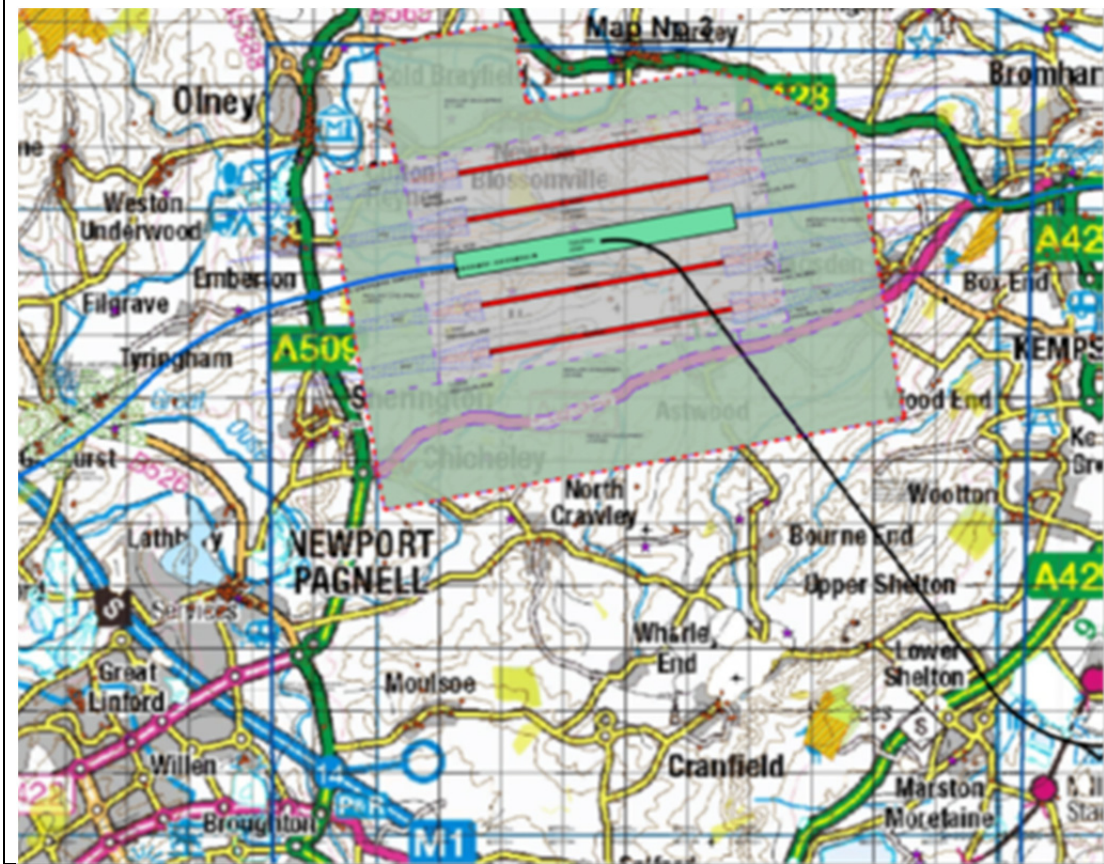


PROPOSAL TITLE:	Bedford/Milton Keynes Airport	Short Term	<input type="checkbox"/>
SUBMITTED BY:	n/a	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

New airport, located east of Milton Keynes and west of Bedford to replace Heathrow and Luton airports. Both existing airport sites would be redeveloped for alternate mixed use purposes.



INITIAL ASSESSMENT COMMENT

The scheme is likely to provide a more efficient airport than either Luton or Heathrow airports and provides the opportunity for long term expansion. However necessitating the closure of both Luton and Heathrow, it does not add significantly to the capacity of the London system capacity and limits competitive forces. It may also impact the competitiveness of Birmingham Airport.

Therefore, it is not clear that the scheme offers significant advantages over the development of Stansted Airport to a 4/5 runway hub.

PROPOSAL TITLE:	Bedford/Milton Keynes Airport	Short Term	<input type="checkbox"/>
SUBMITTED BY:	n/a	Medium/Long Term	<input checked="" type="checkbox"/>

OVERVIEW

Proposal	New airport, located east of Milton Keynes and west of Bedford to replace Heathrow and Luton airports. Both existing airport sites would be redeveloped for alternate mixed use purposes.		
Approach	Government to provide enabling legislation by 2020 to facilitate the closures of Heathrow and Luton and the transfer of traffic to the new airport at opening, assumed to be 2030. In parallel government would provide the necessary surface transport upgrades.	Stated Capital Cost	£43 billion
Potential Benefits	<ul style="list-style-type: none"> Although not quantified, it would be assumed to deliver national and local economic benefits. Net reduction in population exposed to noise on closure of Heathrow and Luton. Potential for night flights with lower noise impact. Larger capacity than Heathrow, with the potential to further expand capacity if required in the future. Whilst creating a significant nuisance to currently un-impacted communities in the Milton Keynes / Bedford area, a greater number would be relieved of the current nuisance from around Heathrow and Luton. The larger, more efficiently configured site offers the potential for a more resilient operation than attainable at Heathrow. 	Additional Capacity (mppa)	25
		Additional Capacity (ATM)	150,000
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> Providing additional capacity the proposal is in line with the Commission's terms of reference 		
Economy	<ul style="list-style-type: none"> Given its distance from Heathrow, existing businesses and workforce would be adversely impacted unless they are able to adjust to the new opportunities presented by the redeveloped site or relocate to the new location. May reduce competition in the London system given closure of Heathrow, probably Luton and possibly Stansted. 		
Surface Transport	<ul style="list-style-type: none"> Uncertain whether proposed rail and road enhancements can cater for the predicted level of demand and what measures will be implemented to achieve acceptable rail mode share target. Widening of the motorway network as well as additional rail and platform capacity may be required 		
Environment	<ul style="list-style-type: none"> Impacts 3 Scheduled Monuments and 5 listed buildings, plus a number of listed buildings and Conservation Areas associated with surrounding villages and towns. 130 dwellings demolished. Large area of agricultural land loss, plus areas of ancient woodland. Although the proposal offers a significant benefit to communities currently affected by noise and air quality from Heathrow and Luton airports, that benefit is obtained at a nuisance cost to currently unaffected communities. In aggregate significantly fewer people would be exposed to a noise nuisance and the air quality impact may be lower than at Heathrow. 		
Operation	<ul style="list-style-type: none"> Although the scheme is stated to provide a capacity of 128 mppa, with the closure of Luton and Heathrow, the net addition is c 25 mppa. 		
Cost	<ul style="list-style-type: none"> Does not include any compensation payments due on closure of Heathrow or Luton, transfer costs of businesses relocating to the new airport or for offsite surface transport costs. Surface transport cost may be in the order of c£5 bn. 		
Delivery	<ul style="list-style-type: none"> The scheme is not currently supported by any relevant body. Should a privately funded approach be adopted a range of support measures may be needed, including government support / commitment and supportive regulatory framework and planning environment. The scale of private financing involved is large and deliverability is not certain despite significant government funding and underwriting of risk. The required government support also raises fundamental value for money and government accounting questions. 		