

<b>SUBJECT:</b>	<b>Update on Airports Commission's Interim Report</b>
<b>REPORT OF:</b>	<b>Officer Management Team - Director of Services</b>

## **1. Purpose of Report**

- 1.1. This report provides an update on the Airports Commission's Interim Report, published in December 2013, and is for information purposes only.

## **2. Links to Council Policy Objectives**

- 2.1. The future of aviation in the South East could have an impact on the health and well-being of residents by affecting air quality, levels of noise pollution and the flora and fauna of the District. This could have a direct impact on the Council's corporate aim of delivering Health and Wellbeing.
- 2.2. The Government has stated that Councils must safeguard land which may be needed to develop infrastructure for airports, including that needed for surface transportation. This has a direct impact on the Local Plan and therefore the following corporate aims: a Thriving Economy and Sustainable Environment and indirect impacts on both Health and Well-being and Cohesive and Strong Communities.

## **3. Background**

- 3.1. The Government set up the Airports Commission in autumn 2012, chaired by Sir Howard Davies (also sometimes referred to as the Davies Commission). This Commission was tasked with submitting a report to the government by the end of 2013, identifying and recommending options for maintaining the UK's status as an international hub for aviation and immediate actions to improve the use of existing runway capacity in the next 5 years. A final report is to be submitted by summer 2015, assessing the environmental, economic and social costs and benefits of various solutions to increase airport capacity.
- 3.2. The brief given to the Commission by the government for this interim report was to provide an assessment of the evidence on the nature, scale and timing of the steps needed to maintain the UK's global hub status; and provide a recommendation(s) for immediate actions to improve the use of existing runway capacity in the next five years - consistent with credible long-term options.
- 3.3. The final report will set out the Commission's recommendations for meeting any need for additional capacity, based on a detailed assessment of the three shortlisted long-term options, including their economic, social and environmental impacts. It will also make recommendations for ensuring that the need is met as quickly as is practicable, within the required timescale.
- 3.4. The final report will also recommend the appropriate legal and planning processes that should be used to expedite the delivery of new airport infrastructure.
- 3.5. This report provides an overview of the interim report published in December 2013.

#### 4. Conclusion of the Airports Commission Interim Report December 2013.

- 4.1 The overall recommendation contained within the report is that one net additional runway is needed to be in operation in the south east by 2030, with the likelihood for the need for a second additional runway to be operational by 2050.
- 4.2 The Airports Commission intend to carry out a detailed study on their current proposed locations for the first runway, covering three options at Heathrow and Gatwick Airports.
- 4.3 The Gatwick Airport option is for a new runway at the south of the existing runway.
- 4.4 The Heathrow Airport options include building a new runway to the northwest of the existing airport or extending the existing northern runway to at least 6,000 metres, enabling it to operate as two separate runways (Heathrow hub option). Additional terminal facilities would also be required. For the Heathrow hub option, this includes a new terminal in Iver with surface transport to the rest of Heathrow.
- 4.5 See Appendix A for maps illustrating the Heathrow hub option and Heathrow Airport's own proposal for a second northern runway. Map 2 indicates the revised Heathrow Airport Ltd option (not as illustrated in the December Airport Commission report). The difference is that the new runway has been moved to the south and the new access roads for the proposed runway are no longer within South Bucks District. This revision will be the one subject to further assessment by the Airports Commission as the schemes are developed.
- 4.6 The Commission has not shortlisted any of the Thames Estuary options because they believe there are too many uncertainties and challenges surrounding them at this stage. They are also very expensive, with the Isle of Grain option (deemed the most viable) costing up to £112 billion, around five times the cost of the three options above. It intends to undertake further study of the Isle of Grain option in the first half of 2014 and will reach a view later this year on whether that option offers a credible proposal for consideration alongside the other short-listed options.
- 4.7 Additionally, the Commission has recommended a number of measures to optimise existing infrastructure until new capacity becomes operational. These include:
  - better gathering and sharing of information to manage flight times, driving better schedule adherence
  - more accurately managed routes for arrivals and departures, enabling noise respite to be better managed
  - better managed turnaround times of aircraft, so that stands are available when they are meant to be
  - time based separation of aircraft movements, enabling air traffic control to apply the same spacing between aircraft irrespective of wind conditions.
- 4.8 The Commission recommends the establishment of a Senior Delivery Group to drive forward airport strategy, the creation of an independent Aviation Noise Authority to provide independent and impartial advice on improvements to aircraft movements and a package of surface transportation measures to make airports with spare capacity more attractive to passengers and airlines. Interestingly, the latter includes a recommendation to improve access to Heathrow - already stated as running at 98% capacity by the Commission - from the south. This access is additional to the proposal for a western rail link to Heathrow.

**5. Summary of the Airports Commission Interim Report December 2013.**

- 5.1. The report recognises the importance of aviation to the economy and the need to balance local and national interests in making what can often be contentious decisions.
- 5.2. It also notes that the UK is in the unusual position of airports being commercially owned, therefore any decision for expansion needs to be commercially viable and seen to be so by the airport owner(s).
- 5.3. The Commission states that it engaged with a broad range of interested parties including local Councils, airport representatives, airlines, British Airline Pilot Association and various campaign groups, both for and against airport expansion.
- 5.4. The Commission believes that the world has changed since previous airport capacity reviews and says that economic, environmental and social factors have been taken into account in reaching their conclusions, commissioning new research and analysis to consider impacts across the whole of the system, including on air traffic and air space, surface access to airports, cost and deliverability.
- 5.5. Globalisation, technological innovation, the global economy's shift to the east have all impacted on the airline industry, with the Commission recognising two trends: alliances between airlines focussing on major aviation hubs and the emergence of new business models, particularly low cost and point to point markets.
- 5.6. The future of the nature of aviation is uncertain, with opinion split between the importance of hubs (whether through airline alliances or passengers self-connecting) and longer range aircraft enabling more long-haul destinations to be viable as point to point routes.
- 5.7. The Commission believes the UK aviation industry has managed to adapt well so far, with Heathrow becoming a major hub airport and other, particularly London, airports successfully operating dynamic point to point markets. Growth has been limited due to the economic downturn, however all London airports (apart from Stansted) are expected to be full by 2030.
- 5.8. The break-up of the British Airports Association has introduced more competition between airports and a new statutory framework for reducing emissions has changed the ground rules for airports and airlines.
- 5.9. Whilst the UK is still well connected and Heathrow still serves the most international passengers of any airport world-wide, it is now full, with Gatwick operating at 85% capacity. The Commission believes that the UK is approaching the limit of what can be achieved within existing airport infrastructure.
- 5.10. This imposes operational difficulties: when operating an airport at full capacity, there are no means of recovery when affected by outside factors such as weather problems; respite from noise for residents becomes less possible; Heathrow is well served for North Atlantic and European destinations, but not emerging markets.
- 5.11. The Commission has placed a financial value over the next 60 years, should airport capacity not be increased: £18-£20 billion of costs to users and providers of airport infrastructure; £30-£45 billion of costs to the wider economy.
- 5.12. The Commission recommends that one additional runway be provided in London by 2030, with a further runway by 2050, see section 4 above for more detail. 52 proposals were assessed on the UK's airport capacity shortfall, including 40 for new runway infrastructure. Proposals to satisfy demand through no new runways was analysed and discounted as being insufficient to deliver the required capacity.

- 5.13. It is intended to carry out further analysis on the Isle of Grain option in the first half of 2014, with the results announced by the end of the year.
- 5.14. Stansted has been discounted at present for a second runway, as volumes have fallen in recent years leaving considerable spare capacity. The option of building a large hub airport at Stansted has also been discounted due to high cost and that it would be highly disruptive to airspace whilst the same regeneration opportunities as an Estuary airport would not be realised. Stansted is thought to be a plausible option for any second additional runway in the 2040s.
- 5.15. Other rejected options which impacted on Buckinghamshire were: 1 the expansion of Luton to a four runway hub; 2 the expansion of Luton and link to Heathrow as one hub; 3 a new four runway hub airport west of Milton Keynes and east of Bedford. The first option, although the cheapest, was ruled out on grounds of distance from London as well as the belief that by closing Heathrow and Stansted, there would be an overall reduction in capacity. The second and third options were ruled out mainly because of logistics including distance from London.

## 6. Commission's next steps

- 6.1 The Commission moves into the second phase of its work, leading to the final report being published in the summer of 2015.
- 6.2 There will be public consultation on the shortlisted options towards the end of 2014.
- 6.3 An Appraisal Framework, said in the interim report as being published in spring 2014 for consultation, was published on 16<sup>th</sup> January 2014, with consultation closing on 28<sup>th</sup> February 2014. This sets out details of how scheme designs should be developed and how impacts will be appraised.
- 6.4 The Commission has also published details of how further analysis of a new Estuary airport will be taken forward on 16<sup>th</sup> January 2014, with two public consultations. The first relates to the Terms of Reference for this analysis, closing on 14<sup>th</sup> February 2014, the other is a call for evidence. Closing on 23<sup>rd</sup> May 2014.
- 6.5 The Commission has called upon the Government to act on any uncertainty the publication of the interim report may have on those areas close to the short listed options, particularly those who may need to move homes and are unable to sell.

## 7. Resources, Risk and Other Implications

- |           |  |
|-----------|--|
| Financial | - There could be financial implications if it is decided to lobby the Airports Commission.   |
| Legal     | - The Aviation Policy Framework places a duty on planning authorities to safeguard land required for future airport expansion, including surface links. With so much uncertainty around rail links to Heathrow and the possible expansion of Heathrow airport, it is unclear as to the extent of this duty and how it can be executed. |
| Risks     | - There is a risk that the expansion of Heathrow Airport will threaten the Councils' objective of delivering a sustainable environment. Should Heathrow expansion go ahead, it increases the likelihood of the Heathrow link to the High Speed 2 railway being built.  |

Equalities - The impact on residents is likely to affect everyone without targeting any particular group.

Environment and Health implications

- Heathrow airport expansion could increase noise and air pollution which may impact on the environment and health of CDC's and SBDC's residents. With both current options at Heathrow, there will be considerable disruption to the Iver/Richings Park area.

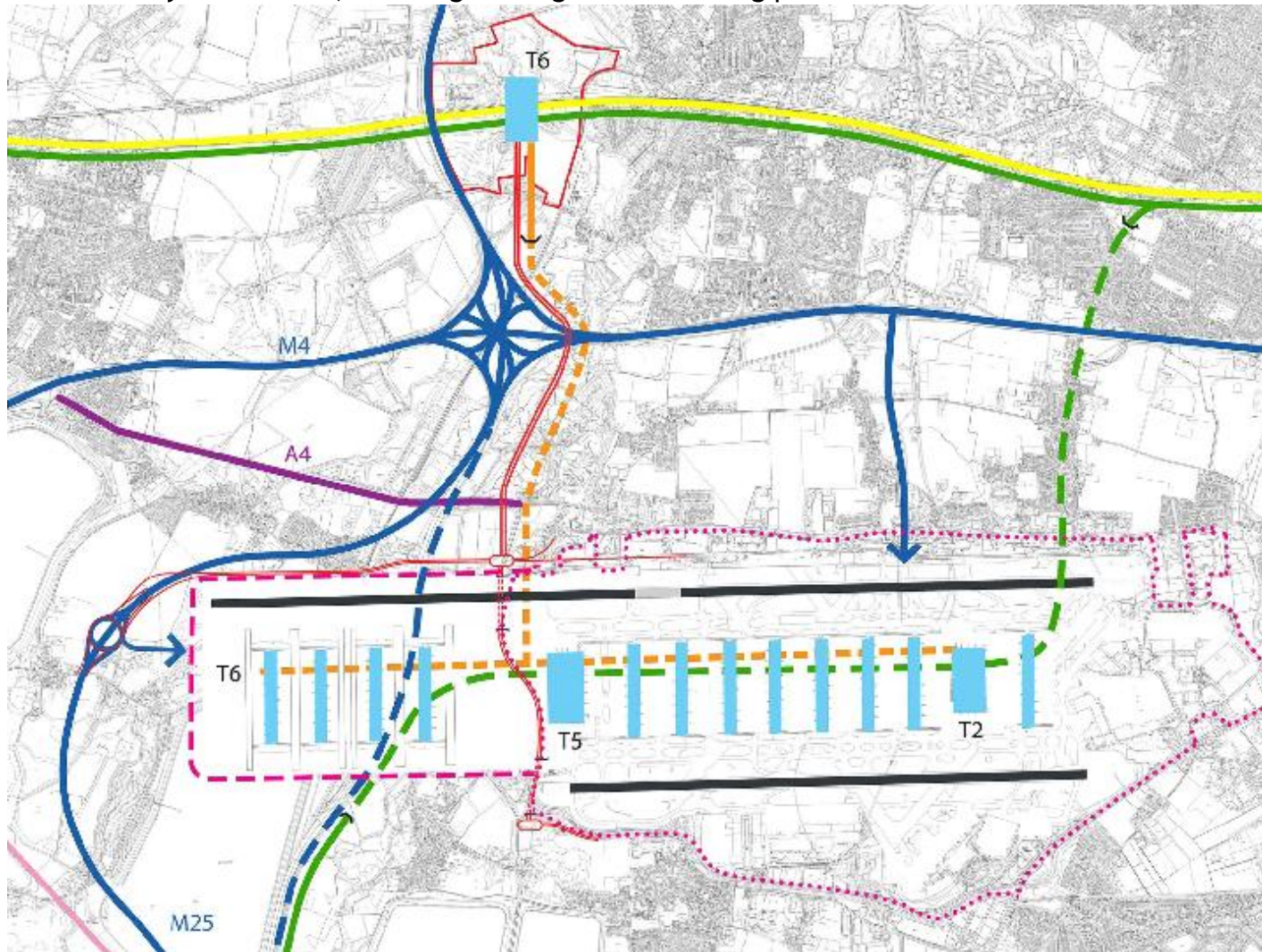
Economic - Should a new Estuary airport be built and Heathrow closed, there is likely to be a detrimental impact on the economy of the area.

**8. Summary**

8.1. Policy Advisory Group to note this report.

<b>Officer Contact:</b>	Laura Campbell, SBDC Policy Officer, 01895 837236 Ben Coakley, CDC Principal Strategic Environment Officer, extension 01494 732060
<b>Background Papers:</b>	Airports Commission web site: <a href="https://www.gov.uk/government/organisations/airports-commission/about">https://www.gov.uk/government/organisations/airports-commission/about</a> Airports Commission's Interim Report December 2013: <a href="https://www.gov.uk/government/publications/airports-commission-interim-report">https://www.gov.uk/government/publications/airports-commission-interim-report</a>

**Appendix A: Map 1: Heathrow hub option** - diversion of the M25, a new transport interchange and terminal at Iver and the extension of the existing northern runway to the west, doubling its length and enabling planes to land and take off on the same runway:





**Appendix A: Map 2: Heathrow Airport Ltd proposal: the NW runway option, a new stand-alone runway and Terminal 6 independent of the operation of the rest of Heathrow, involving building over the M25.**

