

18 October 2013

Dear Councillor

**STANSTED AIRPORT ADVISORY PANEL**

A meeting of the Stansted Airport Advisory Panel will be held at the Council Offices, Saffron Walden on Tuesday 29 October 2013 at 7.00pm.

Yours faithfully

JOHN MITCHELL

Chief Executive

**A G E N D A**

- 1 Apologies for absence and declarations of interest.
- 2 Minutes of meeting held on 18 July 2013 (attached).
- 3 Matters arising.
- 4 Airports Commission – Update and response to recent speech by Sir Howard Davies entitled “Aviation capacity in the UK: emerging thinking”.
- 5 Planning and noise.
- 6 Date of next meeting.
- 7 Any other business.

To: Councillors K Artus, **J Cheetham**, A Dean, D Jones, M Lemon, K Mackman, D Perry, J Rich and J Rose.

Lead Officer: Roger Harborough

Democratic Services Officer: Rebecca Dobson (01799 510433)

**STANSTED AIRPORT ADVISORY PANEL held at COUNCIL OFFICES  
LONDON ROAD SAFFRON WALDEN at 7.00pm on 18 JULY 2013**

Present: Councillors J Cheetham, A Dean, D Jones, K Mackman and J Rose.

Also present:

Councillors J Ketteridge, J Davey, V Ranger and L Wells. Andrew Harrison (Managing Director), Tim Hawkins (Corporate Affairs Director) and Chris Wiggan (Head of Public Affairs and Sustainable Development) – Stansted Airport Limited, (Part of the Manchester Airports Group).

Officers in attendance:

R Dobson (Democratic Services Officer), J Pine (Planning Policy/DM Liaison Officer) and A Taylor (Assistant Director Planning and Building Control).

**PRESENTATION BY ANDREW HARRISON**

Mr Harrison gave a presentation on Stansted Airport following its purchase by Manchester Airports Group (MAG). He referred to a business update regarding the terminal transformation project at the Airport, and also spoke about MAG's response to the Davies Commission, due to be published the next day.

Members asked questions on the following issues:

Q: Is your statutory entity Stansted Airport Ltd, following MAG's takeover in March 2013?

A: Yes. BAA transferred the entirety of Stansted Airport Ltd (STAL) and MAG bought the shares. Over time STAL will be integrated into MAG's new group.

Q: Are you the biggest airport group, and will you grow bigger, as BAA did?

A: We are the biggest British-owned airport group. BAA operated a London system (Heathrow, Gatwick and Stansted) covering the full range of types of airport, such as low cost operator/business/holiday. Its control over this range was the reason it was broken up by the Competition Commission (CC). We are distinct from other airports, and we are pro-competition. There is no overlap in the catchment areas of Manchester and Stansted, and the CC would not have allowed us to buy Stansted if it had had any concerns.

Q: Will you consider expansion of the business terminal?

A: Yes, we are talking to businesses there such as Harrods and Inflight, which describe their businesses as now booming. They run their businesses independently but this demonstrates Stansted offers a wide range of different opportunities.

Q: We visited Inflight, the owners of which commented that whilst Gatwick has lowered its landing fees, Stansted has increased them.

A: That was announced in February at a time when BAA said it would raise landing fees. We were going through the 5 year CAA review and also the Davies Commission. BAA agreed a price rise with the CAA. We have been discussing this with the airlines to understand what they want and how much growth at the airport they need.

Q: So you are saying you could negotiate with Government a sliding scale. Do you consider that you could support business by reduced landing fees?

A: We are not subject to scales set by Government, but may have price caps imposed. Gatwick and Heathrow both have significant market power, so they can play with prices if they are not being regulated. Stansted has struggled to price to the market. We have to price keenly. We have to balance needs. We have a world class low cost offer in terms of network carriers and a major FedEx hub, but we are currently missing the international scheduled carriers. This is an area I'm looking at. We work hard with the carriers to convince enough businesses to come here. Our focus is to get the business community to say to airlines that if there were flights to Stansted they would use them.

Q: Regarding Air Passenger Duty (APD), we are losing a lot to Europe – what will you do about that? By having higher APD is it true to say MAG is losing a fair bit of business?

A: We have the highest APD now. We have been lobbying with Government but from the Chancellor's perspective this income represents a £3bn contribution to the Treasury. We have made some proposals – when airlines are starting out we give them lower rates. The Government could do the same with APD. The Government makes twice as much at Manchester Airport from APD as we do from landing fees.

Q: You spoke about a transformation project for the terminal. Are you hoping to accomplish this in stages so there is less disruption?

A: Yes.

Q: An area which needs improvement is border control, as in a recent experience, of 24 immigration desks, only four were manned. There were long queues causing significant delays for travellers.

A: I agree, and although I am not the Managing Director for border control, I am monitoring queuing. I have discussed border control services at Stansted with Sir Charles Montgomery the Director General of Border Force, regarding what I see as incorrect prioritisation of Heathrow and Gatwick over Stansted. Border Force is being made aware of the performance figures which we send every month regarding

queue length, and a 10 day audit is being done in August. We are committed to investing in a modelling exercise to improve the experience at border control. It is then a matter for Border Force, although the current age of austerity may also have an impact.

Q: There have on occasion been problems with the biometric machines not working.

A: More machines will be obtained and installed.

Q: Regarding your response to the Davies Commission, are you going to be saying Stansted could reach its existing capacity without a new runway, as a short term solution?

A: Yes, we will say better rail and road access to Stansted is needed to best utilise its spare capacity. We do not support the concept of airport rail services by-passing all the local stops. There needs to be a range of stopping and express services, partly to enable our workforce to get to the Airport.

Q: We are concerned about the London Mayor's airport and rail policies and the impact that they may have on local services on the West Anglia Main Line. Unless we get additional tracking there is no prospect of any significant local improvements to services to and from London taking place – this needs to be our common goal.

A: We have also registered concerns, as has the MP.

Q: What will be your response to the Davies Commission?

A: We will say that Stansted is not yet working at capacity. We handle less than 20mppa but could attain 40-45mppa off a single runway with a further planning permission. That discussion relates to the next 50 years. The terms of reference of the Davies Commission include looking at long term options to maintain the UK's position as Europe's most important aviation hub. There are many possible options for Stansted. You could have four runways in Stansted, but we are not pushing any options, and are simply focusing on what we have already. We don't want the Davies Commission to get diverted from its terms of reference. We will therefore state what the implications for Stansted would be and give the facts on which a decision might be based, so we will respond on a factual/technical basis.

Q: So you are not pushing for a second runway?

A: That is right. We are looking at the long term, the next 50 years. It is a difficult decision for the Commission, which needs to be based on technical evidence. We have to look at demand and transport capacity in the long term. The worst environment for business is uncertainty. Regional airports have the equivalent of three runways of spare capacity, but the problem is connectivity and whether airlines will go

there. We will therefore stress the factual pros and cons, and won't be pushing for an option ourselves.

Q: How is the selling of Airport owned houses going?

A: It is difficult to say given the uncertainty elsewhere regarding Davies Commission.

Q: We had promises from the previous owners that some airport-owned houses would go on the market. We are concerned because around the Airport we lost the heart of our village. We are hoping you still have a selling programme for Takeley. Also, some properties let out by the Airport are not being maintained, which is of concern to owners of neighbouring properties.

A: We have just signed off £250,000 for investment in maintenance and have had a survey done on all those properties. The challenge is the uncertainty. Please forward any specific instances of problems with property to Chris Wiggan.

Q: We are slightly concerned regarding the second runway that you are saying if there are opportunities there you would take them.

A: I would ask that you don't read that into my comments. We would only countenance pushing a second runway if there were a clear business case that would work for our shareholders. Such a proposal would involve an immense cost.

Q: If ultimately the Government says it wants four runways, is it up to you as owners to decide to implement that proposal?

A: Whilst the Government may support expansion it will be up to the private sector to finance and build the on-airport infrastructure. Our response is not prescriptive, and unless you can fill the second runway the investment is a lot of money for shareholders to pay. This is not a decision to be taken lightly. I'd prefer not to be too distracted by this discussion, as I'd like to concentrate on improving the Airport to meet the needs of this part of the country.

Q: The servicing of what you have already is your priority?

A: Yes. All our responses to the Davies Commission were prepared in the four months since we acquired the airport, having looked at some of the proposals being considered by BAA. Technically Stansted can be expanded, but there are extensive impacts. The question is can the Government contemplate closure of Heathrow? If it can't then these proposals come off the table. As the operator we don't want expansion unless there is demand.

Q: What will you do about driving up to the terminal and the fact that you can't drive up the ramps? The current situation causes annoyance.

A: We will talk about this situation at the Stansted Airport Consultative Committee, and I intend to keep it under review. We have extricated the Airport from the contract for towing cars away from outside the terminal. There is a challenge regarding the access ramp because of what happened last year in Glasgow, so the inner lane would be closed to the public in any event. I'm told that in busy periods the ramp gets backed up as far as the Cooper's End roundabout.

Q: Contrary to the advice you have received, the roads up to the roundabout are never blocked. Previously, drivers could go into the short-stay car park which was free for 15 minutes but is now £2. It is also impossible to walk from the terminal to Takeley due to the lack of a footpath.

A: I take the point and we are looking into the issue. I can only take on face value the information that queues go back to the roundabout at busy times. If I can find a way to give back access to the terminal building and not cause congestion I will. Also, I am very keen to guide people to the free parking area in the mid-stay car park rather than to the paid drop off area.

Q: There were proposals a while ago to designate part of the terminal forecourt area a plaza – have you any plans?

A: Under the canopy we now have pavement cafes. We will look into other proposals.

Q: Another problem before MAG bought the Airport was pedestrian access, as the footpath to Takeley runs out on the road. Many of your staff live in Takeley, and also many of the car hire places are accessible on foot but the footpath runs out.

A: Yes I am aware of that problem. I am interested in obtaining feedback on the fly parking policy, which we are also going to push.

Q: Fly parking on the pedestrian footpath approaching the Airport is rife. There is also parking occurring in unadopted roads in Stansted, which causes nuisance.

A: We will help where possible but I am not aware of the specifics at present. One of the reasons why fly parking occurs is that parking is so expensive. We've launched a meet and greet valet service, and also "Jet Park", as our own challenger long-stay brand, to encourage people to park in our cheapest car parks. It should be noted that 50% of people coming to the Airport use public transport, which is one of the highest mode shares in Europe.

Q: Could you use 'pay per click' so that your adverts are first on the online adverts?

A: We are trialling an unlimited online advert. We have focused some TV campaigns in locations such as Cambridge regarding using car

parking such as Jet Park, to ensure that it is always cheaper to park than get a taxi from Cambridge.

Q: From the business perspective either City of London or Luton are competitors - what initiatives would you promote? Also Indonesia flight traffic – are you aiming to bring in more Indonesian or Chinese flight traffic?

A: We need to ensure Stansted is seen as a major London gateway. We are engaging with the London Stansted Cambridge Consortium, London First, and the Chamber of Commerce; and we are clear that North London and also East of England is part of our catchment. I have been impressed by the fact that £1 in every £16 spent on research and development in England is in the East of England, which has a strong scientific business sector. These are important areas and part of our aim is not just to represent Stansted but also the region we serve.

Regarding bringing in business from China and Indonesia, the latter more so as Indonesia is an emerging market rather than an emerged one.

The US is an important market, as is the Middle East. Russia is quite difficult as we have only limited number of flights.

Q: Will you be helping the businesses on Northside? There are opportunities to grow that market.

A: The carriers don't operate from over there, it is a niche market.

Q: I was interested to hear your views on the research and development and medical businesses in the Cambridge corridor. We are proposing to allocate some of the Northside land in our emerging local plan for such businesses.

A: We have started to do some work on opportunities for Stansted as more companies fill up this corridor. We remain focused on this intelligence-based market, and if we can get the concept right we can engage the local communities too.

The Chairman thanked Andrew Harrison, Tim Hawkins and Chris Wiggan for providing members with an interesting presentation and in particular the opportunity to ask questions about the Airport. She said that the Panel would like to invite them to return in December to speak further about transport, following the publication of the Davies Commission's interim report.

SAP1

## **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillor Artus and from R Harborough (Director of Public Services).

*Councillor Cheetham declared her non pecuniary interest as a member of NWEHPA.*

*Councillor Dean declared his non pecuniary interest as a member of SSE.*

**SAP2 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 6 June 2013 were received and signed by the Chairman as a correct record subject to an amendment at SAP30, fourth paragraph, to state 'there were proposals in Network Rail's Business Plan to improve the rail network between Angel Road and the soon to be opened Lea Bridge Station'.

**SAP3 MATTERS ARISING**

**(i) Minute SAP33 – any other business – LAMPS Scheme**

The Planning Policy/DM Liaison Officer said he would next week be attending the NATS (National Air Traffic Services) workshop on initial designs for the LAMP (London Airspace Management Project) scheme.

**SAP4 CROSS RAIL 2, CONSULTATION BY TRANSPORT FOR LONDON AND NETWORK RAIL**

The Panel considered a report on the current on-line consultation by TfL and Network Rail on options for Crossrail 2 (CR2) and its implications for Stansted Airport. The consultation would close on 3 August and the Council's response would be ratified by the Leader, in view of the cancellation of the Cabinet meeting on 1 August. The report included a summary of the options. It was recommended at this stage that the Panel advise the Leader to strongly support the principle of Crossrail 2 and to strongly support the regional option, subject to the terms set out in the report.

The report analysed the options, explaining that the regional option had more flexibility because of physical linkage to the West Anglia Main Line. It set out the current situation on proposed third tracking in the London area and what was happening at the Airport.

RECOMMENDED to the Leader that:

- (i) the Council strongly supports the principle of CR2; and
- (ii) the Council strongly supports the regional option, subject to CR2 having benefits for all rail users, not just airport passengers, and subject to four-tracking of the West Anglia Main Line being a pre-requisite for any Lea Valley branch of CR2.

SAP5

## **AIRPORTS COMMISSION**

The Planning Policy/DM Liaison Officer said the Commission would release all the responses it had had to its four discussion papers on its website. A discussion paper on aviation noise had been released by the Commission and a summary of this paper had already been circulated to Members. It was noted that the discussion paper did not form part of the Commission's assessment as to whether new aviation capacity was needed.

The Planning Policy/DM Liaison Officer said the Council would need to respond to this paper, especially with regard to the concept of "noise efficiency", the use of other metrics than the 57Leq contour and night flight restrictions. Members agreed that it was essential that the suggested methodology and assumptions behind the noise efficiency metric be questioned. It was important to broaden the debate so as to acknowledge the low ambient noise levels around Stansted. It was also necessary to press home the point that averaging metrics such as the 57Leq contour did not accurately represent what was heard on the ground.

The Planning Policy/DM Liaison Officer said he would circulate a draft response to the discussion paper.

The Planning Policy/DM Liaison Officer then gave an update on responses to the Davies Commission. He said the deadline for submissions on long-term capacity options was tomorrow and these would be posted on the Commission's website.

He gave a summary of the submissions put forward by the London Mayor and by Heathrow Airport Limited. He said the Commission had held two public evidence sessions, one of which he had attended. That session was based on airport operational models, transcripts of which should be available next week.

The Commission would hold a briefing session for Councils on 7 October at which it would explain how it would take its work forward into Phase 2, which would be more detailed examination of the selected long-term capacity options.

It was agreed that a press statement should be issued stating that the Council's policy would be to object to a second runway.

SAP6

## **DATE OF NEXT MEETING**

The next meeting would be on Tuesday 29 October at 7pm.

The meeting ended at 9.10pm.

**Committee:** Stansted Airport Advisory Panel

**Agenda Item**

**Date:** 29<sup>th</sup> October 2013

**4**

**Title:** Airports Commission – Update and response to recent speech by Sir Howard Davies entitled “Aviation capacity in the UK: emerging thinking”.

**Author:** Jeremy Pine, Planning Policy / Development Management Liaison Officer (01799 510460)

**Key decision:** No

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## Summary

1. This report updates the Panel on the work of the Airports Commission and the progress made to date. The report includes the recent speech made by the Chairman of the Commission, Sir Howard Davies. The Commission welcomes comments on the speech, which have to be sent by 31<sup>st</sup> October. A draft reply is attached for the Panel to comment on.

## Recommendations

2. That the Panel:
  - i) notes the progress made to date by the Airports Commission, and
  - ii) comments on the draft response to the recent speech by Sir Howard Davies.

## Financial Implications

3. There are no financial implications associated with this report.

## Background Papers

4. None

## Impact

- 5.

Communication/Consultation	Since its inception in November 2012, the Commission has adopted an open and consultative approach.
Community Safety	None.
Equalities	None.
Health and Safety	None.

Human Rights/Legal Implications	None.
Sustainability	Sustainability is a key issue for the Commission to consider in both its interim and final reports.
Ward-specific impacts	Districtwide, but particularly those areas affected by noise and traffic associated with Stansted Airport and any potential land-take from proposed long-term options for new runways at the airport.
Workforce/Workplace	Officer and Member time in considering the response to the Commission Chairman's speech.

## Situation

6. The Commission was launched on 2<sup>nd</sup> November 2012. Its terms of reference require that it reports no later than the end of 2013 (the "interim" report) 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.*
  
7. Its terms of reference also require that it should report no later than summer 2015 (the "final" report) on:
  - *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.*
  
8. To aid its work, the Commission has published five discussion papers on *Aviation Demand Forecasting, Aviation Connectivity and the Economy, Aviation and Climate Change, Airport Operational Models and Aviation Noise*. The Council responded to all these discussion papers.
  
9. The Commission also published two guidance documents on *Submitting evidence and proposals to the Airports Commission* and *Long Term Capacity*

*Options: Sift Criteria.* The sift criteria were reported to the Panel on 6<sup>th</sup> June.

### Long Term Options

10. In July, the Commission published the long term options that it has received and a list of the organisations making the submissions. In all, 58 submissions have been made to the Commission from those promoting runway extensions, new runways and/or new hub airports and from those arguing against the provision of any new capacity. The Commission will be publishing a shortlist of the most credible long term options, taking into account the Commission's assessment of the need for additional capacity, in December 2013 as part of its interim report. The shortlisted options will be subject to more detailed assessment (Phase 2 of the Commission's work) in 2014. There will then be further opportunities to comment and submit views on the shortlisted options in 2014.

11. In relation to Stansted, the long term options that have been submitted include (in summary):

Manchester Airports Group (M.A.G) – M.A.G say that developing new capacity at a number of airports is likely to be best for passengers. Should the Commission conclude that a new hub is needed, M.A.G considers that Stansted could accommodate 70-90mppa by way of a second runway either to the NW or E of the existing runway, or a 4-runway hub handling 140-160mppa.

Mayor of London – The Mayor proposes a new 4-runway hub airport built alongside the existing airport, which would be retained. The new airport would require a 600% land-take compared to the existing airport, and would handle 180mppa in 2050 and 1 million ATMs. Heathrow would close. The Mayor's preferred option is a new hub at the Isle of Grain, but Stansted is a close second in his analysis, ahead of a new hub in the Outer Thames Estuary.

Make Architects – They propose a new 4-runway hub incorporating an extended, existing runway. Similar proposals have also been put forward by MSP Solutions Limited and by Avery Associates Architects / First Class Partnerships, although the latter proposal sees Stansted competing with Heathrow.

Details of all these options are available on the Commission's website.

12. All the Stansted options appear to have common themes:

- there is the land to expand, although environmental effects are largely glossed over at this stage,
- fewer people would be affected compared to expanding Heathrow,
- there would be significant transport corridor enhancements, especially to the

rail network, and

- expansion at Stansted would be cheaper than other options (such as the Thames Estuary), but off-airport infrastructure would still need to be funded from the public purse.

13. Heathrow Airport is pressing for a third runway (different options are proposed to the previous short runway at Sipson) with provision to expand to a fourth if required. Gatwick Airport is pressing for a second runway, but sees this as part of a “constellation” of 2-runway airports competing against each other to serve the London and SE region. By implication, Stansted would eventually get a second runway, but Gatwick would be first.

#### Recent Engagement by the Commission

14. On 17<sup>th</sup> September, the Commission met with a small group of Members and Officers from the Council as part of a visit it paid to Stansted Airport. At the meeting, the Council reinforced its objections to further development at the airport. The Council responded at the end of September to the Commission’s request for any initial comments on the publication of the long term options.
15. On 7<sup>th</sup> October, Sir Howard Davies gave a speech entitled “Aviation capacity in the UK: emerging thinking”. The purpose of the speech was to counter any impression that the Commission was not forming ideas on anything at all. Sir Howard confirmed that the Commission remains on target to produce its interim and final reports. The full text of the speech is available on the Commission’s website.
16. In his speech, Sir Howard said that the Commission’s provisional conclusion is that additional net runway capacity in the SE will be needed in the coming decades. The significance of saying net capacity is that the Commission isn’t ruling out at this stage any options which may increase overall capacity by requiring other airports to close.
17. In coming to this conclusion, he countered the 4 main arguments used by those who think that new capacity isn’t required:

#### *i) DfT forecasts have over-estimated aviation growth*

The Commission accepts this, and hopes to be able to improve on the DfT’s forecasts. There is little sign of the low cost carrier market maturing and other European markets are growing. Videoconferencing is no real substitute for face-to-face contact, and more and more people are flying to visit friends and relatives. The Commission considers that the weight of demand will continue to be focussed in the SE, where there is the most demand for new routes. EuroControl has identified the UK and Turkey as the countries where capacity

constraints will bite the soonest.

*ii) Airlines will be able to accommodate growth using existing runways*

The Commission considers that operational improvements at existing airports won't result in transformational gains, and some spare capacity will be soaked up just to improve resilience. Airline fleets only change slowly, and loadings only increase gradually. Relocation to other airports is unlikely, as airlines will fly from the airports best suited to their needs. Private investors won't invest in new runways unless they have confidence they will be used.

*iii) "Predict and provide" is outdated and contradicts the need to decarbonise*

The Commission notes that the EU ETS has been suspended due to international opposition. A global agreement would be best, but is not guaranteed and the absence of a current agreement is not a good reason to hold down aviation growth in the meantime. The Commission will take its cue from the Committee for Climate Change which states that 60% aviation growth can be accommodated by 2050 (compared to a 2005 base), assuming decarbonisation in other sectors occurs to meet overall UK targets. This would result in aviation emissions rising from 6% of UK total emissions to 25%. It would not be the right approach to provide for no expansion, as this could merely lead to displacement effects. The Commission will be looking at how to achieve the maximum connectivity consistent with meeting UK climate change targets.

*iv) Regional airports can take up spare capacity*

The Commission acknowledges that some regional airports do serve large markets, but the largest demand is in the SE. Sir Howard said that Greater London residents make 2.5 flights per year (and its population will rise) – compared to just over 1.5 for the country as a whole. This statistic comes from Figure 4.4 in the Airport Operational Models Discussion Paper 04, which is sourced from CAA passenger surveys and ONS 2009 population statistics. The higher propensity to fly in Greater London is explained in the discussion paper mainly by the higher number of international residents in Greater London than in other regions and by its economic profile, with many more Greater London residents taking flights to visit friends and relatives and a higher level of aviation use for business purposes.

Some routes will continue to only be available from London, and the style of connectivity that Heathrow and Gatwick enjoy won't occur elsewhere. Some routes are longer from regional airports than from the SE, and legislative tools to limit locations of flights are restricted. Redistribution could see a higher number of flights by smaller aircraft to individual destinations which might not be sustainable. The Commission will look at HS2 re attractiveness of Birmingham. The Commission doesn't believe that it is feasible for most UK European trips under 1,000 km to be undertaken by high speed rail as the Channel Tunnel is, and will remain, a choke point.

18. At the end of his speech, Sir Howard took a number of questions from the audience. The following are the main points that were made in answer to those questions:

- The Commission has looked at the 2002 SERAS report for other potential options
- The Commission hopes to come up with just one long term option, but it could involve more than one new runway
- The interim report will include incremental surface access improvements to existing airports
- It is possible that the final report could be published earlier, but party leaders will be advised of its content beforehand
- There are no plans to replace Geoff Muirhead until at least after publication of the interim report
- No comments on the Mayor's options (Sir Howard did not comment on any individual option at all in his speech)
- The issue of blight will be included in the interim report, but this is something that the Government needs to look at
- The final report will include a full environmental assessment of the preferred long term option
- The interim report may rule out any very poor long term options
- The Commission will be taking a view on Crossrail 2, especially in relation to any options for Stansted or the Thames Estuary

19. Purposely, Sir Howard's speech was carefully scripted and delivered. Other than the broad preliminary conclusion that more net runway capacity will be required in the SE in the coming decades, no hints were given as to the most likely locations. During his speech, Sir Howard made no reference to landscape effects or cultural heritage impacts. The Council does have the opportunity to comment on the contents of the speech, and it is considered that this chance should be taken. A draft reply is attached to this report for the Panel's comments.

## Risk Analysis

20.

Risk	Likelihood	Impact	Mitigating actions
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<p>The Commission recommends that Stansted Airport be expanded beyond 35mppa either by increasing capacity on the existing runway or by the construction of a further runway or runways.</p>	<p>2. There is some risk because the Commission may consider that any economic case for further SE airport capacity outweighs the environmental considerations. The Commission Chairman's recent speech is a strong indication that the Commission considers that there is a case for providing more SE runway capacity.</p>	<p>3. Any increase in the capacity of Stansted Airport beyond 35mppa would have a major effect on the district and beyond, including the quality of life of local residents.</p>	<p>The Council continues to respond to the work of the Commission as / when the opportunity arises.</p>
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1 = Little or no risk or impact

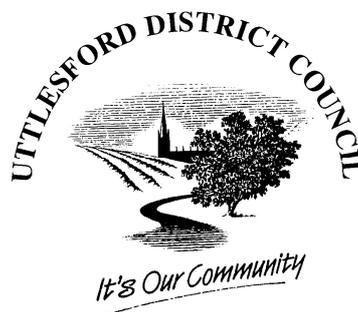
2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

**AIRPORTS COMMISSION**  
**SPEECH BY SIR HOWARD DAVIES ON 7<sup>TH</sup> OCTOBER 2013**

**RESPONSE BY UTTLESFORD DISTRICT COUNCIL**  
**OCTOBER 2013**



1. This is the District Council's response to the speech that Sir Howard Davies gave as Chairman of the Airports Commission on 7<sup>th</sup> October 2013. The Commission has requested comments on the speech by 31<sup>st</sup> October.
2. The Council appreciates that the speech was about work in progress, and that no short, medium or long term options were either ruled in or out at this stage. Nonetheless, the Council is concerned at the Commission's apparent direction of travel towards a conclusion that some net additional runway capacity will be required in SE England in the coming decades.

#### Forecasting Passenger Growth

3. The Council is encouraged that the Commission is revisiting the DfT's 2013 aviation forecasts because it acknowledges that the DfT's previous forecasts have been "systematically over-optimistic". If the Commission believes that previous forecasts have over-estimated passenger growth, it follows that more conservative forecasting must weaken the case for the need for more runway capacity. The Commission's attention is drawn to Annex D.8 of the 2013 forecasts. Even in the unconstrained case (central demand) Stansted is shown to have sufficient runway capacity in 2050. Total UK demand in 2050 in Annex D.8 (481.8mppa) is within the 492mppa maximum available capacity assumption in Table 3.10, even before any discount for over-optimistic passenger growth is applied.
4. Both the DfT's unconstrained and constrained 2013 forecasts display a high degree of variation between the low, central and high growth scenarios, especially in 2050. The Council is unsure whether the Commission is looking to come up with a narrower forecast range than the DfT or a single "best estimate" scenario. The Council notes that Sir Howard said in answer to a question that the Commission was hoping to come up with just one long term option (albeit it might involve more than one runway). The Council would like to know whether the Commission's chosen long term option will come with low, medium and high growth variations.
5. The Commission's comments that the DfT may not have been clear on the relationship between passenger growth and economic growth are noted and agreed. The Council hopes that it will have the chance to comment on the Commission's updated forecasts, and the assumptions behind them, in due course.

#### Planning Blight

6. This issue is of major concern to the Council, and it is disappointing that Sir Howard did not specifically refer to it in his speech. Via the

question and answer session, the Council notes that blight will be included in the interim report.

7. Blight in Uttlesford has already started again, this time as a result of the setting up of the Commission and the long term expansion proposals submitted to it. Earlier this year, the Council received a planning application for the erection of 4 houses on a site in Molehill Green, which is the closest village to the NE of Stansted Airport. The Council received a number of representations on the application, including one from Airside OPS Limited which is the safeguarding authority for the Manchester Airports Group at Stansted Airport. The consultation reply, which is in the public domain, included the following paragraph:

*“The proposed development is situated in a location that was within the expanded airport boundary for the development of a second runway in accordance with the extant Government White Paper “The Future of Air Transport” (2003). Although BAA’s planning applications for the second runway and associated development were withdrawn following the Coalition Government’s decision to withdraw the previous policy support for further runway development, the Government has since set up the Airports Commission (AC) to inform a review of Government aviation policy, including the need for and location of additional runway capacity to serve London and the South East. At the end of this year, if the AC considers that additional runway capacity is required, it will shortlist the most credible options for further studies. This could well include options for additional runway capacity at Stansted. The prospect that the Government will support further runway development at Stansted in the near future cannot therefore be discounted and if that were the case the development site could be within the land required for further development. In conclusion, if permission were to be granted, we consider that an informative should be added to the permission drawing attention to the Government’s review of aviation policy and the prospect that further development at Stansted could be supported which could directly or indirectly affect the application site”.*

8. Planning permission was refused for this proposal. Had that not been the case, a successful applicant would have to decide whether to implement the permission with the prospect of the houses being difficult, if not impossible to sell in the current uncertainty about expansion at Stansted. Unless expansion at Stansted is ruled out at the sifting stage, this uncertainty is likely to continue until the future Government makes a final decision about long term options. In its response to the long term options, the Council referred to the current difficulties prospective home sellers are experiencing in securing offers. The Commission is reminded of the geographical extent of some of the submitted proposals for Stansted, not least the “4+1 runway” option by the Mayor of London which would bring a relocated and expanded airport boundary close to Great Dunmow, Thaxted, Elsenham and Takeley, all of which are and/or have been subject to planned housing

growth.

9. The Council is pleased that Sir Howard indicated that any long term options that are considered by the Commission to be very poor may be ruled out in the interim report. This is obviously welcome, but should be taken a stage further. If during the course of the Commission's Phase 2 consideration it becomes clear that one or more of the shortlisted options is not going to be pursued further, the Commission should say so publicly at that time and not wait for the final report.

#### Climate Change

10. In his speech, Sir Howard made it clear that the Commission was following the advice of the Committee on Climate Change (CCC) that UK-sourced demand could grow by about 60% to 2050 (relative to 2005) as long as:
  - planned emissions reductions were delivered elsewhere in the economy, and
  - the industry played its part with increased fuel efficiency and better operating efficiency.
11. The Council agrees with the Commission that the best deal for aviation would be a global one, but this is unlikely anytime soon. In its response to Discussion Paper 03 (Aviation and Climate Change), the Council quoted the London Assembly's "Airport Capacity in London" submission which said:

*"To provide for any growth in aviation without adverse environmental effects, the Airport Commission may be required to make a "leap of faith" regarding the decarbonisation of the UK economy by 2050".*
12. The CO<sup>2</sup> Road Map prepared by Sustainable Aviation in 2012 saw the EU ETS as a first step towards a global carbon trading solution. In the road map, carbon trading is shown as being the largest single contributor to emissions reduction from the present day to 2050. As the Commission has confirmed that the EU ETS has been suspended in the face of opposition from non-EU governments and airlines, it seems right that the Commission should look at updating the CCC's analysis. The Commission will need to make a judgement about the ability of the rest of the UK economy to decarbonise to the extent required to allow aviation growth to occur and still meet the UK's obligations under the 2008 Climate Change Act. Public enthusiasm for decarbonisation does not appear great when it affects the cost of living – witness the debate over green energy taxes as a contributor to rising energy costs.
13. The Council agrees that there must be no massive expansion of aviation without any reasonable expectation of being able to deliver commensurate carbon emission reductions. Sir Howard did refer in his

speech to an available second best solution being to hold down aviation growth by not building new airports and runways. If the Commission's analysis is that this is what it will take to meet the 2008 Act, so be it.

#### Aircraft Noise

14. Sir Howard did not deal with this issue in his speech, presumably because he does not regard it as a determiner of the need for new capacity at the national level. Nonetheless, the Council is encouraged that noise is recognised as an important local issue and will play a key part in the Commission's interim recommendations and the consideration of long term options. The Council trusts that its response to Discussion Paper 05 (Aviation Noise) will be carefully considered by the Commission, particularly its objection to the unfair and unrepresentative proposed noise efficiency metric.
15. At about the same time as the speech was delivered, further study work was published in the British Medical Journal by Imperial and Kings Colleges, London comparing data on day and night-time aircraft noise with hospital admissions and mortality rates among a population of 3.6 million people living near Heathrow Airport. The risks were around 10 to 20% higher in areas with the highest level of aircraft noise compared to areas with least noise, raising the possibility that aircraft noise is a contributory factor to the incidence of strokes, heart disease and high blood pressure. Whilst the study concerned communities around Heathrow, the Commission should consider whether there are any implications for those living near to Stansted. Aircraft noise in the countryside raises health issues related to lower background noise levels and the associated "startle" effect of overflying.

#### Environmental Assessment

16. In answering a particular question, Sir Howard confirmed that the final report will include a full environmental assessment of the chosen long term option. In the Council's view, this is essential. Up to now the Council has had no engagement with any of the proposers of expansion at Stansted Airport, and this appeared to surprise the Commission at its recent meeting with the Council. The 40-page summaries submitted to the Commission for Phase 1 sifting have largely glossed over the impacts on the countryside and cultural heritage (probably because they have not been assessed) in favour of highlighting throughput, contribution to GDP, hypothetical layouts and transport links. Indeed, it is noted that even the professional architectural press seemed to tire of the endless "3D" computer generated schemes that were emerging by producing its own spoof "LondonSouthendPierAirport".

#### Surface Access Improvements

17. The Council is pleased that the Commission's interim report will include details of the suggested surface access improvements to existing airports that are considered necessary in the short and medium terms. The Council is aware that study work is being undertaken on incremental improvements that might be possible on the West Anglia Main Line (WAML) to improve service quality for passengers. Whilst full 4-tracking of WAML is beyond the reach of current funding, the Council's aim is to ensure that any improvements that are realised benefit all passengers and not just those using the airport. Also, the Council remains determined through its membership of the Stansted Area Transport Forum to campaign for improvements to local services to enhance the role of the airport as a local transport hub. The Council looks forward to seeing the Commission's transport recommendations for Stansted.

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