

News from the Nations, Regions & Groups

CILT(UK) London Region Heathrow Group

10th May 2011

Heathrow, Rail and HS2: What Has Happened To Domestic Air Services?



The Government's decision to proceed with HS2 has generated much discussion. Heathrow Group considered the proposal when Vernon Murphy, FCILT, Chairman of CILT's Aviation Forum, analysed the situation with his presentation "HS2: what has happened to Heathrow's domestic air services?", with a reminder that no proposal for an extra runway in the South East has ever survived an election.

Vernon started with the airline situation after the Second World War. The air transport policy of the Government of the day was that all airports would be State-owned and State-funded as it was not expected that they could ever make a profit. Pre-war airlines were re-constituted or new ones set up to form the three State-owned operators of British Overseas Airlines Corporation, responsible for long-distance traffic, principally the Empire air routes; British European Airlines, serving European and shorter-distance destinations, and the short-lived British South American Airlines which was soon absorbed into BOAC. At the time there were many ex-RAF aircraft, mainly bombers, which were suitable for conversion for passenger carrying aircraft, and demobilised RAF pilots and navigators to fly them.

BEA was licensed to fly anywhere domestically it wanted, and any private firm was liable to have its routes taken over by BEA if the latter so chose. BEA's London airport was Northolt and remained so until 1955 when the central area of Heathrow opened with its first purpose built terminal, divided into Britannic Building, serving UK destinations, and Europa Building, serving European airports. Long distance services were still using the post-war temporary buildings at Heathrow until Oceanic Building was built to serve international destinations. (Britannic/Europa became Terminal 2 and Oceanic became Terminal 3). The Viscount was coming into service and proved a successful British design thanks to its powerful engines, compared to previous types whose engines were often rather under-powered for the size and weight of aircraft.

Government policy changed in the early 1960s to allow some competition and this period saw the growth of airlines such as British Eagle, British United, etc. However the Air Transport Licensing Board regulated both the fares and frequency of routes. BUA bought BAC 111 aircraft to compete with BEA on its Heathrow – Glasgow route (using first Renfrew, then Abbotsinch airports), while Eagle used Britannias and then BAC111. During the height of independent airline activity 18 UK towns had connections to Heathrow at one time or another.

In the 1970s BEA and BOAC merged and the re-named British Airways then started the Heathrow – Glasgow shuttle: a novel concept allowing passengers simply to turn up and board with no booking, no ticket and with a guarantee of a seat: a relief aircraft was always available so nobody was ever turned away. Trident aircraft were used. An immediate success, this system led to 30% increase in passengers. Edinburgh and Belfast were similarly treated with a growth of 20%. In the 1980s British Midland Airlines began to compete with BA on the domestic trunk routes.

With the shortage of landing slots at Heathrow, Government had decreed that any new international airline flying to the UK must use Gatwick instead. This led to increased use by American airlines so that Gatwick served more American destinations than any other airport outside of North America. However the policy was reversed in 1991 resulting in over twenty airlines moving from Gatwick to Heathrow so that Gatwick could no longer function as a hub airport. Runway slots at Heathrow were scarcer than ever and airlines realised that their domestic landing slots were worth more than the flights using them and they could make more money by selling the slots to other airlines for international flights. This reduced domestic flights irrespective of the demand for them.

That is the background to the situation today. In 1990 domestic passengers formed nearly 20% of Heathrow's traffic now it is 7%. Over ten years since 2000 domestic passengers had dropped from 7.5m to 4.75m and are still declining. Other factors have exacerbated the decline: KLM uses Amsterdam as a hub and flies from it to most UK airports, so passengers who would have transferred at Heathrow now do so at Amsterdam. Increased security restraints and compulsory ticketing making a return of the shuttle system impossible, have also had an influence. Low cost airlines have sprung up offering cheap flights from a variety of UK airports direct to European destinations. From the 18 UK towns having direct flights to Heathrow in the 1980s there are now only six, and only two cities from England. A vicious circle is created as inward investors thinking of investing in UK regional development areas are less inclined to go there if there is no easy route from overseas: they choose instead to set up their developments overseas where there are good connections.

So is HS2 a replacement for Heathrow's domestic flights, as is often claimed? Clearly not, as there are few left. The number of passengers displaced from air to rail is not enough to justify HS2 serving Heathrow and other possible rail services, such as Airtrack, have also been cancelled. HS2 is mainly about capacity, not absolute speed. Existing rail routes from London to the midlands and north are full and an alternative is needed: but there can be no business case for the route to serve Heathrow. In fact the London end of the route is difficult to plan as the proposed terminus at Euston is already crowded but the alternative of Old Oak Common will give much needed relief to Euston's onward distribution and connecting services. Whatever the arguments for HS2, replacing the now non-existent domestic flights is not one of them as it is too late to do so.

The audience contributed some interesting comments and debate and we are grateful to Vernon for a stimulating evening, the last of the season. The Heathrow group expects to resume in September.

Michael Peacock
Chairman Heathrow Group