

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

03 February 2015

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Executive Non Key Decisions

1 THE AIRPORTS COMMISSION – RESPONSE TO THE PUBLIC CONSULTATION ON THE SHORTLISTED OPTIONS FOR ADDITIONAL RUNWAY CAPACITY (NOVEMBER 2014)

Summary: This report seeks endorsement for a response to the recent consultation by the Airports Commission into additional runway capacity in the UK.

1.1 Introduction

1.1.1 The Airports Commission consultation was launched in November 2014 and seeks comments on three shortlisted options for additional runway capacity, two at Heathrow and one at Gatwick.

1.1.2 The Planning and Transportation Advisory Board considered a brief report summarising the options at its meeting on 18th November. A copy of the report including the summaries can be found at Appendix 1 to this report. The Board noted that a full response to the Commission's consultation, including addressing the specific questions was to be compiled taking into account other views that may be expressed locally. The response returned to the Commission in advance of the deadline, which is today (3rd February) can be found at Appendix 2. This response has been prepared in consultation with the Leader of the Council and Cabinet Member for Planning and Transport and is reported to Cabinet for ratification.

1.2 An Assessment of the Costs and Benefits of the Three Options

1.2.1 The purpose of the Airports Commission is to make recommendations to the Government in the summer of 2015 over future airport capacity in the UK to maintain and enhance its position as a global destination and international hub.

1.2.2 All three shortlisted options would deliver a new runway and terminals, to increase capacity for flights and passengers sufficiently to meet expected demand by 2030. Each option includes estimates for economic benefits as a result of the investment, although the Commission has reviewed these and suggested a more

conservative impact is more likely in all three cases. The land take needed for the new runways and the anticipated environmental impacts from increased flights also needs to be taken into consideration.

1.2.3 Table 1 below represents a simple comparison of some of the main costs and benefits, excluding noise.

Table 1

Option	Cost*	Land take	Green belt losses	Wider economic benefits	New jobs /homes needed for workforce by 2030
Gatwick	£9.3bn (£7.4bn)	624Ha plus 78 Ha for surface access	9 Ha	£42-127bn	500-23,600/ 18,400
Heathrow (North)	£13.5bn (£10.1bn)	724Ha plus 330Ha for surface access and 60Ha for flood storage	238Ha	£101-214bn	47,400 – 96,200/ 60,600
Heathrow (North West)	£18.6bn (£14.8bn)	569Ha plus 294Ha for surface access and 43Ha for flood storage	431Ha	£112-211bn	47,400-112,400/ 70,800

* The estimated financial cost as adjusted by the Airports Commission (For information, the bidder's estimate is shown in the brackets)

1.2.4 In terms of this simple comparison therefore, the Gatwick option is the lowest cost in financial terms requiring less land take and loss of green belt, however it only generates approximately half of the wider economic benefits and considerably fewer new jobs than either of the two Heathrow options.

1.2.5 The most optimistic cost to benefit ratio (dividing the upper end of the wider economic benefits by the financial cost) sees the Gatwick option in second place behind the Heathrow North option (13.7 compared to 15.9). The Heathrow North-West option has a relatively low ratio of 11.3.

1.2.6 All of the options will have significant additional impacts on the numbers of people affected by aircraft noise. The Commission notes that the additional runway at Gatwick could lead to a doubling or even trebling of affected populations. Although these numbers are less than those at Heathrow, the Commission recognises that the areas and settlements around Gatwick are predominantly rural in nature and

therefore the impacts on tranquillity in these areas will be significantly more noticeable.

- 1.2.7 To illustrate this point, changes to flying patterns during 2014 generated a significant number of complaints from residents affected, including some from west Kent and the southern part of the borough. In a recent public consultation meeting arranged by the Airports Commission, Stuart Wingate, the CEO of Gatwick Airport Ltd noted:
- 'From February to August of this year, the airport ran an airspace trial that was called ADNID. This involved the use of precision-based navigation for departing aircraft flying over communities that had not previously been directly overflown. This resulted in the airport receiving over 9,000 complaints from some 500 concerned residents over a six-month period. The number of complaints per resident reflects the strength of feeling these individuals were experiencing. To put this into context, it is worth noting that we would typically expect to receive only 3-4,000 complaints over an entire year for the entire airport area. The ADNID trial finished in August. I am pleased to say that we have no immediate plans to pursue a course of action to introduce this route on a permanent basis.'
- 1.2.8 Notwithstanding the ADNID trial the number of flights between 2013 and 2014 also increased. In July for example the number of air movements recorded at Gatwick was 743 higher than in 2013 (a total of 25,406 movements for the month). Kent County Council has estimated that this equates to an average increase in the number of hourly arrivals over west Kent from 8 per hour in 2013 to 12 per hour in 2014.
- 1.2.9 During the same event Mr Wingate also explained that should the second runway be built at Gatwick this would significantly affect approximately 18,200 residents, who had not been previously affected. Other speakers, including Kent County Council's David Brazier and representatives from Gatwick Area Conservation Campaign (GACC) and the High Weald Councils Aviation Action Group also emphasised the impact of noise. This was in respect of current operations, particularly the number of night flights permitted at Gatwick (these limits are set by the Department for Transport and are reviewed every five years, but currently more flights are permissible at Gatwick than at Heathrow) and also with regard to the potential future disruption arising from a second runway.
- 1.2.10 Both of the Heathrow options will also lead to increases in those affected by noise, although the North West option could result in a decrease in night noise due to the availability of late evening and early morning arrivals being able to land to the west of the current runways.
- 1.2.11 Based on the above, Heathrow North offers the greatest potential economic benefits. The Heathrow North West option would appear to be the most expensive, with the highest impact and offering comparatively fewer benefits. All of the options will have a significant adverse impact on the numbers of residents

and properties affected by noise. Although the absolute numbers of those affected by increased noise levels are higher in the case of Heathrow, the impact on more tranquil areas associated with the Gatwick proposals represent more of a fundamental impact for those experiencing them bearing in mind the starting point or bench mark is at a much lower level overall, by comparison. Additionally, the impact on very rural tranquil areas of special significance such as Areas of Outstanding Natural Beauty and important historic and heritage assets is greater for similar reasons.

1.2.12 It is perhaps worth pausing at this point to consider whether expansion at either of the two locations is better from a national perspective.

1.2.13 One of the main drivers for increasing capacity is to maintain the UK's pivotal position as a global destination and international hub for connecting flights to other parts of the world. The CBI in making their comments to the Commission have made it very clear that from a business perspective the Commission's recommendation to Government should:

'Set out clearly the type of capacity required to maximise the UK's connections with the rest of the world. The CBI recommends hub capacity at a single location as the best way of boosting connectivity with new markets.'

1.2.14 Currently Gatwick specialises in point to point destinations, with a significant low cost element, while Heathrow is the UK's established international hub airport. Non-hub airports tend to generate passengers and freight from a local or regional catchment area, while hub airports attract passengers from a much wider national or international catchment. This means that hub airports are more cost effective for establishing new routes to emerging markets because they are more likely to attract sufficient passengers to make the route profitable. For example, airports in Paris, Amsterdam and Frankfurt offering flights to Manila, Chile and Bogota respectively, nearly 80% of passengers using these services are transfers making these marginal routes profitable. The key to attracting new routes is having spare capacity for transfer flights.

1.2.15 Heathrow is currently near to capacity and therefore is constrained when it comes to competing for new routes. Consequently it is likely to be losing out to European competitors. The CBI believe that new hub airport capacity is key to opening up new trade routes to emerging markets in the far east and south America and argue that one new daily route to an emerging market can generate £128m of growth to the economy per year.

1.2.16 The CBI asked businesses whether they were satisfied with air connectivity to established and emerging markets and interestingly, while over 80% were satisfied with connectivity to the established markets in US and Europe, less than half felt the same about connections to destinations such as China and Brazil.

1.2.17 The UK share of new EU flights to emerging markets over the last 20 years shows that we have been losing out to our competitors (for example, for new flights to

China – only 14% of new routes originating in Europe over the last 20 years were based in the UK. For Brazil it was 17% and Russia only 8%).

- 1.2.18 The business sector represented by the CBI seem, therefore seem to be supporting Heathrow as an option because of its hub status and current lack of capacity. While expansion at Gatwick could potentially lead to more long haul flights and provide competition in the London airport system it could lead to a less dominant hub airport in the UK by diluting the current and potential role and function of Heathrow. The Airports Commission report also suggests that new long haul flights at Gatwick would most likely come from the low-cost sector rather than from major airlines relocating from Heathrow.
- 1.2.19 From a national and business sector perspective the clearly favoured option would appear to be Heathrow over Gatwick and, based on Table 1 above, Heathrow North rather than North-West.
- 1.2.20 From a local perspective clearly there are more potential costs and benefits on residents and businesses in the Borough connected to any expansion at Gatwick than the other two options at Heathrow. The main approach to Gatwick is from the east meaning arriving flights tend to be quite low (around 4,000 feet) and descending over west Kent (occasionally this is reversed if the wind direction is from the east). Expanding capacity at Gatwick will inevitably increase the number of flights and the disturbance they bring to those under the flight paths.
- 1.2.21 These impacts can be managed to some degree, for example, by ensuring that flight paths are regularly rotated to offer periods of respite to those affected or by placing restrictions on night flights, but the increase in the number of flights will ultimately and inevitably mean more disturbances affecting more people and businesses over a wider area, including the impact on the rural tranquillity which is characteristic of much of the sub-region.
- 1.2.22 The key consideration locally is, therefore, whether any economic benefits generated by the expansion of Gatwick outweigh the harm.
- 1.2.23 In July of 2013 Gatwick Airport Ltd prepared an initial analysis of the potential economic and housing growth associated with a second runway to support their submission to the Airports Commission. It identified a study area comprising the 14 Local Authorities, which had at least 1% of the 2012 workforce based at Gatwick. This study area included 80% of the total workforce (about 21,000) and extended as far east as Tandridge and Wealden, but excluded Sevenoaks, Tunbridge Wells and Tonbridge and Malling. Nearly 32% of the workforce live in Crawley where the airport is based.
- 1.2.24 Assuming these figures are correct, this means that between 0 and 210 employees working at Gatwick *may* be based in Tonbridge and Malling. The drive time to the airport from Tonbridge is approximately 40 minutes assuming no hold ups on the M25/M23 and by train it takes 54 minutes with a change at Redhill (the service is hourly). There are currently no plans to improve rail services from Kent

to Gatwick. If the Gatwick workforce is doubled by 2030 as a result of an extra runway and the theoretical maximum number of workers living in the borough and directly employed at the airport were to double this could potentially mean up to 210 extra jobs.

- 1.2.25 This does not take into consideration employees living and working for businesses based in the borough that exist because of the airport. Existing or new businesses could benefit from the estimated £42 - £127bn wider economic benefits associated with expansion, but like the assumptions made about future employees it is likely that most of this will be located in the local authorities nearest to the airport.
- 1.2.26 Therefore it is unlikely that the economic benefits will outweigh the environmental impacts on those parts of west Kent affected by the flight paths, including Tonbridge & Malling.
- 1.2.27 In terms of ground based transport investment the majority of the planned improvements to serve the Gatwick option are, in fact, projects that are already in hand or proposed. There is some doubt that the forecast increased movement that would accompany expansion at Gatwick could be readily managed with that level of investment, bearing in mind the current pressure on the strategic road and rail routes serving the existing airports.
- 1.2.28 Kent County Council has objected to the Gatwick proposal based on the environmental impacts associated with increased flights over parts of the County and current unresolved issues relating to night flights. KCC has also pointed to the fact that any compensatory economic growth benefits arising will be negligible for Kent Authorities. This formed the subject of a Cabinet report on the 18th December.
- 1.2.29 There have been other objections to Gatwick along similar lines to those of KCC, for example from the Gatwick Area Conservation Campaign (GACC) and the High Weald Councils Aviation Action Group. However, there have also been expressions of support for expansion at Gatwick, from some businesses and local authorities with workforces that rely on the airport.

1.3 Conclusions

- 1.3.1 All three of the shortlisted options for additional runways have the essential potential to deliver the extra capacity that the UK needs by 2030. All will have significant environmental impacts as a result of the extra flights and the surface transport movements and they all have the potential for considerable economic benefits.
- 1.3.2 The Gatwick option would in my view have the most measurably greatest environmental impacts in terms of noise and disturbance than the Heathrow options. Although the number of people affected might be less the impacts will be significantly more detrimental due to current baseline of the noise background and

the widespread tranquil nature of much of the areas affected. In addition the potential economic benefits are also significantly less than other options and relatively modest for west Kent and this Borough. Significantly, the aviation and business communities appear to have a preference for expanding Heathrow in its role as an international hub airport.

- 1.3.3 Therefore in the spirit of this national consultation on future airport capacity in the UK the Heathrow options would appear to offer the greatest benefits to the national economy balanced against the additional environmental impacts. Based on the simple cost to benefit ratio using the information in Table 1, the Heathrow North options seems to offer the greatest return.
- 1.3.4 At a local level it is not immediately obvious how local businesses and residents will benefit significantly from any of the options. There is more potential for access to new jobs and/or business from an expanded Gatwick, but this is marginal and, balanced against the known additional environmental impacts, there is no clear case for supporting Gatwick over Heathrow.
- 1.3.5 For the reasons outlined in this report, the position that I am recommending to Cabinet is that the Borough Council oppose the Gatwick option but importantly lend support to the Heathrow North option as the best overall solution to the matters before the Airports Commission.

1.4 Legal Implications

- 1.4.1 There are no legal implications arising from this report.

1.5 Financial and Value for Money Considerations

- 1.5.1 There are no financial and value for money considerations arising from this report.

1.6 Risk Assessment

- 1.6.1 Not taking the opportunity to respond to the consultation would result in the views of this Council not being taken into consideration by the Airports Commission.

1.7 Equality Impact Assessment

- 1.8 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Recommendations

- 1.9.1 That the Cabinet note and endorse the response found at Appendix 2 which has already been returned to the Airports Commission.

Background papers:

Nil

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