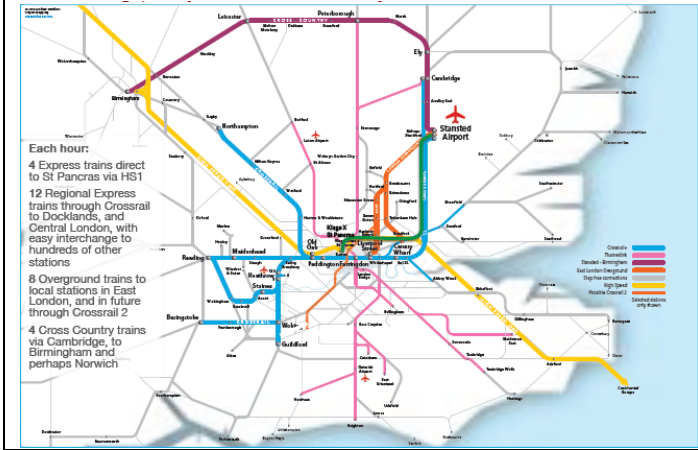
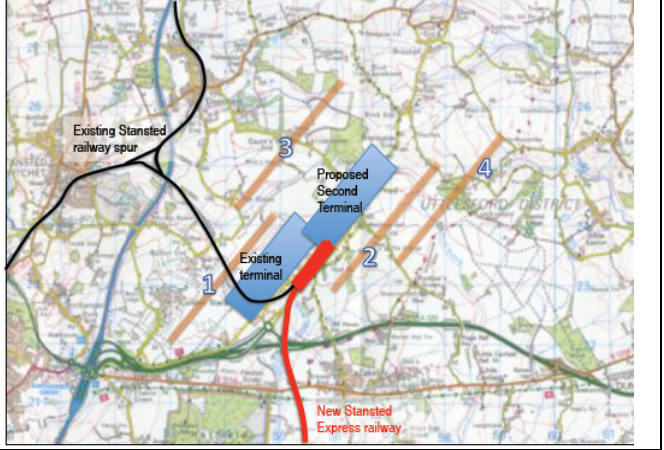


PROPOSAL TITLE:	Stansted as a second hub	Short Term	<input type="checkbox"/>
SUBMITTED BY:	First Class Partnerships	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

To construct a four-runway airport at Stansted, with no requirement to close or downgrade Heathrow.

The scheme would be underpinned by a number of surface access improvements required.

INITIAL ASSESSMENT COMMENT

The proposal recognises the weakness of Stansted’s current connectivity were it to become a hub airport. A range of surface transport upgrades are proposed.

The concept of maintaining Heathrow at or near current levels while opening a second hub at Stansted does not clearly provide a viable commercial strategy enabling the development of a hub at Stansted to compete effectively with Heathrow. The proposal however is more of a presentation of a number of surface access improvements for Stansted, rather than a standalone scheme for the expansion of Stansted itself.

PROPOSAL TITLE:	Stansted as a second hub	Short Term	<input type="checkbox"/>
SUBMITTED BY:	First Class Partnerships	Medium/Long Term	<input checked="" type="checkbox"/>

OVERVIEW

Proposal	To construct a four-runway airport at Stansted, with no requirement to close Heathrow.		
Approach	<u>Policy led initiative to reduce slots at Heathrow to 85% of current levels. Government would create a project company, complete planning and preliminary design, and obtain private sector involvement once the scheme is de-risked through a Hybrid Bill.</u>		Assumed Capital Cost £100 bn+
Potential Benefits	<ul style="list-style-type: none">▪ Likely to offer a larger, more efficient configuration enabling a more resilient operation than Heathrow.▪ Mandated reduction in capacity at Heathrow would improve resilience of Heathrow operations.▪ Additional local employment, with wider economic benefits for Upper and Lower Lea Valley and East London.▪ May promote greater competition with other London airports.▪ Low additional population affected by noise compared with Heathrow.▪ Assumed that the development of Stansted would be privately funded, although support package may be required.	Additional Capacity (mppa) 100	
		Additional Capacity (ATM) 740,000	
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none">▪ In competition with Heathrow, an expanded Stansted increases point-to-point capacity in line with Commission's terms of reference. However should Heathrow be required to close, it is not clear that the proposal adds to system capacity.		
Economy	<ul style="list-style-type: none">▪ Point to point service expansion likely to be predominantly low cost carriers servicing destinations in Europe and domestically, with possible introduction of services from some European hub carriers and a Middle Eastern hub carrier (particularly if Heathrow and Gatwick remain capacity constrained). Additional connectivity predominantly likely to be due to higher frequencies, and more short haul services with incremental long haul operations reflecting market opportunities, but unlikely to be more than marginal transfer of services or airlines from Heathrow.▪ May reduce competition in the London system given probable closure of Luton. Further weakened, if growth is proposed to an extent necessitating the closure of Heathrow to be financially viable.		
Surface Transport	<ul style="list-style-type: none">▪ The proposed works are likely to exceed those needed for an efficient transport strategy serving the needs of the airport only, however, they are proposed as part of a wider strategy.▪ Uncertain whether proposed existing London termini could accommodate the likely increase in movements the additional rail infrastructure could support.▪ Second rail tunnel required along with the proposed Crossrail works.▪ Local road upgrades and widening of the M11 to the M25 likely to be required.		
Environment	<ul style="list-style-type: none">▪ Stansted development leads to direct loss of 2 woodland SSSIs and local wildlife sites; impacts to over 70 cultural heritage structures amongst nearly 300 designated cultural heritage features. Residential property loss 240-400, plus large area of agricultural land loss and impacts on high value landscapes.▪ Wider surface transport improvements would be expected to impact a number of designated sites.		
Cost	<ul style="list-style-type: none">▪ Development of Stansted alone likely to be in the order of £10bn, however the wider surface transport works would be many times greater.		
Operations	<ul style="list-style-type: none">▪ Likely to necessitate the closure of London Luton Airport, potentially leading to insufficient system capacity, particularly for low cost airlines.▪ The stated capacity (160 mppa) for the enlarged Stansted delivers a net increase of 110 mppa over current capacity and the lost capacity at Luton. With the 15% reduction to the capacity of Heathrow this is further reduced to c 100 mppa.		
Delivery	<ul style="list-style-type: none">▪ Range of support measures may be needed for private financing, including government support / commitment and supportive regulatory framework and planning environment and wider package of measures to reduce the cost of finance.▪ Uncertain that, in competition with Heathrow, a competing hub at Stansted would be commercially viable.		