

(17)

**From:** [redacted]  
**Sent:** 21 June 2018 11:29  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** Nicholls, J (John) (TRANS) [redacted]  
**Subject:** [redacted] Press Transport Scotland, [redacted]  
RE: Possible meeting with Mr Brown

No doubt the SoS wants to talk about this. <https://www.gov.uk/government/news/government-to-protect-regional-routes-to-heathrow>

[redacted] The call will enable KB to try and flesh out a bit more on how the UKG will psychically ring-fence the 100 and touch on some of the other asks.

Regards

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**From:** [redacted] **On Behalf Of** Cabinet Secretary for Economy, Jobs and Fair Work  
**Sent:** 21 June 2018 09:14  
**To:** TransportSecretary; Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** [redacted]  
**Subject:** RE: Possible meeting with Mr Brown

Morning [redacted]

Will see what we can do – is there any particular times that would suit SofS?

Thanks

[redacted]  
The Scottish Government | Web: [www.gov.scot](http://www.gov.scot) | [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)

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**From:** TransportSecretary [<mailto:TransportSecretary@dft.gov.uk>]  
**Sent:** 20 June 2018 19:41  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** [redacted] TransportSecretary  
**Subject:** RE: Possible meeting with Mr Brown

Dear [redacted]

Further to our conversation below, and with apologies for the last-minute request, does Keith have any availability for a phone call with the Secretary of State over the next few days?

Thanks

[REDACTED]

[REDACTED]

[REDACTED]

**From:** TransportSecretary  
**Sent:** 18 June 2018 11:02  
**To:** 'CabSecEJFW@gov.scot' <CabSecEJFW@gov.scot>  
**Cc:** [REDACTED] TransportSecretary <TransportSecretary@dft.gov.uk>  
**Subject:** RE: Possible meeting with Mr Brown

Dear [REDACTED]

Thanks for your email – Tuesday 3 July 16:30 – 17:00 has been held in the Secretary of State's diary for this meeting.

Please let me know if there are any agenda items other than Heathrow that Keith would like to discuss, and who will be in attendance.

Currently this meeting will happen in Great Minster House, 33 Horseferry Road, London SW1P 4DR, however there is a chance that it will move to the Parliamentary estate closer to the time. I will keep you informed if this does happen.

I look forward to hearing from you regarding the above in due course.

Kind regards

[REDACTED]

[REDACTED]

[REDACTED]

**From:** [REDACTED] On Behalf Of CabSecEJFW@gov.scot  
**Sent:** 18 June 2018 10:19  
**To:** TransportSecretary <TransportSecretary@dft.gov.uk>; CabSecEJFW@gov.scot  
**Cc:** [REDACTED]  
**Subject:** RE: Possible meeting with Mr Brown

Thanks very much for the call this morning.

We agreed to go for a slot at 4:30 on the afternoon of Tuesday 3 July. I'm pretty sure we can make that work with our likely flight times.

Can you remind me of your address please?

Many thanks

[REDACTED]

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**From:** TransportSecretary [<mailto:TransportSecretary@dft.gov.uk>]  
**Sent:** 13 June 2018 18:52  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** TransportSecretary; [REDACTED]  
**Subject:** RE: Possible meeting with Mr Brown

Dear [REDACTED]

Thanks for your email – and apologies, my previous email seems to have gotten lost in the ether!

I would be grateful if we could speak over the phone to arrange this call, as I think it will be easier to discuss diaries that way!

Do you have any time tomorrow morning? I will be available from 8:45am onwards.

Kind regards

[REDACTED]

**From:** [REDACTED] On Behalf Of [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)  
**Sent:** 13 June 2018 16:36  
**To:** [REDACTED]  
**Cc:** [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)  
**Subject:** Possible meeting with Mr Brown

Good afternoon,

The Cabinet Secretary for Economy, Jobs and Fair Work is potentially due to be in London on Tuesday 19 June. He would be keen to meet the Secretary of State to discuss the recent announcement concerning expansion at Heathrow if there was any availability in his diary that morning.

Alternatively, he is in London again on Monday 2<sup>nd</sup> (PM) and Tuesday 3<sup>rd</sup> July.

Grateful if you could let me know.

Thanks

[REDACTED]

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[Redacted]

**From:** [Redacted]  
**Sent:** 21 June 2018 11:37  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** FW: Letter from CCC to UKG re: Heathrow expansion

[Redacted]

To see (once your hay fever has cleared). Relevant to the area [Redacted] has asked you to take a look at.

Regards

[Redacted]

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**From:** [Redacted]  
**Sent:** 21 June 2018 10:55  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** Letter from CCC to UKG re: Heathrow expansion

Hi [Redacted]

You may wish to note that on 15 June the UK Committee on Climate Change wrote to Chris Grayling setting out the Committee's initial response to the Heathrow expansion announcement.

<https://www.theccc.org.uk/publication/ccc-writes-to-chris-grayling-about-airports-national-policy-statement/>

The key points in the letter seem to be:

- The CCC does not have a view on the location of airport capacity, as long as total UK aviation emissions are compatible with meeting the 2050 climate objectives.
- The CCC's view remains that an 80% economy-wide reduction [the current UK and Scottish targets] could be achieved with aviation emissions at 2005 levels in 2050. In the present letter the CCC strengthen their language on the consequences of going beyond this, to the effect that *"Higher levels of aviation emissions in 2050 must not be planned for, since this would place an unreasonably large burden on other sectors."*
- The CCC intends to provide further advice on aviation in spring 2019, in the run up to the new UK aviation strategy.

The letter makes no reference to Scotland and my initial reading is that there is nothing here that requires immediate updating of SG lines to take in this space. However, I would flag that the CCC has not yet set out its view on what level of aviation emissions would be compatible with a 90% target [as proposed in the new Scottish Climate Change Bill] and how this might relate to the current assumptions for Scottish aviation emissions used the Climate Change Plan. It is not currently clear when the CCC will next set out

Scotland-specific advice on aviation, options could include as part of the next Scottish progress report (September) or as part of the next set of UK-wide advice on this topic (Spring 2019 – as above).

I will keep you updated on developments and would be very happy to discuss further, as needed.

Best regards,

[Redacted]

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[Redacted]

[Redacted]

Directorate for Energy and Climate Change | Scottish Government

[Redacted]

[www.gov.scot/climatechange](http://www.gov.scot/climatechange) | [@ScotGovClimate](https://twitter.com/ScotGovClimate)

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**From:** [REDACTED]  
**Sent:** 21 June 2018 15:59  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** [REDACTED]  
**Subject:** FW: Heathrow Third Runway - UKG Draft National Policy Statement

As discussed. Our Ask is provided below. Marrying this up with Grayling's letter to MPs, I'd make the following points:

- the UKG has accepted the rationale for our high-level Ask that Scotland should benefit from a proportionate (100 additional weekly pairs) increase in slots when the new capacity comes;
- to achieve this, it is putting the onus on Heathrow and commercial incentives such as the Airport's £10m Regional fund in the first instance. If this doesn't deliver the requirement, the UKG is then offering to ring-fence slots through PSOs and provide funding (when appropriate);
- [REDACTED]
- [REDACTED]
- we need to establish if and how the UKG will formally commit to this. Will it form part of the Development Consent Order which Heathrow promotes and the Secretary of State signs off?;
- [REDACTED]
- Will the DCO make any reference to the additional capacity which could be freed up around 2021?(para. 5 of our Ask). This could offer potential for a Dundee or Prestwick service to Heathrow in a shorter timescale;
- [REDACTED]
- [REDACTED]
- The Cab Sec may want to mention Barnett again. It seems settled that the road infrastructure changes will need to be covered by Heathrow. The situation on rail infrastructure looks more nuanced.

Let us know when the call is scheduled for tomorrow and we'll try and field someone to listen in if that's ok.

Regards

**From:** [REDACTED] **On Behalf Of** Cabinet Secretary for Economy, Jobs and Fair Work  
**Sent:** 17 April 2018 10:34  
**To:** [REDACTED]  
**Cc:** Cabinet Secretary for Economy, Jobs and Fair Work; Minister for Transport and the Islands; Cabinet Secretary for the Rural Economy and Connectivity; DG Economy; PS/Transport Scotland; Brannen R (Roy); Transport Scotland Directors; Nicholls J (John) (TRANS); [REDACTED]  
**Subject:** RE: Heathrow Third Runway - UKG Draft National Policy Statement

[REDACTED]

Letter and document have now been issued.



CABsecLHR.pdf



Heatask1.pdf

Can you ensure the letter template with the part on the Lobbying Act is used going forward?  
Happy to send on a fresh template if required.

Thanks

[REDACTED]

[REDACTED] - Cabinet Secretary for Economy, Jobs and Fair Work  
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[REDACTED]

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**From:** [REDACTED]  
**Sent:** 05 April 2018 14:48  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** Minister for Transport and the Islands; Cabinet Secretary for the Rural Economy and Connectivity; DG Economy; PS/Transport Scotland; Brannen R (Roy); Transport Scotland Directors; Nicholls J (John) (TRANS); [REDACTED]  
**Subject:** RE: Heathrow Third Runway - UKG Draft National Policy Statement

[REDACTED]

As agreed with Mr Brown a few weeks back, we asked the main airports for their observations on our ask of the UK Government. [REDACTED]

A final draft is attached for the Cabinet Secretary's attention along with a suggested covering letter to the Secretary of State.

In terms of presentation, I would recommend that we give the UKG some time to digest the paper and gauge views before we make any public comments. As the draft letter mentions, Mr Brown may wish to schedule a discussion with the SoS once the paper has gone to talk through any issues.

Regards

[REDACTED]



<< File: Heatask1.docx >>

<< File: CABsecLHR.docx >>

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**From:** [REDACTED]

**Sent:** 06 February 2018 15:50

**To:** Cabinet Secretary for Economy, Jobs and Fair Work

**Cc:** Minister for Transport and the Islands; DG Economy; PS/Transport Scotland; Branine R (Roy); Transport Scotland Directors; Nicholls J (John) (TRANS); [REDACTED]

[REDACTED] Press Transport Scotland

**Subject:** Heathrow Third Runway - UKG Draft National Policy Statement

[REDACTED]

Routine note and accompanying paper for Mr Brown's consideration.

Regards

[REDACTED]

[REDACTED]

[REDACTED]

<< File: LHRask.docx >> << File: HeathrowDes (2).docx >>

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[Redacted]

**From:** [Redacted]  
**Sent:** 25 June 2018 11:15  
**To:** PS/Transport Scotland  
**Cc:** Ritchie MD (Martin); [Redacted]  
**Subject:** FW: Commissioning Email - Economy - Deadline 12:00 Monday 25th June 2018  
**Attachments:** FMQ - Heathrow - 25 June 2018.docx

[Redacted]

Revised Heathrow FMQ attached. Please note that this will have to be further updated later this week to take account of today's House of Commons vote and the reaction to it.

Thanks

[Redacted]

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**From:** PS/Transport Scotland <[chiefexecutive@transport.gov.scot](mailto:chiefexecutive@transport.gov.scot)>  
**Sent:** Thursday, 21 June 2018 15:10  
**To:** [Redacted]  
**Cc:** Reeve W (Bill); Rennie M (Michelle); Carmichael DB (Donald); Nicholls J (John) (TRANS); [Redacted]  
[Redacted] PS/Transport Scotland  
**Subject:** FW: Commissioning Email - Economy - Deadline 12:00 Monday 25th June 2018

Please see request to update FMQ briefs, grateful if you could return them to PS/TS by 11:30 on Monday 25<sup>th</sup> June.

Scotrail

AWPR  
Concessionary Travel

Ferry Fares  
Heathrow

thanks

[Redacted]

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF



Transport Scotland, the national transport agency  
*Còmhdaidh Alba, buidheann nàiseanta na còmhdaidh*

## HEATHROW THIRD RUNWAY

**ISSUE: 25 June** – UK Parliament vote on the 'National Policy Statement (New Runway Capacity and Infrastructure at Airports in the South East on England) which is expected to approve the construction of a third runway at Heathrow.

**ISSUE: 21 June** – UK Government announced that about 15% of new capacity would be for domestic services. Also confirmed that Scotland can expect to benefit from an extra 100 flights a week if a third runway is built.

**ISSUE: 5 June** - UK Secretary of State for Transport Chris Grayling statement to Parliament outlining support for a third runway at Heathrow. He tabled a National Policy Statement to be voted on within 21 days.

**ISSUE: Political support -** [REDACTED]

[REDACTED] That said, it has made very strong efforts to secure support from Scotland.

The SNP Westminster group has indicated they are in favour of the third runway, but will await details of the precise motion from the UK Government before confirming absolutely. Chris Grayling has said he will publish the motion within 21 days.

**ISSUE: October 2016** – Scottish Government signed an MoU with Heathrow which committed Heathrow *inter alia* to: reducing airport charges for domestic

### Top Lines

- We support a new third runway at Heathrow because of the benefits it will bring for Scotland's connectivity and economy.
- This includes the potential for up to 16,000 new jobs in Scotland and the siting of a logistics hub.
- The memorandum of understanding we signed with Heathrow committed it to a minimum of £200 million construction-related spend in Scotland during planning and construction.
- It also committed the airport to establish a regional route development fund worth £10 million pounds.
- This will assist the development of further Scottish connections to Heathrow.
- The memorandum of understanding also committed the airport to reducing charges for domestic services to Scotland.
- The reduced charges are already taking effect.
- Heathrow's £15 reduction in charges over 2017 and 2018 was instrumental in Flybe introducing services to Heathrow from Aberdeen and Edinburgh.
- Scotland needs more direct air services but, acknowledging that we will not be able to have all the routes we desire, we need better hub connectivity too.
- We welcome the UK Government's confirmation that Scotland can expect to benefit from an extra 100 flights a week to and from Heathrow if a third runway is built.
- We now need the UK Government to tell us the mechanism it will use to guarantee the additional slots for Scotland.
- This has been one of our asks from the start of the process.

## HEATHROW THIRD RUNWAY

### **While we have no responsibility for expansion, we are not divorced from the environmental consequences as a leader in tackling climate change.**

- We recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions.
- Our Climate Change Plan accommodates projected changes in aviation emissions.
- Scotland has already shown global leadership by including a fair share of international aviation and shipping emissions in its statutory climate targets.
- Our new Climate Change Bill retains this approach.
- This is part of a balanced approach to meeting Scotland's world leading climate targets by driving down overall emissions.
- We note the UK Government is confident expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.

### **It is important to keep aviation emissions in perspective. Aviation currently accounts for less than 5% of total Scottish emissions [2016 stats]**

- Whilst aviation demand will likely rise over the period to the 2030s, projected fuel efficiency savings should prevent emissions from rising significantly.

### **Scotland needs increased air connectivity to help our economy**

- More slots for Scotland should facilitate competition at Aberdeen, Edinburgh and also Glasgow (currently BA only) bringing more choice and cheaper fares.
- It should also enable the Inverness service to further flourish and potentially bring Scottish airports not currently served into the equation.

### **The expansion is supported by business groups and trade unions**

- Liz Cameron, Chief Executive, Scottish Chambers of Commerce said:
- **QUOTE:** *"Expanding UK's aviation capacity by giving the thumbs up for Heathrow's third runway is critical in boosting our position in the global economy, and will provide much-needed confidence to international investors and our trading allies."* (5 June 2018)
- Louise Gilmour, Senior Organiser, GMB Scotland, said:
- **QUOTE:** *"The increased capacity of a third runway should mean more domestic flights, greater connectivity and significant opportunities for our civil aviation sector and the supply chains to develop on their existing operations and compete for new infrastructure contracts."* (5 June 2018)

(2A)

**From:** [REDACTED]  
**Sent:** 25 June 2018 16:07  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** [REDACTED] Nicholls J (John) [REDACTED] Press Transport  
Scotland  
**Subject:** FW: Heathrow expansion - domestic connectivity

To see. [REDACTED] reflects what the DfT told me this morning. The emphasis remains on Heathrow delivering as much of the additional capacity as possible through incentives and for the UKG to contribute through the appliance and funding of PSOs. [REDACTED]

[REDACTED] That doesn't really correlate with the 15% commitment which the SoS has repeated now on a number of occasions.

From the last bullet, it is feasible that the UKG will be looking for the new aviation strategy to take account of life post-Brexit and a potential ability to take decisions on slots at a UK level. No guarantees on that either though.

Regards

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**From:** [REDACTED]  
**Sent:** 25 June 2018 14:48  
**To:** [REDACTED]  
**Cc:** [REDACTED] Nicholls J (John) (TRANS)  
**Subject:** RE: Heathrow expansion - domestic connectivity

Hi [REDACTED]

In follow-up to our phone call earlier:

- The statement regarding 100 additional flights per week between Scotland and Heathrow once new capacity is delivered, is in relation to additional slots we expect to be used at an expanded Heathrow for flights to and from Scotland. For the avoidance of any doubt, this represents 100 additional slots (or 50 additional flight pairs).
- This calculation is based on what could be deliverable through existing Public Service Obligation regulations. Government is not able to speculate on what additional services the market might provide – although we do assume a very conservative uplift –with the support from Heathrow that is required by the NPS. As a result, '100 additional flights' should not be considered as a ceiling in any way and one might even consider this to be a minimum estimate of what might reasonably be achieved under expansion.
- The Secretary of State for Transport has been clear that if the commercial incentives offered by Heathrow does not deliver on these expectations then Government will, for the first time, support those routes that are not commercially viable to operate to Heathrow, though establishing airport-to-airport Public Service Obligations (PSOs), which would allow

for the reservation of slots, exemption from Air Passenger Duty. If further support is required, the Government will provide subsidies as it already does for the link between Dundee and Stansted. We expect this to include airports in Scotland and could be employed where frequency fall below minimum threshold or did not support the ability to easy onward connectivity.

- In addition we are currently developing a new UK wide Aviation Strategy, which will set out clearly Government's policy on promoting competition and protecting domestic connectivity to an expanded Heathrow. In particular it will consider how the slot allocation process can best deliver on the Government objectives of expansion, which includes domestic connectivity. We would welcome working with you on developing this policy for publication in the Green Paper later this year.

[REDACTED]  
[REDACTED]  
From: [REDACTED]  
Sent: 25 June 2018 09:39

To: [REDACTED]  
Cc: Sarah Bishop [REDACTED] [John.Nicholls@transport.gov.scot](mailto:John.Nicholls@transport.gov.scot)  
Subject: RE: Heathrow expansion - domestic connectivity

Hi [REDACTED]

Thanks for your email below. Would you be free for a call at 1000 this morning to discuss the email below?

[REDACTED]  
[REDACTED]  
From: [REDACTED]  
Sent: 22 June 2018 21:09

To: [REDACTED]  
Cc: [REDACTED] [John.Nicholls@transport.gov.scot](mailto:John.Nicholls@transport.gov.scot)  
Subject: RE: Heathrow expansion - domestic connectivity

Many thanks [REDACTED]

I'll be updating our Cabinet Secretary following the earlier call and this is helpful.

The matter of how the UKG would seek to 'enshrine' the commitment on slots for Scotland was not established [REDACTED]

[REDACTED] As you know, that has been a long-held 'Ask' by Scottish Government Ministers.

REDACT  
/ 30 (b) (1)

[REDACTED]

On PSOs, it does appear that the UKG has made some significant movement and we welcome the UKG's offer to financially support Scotland-London PSOs moving forwards. An airport to airport consideration will be positively received around Prestwick and Inverness [REDACTED]

[REDACTED]

I noted the conversation around Barnett and that Scotland would benefit from any additional UKG spend and also the SoS's positive specific comments around ongoing support for the Dundee-London PSO which follows on from the good discussion which our respective teams had earlier.

It wasn't discussed but Heathrow as you know are committed to keeping the departing domestic passenger reduction for 20 years going forward (as part of the MoU with the SG). Does that have the potential to be written down in the DCO?

May be useful to set aside some time on Monday for further discussion.

Regards

[REDACTED]

[REDACTED]

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**From:** [REDACTED]  
**Sent:** 22 June 2018 19:34  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** Heathrow expansion - domestic connectivity

[REDACTED]

In light of today's telephone call between our Secretary of State and your Minister, please find below the text of the letter that our Secretary of State sent to Drew Henry MP today. It covers the same ground as the conversation and sets out Government's view on how about 15% of slots made available from expansion at Heathrow Airport will be used for domestic flights and what this will mean for Scotland.

Maintaining and enhancing domestic connectivity to Scotland is one of the key advantages of any expansion at Heathrow. It will ensure increased frequency and greater competition for existing domestic routes, and allow new routes to be served.

The Government has set a clear expectation that about 15% of slots made available from expansion at Heathrow Airport will be used for domestic flights. As part of this, we expect around 100 additional flights [slots] per week between Scotland and Heathrow once new capacity is delivered.

I understand your need for assurance that these flights will be introduced, so let me explain the process around how this will happen. The expansion of Heathrow will for the first time in a number of decades allow airlines access to significant numbers of new slots at Heathrow airport. Both easyJet and Flybe have set out that they would want to make use of such slots and have published indicative routes that they would serve which include existing routes to Scotland such as Edinburgh and new routes to airports such as Glasgow Prestwick.

To support this the Government has set out in the proposed Airports National Policy Statement (NPS) a requirement for Heathrow to work with airlines to strengthen existing routes and deliver new connections.

Heathrow has announced a 50% increase in the discount for domestic passengers, rising to £15 – and these discounts have already allowed Flybe to launch new services to Aberdeen and Edinburgh. In addition, Heathrow has also committed to a £10 million Route Development Fund to support the introduction of new routes. In the context of expansion, these measures will provide more opportunities for airlines to provide the enhanced domestic connectivity that the Government expects.

If new capacity coupled with the commercial incentives offered by Heathrow does not deliver on these expectations, then the Government has committed to ring-fencing slots at appropriate times of day, and provide financial support through exemption from Air Passenger Duty (APD). If further support is required, the Government will provide subsidies as it already does for the link between Dundee and Stansted.

All of these measures can be delivered through the implementation of Public Service Obligations (PSOs), which the Government will apply on an airport-to-airport basis for the first time. This is in line with existing regulations, will give protection for connections that specifically serve the nation's hub. This Government commitment will ensure that Scotland will benefit from around 100 additional flights per week once new capacity is delivered.

Without expansion, we expect more and more domestic routes to continue being squeezed out of Heathrow in favour of more profitable international routes. Since 1997, the annual number of domestic flights to and from Heathrow Airport has decreased from around 62,000 to 40,000 and the number of domestic passengers has decreased from 6.7m to 4.8m – and we expect this trend to continue unless Heathrow's capacity constraints are released.

This is why your support for the expansion of Heathrow is essential. Recently, airports across Scotland – at Aberdeen, Dundee, Inverness and Glasgow – joined with 40 airport bosses across the UK to reiterate that expansion at Heathrow would provide much-needed long haul connectivity and is the right choice for their strategic growth.

Stronger connections between Scotland to the UK's major international hub would open up its attractions to visitors from across the world. Following the launch of a route between the Inverness Airport and Heathrow in 2016, the city has benefited from more than £8 million per year as a result of tourism according to the Inverness Chamber of Commerce. Jacobite Cruises, the longest running cruise company on Loch Ness, reported a 12% rise in visitors just 4 months after this daily air service was introduced.

Expansion would nearly double cargo capacity at Heathrow Airport, helping more businesses across Scotland trade with the world. On an average day Heathrow carries £360m of freight, making it the UK's biggest port by value, and one of its biggest exports is Scottish salmon. Scottish businesses have been clear that the current constraints on Heathrow's cargo capacity cannot be tolerated.



Expanding Heathrow would also bring opportunities for more jobs and apprenticeships in Scotland in addition to the economic boost it could hand Scottish businesses and exports. The airport has said up to 16,000 jobs and apprenticeships could be created in Scotland as a result of expansion.

If the proposed Airports National Policy Statement is not approved, expansion will not go ahead and Scotland will not benefit from the additional routes, trade opportunities and jobs that come with it.

Given how important this infrastructure project is for future economic growth in Scotland, I would hope that I can count on the support of the Scottish National Party in the upcoming debate and vote on expansion.

In addition a number of other points were raised on the phone that we would like to clarify:

With regards to the Dundee-London PSO which is due to expire at the end of March 2019, Government policy continues to be that we will look to protect existing domestic routes to London that are in danger of being lost. Discussions have already started between UK Government, Dundee City Council and the Scottish Government about how this can be taken forward in line with UK Government's guidance.

The Airports NPS makes clear that any early release of capacity, proposed by an applicant, would need to form part of its Development Consent Application, including an assessment of its impacts and proposed mitigations. As part of any application, I would also be mindful of how any such capacity would be utilised, including whether it leads towards my publically stated views on delivering slots for domestic use.

Finally any public spending in England would have Barnett consequential in line with current policy.

I hope this is helpful in clarifying our position. If there is anything further information you need please contact me.



Department for Transport

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Tha am post-d seo (agus faidhle neo ceanglan còmhla ris) dhan neach neo luchd-ainmichte a-mhàin. Chan eil e ceadichte a chleachdadh ann an dòigh sam bith, a' toirt a-steach còraichean, foillseachadh neo sgaoileadh, gun chead. Ma 's e is gun d'fhuair sibh seo gun fhiosd', bu choir cur às dhan phost-d agus lethbhreac sam bith air an t-siostam agaibh agus fios a leigeil chun neach a sgaoil am post-d gun dàil. Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

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**From:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Sent:** 25 June 2018 17:53  
**To:** [Redacted]  
**Subject:** FW: Letter from Bernadette Kelly: Benefits of Expanding Heathrow Airport for Scotland  
**Attachments:** 180625 BK to Scottish Government re Heathrow.pdf  
**Importance:** High

To note.

[Redacted] Cabinet Secretary for Economy, Jobs and Fair Work

The Scottish Government | Web: [www.gov.scot](http://www.gov.scot)

[Redacted] Email: [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)

**From:** [Redacted]  
**Sent:** 25 Jun 2018 17:48  
**To:** Permanent Secretary <[PermanentSecretary@gov.scot](mailto:PermanentSecretary@gov.scot)>; Permanent Secretary <[PermanentSecretary@gov.scot](mailto:PermanentSecretary@gov.scot)>  
**Cc:** "Brannen R (Roy)" <[Roy.Brannen@transport.gov.scot](mailto:Roy.Brannen@transport.gov.scot)>; [Redacted] <[drew.hendry.mp@parliament.uk](mailto:drew.hendry.mp@parliament.uk)>; "alan.brown.mp@parliament.uk" <[alan.brown.mp@parliament.uk](mailto:alan.brown.mp@parliament.uk)>; "Cabinet Secretary for Economy, Jobs and Fair Work" <[CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)>; Minister for Transport and the Islands <[transportminister@gov.scot](mailto:transportminister@gov.scot)>; Secretary of State - Scotland <[secretaryofstate@scotlandoffice.gsi.gov.uk](mailto:secretaryofstate@scotlandoffice.gsi.gov.uk)>

[Redacted]  
 [Redacted]  
 [Redacted] TransportSecretary <[TransportSecretary@dft.gov.uk](mailto:TransportSecretary@dft.gov.uk)>; Baroness Sugg\_PUSS <[Baroness.Sugg\\_PUSS@dft.gov.uk](mailto:Baroness.Sugg_PUSS@dft.gov.uk)>; Jesse Norman MP <[Jesse.Norman\\_MP@dft.gov.uk](mailto:Jesse.Norman_MP@dft.gov.uk)>; [Redacted]  
**Subject:** Letter from [Redacted] Benefits of Expanding Heathrow Airport for Scotland

Dear Permanent Secretary,

Please find attached a letter from [Redacted] Permanent Secretary to the Department for Transport, headed "The benefits of expanding Heathrow Airport for Scotland".

Yours sincerely,

[Redacted]



Tom Pullin  
 Head of Office and Private Secretary, Permanent Secretary's Office  
 5/16, Great Minster House  
 33 Horseferry Road, London, SW1P 4DR  
 020 7944 5010 07785 510099  
 Follow us on twitter @transportgovuk

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## Department for Transport

From the Permanent Secretary

Great Minster House  
33 Horseferry Road  
London SW1P 4DR

Web site: [www.gov.uk/dft](http://www.gov.uk/dft)

25 June 2018

**Leslie Evans**  
**Permanent Secretary to Scottish Government**  
**[Sent via email]**

Dear Leslie,

### **The benefits of expanding Heathrow Airport for Scotland**

As you will be aware, we are on the verge of a momentous debate and vote on airport expansion in the South-East. On 5 June, the UK Government set out its support for the proposed Airports National Policy Statement (NPS), which would provide the policy framework for delivery of the Northwest Runway scheme at Heathrow Airport.

This was a decision taken in the national interest – with a new runway helping to boost connections across the UK, offering new opportunities for businesses throughout the country and supporting the creation of tens of thousands of new jobs. In the context of a number of constructive conversations between colleagues at our organisations, I thought it useful to provide further clarity on how Scotland would stand to benefit from the expansion of Heathrow Airport.

#### **Boosting Scotland's connectivity**

Heathrow already plays an important role in Scotland's success, and the addition of more capacity will only serve to strengthen this further. Currently Edinburgh, Glasgow, Inverness and Aberdeen all have flights to Heathrow, offering easy onward access to its huge range of international connections.

Maintaining and enhancing domestic connectivity to Scotland will be one of the key benefits of any expansion at Heathrow. It will ensure increased frequency and greater competition for existing domestic routes, and allow new routes to be served.

The UK Government has set a clear expectation that about 15% of slots made available from expansion at Heathrow Airport will be used for domestic flights. As part of this, we expect around 100 additional flights per week between Scotland and Heathrow once new capacity is delivered but commercial realities in 2026 - when we expect a new runway to be operational - may provide for many more additional flights.

The expansion of Heathrow will for the first time in a number of decades allow airlines to access a significant number of new slots at Heathrow. Both easyJet and Flybe have set out that they would want to make use of such slots and have published indicative routes that they could serve, which include existing routes to Scotland, such as Edinburgh, and new routes to airports such as Glasgow Prestwick.

To support this the UK Government has set out in the proposed Airports National Policy Statement (NPS) a requirement for Heathrow to work with airlines to strengthen existing routes and deliver new connections. I understand your desire for UK Government commitments on protection of domestic connectivity to be included within the proposed Airports NPS. The use of PSOs is a Government policy lever and it would be inappropriate to include such commitment through a National Policy Statement. That said, Heathrow will set out the measures that it proposes to boost

domestic connectivity through their Development Consent Order (DCO) application. These will be legally enforceable and employed alongside Government's commitments, such as the introduction of airport-to-airport Public Service Obligations (PSOs).

Heathrow has announced a 50% increase in the discount for domestic passengers, rising to £15 – and these discounts have already allowed Flybe to launch new services to Aberdeen and Edinburgh. In addition, Heathrow has also committed to a £10 million Route Development Fund to support the introduction of new routes. In the context of expansion, these measures will provide more opportunities for airlines to provide the enhanced domestic connectivity that the UK Government expects.

If new capacity coupled with the commercial incentives offered by Heathrow does not deliver on these expectations and links are insufficient, then the UK Government has committed to ring-fencing slots at appropriate times of day, and providing financial support through exemption from Air Passenger Duty (APD). If further support is required, the UK Government will consider providing subsidies as it already does for the link between Dundee and Stansted.

All of these measures can be delivered through the imposition of PSOs, which the UK Government will apply on an airport-to-airport basis for the first time – and there will be no arbitrary limit placed upon the number of PSOs that may be imposed for services between Scotland and Heathrow. This is in line with existing regulations and will give protection for connections that specifically serve the UK's hub.

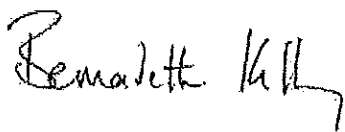
Without expansion, we expect more and more domestic routes to continue being squeezed out of Heathrow in favour of more profitable international routes. Since 1997, the annual number of domestic flights to and from Heathrow Airport has decreased from around 62,000 to 40,000 and the number of domestic passengers has decreased from 6.7m to 4.8m – and we expect this trend to continue unless a new runway at Heathrow is delivered.

In the last 20 years, the number of passengers using domestic connections to our national hub has dropped by almost 30%. The number of routes has also shrunk to just eight as airlines prioritise more profitable international routes. Airports such as Inverness have faced uncertainty as Heathrow has reached full capacity. Further erosion of domestic connections would make it harder for Scottish businesses to get their goods and services to market, or for people to visit friends and family around the world.

### **Future Policy Development**

We are currently developing a new UK-wide Aviation Strategy, which will set out clearly Government's policy on promoting competition and protecting domestic connectivity to an expanded Heathrow. In particular, this will set out how PSO routes will be established and consider how the slot allocation process can best deliver on Government objectives. This includes looking to ensure that new slots allocated for domestic use can be protected in the future to ensure we have the domestic connectivity that is required. We would welcome working with the Scottish Government on developing this policy for publication in the Green Paper later this year.

Yours sincerely,



**Bernadette Kelly CB**  
**Permanent Secretary**

23

**From:** [Redacted]  
**Sent:** 25 June 2018 18:16  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work  
**Cc:** Minister for Transport and the Islands; PS/Transport Scotland; Brannen R (Roy); Nicholls J (John) (TRANS); [Redacted] Press Transport Scotland [Redacted]  
**Subject:** FW: Additional Connectivity between Heathrow and Scotland with expansion  
**Attachments:** FW: Letter from Bernadette Kelly: Benefits of Expanding Heathrow Airport for Scotland  
**Importance:** High

To note and to be read in conjunction with the DfT Perm Sec's letter attached for other copy recipients to see.

So, Heathrow and the UKG have now cobbled together to get to our ask of 200 additional flights and the Perm Sec talks about Heathrow's commitments being legally enforceable.

Regards

**From:** [Redacted]  
**Sent:** 25 June 2018 17:13  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** [Redacted]

24

From: [REDACTED]  
Sent: 25 June 2018 23:19  
To: Nicholls J (John) (TRANS) [REDACTED]  
Subject: RE: PQ Reference: S5T-01174

Final draft sent to MPO for info:

Answer:

The Scottish Government welcomes that the third runway project is now moving to the stage of Heathrow applying for a Development Consent Order but notes that some MPs across the political parties were not persuaded to support the UK Government's National Policy Statement. It is now incumbent on the UK Government to build more confidence in the process and more clearly set out the economic benefits which a third runway at Heathrow can deliver throughout the UK.

The Scottish Government's position remains that Scotland should benefit proportionately from the new runway capacity and that this should be subject to guarantee and we note the Secretary of State's commitment made during last night's Westminster debate on 200 additional weekly flights for Scotland.

The UK Government's Aviation Strategy to be published later in 2018 will have a significant role to play in setting out how the UK Government intends to deal with issues such as slot allocation for services to Heathrow from the Nations and Regions. The Scottish Government will work constructively with the UK Government on the new strategy.

I want to compliment the work of Heathrow and the commitment it has made to Scotland. We are already seeing some of the planned benefits from the MoU which we signed with Heathrow in 2016 and I look forward to building on the strong partnership approach which we have developed.

#### BACKGROUND NOTE FOR S5T-01174

1. The UK Parliament voted on the UK Government's National Policy Statement on 25 June. The vote was passed by 415 votes to 119 meaning that the process now moves to Heathrow's promotion of a Development Consent Order. The SNP Westminster Group is reported to have abstained from the vote citing that the benefits for Scotland from a new third runway had not been guaranteed. There was also criticism from some MPs on the potential social and environmental impacts of the project and the UK Government's assertion that, with mitigations, the project can be accommodated within its noise and climate change obligations.
2. Heathrow is expected to begin the process of applying for a DCO immediately with a hope to have a DCO in place by 2021 and a new runway in 2026. However, it is probable that the process will be subject to legal challenge which could delay timescales. The decision on whether to grant the DCO will be made by the Secretary of State for Transport following a public examination period led by the Planning Inspectorate.
3. The Scottish Government signed an MoU with Heathrow in 2016 which committed Heathrow *inter alia* to reducing airport charges for domestic departing passengers; introducing a regional route development fund worth £10m which will incentivise new



routes from Scotland and other parts of the UK; and the basing of a logistics hub in Scotland (Prestwick expressly mentioned).

4. An estimate of up to 16,000 jobs will come to Scotland from Heathrow expansion

5. [REDACTED]

6. Our ask of the UK Government (not public) has been for a (proportionate) 4.8% share of the new runway capacity and for the UKG to identify the means to guarantee this. Within that share, we envisaged extra rotations and added competition at our bigger airports and a more modest and perhaps Public Service Obligation and subsidised offering at Inverness, Prestwick and Dundee. [REDACTED]

7. DfT Ministers have in the last few months introduced and repeated a pledge to reserve up to 15% of slots on the new runway for domestic connections. However, similar to the pledge introduced late yesterday, the UKG's 15% commitment is lacking in detail on how it would actually be implemented.

### Top Lines

- We support a new third runway at Heathrow because of the benefits it will bring for Scotland's connectivity and economy.
- This includes the potential for up to 16,000 new jobs in Scotland and the siting of a logistics hub.
- The memorandum of understanding we signed with Heathrow committed it to a minimum of £200 million construction-related spend in Scotland during planning and construction.
- It also committed the airport to establish a regional route development fund worth £10 million pounds.
- This will assist the development of further Scottish connections to Heathrow.
- The memorandum of understanding also committed the airport to reducing charges for domestic services to Scotland.
- The reduced charges are already taking effect.
- Heathrow's £15 pounds reduction in charges over 2017 and 2018 was instrumental in Flybe introducing services to Heathrow from Aberdeen and Edinburgh.
- Scotland needs more direct air services but, acknowledging that we will not be able to have all the routes we desire, we need better hub connectivity too.
- We now need the UK Government to work with us on how the commitment on 200 additional weekly flights for Scotland is substantiated.

**Whilst we have no responsibility for expansion, we are not divorced from the environmental consequences as a leader in tackling climate change.**

- We recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions.
- Scotland has already shown global leadership by including a fair share of international aviation and shipping emissions in its statutory climate targets.
- Our new Climate Change Bill retains this approach.
- This is part of a balanced approach to meeting Scotland's world leading climate targets by driving down overall emissions.
- We note the UK Government is confident expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.

**It is important to keep aviation emissions in perspective. Aviation currently accounts for less than 5% of total Scottish emissions [2016 stats]**

- Whilst aviation demand will likely rise over the period to the 2030s, projected fuel efficiency savings should prevent emissions from rising significantly.

**Scotland needs increased air connectivity to help our economy**

- More slots for Scotland should facilitate competition at Aberdeen, Edinburgh and also Glasgow (currently BA only) bringing more choice and cheaper fares.
- It should also enable the Inverness service to further flourish and potentially bring Scottish airports not currently served into the equation.
- I note that the Secretary of State reiterated that the UK Government expects to see up to 15% of slots on the new runway used for domestic connections. At last night's debate, he also said that the UKG was committed to Scotland benefitting from an additional 200 flights per week.
- We now intend to work with Heathrow and the UK Government on the fine detail of that commitment.

**The expansion is supported by business groups and trade unions**

- Liz Cameron, Chief Executive, Scottish Chambers of Commerce said:
- **QUOTE:** *"Expanding UK's aviation capacity by giving the thumbs up for Heathrow's third runway is critical in boosting our position in the global economy, and will provide much-needed confidence to international investors and our trading allies."* (5 June 2018)
- Louise Gilmour, Senior Organiser, GMB Scotland, said:
- **QUOTE:** *"The increased capacity of a third runway should mean more domestic flights, greater connectivity and significant opportunities for our civil aviation sector and the supply chains to develop on their existing operations and compete for new infrastructure contracts."* (5 June 2018)

---

**From:** PS/Transport Scotland

**To:** Nicholls J (John) (TRANS); Brannen R (Roy) [REDACTED]

**Cc:** PS/Transport Scotland [REDACTED]

**Subject:** RE: PQ Reference: S5T-01174

Please see Topical PQ allocated to Martin due back by 9 am tomorrow.

Regards  
[REDACTED]

**From:** [pqt@scotland.gsi.gov.uk](mailto:pqt@scotland.gsi.gov.uk) [mailto:pqt@scotland.gsi.gov.uk]

**Sent:** 25 June 2018 15:51

**To:** [REDACTED]

**Cc:** PS/Transport Scotland <[chiefexecutive@transport.gov.scot](mailto:chiefexecutive@transport.gov.scot)>

**Subject:** PQ Reference: S5T-01174

A PQ, reference S5T-01174 has been allocated to you as lead action officer. This PQ may be reached by clicking on the link below.

Your PQ Tracker Home Page is at:-

<http://s0678a:8080/pqtracker/drafting/answer>

- MSP; Jamie Greene
- Due at MPO: 22/06/2018
- Question Text: To ask the Scottish Government what its response is to the result of the UK Parliament's vote on Heathrow expansion and its implications for Scotland.

Allocation notes:

The user guidance for the PQ Tracker system may be found here:-

<http://intranet/InExec/AboutUs/Ministers/Guidance/PQ>

(25)

[Redacted]

**From:** [Redacted]  
**Sent:** 26 June 2018 11:35  
**To:** Minister for Transport and the Islands  
**Subject:** FW: Letter from Bernadette Kelly: Benefits of Expanding Heathrow Airport for Scotland  
**Attachments:** 180625 BK to Scottish Government re Heathrow.pdf  
**Importance:** High

[Redacted]

Perm Sec letter as requested. Also, where the votes went <https://metro.co.uk/2018/06/26/mp-voted-heathrow-expansion-debate-parliament-7659718/>

Regards

[Redacted]

**From:** [Redacted]  
**Sent:** 25 June 2018 17:53  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** FW: Letter from Bernadette Kelly: Benefits of Expanding Heathrow Airport for Scotland  
**Importance:** High

[Redacted]

As mentioned – this has now been sent.

Whilst Government has committed to at least 100 additional flights per week from Heathrow to Scotland, delivered commercially and through PSOs. I am aware that Heathrow, who can use commercial incentives to make domestic routes commercially viable, has said that it can deliver a further additional 100 flights per week, bringing the total to about 200 additional flights from per week from Heathrow to Scotland".

Thank you,

[Redacted]

[Redacted]

**From:** Bernadette Kelly  
**Sent:** 25 June 2018 17:47  
**To:** 'PermanentSecretary@gov.scot' <PermanentSecretary@gov.scot>; 'permsec@gov.scot' <permsec@gov.scot>  
**Cc:** 'Roy.Brannen@transport.gov.scot' <Roy.Brannen@transport.gov.scot>; 'drew.hendry.mp@parliament.uk' <drew.hendry.mp@parliament.uk>; 'alan.brown.mp@parliament.uk' <alan.brown.mp@parliament.uk>; 'CabSecEJFW@gov.scot' <CabSecEJFW@gov.scot>; 'transportminister@gov.scot' <transportminister@gov.scot>; 'secretaryofstate@scotlandoffice.gsi.gov.uk' <secretaryofstate@scotlandoffice.gsi.gov.uk>

[Redacted]

[Redacted]  
[Redacted]  
[Redacted] TransportSecretary <TransportSecretary@dft.gov.uk>; Baroness Sugg\_PUSS  
<Baroness.Sugg\_PUSS@dft.gov.uk>; Jesse Norman\_MP <Jesse.Norman\_MP@dft.gov.uk> [Redacted]  
[Redacted]

**Subject:** Letter from Bernadette Kelly: Benefits of Expanding Heathrow Airport for Scotland  
**Importance:** High

Dear Permanent Secretary,

Please find attached a letter from Bernadette Kelly, Permanent Secretary to the Department for Transport, headed "The benefits of expanding Heathrow Airport for Scotland".

Yours sincerely,

[Redacted]



[Redacted signature block]

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**Department  
for Transport**

**From the Permanent Secretary**

**Leslie Evans  
Permanent Secretary to Scottish Government  
[Sent via email]**

Great Minster House  
33 Horseferry Road  
London SW1P 4DR

E-Mail: [bernadette.kelly@dft.gov.uk](mailto:bernadette.kelly@dft.gov.uk)

Web site: [www.gov.uk/dft](http://www.gov.uk/dft)

25 June 2018

Dear Leslie,

### **The benefits of expanding Heathrow Airport for Scotland**

As you will be aware, we are on the verge of a momentous debate and vote on airport expansion in the South-East. On 5 June, the UK Government set out its support for the proposed Airports National Policy Statement (NPS), which would provide the policy framework for delivery of the Northwest Runway scheme at Heathrow Airport.

This was a decision taken in the national interest – with a new runway helping to boost connections across the UK, offering new opportunities for businesses throughout the country and supporting the creation of tens of thousands of new jobs. In the context of a number of constructive conversation between colleagues at our organisations, I thought it useful to provide further clarity on how Scotland would stand to benefit from the expansion of Heathrow Airport.

#### **Boosting Scotland's connectivity**

Heathrow already plays an important role in Scotland's success, and the addition of more capacity will only serve to strengthen this further. Currently Edinburgh, Glasgow, Inverness and Aberdeen all have flights to Heathrow, offering easy onward access to its huge range of international connections.

Maintaining and enhancing domestic connectivity to Scotland will be one of the key benefits of any expansion at Heathrow. It will ensure increased frequency and greater competition for existing domestic routes, and allow new routes to be served.

The UK Government has set a clear expectation that about 15% of slots made available from expansion at Heathrow Airport will be used for domestic flights. As part of this, we expect around 100 additional flights per week between Scotland and Heathrow once new capacity is delivered but commercial realities in 2026 - when we expect a new runway to be operational - may provide for many more additional flights.

The expansion of Heathrow will for the first time in a number of decades allow airlines to access a significant number of new slots at Heathrow. Both easyJet and Flybe have set out that they would want to make use of such slots and have published indicative routes that they could serve, which include existing routes to Scotland, such as Edinburgh, and new routes to airports such as Glasgow Prestwick.

To support this the UK Government has set out in the proposed Airports National Policy Statement (NPS) a requirement for Heathrow to work with airlines to strengthen existing routes and deliver new connections. I understand your desire for UK Government commitments on protection of domestic connectivity to be included within the proposed Airports NPS. The use of PSOs is a Government policy lever and it would be inappropriate to include such commitment through a National Policy Statement. That said, Heathrow will set out the measures that it proposes to boost

domestic connectivity through their Development Consent Order (DCO) application. These will be legally enforceable and employed alongside Government's commitments, such as the introduction of airport-to-airport Public Service Obligations (PSOs).

Heathrow has announced a 50% increase in the discount for domestic passengers, rising to £15 – and these discounts have already allowed Flybe to launch new services to Aberdeen and Edinburgh. In addition, Heathrow has also committed to a £10 million Route Development Fund to support the introduction of new routes. In the context of expansion, these measures will provide more opportunities for airlines to provide the enhanced domestic connectivity that the UK Government expects.

If new capacity coupled with the commercial incentives offered by Heathrow does not deliver on these expectations and links are insufficient, then the UK Government has committed to ring-fencing slots at appropriate times of day, and providing financial support through exemption from Air Passenger Duty (APD). If further support is required, the UK Government will consider providing subsidies as it already does for the link between Dundee and Stansted.

All of these measures can be delivered through the imposition of PSOs, which the UK Government will apply on an airport-to-airport basis for the first time – and there will be no arbitrary limit placed upon the number of PSOs that may be imposed for services between Scotland and Heathrow. This is in line with existing regulations and will give protection for connections that specifically serve the UK's hub.

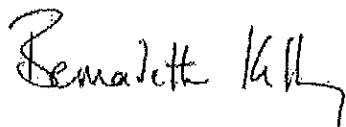
Without expansion, we expect more and more domestic routes to continue being squeezed out of Heathrow in favour of more profitable international routes. Since 1997, the annual number of domestic flights to and from Heathrow Airport has decreased from around 62,000 to 40,000 and the number of domestic passengers has decreased from 6.7m to 4.8m – and we expect this trend to continue unless a new runway at Heathrow is delivered.

In the last 20 years, the number of passengers using domestic connections to our national hub has dropped by almost 30%. The number of routes has also shrunk to just eight as airlines prioritise more profitable international routes. Airports such as Inverness have faced uncertainty as Heathrow has reached full capacity. Further erosion of domestic connections would make it harder for Scottish businesses to get their goods and services to market, or for people to visit friends and family around the world.

### **Future Policy Development**

We are currently developing a new UK-wide Aviation Strategy, which will set out clearly Government's policy on promoting competition and protecting domestic connectivity to an expanded Heathrow. In particular, this will set out how PSO routes will be established and consider how the slot allocation process can best deliver on Government objectives. This includes looking to ensure that new slots allocated for domestic use can be protected in the future to ensure we have the domestic connectivity that is required. We would welcome working with the Scottish Government on developing this policy for publication in the Green Paper later this year.

Yours sincerely,



**Bernadette Kelly CB**  
**Permanent Secretary**

(26)

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** 26 June 2018 11:55  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Topical Question - Heathrow  
**Attachments:** Heathrow expansion - supp que - draft v3.docx

[REDACTED]

And some changes from me mainly to shorten. Grateful if you could bring it all together in a final version for [REDACTED] to run past colleagues and his Spad.

I'd like to get this up in the next 30 mins please.

Regards

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** 26 June 2018 11:50  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Topical Question - Heathrow  
**Importance:** High

[REDACTED] - just tidying up a bit of (my own) drafting.

If at all possible, can we hold off till shortly after 12:00 before finalising for SpAds - I would like Sara to have a chance to comment first.

Thanks,

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** 26 June 2018 11:37  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Topical Question - Heathrow

Thanks [REDACTED]

[REDACTED] I've made a couple more suggested track changes in the attached.

Are you content with these answers?

Thanks

[REDACTED]



From [REDACTED]  
Sent: 26 June 2018 11:30  
To: [REDACTED]  
Cc: [REDACTED]  
Subject: RE: Topical Question - Heathrow  
Importance: High

[REDACTED] (cc colleagues, adding [REDACTED])

Please see below for initial thoughts – noting that the two answers are now very similar (the bit in yellow is the only main difference), is there a risk both will be asked? In terms of approach, we can't comment on the specific content of the CCC's UK progress report until this is published on Thursday. Martin and I also spoke and agreed that David Miller would have sight of the draft answers (when ready) for SpAd interests.

Very happy to discuss further.

**Supp 1: Does the Cab Sec agree that the UK Government should have ensured MPs were able to take a fully informed decision on expanding Heathrow by holding the vote after the publication of the independent UK Committee on Climate Change emissions report?**

While the Scottish Government have no responsibility for the information provided to MPs beforehand, I would have expected MPs to have received all the relevant information to allow them to make an informed decision.

I am aware that the UK Government is confident expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.

As a leader in tackling climate change, the Scottish Government recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions. Independent, expert advice from the Committee on Climate Change forms an important part of the Scottish Government's evidence-based approach to setting climate targets and meeting these by driving down emissions across the economy as a whole.

I note that the Committee on Climate Change wrote to the UK Secretary of State for Transport on 14 June setting out its views on the National Policy Statement. In that letter the CCC said that it "does not have a view on the location of airport capacity, as long as total UK aviation emissions are compatible with meeting the 2050 climate objectives". On Thursday of this week the Committee on Climate Change will publish its annual report on UK progress in reducing emissions. A separate Scottish progress report is then expected in September.

For those MPs who did not feel enough information on the climate impacts was available, and subsequently did not support the National Policy Statement, I would encourage the UK Government to take note and work hard to build confidence in the decision to expand Heathrow.

**Supp 2: What is the Cabinet Secretary's response to reports that the UK Government purposely scheduled the vote on the expansion of Heathrow days before publication of a UK Committee on Climate Change report warning that surging aviation emissions would destroy Britain's greenhouse gas reduction targets, meaning MPs had no chance to read the report before voting?**

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leadership by including a fair share of the emissions from international, as well as domestic, aviation in its statutory climate targets. Independent, expert advice from the Committee on Climate Change forms an important part of the Scottish Government's evidence-based approach to setting climate targets and meeting these by driving down emissions across the economy as a whole.

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I am aware that the UK Government is confident that expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.

For those MPs who did not feel enough information was available, and subsequently did not support the National Policy Statement, I would encourage the UK Government to take note and work hard to build confidence in the decision to expand Heathrow.

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**From:** [REDACTED]  
**Sent:** 26 June 2018 10:21  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** FW: Topical Question - Heathrow  
**Importance:** High

I'm currently redrafting the main oral and speaking with HY about it. Are you ok to have a stab at these with input from [REDACTED]

The basis of the answers should be that whilst we can't comment authoritatively on the specific points, we would have expected MPs to have had all the relevant information to make informed decisions. Clearly some of those MPs across parties who did not support the NPS did not feel that was the case and the UKG needs to reflect on that and seek to build confidence.

Regards

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**From:** [REDACTED] On Behalf Of Cabinet Secretary for Economy, Jobs and Fair Work  
**Sent:** 26 June 2018 10:05  
**To:** [REDACTED]  
**Cc:** Cox G (Gary); Minister for Transport and the Islands  
**Subject:** FW: Topical Question - Heathrow  
**Importance:** High

[REDACTED] – couple of possible supps – grateful for suggested responses please.

2. **Jamie Greene:** To ask the Scottish Government what its response is to the result of the UK Parliament's vote on Heathrow expansion and its implications for Scotland. ([S5T-01174](#))

Supp 1: Does the Cab Sec agree that the UK Government should have ensured MPs were able to take a fully informed decision on expanding Heathrow by holding the vote after the publication of the independent UK Committee on Climate Change emissions report?

Supp 2: What is the Cabinet Secretary's response to reports that the UK Government purposely scheduled the vote on the expansion of Heathrow days before publication of a UK Committee on Climate Change report warning that surging aviation emissions would destroy Britain's greenhouse gas reduction targets, meaning MPs had no chance to read the report before voting?

Thanks

[REDACTED]

[REDACTED] Cabinet Secretary for Economy, Jobs and Fair Work

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[REDACTED] Email: [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)

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**Supp 1: Does the Cab Sec agree that the UK Government should have ensured MPs were able to take a fully informed decision on expanding Heathrow by holding the vote after the publication of the independent UK Committee on Climate Change emissions report?**

While the Scottish Government has no responsibility for the information provided to MPs beforehand, given the importance of this decision, I would have expected MPs to have received sufficient information along with appropriate time to consider this all the relevant information in order to allow them to make an informed decision.

I am aware that the UK Government is confident expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.

As a leader in tackling climate change, the Scottish Government recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions. Independent, expert advice from the Committee on Climate Change forms an important part of the Scottish Government's evidence-based approach to setting climate targets and meeting these by driving down emissions across the economy as a whole.

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~~For those MPs who did not feel enough information on the climate impacts was available, and subsequently did not support the National Policy Statement, I would encourage the UK Government to take note and work hard to build confidence in the decision to expand Heathrow.~~

**Supp 2: What is the Cabinet Secretary's response to reports that the UK Government purposely scheduled the vote on the expansion of Heathrow days before publication of a UK Committee on Climate Change report warning that surging aviation emissions would destroy Britain's greenhouse gas reduction targets, meaning MPs had no chance to read the report before voting?**

It is for the UK Government to ensure that MPs are fully informed before any vote at Westminster. While the scheduling of this vote is a matter for the UK Government, I would have expected all MPs to have received the relevant sufficient information, along with adequate time to consider this, in order to that would allow them to make an informed decision on the expansion of Heathrow.

As a leader in tackling climate change, the Scottish Government recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions. Unlike the UK, Scotland has shown global leadership by including a fair share of the emissions from international, as well as domestic, aviation in its statutory climate targets. Independent, expert advice from the Committee on Climate Change forms an important part of the Scottish Government's evidence-based approach to setting climate targets and meeting these by driving down emissions across the economy as a whole.

I note that the Committee on Climate Change wrote to the UK Secretary of State for Transport on 14 June setting out its views on the National Policy Statement. In that letter the CCC said that it "does not have a view on the location of airport capacity, as long as total UK aviation emissions are compatible with meeting the 2050 climate objectives". On Thursday of this week the Committee on

Climate Change will publish its annual report on UK progress in reducing emissions. A separate Scottish progress report is then expected in September

I am aware that the UK Government is confident that expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.

For those MPs who did not feel enough information was available, and subsequently did not support the National Policy Statement, I would encourage the UK Government to take note and work hard to build confidence in the decision to expand Heathrow.

27

[REDACTED]  
**From:** [REDACTED]  
**Sent:** 26 June 2018 12:44  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: IMMEDIATE - draft answers to supps on topical PQ on Heathrow

Content for climate interests.

[REDACTED]  
**From:** [REDACTED]  
**Sent:** 26 June 2018 12:13  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: IMMEDIATE - draft answers to supps on topical PQ on Heathrow  
**Importance:** High

Thanks [REDACTED]

To note that I have talked Mr Yousaf through the contents of the CCC letter issued on 14 June and what is likely on Thursday so he has a bit of background.

Regards

[REDACTED]  
**From:** [REDACTED]  
**Sent:** 26 June 2018 12:08  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** IMMEDIATE - draft answers to supps on topical PQ on Heathrow  
**Importance:** High

[REDACTED] (cc decarbonisation and transport colleagues)

Grateful for your views on the following draft answers, which have been prepared jointly with transport colleagues, to two supps on this afternoon's topical PQ from Jamie Greene ("To ask the Scottish Government what its response is to the result of the UK Parliament's vote on Heathrow expansion and its implications for Scotland. (S5T-01174)").

The two answers are largely the same, other than the inclusion of an extra line on what aviation emissions are included in Scotland targets in the second one.

I understand that these need to go up to Mr Yousaf's office in the next 30mins.

Happy to discuss by phone if that is easier,

**Supp 1: Does the Cab Sec agree that the UK Government should have ensured MPs were able to take a fully informed decision on expanding Heathrow by holding the vote after the publication of the independent UK Committee on Climate Change emissions report?**

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**From:** [REDACTED]  
**Sent:** 26 June 2018 11:55  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Topical Question - Heathrow



And some changes from me mainly to shorten. Grateful if you could bring it all together in a final version for [redacted] to run past colleagues and his Spad.

I'd like to get this up in the next 30 mins please.

Regards

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**From:** [redacted]  
**Sent:** 26 June 2018 11:50  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Topical Question - Heathrow  
**Importance:** High

[redacted] – just tidying up a bit of (my own) drafting.

If at all possible, can we hold off till shortly after 12:00 before finalising for SpAds – I would like Sara to have a chance to comment first.

Thanks,

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**From:** [redacted]  
**Sent:** 26 June 2018 11:37  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Topical Question - Heathrow

Thanks [redacted]

[redacted] I've made a couple more suggested track changes in the attached.

Are you content with these answers?

Thanks

---

**From:** [redacted]  
**Sent:** 26 June 2018 11:30  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Topical Question - Heathrow  
**Importance:** High

[redacted] (cc colleagues, adding [redacted])

Please see below for initial thoughts – noting that the two answers are now very similar (the bit in yellow is the only main difference), is there a risk both will be asked? In terms of approach, we can't comment on

the specific content of the CCC's UK progress report until this is published on Thursday. Martin and I also spoke and agreed that David Miller would have sight of the draft answers (when ready) for SpAd interests.

Very happy to discuss further.

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28

[Redacted]

**From:** [Redacted]  
**Sent:** 26 June 2018 12:51  
**To:** [Redacted]  
**Subject:** FW: Topical Question - Heathrow  
**Importance:** High

**From:** [Redacted]  
**Sent:** 26 June 2018 12:49  
**To:** Cabinet Secretary for Economy, Jobs and Fair Work; Minister for Transport and the Islands  
**Cc:** [Redacted]  
**Subject:** RE: Topical Question - Heathrow  
**Importance:** High

Here you are. Agreed with CC colleagues and [Redacted]

**Supp 1: Does the Cab Sec agree that the UK Government should have ensured MPs were able to take a fully informed decision on expanding Heathrow by holding the vote after the publication of the independent UK Committee on Climate Change emissions report?**

While the Scottish Government has no responsibility for the information provided to MPs beforehand, given the importance of this decision, I would have expected MPs to have received sufficient information along with appropriate time to consider this in order to allow them to make an informed decision.

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**From:** [REDACTED] **On Behalf Of** Cabinet Secretary for Economy, Jobs and Fair Work  
**Sent:** 26 June 2018 10:05  
**To:** [REDACTED]  
**Cc:** [REDACTED] Minister for Transport and the Islands  
**Subject:** FW: Topical Question - Heathrow  
**Importance:** High

[REDACTED] – couple of possible supps – grateful for suggested responses please.

2. **Jamie Greene:** To ask the Scottish Government what its response is to the result of the UK Parliament's vote on Heathrow expansion and its implications for Scotland. (S5T-01174)

[REDACTED]

Thanks

[REDACTED]

[REDACTED] Cabinet Secretary for Economy, Jobs and Fair Work  
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[REDACTED] Email: [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot)

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29

[REDACTED]

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**From:** [REDACTED]  
**Sent:** 26 June 2018 13:09  
**To:** [REDACTED]  
**Cc:** [REDACTED] Press Transport Scotland; [REDACTED]  
**Subject:** RE: Heathrow Expansion - West FM

Thanks [REDACTED] Will leave well alone just now but I think this would need tinkering if and when we are approached.

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**From:** [REDACTED]  
**Sent:** 26 June 2018 13:02  
**To:** [REDACTED]  
**Cc:** [REDACTED] Press Transport Scotland; [REDACTED]  
**Subject:** RE: Heathrow Expansion - West FM

Hi [REDACTED] spads have prepared the following statement below (no approaches yet).

I gather there is a topical question on Heathrow in the Scottish Parliament this afternoon but obviously Mr Brown has left now so presumably Mr Yousaf will be standing in until his replacement is appointed.....

[REDACTED]

**A Scottish Government spokesman said:**

"We note the outcome of this vote. It is now incumbent on the UK Government to help deliver the benefits to Scotland which backers of a third Heathrow runway have put forward, including the additional Scottish flight slots promised.

"We have been negotiating with the UK government for years on increased flights and they have yet to meet the level of ambition or deliver the guarantees the Scottish Government has sought. We have worked well with Heathrow on the opportunities the project could deliver for Scotland and look forward to meeting with them soon.

"We will continue to make securing more direct international flights to and from Scotland's airports a key priority, in addition to better connectivity with major hubs such as Heathrow."

[REDACTED]  
Transport Scotland  
[REDACTED]

30

**From:** [Redacted]  
**Sent:** 26 June 2018 15:39  
**To:** [Redacted]  
**Cc:** [Redacted] (Special Adviser); [Redacted] ET FMQ/PQ Mailbox; First Minister FMQs; Bain C (Chloe); Teale C (Carole); [Redacted] Nicholls J (John) (TRANS)  
**Subject:** RE: FMQs - Heathrow - update required by 3.30pm  
**Attachments:** FMQ - Heathrow - 25 June 2018.docx

Note updated to reflect developments in the last 24 hours.

Regards

<<FMQ - Heathrow - 25 June 2018.docx>>

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**From:** [Redacted]  
**Sent:** 26 June 2018 13:40  
**To:** [Redacted]  
**Cc:** [Redacted] McFarlane J (John); [Redacted] ET FMQ/PQ Mailbox; [Redacted] First Minister FMQs  
**Subject:** FMQs - Heathrow - update required by 3.30pm

I understand there is a topical question on the Heathrow announcement this afternoon. I would therefore be grateful if the attached Heathrow briefing could be updated following that to take account of our very latest position.

Grateful if I could get this back by 3.30pm please.

Thanks

<< File: Heathrow.docx >>

First Minister's Policy and Delivery Unit



## HEATHROW THIRD RUNWAY

**ISSUE: 25 June** – UK Parliament voted by 415 votes to 119 to pass the UK Government's National Policy Statement which paves the way for Heathrow to apply for a Development Consent Order. The SNP Group abstained saying it did not have necessary guarantees on the benefits for Scotland.

**ISSUE: 25 June** – In the late lead-up to the NPS debate, the UK Government confirmed that through Government (PSO) interventions and commercial incentives offered by Heathrow, it saw the potential to meet the Scottish Government's ask of an additional 200 weekly flights from the new capacity. Chris Grayling alluded to this during the NPS debate. What remained to be established is what guarantees would be applied to our ask.

**ISSUE: 21 June** – UK Government repeats that about 15% of new capacity would be for domestic services. Also confirms that Scotland can expect to benefit from an extra 100 flights a week if a third runway is built.

**ISSUE: April 2018** – Cabinet Secretary writes to Secretary of State detailing SG Ask of UK Government. Headline is that we would like a proportionate share of the new capacity (4.8%) amounting to 200 additional weekly flights and a guarantee from the UK Government.

**ISSUE: October 2016** – Scottish Government signed an MoU with Heathrow which committed Heathrow *inter alia* to: reducing airport charges for domestic services; introducing a regional route development fund which will incentivise new routes from Scotland; and the basing of a logistics hub in Scotland (Prestwick expressly mentioned).

### Top Lines

- We support a new third runway at Heathrow because of the benefits it will bring for Scotland's connectivity and economy and we continue to support the MoU signed with Heathrow.
- The MoU commits Heathrow to a minimum of £200 million construction-related spend in Scotland during planning and construction.
- It also commits the Airport to establishing a regional route development fund worth £10 million pounds.
- The MoU also commits the airport to reducing charges for domestic services to Scotland.
- Heathrow's £15 reduction in charges over 2017 and 2018 was instrumental in Flybe introducing services to Heathrow from Aberdeen and Edinburgh.
- Scotland needs more direct air services but, acknowledging that we will not be able to have all the routes we desire, we need better hub connectivity too.
- We welcome the UK Government's position that Scotland can expect to benefit from an extra 200 flights a week when a new third runway is built.
- We now need the UK Government to explain in more detail how we physically achieve this and indeed on the rationale behind its 15% commitment (which would appear to correlate to a much larger number of domestic flights than the Scottish Government's reasonable ask).
- Heathrow hopes to have a Development Consent Order in place by 2021 and the new runway operational by 2026. Legal challenge is however likely and this could delay timescales.

## HEATHROW THIRD RUNWAY

### **While we have no responsibility for expansion, we are not divorced from the environmental consequences as a leader in tackling climate change.**

- We recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions.
- Scotland has already shown global leadership by including a fair share of international aviation and shipping emissions in its statutory climate targets.
- Our new Climate Change Bill retains this approach.
- This is part of a balanced approach to meeting Scotland's world leading climate targets by driving down overall emissions.
- We note the UK Government is confident expansion can be accommodated within its environmental responsibilities and the project will only happen if that is the case.
- We note that the UK Committee on Climate Change wrote to the UK Secretary of State for Transport on 14 June setting out its views on the National Policy Statement. In that letter the Committee on Climate Change said that it "does not have a view on the location of airport capacity, as long as total UK aviation emissions are compatible with meeting the 2050 climate objectives".
- We note that the Committee on Climate Change published its annual report on UK progress in reducing emissions earlier today and we will be looking at that very closely. A separate Scottish progress report is expected in September. (In answer to topical questions on 26 June, the Transport Minister expressed his surprise that the UK Government had held the NPS vote a few days before publication of the CCC report).

### **It is important to keep aviation emissions in perspective. Aviation currently accounts for less than 5% of total Scottish emissions [2016 stats]**

- Whilst aviation demand will likely rise over the period to the 2030s, projected fuel efficiency savings should prevent emissions from rising significantly.

### **Scotland needs increased air connectivity to help our economy**

- More slots for Scotland should facilitate competition at Aberdeen, Edinburgh and also Glasgow (currently BA only) bringing more choice and cheaper fares.
- It should also enable the Inverness service to further flourish and potentially bring Scottish airports not currently served into the equation.

### **The expansion is supported by business groups and trade unions**

- Liz Cameron, Chief Executive, Scottish Chambers of Commerce said:
- **QUOTE:** *"Expanding UK's aviation capacity by giving the thumbs up for Heathrow's third runway is critical in boosting our position in the global economy, and will provide much-needed confidence to international investors and our trading allies."* (5 June 2018)
- Louise Gilmour, Senior Organiser, GMB Scotland, said:
- **QUOTE:** *"The increased capacity of a third runway should mean more domestic flights, greater connectivity and significant opportunities for our civil*