmentally damaging ghost flights and financially costly flights with few or no passengers. Following the UK's departure from the

EU, the Government introduced new temporary powers through the ATMUA Act to provide a more tailored alleviation of slots rules in response to the ongoing impact of the pandemic on demand.

For summer 2022, the Government's focus was on encouraging recovery following the success of the vaccine roll-out, the removal of travel restrictions, and the positive demand outlook. After consulting with industry and considering the evidence, the Government determined that 70:30—a reduction from 80:20—was an appropriate usage requirement, with an extended, justified non-use provision that exempts carriers from the rules if they are operating in markets where restrictions are still in place. However, in light of the recent severe disruption at UK airports caused by the persistent impact of covid, we consider that further alleviation measures are justified for the summer 2022 season, which runs until 29 October 2022. As required by the ATMUA Act, we have also determined that there is a continued reduction in demand, which is likely to persist.

Therefore, on 21 June, we published today's statutory instrument, which sets out our plan to offer carriers a two-week window during which they can hand back up to 30% of their remaining slots for summer 2022. The measure is critical, because it enables airlines to take stock of what they expect to be realistically deliverable over the summer and plan accordingly without having to worry about losing their historical rights to their slots. In other words, they can look at their schedule and understand what they have the capacity and resource to fly, and if they do not have that capacity or resource, we have given them the ability to hand back slots without worrying about what will happen to them in the following year, because those slots are valuable commodities. The proposal was developed following a short consultation with airports and airlines, and consideration of their responses. There was strong support for the proposal, with the great majority of airlines and airports supporting it.

The draft instrument applies to England, Scotland and Wales. Aerodromes are a devolved matter in Northern Ireland and, as there are currently no slot-constrained airports in Northern Ireland, the Executive agreed that it was not necessary for the powers in the Act to extend or apply to Northern Ireland.

On the content of the draft SI, the regulations aim to minimise disruption at airports, to give more certainty for airline operations and to improve outcomes for passengers. By offering carriers the opportunity to return slots that they cannot operate, the aviation sector should be better able to plan ahead and to deliver a realistic summer schedule that minimises disruption at airports.

We have allowed carriers to return up to a maximum of 30% of the slots they hold for the rest of the season, from 9 July to 29 October. That applies only to slots that would be flown at least 14 days after they have been handed back, to protect consumers from short-notice cancellations and to give them time to make alternative plans.

**Grahame Morris** (Easington) (Lab): I am grateful to the Minister for explaining the rationale, but will he clarify why the Government rejected the recommendations of the Transport Committee in our aviation report in respect of the reallocation of slots? Is it because of recent events—the queues and so on—at the airports?

**Robert Courts:** If I have understood the hon. Gentleman's point correctly and I am correctly remembering the recommendation in the report—I am happy to take another intervention if I have misunderstood—he referred to “reallocation”. However, it is of course the case that the allocation of slots is a matter for Airport Co-ordination Ltd, the independent slots co-ordinator. That is not something that Government get involved in. The Government set the overall slot policy and we have ability under the ATMUA Act to amend the ratio in the “use it or lose it” rule, but we do not have the ability to allocate slots to particular airlines; that is a matter for ACL, which is independent of Government. I hope I understood his point correctly.

The draft measure applies to slots allocated to the summer 2022 scheduling period, which the air carrier also had the right to use during the summer 2021 scheduling period—in other words, the previous period—including leased or remedy slots awarded following competition law complaints in the past. It does not apply to slots that were newly allocated to a carrier for the summer 2022 season. It will also not apply to those slots held by carriers that have publicly announced on or after 25 June that they have permanently ceased operations at an airport, or will cease to do so before the start of the next season—for self-evident reasons. Slots that are not handed back will continue to be subject to the previous summer 2022 regulations and the requirement to fly at least 70% of those slots.

In summary, the measure is a one-off amnesty. It covers slots held for the summer 2022 season to prevent the disruption that we have recently seen at airports continuing into the summer peak. Now the window has closed, the aviation sector has a responsibility to deliver its schedules and to keep last-minute cancellations and delays to an absolute minimum. For the future, we are currently considering alleviation for winter 2022, and we plan to announce our policy for that season shortly.

The draft instrument provides necessary relief for the aviation sector for summer 2022 to reduce further disruption in the sector's busiest period and to give passengers certainty around their holiday plans. In essence, we expect airlines, if they are offering tickets for sale, to be able to operate them. We expect them to be able to plan realistically for the summer season. The SI gives them the ability to return slots for next year so that they can plan ahead without having to have the concern in their mind about next year's slots. This is a major step by the Government to reduce disruption, and I commend the instrument to the Committee.

6.9 pm

**Mike Kane** (Wythenshawe and Sale East) (Lab): As ever, it is a pleasure to serve under your chairmanship, Mr Gray, particularly today, because it is the 150th anniversary of the Ballot Act 1872 which, apropos of nothing, allowed the right to cast one's vote in secret. To poke a little fun at the Conservative Members, praise the Lord for that today!

**The Chair:** Order. That is just a little wide of scope perhaps.

**Mike Kane:** Just a little, but it is interesting all the same.

Here we are discussing slot allocations once again. The Air Traffic Management and Unmanned Aircraft Act 2021 was supposed to capitalise on a Brexit dividend and enable us to be more flexible to support the aviation industry. The Minister said that its aims were to minimise disruption at airports during their busiest period, but as shadow Minister for maritime as well as for aviation, I can tell the Minister that that ship has sailed for most of our travelling public in the light of the chaos that we have seen.

The aviation industry was more affected than any other by the covid-19 pandemic, and it was right that we reviewed the allocation of slots, which the Labour party supported, to prevent environmentally damaging ghost flights. Despite the pandemic being over two years old, however, the Government are still tinkering around the edges well into the summer season. This summer season can be described only as chaotic for travellers and workers alike. The shame of the situation is that it was entirely predictable and, had the Government heeded our repeated calls for a sector-specific deal, it could have been avoided or minimised.

On 30 June, the Government published a 22-point plan, as the Minister said. Its stated aims were to enable the aviation industry to avoid further disruption so that travellers could get away over the summer period. The slot amnesty—whereby operators could hand back 30% of their allocated slots to stop last-minute cancellations and customer delays—is one component of the package, although I note that the deadline for the amnesty closed nine days ago, on 9 July.

We are already well into the summer of 2022—most schools have already broken up. The plan has not been a resounding success so far, to put it mildly. Had there been a specific package, the industry could have planned for the numbers it needed and the flights it had sold. Instead, Heathrow has had to restrict the number of flights, Gatwick has had to restrict the number of movements on its apron, and airlines are cancelling tens of thousands of flights this summer.

Previous industry consultations on this matter determined that the 70:30 ratio was an appropriate usage requirement for the summer period, and it has now been extended until 29 October, as the Minister said, but I must ask: how did we get to the point where families at the departure gate are being told by police officers that their long-awaited holiday has been cancelled? How can that happen in a country that was once internationally renowned for our great aviation sector?

I welcome the two-week clause in the SI that means that airlines can hand back only a slot that is more than 14 days in the future. I hope that that will mean that last-minute cancellations are avoided. I am sure that all members of the Committee agree that families going through security and waiting at the gate only to suffer last-minute cancellations is completely unacceptable, whatever the reason. However, detail is light on what will happen to people who are booked on a flight that is cancelled. What compensation will be available to them? One might argue that the measures are too little, too late. For many people who have to reschedule their holiday having looked forward to it, a two-week cancellation notice might be a bitter pill to swallow.

The chief executive of Menzies Aviation, which provides services such as check-in and baggage handling, has laid the blame for the chaos firmly at the door of the

[Mike Kane]

Secretary of State for Transport, who is—as I have said before—missing in action. I would like to think he has been dealing with the issue, but in every aspect of transport—buses, rail, the road system and so on—*[Interruption.]* I know that I am straying slightly, Mr Gray.

**The Chair:** You are indeed.

**Mike Kane:** I will get back to the points that the Minister raised. The plan that was published on 30 June contains eight points relating to staff recruitment. We are past the mid-point of July. Surely anything contained within that plan—which is, as always, light on detail—is already too late for our summer season—*[Interruption.]* I am referring to the 22-point plan that the Minister mentioned, Mr Gray.

**The Chair:** Just stick to the SI.

**Mike Kane:** As we are already into the summer season, airlines' ability to fill vacant slots has likely passed. That capacity might have had a real impact on our regions—on the tourist trade up and down this great land—for the summer season. We do not oppose the statutory instrument, but I urge the Government to be more strategic in their operations and actions in order to address the ongoing chaos in this sector.

6.15 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): As always, Mr Gray, it is a pleasure to hear your Glaswegian tones from the Chair. I state at the outset that the Scottish National party will also not be opposing the SI—the Government have been left with very little choice over introducing it. I agree with probably every word the Labour spokesman, the hon. Member for Wythenshawe and Sale East, said and I will not repeat them—partly due to the heat in this room—but I do have a couple of points to make and a couple of questions for the Minister.

If my experience in recent weeks is anything to go by, I am not sure how many ghost flights there are at the moment in the UK, so packed and chaotic are some flights. However, ghost flights are obviously an absurd waste of money and emit completely unnecessary carbon and greenhouse gases. There were 500 such flights between October and December last year, but Lufthansa has had to fly 15,000 ghost flights despite the threshold for slot alleviation in Europe being cut to 50%—it has now been put back up to 64%.

As the Minister himself alluded to, however, the reason we are discussing this issue again is jobs. The sector is struggling to recruit and retain staff. Obviously, if the Government had supported the industry as promised, the problem would not be anywhere near as acute, but we have had that argument before. Today, we are providing relief to a sector that is struggling to get staff and therefore, crucially, capacity back into its operations.

I am grateful to the Minister for his response this morning to a letter I sent regarding various aviation issues, including jobs. I am not going to stray too far, but—

**The Chair:** Don't stray at all.

**Gavin Newlands:** If one of those issues had been taken forward, we might not have needed to be here today, but they were not. Those issues included the recruitment processes and the hope for access to recruitment services in aviation—

**The Chair:** Order. I am trying to be as flexible as I can, and I was flexible with the Opposition spokesman, but I am afraid that the Minister's reply to an earlier letter has nothing to do with this statutory instrument. Perhaps the hon. Gentleman would return to the instrument.

**Gavin Newlands:** With respect, I only had two sentences on that topic.

**The Chair:** Order. You will not have two sentences, or even one sentence, or one word. As I have said, you will not return to that matter; you will return to the statutory instrument we are discussing. The other thing you will not do is argue with the Chair.

**Gavin Newlands:** I will not argue with the Chair. I was saying that I had two sentences—all I was saying was that I was nearly finished.

**The Chair:** That is all right.

**Gavin Newlands:** I will ask the Minister about the issue afterwards.

I have spoken before about the European Geostationary Navigation Overlay Service. In terms of slot alleviation, clearly cancellations are happening, and for one airline more than most—Loganair, because of some of the airports it flies into. Are cancellations that are happening as a result of our lack of membership of EGNOS part of the current review, or are they left out?

Also, given that the recruitment issues are likely to be medium to long term—perhaps up to 18 months or longer—does the Minister envision extending relief again when we come to the winter? I think he said he was going to publish something on that issue. I have heard from the Airport Operators Association and others that forward bookings for the winter are not looking particularly promising right now.

At the moment, European carriers are not getting the same relief from the UK at the other end of routes, so what discussions is the Minister having with his European partners to make sure ghost flights do not take place? I accept that he is not responsible for legislation in other European countries, but what conversations are happening on that topic?

Finally, there has at times been inflexibility in this area. What do the rules say, or what does the Minister think, about very specific covid outbreaks that affect airlines in certain situations, rather than national outbreaks, where the Government can obviously ask the aviation sector to change?

6.19 pm

**Robert Courts:** I thank the hon. Members for Wythenshawe and Sale East and for Paisley and Renfrewshire North for the detailed and thoughtful consideration that they have given the matter.

I will deal first with the matters raised by the hon. Member for Wythenshawe and Sale East. I stress that the most important thing about the whole SI, which is pertinent to the points that he and others have raised, is that the aviation sector is privately owned, privately operated and privately run. It is for the aviation sector to ascertain whether it has the people and resources in place to operate the schedule that it is offering for sale. The Government can support it, but we cannot do those things for it—those are a matter for the aviation sector, and it alone. That is the most important thing to remember when we consider summer resilience and many of the hon. Gentleman's points.

It is also important to remember that this problem is not unique to the UK. We are seeing the same problems at Schiphol in Holland for the same reasons—a shortage of staff in the relevant locations. We are also seeing similar scenes in Ireland, France, Germany and the United States. Across the whole of Europe, the European Union and countries elsewhere, there are similar problems, which are fundamentally caused by the dislocation that we have seen because of covid. It is critical to remember that whatever approach a Government took to the pandemic, similar problems are being seen. We should not fall into the myopic trap of thinking that it is a purely UK problem; it is not.

The hon. Gentleman talked about sector-specific support, and he and I have had this debate many times before. I remind the Committee that the Government gave the sector approximately £8 billion of support, particularly for furlough, which is a significant amount of money. We also had the airport and ground operations support scheme, which was a specific grant, and the aviation skills retention platform, which is directly relevant to the purpose that we are discussing—people.

**The Chair:** Order. I was rude to both other hon. Members, so I will be fair and instruct the Minister to stick to the SI.

**Robert Courts:** I am justly chastised for straying in my attempt to be diligent. I will go back to the context of the SI.

The hon. Member for Wythenshawe and Sale East made a number of points about cancellations, with which I entirely agree. Last-minute cancellations are distressing for families and for people who have been waiting to reunite with friends, and we should do everything possible to avoid them, as the Government are doing through the 22-point plan. A number of cancellations have recently been reported in the papers, some of which are in response to the sector being realistic. We have to be fair to the sector about that; when we say, “Look at your schedules and be realistic. Are you able to operate the schedules that you are offering for sale?”, and it realises it cannot, it will obviously have to take steps. No cancellation is good news—I do not want there to be any cancellations; I want everybody to fly as swiftly and easily as possible—but if there is a cancellation, I do not want it to be at the last moment. If it happens earlier, it is regrettable, but it gives people a chance to make alternative plans. We are encouraging the sector to be responsible, to look at what it can operate and to take steps accordingly.

The hon. Gentleman also spoke about compensation. We published a charter at the weekend so that consumers can clearly see all their rights in one place. I think I have dealt with all his points, but I firmly reject any suggestion that the Government or the Transport Secretary are missing in action on this. We have taken enormous steps, through a detailed programme of very regulator engagement with the industry, to understand exactly how we may best be of assistance. What hon. Members are seeing here is the fruits of that engagement, which is precisely why we are debating this issue today.

The hon. Member for Paisley and Renfrewshire North raised a couple of points. He asked about the impact of EGNOS. We continue to gather evidence on that and to look at the impact it is having. He asked whether any flights that are cancelled because of an EGNOS-related factor are taken into account in these regulations. That would obviously depend on whether the cancellation was at a slot-constrained airport, so he will be referring to whether that is at this end. Without getting into wider points about slots, it will depend on this statutory instrument, which is all about handing back slots in the two-week window. An EGNOS-related problem would occur on the day, so one would not expect an EGNOS-related cancellation to be covered, at least not sticking strictly to the confines of this statutory instrument. However, under normal circumstances the ratio is 70:30 or 80:20, so there is a percentage there to allow for slots not being flown for another reason, whatever that might be, and that might include EGNOS.

The hon. Gentleman asked about the position we are taking for winter. We have consulted on the wider slots policy and we are considering our position, and it is likely that our policy will be announced shortly. I cannot go into that any further at the moment. If the hon. Gentleman is referring to this specific relief, it is a one-off measure taken in response to the scenes we have seen in relation to resilience as we come up to the summer peak period and in relation to constrained demand because of the covid pandemic.

If I understood him correctly, the hon. Gentleman also asked about conversations we are having with European partners and whether there are covid restrictions in other countries.

**Gavin Newlands:** Essentially, alleviation at the moment is 64%, but our European partners look at the rules perhaps slightly differently. The reasons for the flight not taking place are allowed at the UK end but not recognised at the European end. Therefore, the flight has to take place because the Europeans have slightly different regulations.

**Robert Courts:** The hon. Gentleman makes a very good point. Of course, a slot at one end may be alleviated but that does not mean that there is an alleviation at the other end. This is an operational matter that has to be negotiated between airlines and their partners on the other side. What he said earlier is quite right, in that the Government do not have any control over the steps that others take. However, we have an ongoing relationship with other countries through officials, and Ministers where appropriate, to discuss these matters with partners abroad and with our airline sector. This is one of the issues that I would expect to be covered.

*[Robert Courts]*

I thank the hon. Members for Wythenshawe and Sale East and for Paisley and Renfrewshire North for their points, which I think I have covered. In essence, these regulations seek to minimise the issues around capacity and short-notice cancellation. The Government are taking

a strong and bold step to assist the industry in making sure we have a realistic schedule, and I commend the regulations to the Committee.

*Question put and agreed to.*

6.27 pm

*Committee rose.*