

Cabinet**24 September 2013**

Title	Response to the Independent Airports Commission on submissions for a third and fourth runway at Heathrow		
Purpose	Resolution required		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Suzy Webb	Key Decision	No
Report Author	John Brooks – Deputy Head of Planning and Housing Strategy		
Summary and Key Issues	<p>The purpose is to report on submissions made to the Davies Commission on proposals to add a third and possibly fourth runway at Heathrow Airport. There are three key issues:</p> <ul style="list-style-type: none"> • Importance of Heathrow's hub status to the local and national economy – 8.3% of Spelthorne residents in work there • Which runway option best protects local and national economic interests • Whether the Council responds to the Davies Commission's invitation to comment on submissions made to it. 		
Financial Implications	There are no financial implications for the Council at this stage.		
Corporate Priority	This item is not in the list of Corporate Priorities		
Recommendations	<p>Cabinet is asked to request the Davies Commission to:</p> <ol style="list-style-type: none"> 1. Maintain Heathrow's hub status which is the best and most expeditious way of securing the UK's aviation industry and in turn support the UK economy. 2. Support the North West runway option as the quickest, cheapest and least complex full third runway option at Heathrow. 3. Support the dual North West runway option as the most cost-effective and easy to implement of the fourth-runway options. 4. Strongly reject the South West option on the grounds of: <ol style="list-style-type: none"> a. Cost b. Delay in implementation c. Construction complexity and risk to delivery d. Significant environmental impact on a large number of people, uncertain environmental risks in resolving serious nature conservation and flood issues, and uncertainty over continuity of fresh water supply for London. 		

1. Background

- 1.1 The purpose of this report is to set out the background and make recommendations on the proposal to add a third and possibly fourth runway at Heathrow Airport.
- 1.2 There has been a longstanding case to provide additional runway capacity in the South East. The Air Transport White Paper, December 2003, identified the need for two more runways in the South East. Amongst other schemes it included a proposal for a third runway and a 6th terminal to the north-east of the airport between the A4 and the M4 to be built between 2015 and 2020.
- 1.3 On 21 February 2008 the Council approved a motion to support the White Paper and a third runway at Heathrow subject to compliance with EU air quality limits, no increase in the area affected by noise, surface access improvement, no mixed mode and market value compensation for loss of property.
- 1.4 Subsequently successive Governments withdrew support for the runway at Heathrow and little progress was made in dealing with the runway capacity issue generally until more recently. Now the impacts of the recession, the need to stimulate economic growth and increasing growth of other European hub airports as rivals to Heathrow has renewed debate about airport capacity.
- 1.5 In September 2012 the Government established the Independent Airports Commission chaired by Sir Howard Davies (referred to as the Davies Commission). The purpose of the Commission is to:

‘examine the scale and timing of any requirements for additional capacity to maintain the UK’s position as Europe’s most important aviation hub; and it will identify and evaluate how any need for additional capacity should be met in the short, medium and long term’.
- 1.6 The Commission is required to produce an interim report no later than the end of 2013 on:
 - Its assessment of the evidence on the nature, scale and timing of the steps needed to maintain the UK’s global hub status; and
 - Its recommendation(s) for immediate actions to improve the use of existing runway capacity in the next 5 years – consistent with credible long term options.
- 1.7 It is intended that the final report should be presented no later than summer 2015 and cover the following:
 - Its assessment of the options for meeting the UK’s international connectivity needs, including their economic, social and environmental impact;
 - Its recommendation(s) for the optimum approach to meeting any needs; and
 - Its recommendation(s) for ensuring that the need is met as expeditiously as practicable within the required timescale.

- 1.8 The final report is required to be based on a detailed consideration of the case for each of the credible options including business case, environmental assessment and operational, commercial and technical viability. It is also required to provide material to support the Government in preparing a National Policy Statement to accelerate the resolution of any future planning applications for major airport infrastructure.
- 1.9 In March 2013 the Government published an Aviation Policy Framework. The document recognises that the UK has the third largest aviation network in the world and Heathrow's role as a world 'hub' airport supports London's position as a global city and favoured location for international firms. The aviation industry turnover in 2011 was around £53bn and employs 220,000 people directly and many more indirectly.
- 1.10 The document states that:
- 'The Government's primary objective is to achieve long-term economic growth. The aviation sector is a major contributor to the economy and we support its growth within a framework which maintains a balance between the benefits of aviation and its costs, particularly its contribution to climate change and noise. It is equally important that the aviation industry has confidence that the framework is sufficiently stable to underpin long-term planning and investment in aircraft and infrastructure'.
- 1.11 The Davies Commission invited submission by 19 July 2013 from any interested party and received 53 responses setting out either specific proposals for new airport capacity or commenting on related issues. These have been placed on-line and anyone who wishes to comment on what has been submitted has been invited to do so by 27 September 2013.
- 1.12 The submissions have included proposals by Heathrow Airport Ltd for three 3rd runway options and four 4th runway options at Heathrow as well as options by others for the Thames Estuary and other locations around the country. The following paragraphs outline the Heathrow proposals.
- 1.13 Heathrow Airport Ltd (HAL) set out their proposals in their document 'Airports Commission – Long-term hub capacity options – Heathrow Airport Limited response, 17 July 2013'. This is supported by 'A New Approach', July 2013 and 'One Hub or None – the case for a single hub airport', November 2012.
- 1.14 Central to HALs submissions are the following key points:
- Heathrow is the country's hub airport and is currently the top hub airport in Europe.
 - Heathrow's leading European 'hub' airport status is at risk because of the growth of Paris, Amsterdam and Frankfurt.
 - Additional 'hub' capacity at Heathrow is needed now and can be delivered more quickly than creating a new 'hub' elsewhere.
 - Suggestions of multi-hubs in the South East cannot deliver the connectivity required and are in effect unworkable.
 - If another location were to be developed as a 'hub', Heathrow would either have to be significantly down-graded or closed to make the

alternative location work. This would have profound economic implications for the greater area to the west side of London and also for the UK economy as a whole. This is because Heathrow is in effect the centre of gravity for the UK economy.

- 1.15 HALs submissions include three options for providing a third runway which are shown at Appendix A, which is an extract from their summary document 'A New Approach'. The options are:
- Option 1: Third runway North West
 - Option 2: Third runway South West
 - Option 3: Third runway North
- 1.16 HAL also explain how they could deliver a fourth runway in the longer term – beyond 2040. This in effect seeks to demonstrate that Heathrow can meet longer term demands, if required, and therefore deliver the same capacity as the proposed new four runway airports in the Thames estuary. These options are:
- Option 1: North runway and South West runway
 - Option 2: North West runway and South West runway
 - Option 3: Dual North West runway
 - Option 4: North West and South West runway with existing runways moved westward.
- 1.17 The summary table in Appendix A explains that the North option, which is a shorter runway, has more limited capacity, can be opened in 2025, has 'low' construction complexity and could cost £14bn. The North West option is a full length runway capable of being opened in 2026 with what is described as 'medium' construction complexity at a cost of £17bn. The South West option is again a full length runway with 'high' construction complexity, capable of opening in 2029 at a cost of £18bn.
- 1.18 The South West option (see Appendix A for the layout) involves bringing a runway to the south side of the Wraysbury Reservoir, reformatting part of that reservoir and all of the King George VI reservoir, building across all of Stanwell Moor, Hithermoor and Staines Moor and a large area of the River Thames floodplain. The runway alignment is such that landings or take-offs would pass over the middle of Stanwell. This option also requires a section of the M25 to be put in a tunnel and major highway improvements/changes on the A30 at the Crooked Billet roundabout, Hatton Cross and Junction 13 of the M25.
- 1.19 At this stage the plans have not been worked up in the detail that would eventually be required if they were to be progressed as options. However, there are clearly some significant construction and logistical issues associated with the South West option aside from the significant environmental implications.
- 1.20 Finally, by way of background, these proposals come at a time when the Council has placed particular priority on Economic Development and is preparing a draft Economic Strategy. The work in preparing for this Strategy has included a Local Economic Assessment which has highlighted the economic importance of Heathrow to the Borough and which confirms the

soundness of the stance taken by the Council in 2008 to support a 3rd runway on economic grounds.

2. Key issues

- Importance of Heathrow's hub status to the local and national economy – 8.3% of Spelthorne residents work there.
- Which runway option best protects local and national economic interests.
- Whether Spelthorne responds to the Davies Commission's invitation to comment on submissions made to it.

3. Options analysis and proposal

- 3.1 The Government's primary concern, as set out in its Aviation Policy Framework, is to achieve long-term economic growth and support the aviation sector which is a major contributor. It is clear the economic benefits provide the primary basis against which any option for additional airport capacity must be assessed.
- 3.2 Heathrow is the country's only 'hub' airport and is already virtually at full capacity and the need for additional hub-airport capacity is urgent. The proposals for new four-runways in the Thames Estuary could not be delivered before 2034 and have enormous up-front costs well in excess of the costs of expanding an existing airport.
- 3.3 HAL has made a compelling case that a 'multi-hub' facility is unworkable and any operation for a 'hub' elsewhere and involving the closing or at least downgrading of Heathrow is economically untenable. Whilst there are many vested interests promoting other sites it is evident that on grounds of speed of delivery, cost and least risk to the economy, expansion of Heathrow, and thereby maintaining its 'hub' status, appears to be the only credible option.
- 3.4 Of the three options put forward by HAL for Heathrow only the North West and South West options appear credible in the long term as only they provide full length runways and therefore maximises aircraft movement. For economic reasons the North West option is by far the strongest as it can be opened by 2026 (compared to 2029 for the South West option), it costs £1bn less and is less complex to construct and therefore has less risk of delay.
- 3.5 Given that the case for any airport expansion is based on the need to support the UK economy, it appears clear that, on grounds of timing, cost and complexity, the South West option is arguably a 'non-starter'. HAL consider that a third runway at Heathrow could meet demand until around 2040 but, in order to demonstrate longer term capacity, it has shown how a fourth runway could be provided. It sees the scope for incremental growth as an advantage.
- 3.6 It is evident that the option of a fourth runway parallel to a North West third runway has less impact, construction complexity and cost than both a North and South West four runway option. HAL has explicitly stated that 'The nature of any clear four-runway option preference may inform the configuration of the three-runway airport that precedes it'.

- 3.7 The advantages of a fourth North West runway, if required in the longer term, make the North West third runway even more compelling. The statement above from HAL appears to recognise this.
- 3.8 All options have environmental implications. However, only a cursory examination of the South West option reveals that it would have substantial adverse environmental implications for the residents of Stanwell Moor, Stanwell, Staines and Ashford as well as enormous implications for nature conservation and flood risk. Nevertheless, for economic reasons alone the South West option does not appear realistic on grounds of cost and delivery.
- 3.9 For the reasons outlined above it is recommended the Council formally responds to the Davies Commission and asks it to:
- a. Maintain Heathrow's hub status which is the best and most expeditious way of securing the UK's aviation industry and in turn support the UK economy.
 - b. Support the North West runway options as the quickest, cheapest and least complex full third runway option at Heathrow.
 - c. Support the dual North West runway option as the most cost-effective and easy to implement of the fourth-runway options.
 - d. Reject the South West options on the grounds of:
 - i. Cost
 - ii. Delay in implementation
 - iii. Construction complexity and risk to delivery
 - iv. Significant environmental impact on a large number of people and uncertain environmental risks in resolving serious nature conservation and flood issues.

4. Financial implications

- 4.1 There are none for the Council at this stage.

5. Other considerations

- 5.1 Environmental and economic implications are already referred to and these are the main considerations at this stage.

6. Risks and how they will be mitigated

- 6.1 The greatest risk is that the Davies Commission does not recommend Heathrow's 'hub' status is maintained. By taking this opportunity to comment on the submission the Council is seeking to do all it can to influence the outcome.

7. Timetable for implementation

- 7.1 The Council needs to respond by 27 September 2013.

References:

1. Air Transport White Paper, December 2003.
<http://webarchive.nationalarchives.gov.uk/20100513020716/http://www.dft.gov.uk/about/strategy/whitepapers/air/executivesummary>
2. Council Minute 51/08. Notice of Motion – Heathrow 21 February 2008.
3. Terms of Reference of Independent Airport Commission.
<https://www.gov.uk/government/speeches/membership-and-terms-of-reference-of-the-airports-commission>
4. ‘Aviation Policy Framework’ UK Government, March 2013.
<https://www.gov.uk/government/publications/aviation-policy-framework>
5. ‘Airports Commission – Long-term hub capacity options – Heathrow Airport Limited response’, 17 July 2013.
http://www.heathrowairport.com/static/HeathrowAboutUs/Downloads/PDF/long-term-hub-capacity-options_LHR.pdf
6. ‘A New Approach’ Heathrow Airport Limited, July 2013.
<http://mediacentre.heathrowairport.com/imagelibrary/downloadmedia.ashx?MediaDetailsID=1616&SizeId=-1>
7. ‘One hub or none – the case for a single hub airport’, Heathrow Airport Limited, November 2012. <http://mediacentre.heathrowairport.com/Press-releases/One-hub-or-none-390.aspx>

**Appendices:**

Appendix A – Extract of options for additional runways at Heathrow. (Source pages 22 – 31 from ‘A New Approach’ – HAL July 2013)