

# Airports Commission Gatwick Area Public Discussion Session 16 December 2014

# **Opening Remarks**

Sir Howard Davies Chair, Airports Commission

# I. Welcome and Introductions

Good morning, ladies and gentlemen. My name is Howard Davies. I chair the Airports Commission, and we have three of the other four members of the Commission with us: John Armitt, Julia King and Ricky Burdett. Phil Graham, at the end, is the Secretary to the Commission.

If I could spend just five minutes telling you where we are in our process and then how today is going to proceed. If you just have one thought in your mind, what we do is a combination of *Any Questions* and *Just a Minute*, because we need to get as many facts as we can out on the table and as many reactions as we can, and that requires quite a lot of self-discipline, even from Members of Parliament. Crispin has assured me that his discipline will be very tight. Henry Smith should be with us; we are hoping he will fetch up momentarily. On that side, we of course have the Gatwick team, led by Stewart Wingate, who is second along.

# II. The Airports Commission Process

#### 1. Remit

At the Airports Commission, we were asked about two years ago to look at what decisions needed to be made by a future Government to maintain the UK's position as Europe's main aviation hub. That is the exam question which the Prime Minister set for us, and we were asked to produce an answer to that by immediately after the next election. I leave it to you to speculate as to the reason for that timing. We produced an interim report at the end of last year after about a year's work, in which we concluded that there was a case for one net new runway somewhere in the South East by 2030, and that if we did not have that there would be a serious constraint on the ability to fly of people particularly in London and the South East and a serious constraint, therefore, on businesses and on the economy. We looked at whether it was possible to distribute flights around the regions, and while there is some opportunity for that and, indeed, over the next decade we are sure that will

happen to some extent, it is simply not possible to require large numbers of people from the South East to go to Manchester or Newcastle or wherever to fly, and if you do that you end up with a much less environmentally sensible distribution of flights and, of course, longer journeys for people to get to their airport. That is the basis on which we are working.

### 2. Estuary Proposal

At the same time in that report, we identified three plausible options for an additional runway, two of them at Heathrow – a new third runway and the extension of the northern of the two existing runways – and one of them at Gatwick. We looked at the possibility of a brand new airport in the Thames estuary, but after a lot of careful consideration we decided that was not a plausible option, on the grounds of its environmental impacts but also its extremely high public expenditure costs. Over and above the airport costs, which we expect will be principally financed by the private sector in whichever location, there was at least  $\pounds$ 50 billion of public cost to deliver access to that airport, and we could not see the possibility of a Government wanting to incur that level of expenditure on simply replacing existing capacity.

## 3. Three Options

The three options that remain on the table are the ones that we set out at the end of last year. We invited them to put forward their detailed proposals, including the costs, the environmental implications and the community implications, and then we assessed those using a range of independent consultants and in November we published, I am afraid, rather a mountain of material, for which I partially apologise but I think it is very important that people do see the detail of what is proposed. We are now in the process of hearing consultations and reading consultation responses. The consultation period is open until 3 February; we have left a 12-week period for people to respond to us.

# **III.** Purpose of the Meeting

These public meetings are set in that context. They are an important opportunity for the Commission members themselves to hear people's responses and to see and listen to the debate between the airport and community groups, Members of Parliament and councils, and, on the evidence of the one we held at Heathrow a couple of weeks ago, they do provide us with a very good sense of mood and sense of the areas of particular concern to local communities. I am hoping that today will be as successful in giving us that impression. Our role is primarily to listen to the debates today. We will interject with questions that we feel are not being answered, but primarily we will have a series of witnesses over here and then respondents over there. At two points in the day we will invite public comments. That worked quite well in the Heathrow session. We will do that from 11.30 to 12.00 and again in the afternoon. When we get to that, I will ask you to be as succinct as you can be with your comments to allow as many people as possible to get in.

That is my introduction. What is going to happen now is that the scheme promoter – the airport, led by Stewart – will give a summary of their proposal and then we have, we hope, two Members of Parliament. Crispin has two speeches, a short one if Henry is here and a much longer one if Henry is not. There is a threat to you. Then we will have a break for a cup of coffee and then we will come back and hear community groups and then public responses. Thank you all for coming. We hope that it will be an illuminating day. I will immediately hand over to Stewart.

# **Promoter's Statement**

# Stewart Wingate Chief Executive Officer, Gatwick Airport Limited

## I. Preamble

Thank you, Sir Howard. We are very pleased to have the opportunity to participate in this evidence session, and we would like to express our appreciation for all of the good work that the Commission has put into this process to date.

You have set out a convincing case on the need for additional airport capacity in the South East of the country. Failure to expand one of our airports will undoubtedly restrict the UK's economic prospects. As we will explain in our response to the Commission's consultation, it remains our view that expanding Gatwick offers greater economic benefit to the UK than the alternatives. This is the result of the delivery of higher and more affordable capacity, serving the full range of airline business models, delivered sooner, and with less construction risk and disruption, than any of the other proposals. Today's event gives people an opportunity to inform the debate by sharing with you their views, both positive and negative, about what a second runway at Gatwick means to them.

## **II.** Competition

It is now five years since BAA's monopoly was broken up to create competition and choice for passengers. I am sure even our harshest critics would agree that Gatwick is very different today. Competition is working. Over £1 billion of investment has transformed the passenger experience. Satisfaction levels are vastly improved, passenger numbers are at record levels and we now fly to more international and domestic destinations than any other airport in the UK. This is just the start. Recently we announced a further £1 billion of investment to build on this success.

Competition has been good for Gatwick and for the airport sector and it has been good for passengers, who are enjoying better services, more choice and lower fares across London's airport system. Expansion at Gatwick would take this further and build on one of the most successful examples of market liberalisation in recent years. Expansion at Gatwick offers the opportunity to take competition into the long-haul sector, a very considerable prize.

# **III.** Economic Benefits of Gatwick Expansion

#### 1. Overview

The Commission's recommendation to Government next year will shape the market for the next generation. It is no coincidence that London's true global competitor cities such as New York, Paris and Tokyo rely on a successful network of airports. That is why we believe that Gatwick is the best choice for the UK. But it is also our job to ensure that our local area shares in the benefits

that expanding Gatwick will bring: more jobs, more investment and new opportunities for businesses.

#### 2. Local Benefits

There are many benefits to having the UK's second-largest airport located locally. We spend £64 million a year with local suppliers, many of whom built their businesses here because of Gatwick. Today, Gatwick is responsible for 21,000 jobs directly related to the airport and a further 10,000 jobs indirectly related to the airport. Building a second runway at Gatwick will involve the creation of a world-class facility of which we can all be proud. Today I can confirm that upon opening the first phase would include the new runway, new taxiways, new stands and, in addition, a new third terminal building connected to the rail station by an automatic track transit system.

#### **3.** Regional Benefits

With a second runway, over time around 22,000 more jobs directly related to the airport will be created. By expanding Gatwick, we have an opportunity to spread the benefits of our economic activity more widely, into areas that are keen to provide their share of the houses and workers needed to fill the jobs created by the growth of the airport. While many of these jobs will go to local people in Crawley, Horley, Horsham and East Grinstead, that will not be the whole story by any means. We want Gatwick to create opportunities, inward investment and jobs right across East and West Sussex, Surrey and Kent, and from the south coast into London and beyond. 1 million people in many of the most deprived areas of the South East live within 25 minutes of Gatwick. By expanding Gatwick and working with local authorities and businesses in these areas we can stimulate economic development over the whole of the South East, where it is needed and wanted, without overheating those areas where development would be less welcome.

# **IV.** Minimising Gatwick's Impact

#### 1. Overview

Of course, I recognise that expanding any airport also means an increase in environmental impacts, and most of those will fall locally. These issues must weigh heavily with the Commission. At Gatwick, 18,200 people will be newly affected by significant levels of noise with a second runway. To put this into context, more than 320,000 people would be newly affected by significant levels of noise at Heathrow if it were to expand. But however favourably we compare with Heathrow, if the Commission recommends Gatwick it will be our responsibility to ensure that we continue to minimise our impacts, including keeping noise to a minimum, and that we compensate for and, indeed, mitigate those impacts that are unavoidable.

#### 2. Consultation

We take this responsibility seriously. We have worked closely with surrounding local authorities to understand the issues which would arise from expansion. We held a 12-week consultation on our plans for a second runway. Over 20,000 people visited the website, more than 6,000 people attended the 17 public exhibitions we held and more than 7,700 consultation responses were received. From these interactions we have developed a series of pledges aimed at mitigating the impacts.

# V. Noise

#### 1. Communication

For the last 10 years I have managed a variety of airports; for the last five I have managed Gatwick. I recognise that noise and airspace management are very real issues for the people they affect and, indeed, are very emotive issues. The aviation community, including Gatwick, has not always communicated what was happening and why in a way people could easily understand. We have certainly learned lessons from recent consultations and changes and are determined to do better in the future, so it is a pity that in this debate there are still misleading comments along the lines of, 'More flights, less noise'. I am not going to insult your intelligence by saying anything other than more flights mean there will be more noise than would otherwise be the case. Having said that, our location means that Gatwick affects fewer people with the impacts of aircraft noise than many other large airports in the UK, and very many fewer people than Heathrow.

#### 2. Management of Aircraft Noise

The management of aircraft noise is a key focus area for me and for members of my team at Gatwick. Historically, Gatwick has a strong track record when it comes to managing the impacts of aircraft noise, including the introduction of continuous-descent approaches and charging airlines more if they use noisy aircraft, so that 99% of our fleet is now of the quietest type. Our record in track keeping is also very good, at close to 99% compliance. Recently, we expanded our noise insulation scheme, which provides homes with up to  $\pounds 3,000$  towards double glazing and loft insulation, so that up to 40% more homes can be protected from noise than before.

#### 3. Airspace Management

#### a. Future Airspace Strategy

However, the way in which airspace is managed across Europe and the UK is changing, and it is changing fast. Government policy on airspace has led to the CAA's Future Airspace Strategy, which is leading to the use of precision-based navigation techniques. This in turn is resulting in more concentrated flying patterns. In 2014, Gatwick has found itself at the forefront of this change, which has meant that the last few months have been particularly challenging for some of our local communities and for the team at the airport. We are learning important lessons that must be carefully considered when it comes to the decision on the location of the new runway.

#### *b. ADNID trial*

Over the past few months there have been two airspace developments that I would like to cover in my opening remarks. From February to August of this year, the airport ran an airspace trail 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.

#### c. Precision-based navigation

In April this year, we also implemented precision-based navigation on all of the departure routes at the airport. This is in line with Government policy. On eight of the departure routings, track keeping is at record levels of performance. However, on one of the departure routings, which is known locally as the 26 Lambourne, the track-keeping performance has been impacted, dropping from 95% compliance to around 75% compliance. This has resulted in departing aircraft flying over communities that previously had not been directly overflown to such an extent. The airport has received over 3,000 complaints from concerned residents. With regard to the 26 Lambourne departure routing, we are currently working with NATS, the CAA and the DfT to establish what can be done to return to the levels of track keeping that we previously enjoyed, and I met yesterday with concerned residents to discuss where we have got to so far.

One of the obvious learnings from these two recent airspace developments is that when airspace changes are made which result in people being overflown who were not previously overflown a very considerable outcry should be expected.

#### 4. Impact of a New Runway

Looking to the future and the implications of a second runway, there is no question that planes are much quieter today than they ever have been before and that new technology means that they will be quieter still in the future, but we should not overstate the future benefits. Much of the benefit of the technology improvements has already been realised and the future benefits will be more marginal. There is also no hiding from the fact that there will be more planes in the air with a new runway. While our noise action plan will ensure that the people already affected by noise will see a reduction in the noise nuisance that they experience, it is inevitable that some people will become newly affected by aircraft noise and that overall there will be more people affected by aircraft noise.

#### 5. Respite and Mitigation

In the event that Gatwick is chosen, we have thought hard about how to deal with our impacts. We will continue to explore new operational practices to offer further respite to communities, such as the use of steeper approaches, displaced touchdown thresholds and single-engine taxiing to reduce noise impact. We will alternate the use of the runways for early-morning flights and will not increase the number of night flights. In addition, we will extend our sound insulation scheme to cover those affected by the new runway. We have also pledged to provide a  $\pounds 1,000$ -per-year contribution to the council tax bills of those severely affected by the noise, so we will compensate not only those who are required to move but also those who remain in their homes who will be most affected by a second runway. We believe these measures to be among the most progressive offered anywhere in Europe, and they are certainly more than have been offered by Heathrow.

# VI. Air Quality

Of course, noise is not the only environmental impact of an airport. We need to think about air quality and emissions as well, and we take this seriously. Over the last five years our emissions of nitrous oxide, benzene and small particulates have all reduced. I am pleased to say that Gatwick is not in breach of the UK air quality objectives or EU limits, nor will we be if we build a second runway. This is in marked contrast to the area around Heathrow, which consistently breaches air quality limits at present, and where it has yet to be demonstrated that another runway can meet legal

requirements. Our performance in respect of carbon emissions at Gatwick has earned us an accredited certification from the Carbon Trust and a level-three accreditation from Airports Council International.

# **VII.** Local Land Impacts

#### 1. Relocation

The land for a second runway at Gatwick has been safeguarded by the planning system for some time, and that is one of the greatest strengths of our scheme, but we will need to buy 165 homes which would be within the boundary of the expanded airport. This is an unsettling prospect for the residents who would be affected. We will provide a personal relocation programme to each of the residents to give them individual assistance in order to help them to understand what is available to them.

## 2. Property Market Support Bond

Before we announce our decision to apply for development consent, homeowners are able to apply for a property market support bond, which enables them to require Gatwick to buy their home and pay disturbance costs, legal costs and stamp duty when we apply for consent at the full unblighted market value of their home plus a premium of 25%. The bonds, which are available now, are transferrable when a home is sold so that the local housing market can function normally, with buyers knowing that they can benefit from the bond if we apply for development consent in the future. We have made a similar commitment to businesses affected and we have published an engagement charter setting out clearly our responsibilities towards businesses affected by the development. We are pleased that as a result of this many local businesses are now actively supporting our proposals.

# **VIII. Surface Transport**

#### 1. Overview

As the airport and the local economy expand, there are understandable concerns about whether the transport infrastructure can cope with a larger Gatwick. I will address these, but to start with I would like to be clear that Gatwick users represent only a very small percentage of those using our road and rail networks. On rail, for example, airport-related passengers account for just 6% of all passengers on the busiest trains in the morning.

#### 2. Road Traffic

Turning first to major road networks, the Highways Agency has already committed to or constructed schemes to increase the capacity of the M23, the A23 and the M25, which will increase capacity of the major routes to and from the airport. We have incorporated improvements to the capacity and alignment of the A23 and the airport access roads within our own plans.

At a more local level, Gatwick represents only a small amount of total road traffic, and the majority of Gatwick-related journeys are in the off-peak hours, outside of the rush-hour peaks. We have assessed the impact of Gatwick's traffic by modelling announced improvements to local roads

across the area. We have identified a number of junction improvement schemes, which are expected to  $\cot \pounds 400$  million, and we commit to funding these improvement schemes if the second runway is built.

## 3. Rail

Gatwick has a great advantage in being located on a mainline railway route, which helps increase the proportion of passengers arriving at the airport by rail. Capacity on the Brighton mainline is set to nearly double over the next decade and existing investment plans by Network Rail are improving its resilience. Major upgrades are underway on everything from the rolling stock, where eight-carriage trains are being replaced by 12-carriage trains, to the Thameslink programme at London Bridge, which directly benefits capacity on the Brighton mainline. By 2018, there will be a train to London from Gatwick on average every two and a half minutes. These developments will help us realise our goal of a public transport modal share of 60% of passengers by 2050.

# IX. Housing, Skills and Employment

We have worked very closely with local authorities to study the housing needs arising from the jobs created by a larger Gatwick. Our analysis shows the estimated 22,000 new airport-related jobs will result in a need for 9,300 homes across 14 districts over 25 years. We recognise that local authorities face pressures to provide community infrastructure. That is why we have made a pledge to contribute funding for community infrastructure for every new home built as a result of the second runway development. Not all areas have space for new housing development, but some do. We are working with places such as Croydon, which is just 15 minutes from Gatwick by train, which has a great appetite to build new homes and provide employees to fill these jobs. We have also pledged to support skills training and to fund the creation of 2,500 apprenticeships during construction and for many years beyond to ensure that people are equipped with the skills they need to take advantage of the new opportunities which are available.

# X. Concluding Remarks

Let me close by saying for the first time Gatwick's true potential as a major contributor to the UK, and to the South East, is being made apparent. We want to be selected as the location for the next runway because if there is to be new capacity we think the benefits will be larger, and will accrue faster, both locally and nationally. A second world-class airport for London, economic benefits of close to £100 billion, 22,000 new jobs at the airport and up to 100,000 catalytic jobs across the South East, plus more opportunities for local suppliers. Big benefits for passengers: more choice, more destinations, more competition and lower fares. Two world-class gateway airports for London competing to better serve passengers.

We do recognise, however, that expansion will have an impact on the local environment and community, but we will do everything that we can to minimise and mitigate these effects and compensate those who are most affected. In summary, we are confident in our case that expanding Gatwick is the right choice for the UK, the South East and the local area.

### **Sir Howard Davies**

Thanks very much, Stewart. I think we should probably go straight on, in the interests of time. Welcome to Henry Smith. We are going to have Henry Smith, MP for Crawley, first and then Crispin Blunt from Reigate. Then we will have some questions to the promoters from them.

# MPs' Statements

## **Henry Smith**

## Member of Parliament for Crawley

## I. Preamble

Good morning, Sir Howard. Good morning to the Commission and ladies and gentlemen as well. It is much appreciated to have the opportunity to give my comments on the future of aviation capacity, and in particular the potential future for Gatwick Airport. As a Member of Parliament and a national legislator, obviously my role is to act in the national interest, but of course under our system MPs are elected from defined constituencies and I have the privilege of having Gatwick Airport entirely within Crawley constituency. Of course, throughout the history of the borough it has been a very important presence in that.

## **II.** Need and Location

I agree with the conclusion of the interim report of the Airports Commission that as an island trading nation – and our historic success has been as such – additional airport capacity is needed in the United Kingdom, and principally, of course, that means London and the South East. The question, of course, then – and what we are grappling with now – is where that additional runway capacity should go if, indeed, that is what is concluded in the final iteration of the report. As a Member of Parliament, of course I am there to act in the national interest, but ultimately I am here to get the best deal for my constituents, and that is really where my focus is with regard to the possible future of expansion at Gatwick Airport.

## **III.** Local Opinion

I will be completely candid with you: local opinion in Crawley is very divided. It is not just divided; it is actually quite polarised as well. There is a large body of opinion that says it is a major driver for the local and area economy, and many people have located to the Crawley area because of the airport directly, the aviation industry slightly less directly or, indeed, other companies that have co-located here. On the other side, there is an equally large body of people who are, quite understandably, very concerned about the impact that runway expansion would have on the quality of life here in Crawley and our local environment and pressure on local services and infrastructure. Therefore, the invidious and very difficult choice has to be made as to where the balance of advantage lies between those two.

# IV. Questions

### 1. Workforce

I have yet to be convinced by the economic arguments for the expansion of Gatwick Airport. The questions I would like to put to the management of Gatwick Airport today and would like the Airports Commission to consider are factors such as the amount of jobs at an expanded Gatwick that would have to be filled. We are very fortunate that unemployment in Crawley is currently at 1.8% – of course there is further to go – and unemployment in the surrounding districts is far lower than that. Therefore, my questions to the management of the airport are:

- Where would those people to fill the 22,000 jobs that we heard mentioned a few moments ago be located?
- How much housing pressure, consequently, would that then put directly on the Crawley area and those surrounding areas?
- What impact would that have not only in terms of travel to work but in terms of passenger numbers in terms of our transport capacity in the area?

## 2. Surface Transport

I would be grateful for more clarity over the impact on the London-to-Brighton mainline, bottlenecks such as the Balcombe Tunnel, track and signalling capacity at Gatwick Airport itself and, even to the north, the Windmill Junction around East Croydon, which is a significant bottleneck. How will those be addressed if there was to be significant extra capacity of workers and of travellers using Gatwick Airport?

With regard to the M23 and the A23, there have been significant improvements on the A23 to the south, but to the north, where the M23 turns back into the A23 just beyond the M25 junction, that road rapidly at Hooley goes down to a single carriageway and then is virtually single carriageway through Croydon and Lambeth into central London. What additional capacity is planned to deal with the increase in traffic that would result in that?

## 3. Air Quality

In addition, I would be grateful for further information on air quality. We have heard a little bit of that so far this morning. Air quality, of course, is not just aircraft movements; it is principally ground movements around the airport. Again, with people accessing that from the M23, I would be interested in further information on air quality factors. How will the unique geography of Crawley – really half a bowl in terms of its geography, which can cause inverted air to be trapped in this area under certain weather conditions – be mitigated and impacted?

## 4. Pressures on Local Services

I also would like to hear further explanations on how the pressure in terms of numbers of people coming to Crawley to live in the area would impact on services such as healthcare. Crawley needs a new hospital, even though services are returning to our existing Crawley Hospital; this is the centre of the wider population area. Are there any proposals or plans in terms of expanding

healthcare provision? Additionally, while talking about healthcare, the number of GP surgeries is at a maximum in Crawley and I would argue there is a need for an additional GP surgery with the new housing that is going in at Forge Wood and just outside Crawley's boundaries at Kilnwood Vale. What opinions in terms of increased population and what solutions are being offered in that respect?

Similarly, with regard to education infrastructure, I would be appreciative to hear answers on the impacts additional housing and population would have on class sizes. Again, in many parts of Crawley, particularly to the east of Crawley, classroom sizes and capacity in our schools are at a very full extent and I would need to hear further explanations about how those sorts of pressures on infrastructure and public services would be mitigated.

#### 5. Impact on Manor Royal

An additional runway at Gatwick of course is not just a two-mile strip of concrete and expanded boundary fence to the south; it would be a fundamental change and impact on the community of Crawley. While we are very fortunate in Crawley to have some world-leading companies headquartered here and located here because of Gatwick Airport's presence, the impact on Manor Royal is something that I would be appreciative of having further information on from Gatwick Airport in terms of the displacement of businesses and where they would be located and, indeed, the impact that that would have on their employees travelling to and from work and the pressure on local infrastructure such as rail and road as well.

## V. Concluding Remarks

I am struck by the fact that it is just beyond five years since Gatwick Airport changed its management and came out from, I would say, under the shadow of BAA. I pay tribute to the airport management for the significant investment that is going in and to the Government for the significant investment that is being placed in upgrading the rail station. But my interest is the impact on the people I represent, ultimately my residential constituents, not just with the obvious questions with regard to the impact directly of aviation but the broader impact on infrastructure and public services. As yet, I have not heard comprehensive answers to that, and that is what I would like the Airports Commission to now concentrate on. Sir Howard, thank you very much.

## **Crispin Blunt**

#### Member of Parliament for Reigate

## I. Gatwick Coordination Group

I chair the Gatwick Coordination Group, formed with backbench parliamentary colleagues from the constituencies close to Gatwick. Local frontbench colleagues are closely associated with our work even if they cannot formally endorse our position. The group includes representatives of local authorities, parish councils and civil society. We have a common objective of a critical examination of the case for a second runway at Gatwick and ensuring its consequences are understood.

Gatwick Obviously claim that expansion at Gatwick is easier to deliver and will have less impact on the communities than the alternatives. We wish to set the record straight before local people and the wider United Kingdom economy pay the price. The consequences outside the immediate perimeter of the airport belie the case made by Gatwick Obviously. Current and planned infrastructure would be pushed way beyond its limits as there is already an infrastructure deficit. To make it work, the very nature of the surrounding towns and countryside would be changed beyond recognition as they are forced to accommodate tens of thousands more people. The impact of 'an airport bigger than Heathrow' at Gatwick would leave London with a principal airport with no resilience in its surface access, and it is highly questionable whether the finance for this project will be forthcoming.

# II. Surface Transport

## **1. Heathrow versus Gatwick**

Heathrow Airport has more than 45 million surface access movements each year. It is already accessible via the M25 and M4, the Piccadilly Line, the Heathrow Express and Heathrow Connect, plans exist for an additional rail entry from Waterloo via Clapham Junction and Staines into Terminal 5, and Crossrail will be completed by 2018. If one of these routes is taken offline, all the other lines provide solid resilience, and new rail access from the west and intersection with HS2 will further improve overall access to an enlarged Heathrow.

No such situation exists, or is even planned, for Gatwick, yet Gatwick Airport Limited predict 25.7 million rail journeys a year by 2030, double the number using rail access to Heathrow today. That is without even taking into account the million tonnes of freight Gatwick would expect the rail and road infrastructure to undertake. Gatwick is served only by a single rail and motorway connection. The airport, its passengers and its airlines are already dangerously vulnerable to disruption.

#### 2. Rail

Gatwick relies and would rely on the Brighton mainline for rail connections to and from London. Their substantive surface access submission is based on work which is already going ahead, which only addresses existing capacity problems. The commuters I represent will regard it as a sick joke that this line can carry significantly more passengers in peak hours when they are already standing and extra staff are being recruited now to keep the platforms safe at East Croydon so passengers do not spill onto the tracks. That line also runs through the deepest cutting in Europe and is particularly vulnerable to extreme weather. Suicides happen about once a month, bringing the line to a standstill for over an hour each time. Rail resilience to events is weak to non-existent as there is no realistic alternative route.

#### 3. Roads

You will already be familiar with the pace of the A23 into and out of London. The A23/M23 and the M25/M23 are already beyond capacity and even tinkering with several junctions on the M25 is not going to address this fundamental point.

#### 4. Question

My question to the promoters is this. When anything goes wrong – be it air traffic control, be it flooding, be it a shortage of baggage handlers or be it, most frequently, when the rail line collapses – Gatwick collapses. All of this gets worse if Gatwick doubles in size. How can you address this?

# III. Towns, Communities and Countryside

## 1. Workforce

Locally, we enjoy a strong economy and low unemployment. As of October 2014 there were 25,369 Jobseeker's Allowance claimants in the entire region that is on that map, stretching from north to south from Croydon to Brighton, and east to west from Lewes to Bognor Regis. The median percentage figure is just 1.7% of the entire population seeking work. The labour market in the region is absolutely saturated. Gatwick Airport Limited cannot answer where 122,000 jobs are going to materialise from to deliver the £90 billion of economic benefit they claim.

GAL's own analysis shows that Gatwick already employs 31% of the total workforce in Crawley and 9% in my own constituency of Reigate. The assertion that the additional workforce will merrily make their way from Croydon – a town where, even in the constituency with the worst unemployment, Croydon North, unemployment is 4.4% – is fanciful, even if superficially attractive to the London Borough of Croydon. A similar picture presents itself on the south coast, where the worst unemployment is in Brighton Kempton, at 3%. These figures, and with Gatwick actually running out of baggage handlers with airside security clearance in July this year, shows there is no workforce, immediate or approximate, capable of staffing an expanded Gatwick.

#### 2. Impact on Local Services and Housing

If the number of jobs turned out to be the Commission's most pessimistic assumptions, which I challenge, there would not be any benefit to the United Kingdom of the Gatwick proposal. However, I think this is highly unlikely and Gatwick's employment projections for an airport bigger than Heathrow I believe understate the jobs that would be required on-site. To staff this vast new enterprise and the legions of associated businesses will require the migration of thousands of workers into the local area, flooding – probably literally – the existing infrastructure of schools, transport, health services and housing. Blithely adding to housing forecasts which are already undeliverable without the loss of green belt and countryside does not answer how our local communities are expected to cope with such an influx. Existing housing demand is already requiring options for development on the green belt in my constituency.

## IV. Noise

30,000 more local people will find themselves underneath flight paths and this year I have seen first-hand the despair and anger that a change from rural tranquillity to unanticipated overflight brings. This is a much more dramatic relative change than that proposed at Heathrow. My question to the promoters is this. PR-Nav has given you a small taste of the consequences of the destruction of the quality of life of your neighbours and the destruction of the relationship between the airport and its community. Do you really believe that the mitigation measures you propose will begin to address that?

# V. Finance

The Commission has rather dryly said that the level of finance needed for the project is 'significantly larger than the company's financing to date'. With airport charges expected to rise beyond a sustainable level for its current airline customers, we question whether Gatwick Airport Limited has a sufficient case to raise the funds needed from its expansion to put to its owners. Its principal shareholder, by its own policy, typically holds assets only for up to 10 years, which is before this project will be financed. Last week, the ratings agency Moody's raised concern over the negative credit implications for Gatwick, stating that the 'financial risks ... are high given the size'.

The financing of this raises questions about whether there would be a satisfactory rate of return for the owners of Gatwick. We believe conceding the claimed need for commercial confidence is an error as there is no alternative making a proposition with Gatwick on the same competitive basis. The Commission has permitted redactions on tax, financing, profit and loss, and cash flow and it is the assumptions which underlie these figures which are critical to enable us and the public to properly evaluate this proposal.

My question, therefore, to the proposers is: how can you challenge the Commission's own assertion that the Heathrow scheme has  $\pm 100$  billion more economic benefit than your scheme if we cannot even see your figures?

[Applause]

# VI. The National Interest

As Henry has said, representatives in Westminster should also look beyond our own constituencies. Sir Howard, you have reinforced the central exam question, which is how to maintain global connectivity for the United Kingdom, about our competitiveness and future national growth and jobs. But your own analysis shows that even in Gatwick's imagined future, where low-cost is king, expansion at Gatwick would be worth dramatically less to the United Kingdom in terms of GDP and jobs than the alternatives at Heathrow. The Commission's analysis on all the economic options is broadly that £100 billion would be foregone by the United Kingdom if we went for Gatwick. That is a very great deal of money. Again, how can you challenge that when we do not even have your own numbers?

It is a rare thing for a country to have an airport so well connected as Heathrow, one of only six in the world serving more than 50 long-haul destinations. If we cannot afford to replicate and, indeed, improve that option east of London it would be bizarre to abandon Heathrow's expensively-won position. Gatwick is a very good airport for what it is, but its failure to attract major airlines to fly from here to the destinations served by our competitors in France and Germany is striking. While Heathrow has been full for 10 years, there are virtually no long-haul connections to the next generation of economic powerhouses, Brazil and India, and not a single route to China.

Gatwick is big enough and its supporting labour market and rail and road infrastructure are already beyond economic saturation. While local businesses will, of course, welcome a massive injection of extra demand, the reality is that demand cannot be served, certainly not on current plans. There is no guarantee that this proposal will be financed, although a recommendation for Gatwick would still suit its shareholders by holding back its main competitor, the principal hub in the United Kingdom.

# VII. Concluding Remarks

Gatwick would be the wrong decision for the United Kingdom economy. The reality is that the consequences for the local communities we represent would be to demand too much of local people, schools, housing and transport infrastructure. To make this work will need much more of all of them than is identified in Gatwick's plans or, I believe, in the Commission's analysis to date. The consequences will be an irrevocable disaster for those communities, and these proposals are also not in the national interest. That is why the group I chair oppose Gatwick's plans.

# **Responses**

#### **Sir Howard Davies**

Thank you very much, Crispin. A number of the issues raised will, of course, emerge during the day, particularly on some of the local services when we have the local authorities here. I wonder if now, Stewart, I could ask you perhaps, of all of the points made, to try to focus your initial comments before we break for a cup of coffee on three areas. Firstly, the overall jobs point, which came up from both Members of Parliament. Given the low rate of unemployment here, where are these jobs going to come from? Of course there is also a housing issue related to that. Secondly, the transport point and particularly, I think, the resilience question, which you did not really cover in the initial introduction. Would we be putting too many eggs in a basket which only has one – sorry, my metaphors are getting a bit confused here, but you take my point. The third one is the financial backing and the shareholders; that point was made quite strongly by Crispin.

#### **Stewart Wingate**

Very good, Sir Howard. Perhaps I will make comments on the first two points and then I will invite Nick Dunn, who is the Chief Financial Officer of the airport, to talk about the financial case for the airport.

Let us move to the point of jobs. Of course, in proposing this scheme, we ourselves need to have a high degree of confidence that over this period of time the jobs will be filled and, indeed, fulfilled in order to have a successful airport operating with the increased volumes that we anticipate. This has been an area which we have focused on and looked at. At this point in time, if you look at the way in which the airport operates and the catchment areas for the jobs, many of the jobs are filled from the local towns. Crawley, indeed, is by far the biggest source of the workforce for the airport. When I talk about the workforce, this is not the airport company workforce; this is the broader workforce of the airport: some 20,000 jobs. Around about a third of the jobs at the airport today are filled by people who live in Crawley, but we also have strong employment today from places such as Horsham, Horley and East Grinstead. These are big sources of people coming to work at the airport.

One of the things you will probably hear repeatedly from us is it is very easy to focus on the end state of the airport. We talk about the creation of a further 22,000 new jobs directly at the airport. We talk about the creation of catalytic jobs resulting from the benefits of expansion at the airport across the region. But what we are doing there is pointing to somewhere of the order of 2050, so

nearly 35 years out from where we are today. With airports, what you find and, indeed, what our projections demonstrate is that the growth comes in gradually over that long period of time. One of the things to bear in mind is that we are not immediately, overnight, suddenly going to create 22,000 new jobs; this is going to be a lot more gradual process – over several decades, in actual fact.

Clearly we have been looking at the numbers of people on Jobseeker's Allowance, but we have also been looking at the number of people who are unemployed, which is actually a different measure of the potential available workforce. The numbers that we have to some extent chime with Crispin's comments. There is no question that some of the local towns and villages in the local vicinity of Gatwick do indeed have low rates of unemployment. We cannot argue with that. We agree with that. We actually put that into our submissions. That is what has led us to look more broadly across the Coast to Capital Local Enterprise Partnership region and, indeed, up into the boroughs of London. While in due course we would certainly expect, as I said in my opening remarks, that many of the jobs created at the airport would indeed be filled and continue to be filled by people in places such as Crawley, Horsham, Horley and East Grinstead, in actual fact we recognise that we will have to go further afield.

One of the areas which we can use as an example to the north of the airport of course is Croydon. Recently we signed a memorandum of understanding with Croydon because there are great synergies between what Croydon are trying to achieve and what we are trying to achieve. Our statistics show that the unemployment rate in Croydon today is 15,000. That is a big pool of people which we would like to tap into and get back into work. Likewise, if we look to the south, the pool of people currently unemployed in Brighton is 10,000. That is today. As I say, these jobs will be created over a longer period of time.

We are very interested in how we get local people back into work, but we are also interested in how we use the rail infrastructure to get people to and from the airport. If you look at the fare associated with getting somebody from Croydon or Brighton on a return journey backwards and forwards to and from the airport, it is of the order of £11. If you look at the timescales involved, Croydon is around 15 minutes and Brighton closer to half an hour. These are very accessible pools of unemployed people who we would argue would like to get back into the workplace, and we can help them get back into the workplace. We do see that there are big pools of people to be employed who can easily get to and from the airport. If that was not the case, we would not actually be promoting the scheme.

If I turn to the next point, of transport and resilience, we actually look at the airport sector in the first instance as a whole. One of the key arguments that we would make is that to expand Heathrow, which is the alternative option, is indeed a move to essentially put many more eggs into one basket and to create a mega-hub and an over-reliance on one destination or one airport. Crispin, you used some examples of what has happened in the airport sector in recent years, be it events such as flooding or air traffic control problems or snow, or infrastructure issues with station boxes on the rail lines across to Heathrow or from time to time landslips on the way down to Gatwick. We would argue that if you look at the airport industry, what we should do is to try to evenly balance the capacity that we have in our airports around the South East. In some of our early proposals, you will have seen that what we lay out for the future as a vision hinges on having a two-runway Heathrow and, indeed, a successful Heathrow – we are not talking about the closure of Heathrow – having a similar sized Gatwick with two runways and then perhaps, in the longer term, out in the period of around about 2050 or beyond, either a two-runway airport at Stansted or a two-runway airport in Birmingham, and essentially, at a resilience level, starting with balancing out

the capacity across the airports of this very heavily populated area of London and the South East. That is what we are proposing in terms of airport resilience.

Then we start to build down, looking at the resilience of the various difference pieces of road or rail access into the airports. For Gatwick, there is no question we heavily rely on the Brighton mainline, but it is a main line, and that makes it quite unique to the rail lines that go into either Heathrow or Stansted, which essentially go into a cul-de-sac underneath the runways. If you look at the resilience performance of the Brighton mainline statistically, it is actually very strong and it performs very well compared to the western lines heading out across Heathrow. We have done the numbers and studied the resilience of the line today already.

Looking forward, we have also partnered with Network Rail and, indeed, the Highways Agency to try to figure out what capacity they plan to bring into place. Both of those agencies have identified that from a highways and rail perspective Gatwick is road-and-rail ready for a second runway by 2018. That is their analysis, not ours. We have also, particularly on the rail network, worked with Network Rail to look at what future investment they can make to give us ever more certainty of the resilience of the line, particularly in the space of South Croydon down to Gatwick, where of course you have the four parallel rail tracks running along the same area of land.

It is all of those things that have combined to make us believe, first and foremost, that a second runway at Gatwick would give a more resilient airport system, because you would have spread the capacity around the city, and, secondly, that there are things that can be done on the road and rail access that lay down not only sufficient capacity but also sufficient resilience.

With that, I will hand across to Nick to make some comments in terms of the financing aspects.

#### Nick Dunn, Chief Financial Officer, Gatwick Airport Limited

Thank you, Stewart. I will just pick up the comments around the financial case. We have made a submission to the Airports Commission. We remain very confident about our ability to finance that. I think that starts perhaps in the underlying business case for the airport as a whole. In terms of traffic, whatever expansion needs to happen in London to serve future needs has to address a multiple of different airline models. Actually, most travel in the future and the expansion needed relates to short-haul European flights, which will account for 65% of travel. That is a market that is dominated by low-cost and needs to be well served in the future. 20%-odd will be to well-established long-haul markets; and 15% to some of the emerging markets. Whatever proposal comes forward and is successful needs to make sure that the system as a whole can address that. Charges and the level of charges at the airport are central, therefore, to making sure that that can be supported going forward.

When we have looked at our development, we have focused very specifically on how that cost could be maintained at a low level and phased very efficiently, such that we only build things as traffic develops. That way, we minimise risk and we improve the possibility of financing or, in fact, the outcome of financing as a whole. Why do we end up with a very straightforward development? Because we have a very simple concept. It is building on safeguarded land that is largely agricultural and has been safeguarded for 10 years. We are not interfering with any major motorways. We are not suggesting tunnelling the M23 or tunnelling the Brighton mainline. We have a very simple concept. With that simplicity and that straightforward build come lower risk and lower cost. Not only do we have confidence in the level of traffic and the cost that it takes to deliver that in terms of the expansion; that gives us the confidence to say our airport charges will –

and we have been very clear in our document about the level of airport charges we see in the future – be somewhere between £12 and £15 per passenger. That is clearly laid out in terms of what the costs would be.

How does that then translate into the financing? If you think about our first phase of development being around £3 billion, we currently finance our airport roughly two-thirds debt, one-third equity – actually, a slightly higher equity amount. What that means is quite a sizeable equity contribution – over £1 billion – will be needed, and £2 billion of debt financing. We already have a platform that caters for £1.5 billion worth of debt. £2 billion extra debt on top of that is not a significant stretch of the imagination. In fact, we have taken a lot of advice on this and sought the input of the ratings agencies that do cover Gatwick: Standard & Poor's and Fitch, but not Moody's, because Moody's do not cover Gatwick and they do not know Gatwick.

That takes us to the question of equity. A very sizeable equity contribution will need to be made by our shareholders. As Crispin rightly points out, the pension funds that invest in one of our shareholders need to see their monies returned within a set horizon, but the majority of our shareholders are actually long-term international infrastructure investors: sovereign wealth funds from around the world. Even our major shareholder, with 42%, must always look to the long term – and do – because the people that they will ultimately need to sell to will look to the long term as well. One thing that we have made clear – I will share it with you today; we have shared it with the Commission already – is that our shareholders have been very clear that if we need to have a conversation with the Commission or Government in due course to increase the confidence that the equity that it requires will come into this to make sure that we can finance it, that is a conversation we are very ready to have. That is all I was going to say, really, on the financing.

#### **Sir Howard Davies**

Thank you. We are already 15 minutes over time. Are there any quick comments back from the two Members of Parliament before we break for a cup of coffee? Are you happy? Well, not happy. Nobody is happy. That is the burden we have to bear on this Commission. John.

#### Sir John Armitt

May I have one quick question, Stewart? I am a little confused about the extra terminal. You talked in your introduction about the third terminal coming in phase one. That struck me as being earlier than what you have previously indicated. Is it your previous indications that we stick to?

#### **Stewart Wingate**

No. One of the things which we took from the Commission's recent consultation documentation and, indeed, feedback from a number of our major carriers at the airport too was that in terms of the day-one opening of the facilities we may want to consider actually having the third terminal facilities, or the opening phase of those facilities, available for passengers to enjoy, and we also may want to consider having that facility connected automatically with a track transit system which is very similar to the track transit system that connects the South Terminal to the North Terminal today. In our initial plans, in our May submission of this year, we put those facilities into phase two, but on reflection, particularly based on the conversations, in actual fact, that we have had with the airlines – most notably easyJet, our biggest carrier – what we will propose in our response to your consultation and what you should expect from us is that our opening phase now will include the terminal facilities and the automatic people-mover to get people to and from the rail station.

#### Sir Howard Davies

Thank you. That is helpful clarification. We are going to break now, but we are only going to break for just over 15 minutes. We will start promptly again at 11.05 with the three community groups.

[Break]

We are going to restart. It seems rather harder to keep this meeting running to time than it was at Heathrow. I do not know if we should draw any conclusions from that. We are going to have three community groups. Brendon Sewill from Gatwick Area Conservation Campaign (GACC) is first, who has been one of our most assiduous lobbyists and communicators over the last two years, followed by Sally Pavey from Communities Against Gatwick Noise and Emissions (CAGNE) and Major Richard Streatfeild from the High Weald Councils Aviation Action Group. Then we will get a response from the airport to them and then we will move to some public comments.

# **Community Groups' Statements**

## **Brendon Sewill**

#### **Gatwick Area Conservation Campaign**

#### I. Preamble

Thank you, Sir Howard. Can I first of all say to the Commission that we, GACC, do enormously welcome the rational, sensible, detailed and logical way you are conducting this inquiry? We think that it is 1,000 times better than doing it by means of enormously expensive advertising and lobbying.

#### [Applause]

I do have one thing to pick with Stewart Wingate. I am sorry, Stewart; I think that GACC is the only group in Britain that you have not offered free champagne to yet.

[Laughter]

#### **Stewart Wingate**

We will get you some mulled wine, Brendon.

#### **Brendon Sewill**

Thank you. As an environmental organisation, we were opposed to the new runway and nothing that we have heard in the past two years has made us change our mind. Indeed, it has made us all the more concerned about the damage that it would do. The main reason we are opposed is that we

think that putting an airport bigger than Heathrow down in the middle of Surrey and Sussex would totally alter the character of this area forever. We are thinking of our future and our children's future. They would find that they were living in a commercial and industrial area instead of one with fields and countryside. That is because the large number of jobs would cause inevitably substantial migration into this part of the world.

# II. Housing

I just do not buy the argument that everybody is going to commute from Croydon or Brighton. I think it is inevitable that with a large airport the size of Heathrow there would be colossal pressure for housing. We have done the sums again and I am not going to go into all the details. We will be submitting our detailed response and I think that you will find that we have made a very strong case that the original figure which was produced by the West Sussex County Council, or at least by their consultants, of 40,000 extra houses in the area remains about the right figure. Of course, that would mean a huge loss of countryside. The airport and the Commission I think have underestimated the amount of housing because they have not taken account of what is called catalytic development. That will turn you all off, but roughly speaking it means all the new firms coming to this area, which you are going to hear about this afternoon from all the enthusiastic businessmen. Those new firms will all require workers and they will all put pressure on the local environment. We have 40,000 extra houses.

# **III.** Surface Transport

#### 1. Roads

There is also huge pressure on the local roads. Again, we have done our calculation. It is no use Stewart Wingate talking about the number of air passengers; there is also the star airport workers to travel to the airport twice a day and there is also all the workers in these new firms attracted to the area. Again, we have done the sums and we will be publishing them in the New Year. They show that there will be an extra 100,000 vehicles every day on the roads around Gatwick. The roads at present can hardly cope. We all know the M25 sometimes comes to a standstill. I am not quite certain what happens when it is at a standstill for 24 hours. It will be an interesting situation. We were very surprised that Gatwick Airport only put forward very minor improvements to the road system – hardly anything more than is already in hand to deal with the existing traffic. We had to search very hard to find the reason for that. Sir Howard, you helped us because you published all those documents. I think they came to 100,000 pages. It has taken us a little time to get through them. Was it 10,000 pages or 100,000 pages? Which is it?

#### **Sir Howard Davies**

It is more likely to be 10,000. We offer a speed-reading course.

#### **Brendan Sewill**

Yes, 10,000 pages was quite enough, but eventually we found it in the small print. You have looked at the roads in 2030 when the airport is only going at half its capacity. If you look at the figures for when the airport is going at full blast, the M25 certainly is at a standstill and all the local

roads through every village are also at a standstill. That is not an improvement in the quality of life for local people.

#### 2. Rail

It is exactly the same with the railways. We have calculated that it is 90,000 extra rail journeys every day in the vicinity of Gatwick. That is not just Gatwick passengers; that is Gatwick staff and it is all the workers in the new firms attracted to the area. Again, the reason Stewart Wingate thinks he can get away with having a few extra carriages tacked onto the end of the existing trains is that the figures only relate to 2030 and not to 2050. It is not correct in my language to take all the credit for an airport going at full capacity and say how wonderful that will be for the nation and only look at the road and rail when it is at half capacity.

The pressure on the environment is going to be great. Crispin and Henry Smith both drew attention to the impact on schools, hospitals, doctors and so on.

## IV. Noise

We are always told that there are far more people at Heathrow than at Gatwick, so Heathrow would be the perfect place to put a runway if it was not for the unfortunate fact that there are an awful lot of people who live there. That is very naïve, because what all of us have particularly come home to in the past year is that noise over quiet, peaceful, rural areas causes a huge amount of disturbance and anger. I am not going into the noise in any great detail because I have two practical exponents of what the noise is like sitting on my right and I will leave it to them, but if you take into account that there are rural areas all around Gatwick where the noise is much more annoying than in an urban area then you have to look at a much wider area and therefore many more people are affected at Gatwick. Therefore, the simple comparison between 300,000 and 30,000, or whatever the figures are that Stewart reeled off, just does not work at Gatwick.

# V. Heritage

I would like to mention the heritage, because I spent some time on the National Trust Council so I learnt about stately homes and all that. At Gatwick the runway would demolish 18 listed buildings. I have talked to the Society for the Preservation of Ancient Buildings, who tell me that that is more than at any time in Britain since the second world war. Stewart, you will be glad to hear that Hitler did better than you but you come a close second.

[Laughter and applause]

# VI. Climate Change

Very few people mention climate change. The Commission have convinced themselves that you could just squeeze in another runway and still be within the climate change targets, but that depends on some rather heroic assumptions. It assumes that all the rest of industry will cut their emissions much more than aviation. It assumes that none of the regional airports will grow, so somehow the Government has to say 'No growth at Manchester' or Birmingham or anywhere to allow a new runway at Gatwick, which it does not seem very likely. It assumes that the scientists will not find that aviation emissions at high altitude are any more damaging than at present. That, again, seems

unlikely. We are not certain that the Commission's conclusion that you need another runway is actually going to stand up to close examination.

## VII. Stansted

If I am being critical of the Commission, which I must not be because they are all wonderful people, I do feel that they have had a terrible blind spot about Stansted. Some of my best friends live at Stansted so I do not want to send all our misery off to them, but I do think that the Commission was a bit short-sighted in leaving them out of the initial list of options, especially as the Government 10 years ago decided that Stansted was the best place to put a runway and, indeed, if we had done what the Government suggested 10 years ago a new runway at Stansted would be up and running by now and we would not be sitting here, which just shows how ridiculous aviation forecasts and Government planning are. The Commission have left out of their account competition from Stansted; the fact that you now have Stansted up and running with a new management who are going to do all they can to attract business away from Gatwick. In all Gatwick's arguments about, 'Will it not be wonderful because Gatwick can produce more competition with Heathrow?' they forget that there is already plenty of competition from Stansted. Finally, since Stansted is only half-full at present, there really is no urgency for a new runway at Gatwick.

[Applause]

## **VIII. Questions**

Am I allowed to have two questions?

#### **Sir Howard Davies**

Yes, quickly.

#### **Brendon Sewill**

Could I have a question to Mr Stewart Wingate? Could he tell us the cost of his advertising campaign?

#### **Sir Howard Davies**

We are going to roll up the questions afterwards. We are not going to have a dialogue just now, because we need to get the others in.

#### **Brendon Sewill**

I would like a one-sentence answer to the cost of the advertising campaign.

#### **Stewart Wingate**

£1.75 million.

## **Brendon Sewill**

Thank you. And could I have a question to Sir Howard? Could you please confirm what your spokesman said at the weekend: that the Commission has not been in the least influenced by the expenditure on advertising?

#### Sir Howard Davies

Yes.

#### **Brendon Sewill**

Thank you.

## **Sally Pavey**

#### **Communities Against Gatwick Noise and Emissions**

## I. Preamble

Good morning. A year ago I probably would not have thought I would be here talking about Gatwick today. How life has changed in a year. Thank you for asking me to speak on behalf of CAGNE. Let me start by saying that we are not opposed to aviation and we are not opposed to Gatwick Airport, but we are opposed to what Gatwick is proposing: an expansion of an airport that will devastate our communities and this whole region of England.

# **II.** Impact of Gatwick Expansion

#### 1. Overview

Gatwick's proposal will impact on our lives in three main areas:

- Local towns, services and amenities will be pushed far beyond their limits in ways that can only spell disaster for the precious countryside we have an obligation to protect.
- Local infrastructure and roads will be swamped as airport workers and holidaymakers attempt to navigate a single motorway and a single railway line that reaches Gatwick from London. It spells disaster for local roads on a daily basis, let alone if there was an accident or a closure.
- Our quiet rural areas will be hit by unprecedented levels of new and increased noise. Many of our communities will be exposed to the impact of aircraft noise for the very first time. The recent flight path trial is the very reason so many people – hardworking mums and dads – have come together to form CAGNE.

### 2. Workforce

Estimates say that up to 90,000 more workers would be needed for an expanded Gatwick, an airport bigger than Heathrow planted right in the middle of this community. Only 26,000 people currently claim Jobseeker's Allowance in this region. Where will the remaining 64,000 people come from? Where will they live? One in five who work at Heathrow live next to Heathrow. How will they travel to the airport? By train or by road?

## 3. Housing

Without this unnecessary expansion, we already have a shortfall of almost 5,000 homes every year in Gatwick's six local councils. If we accept on face value Gatwick's guesstimate that only another 9,300 homes would be needed, where will they come from if we cannot keep up with the existing demand? Where will they be built? What parts of our countryside in West Sussex will we be forced to lose to make way for bricks and concrete – not forgetting the ancient woodland that the runway will remove? What schools for children, what health services, what hospitals and GPs will be provided, and who will pay for them?

## 4. Countryside

In all the documentation published by the Commission, many of these issues seem to have been forgotten – the enormous knock-on effect and strain on our area, unequipped to absorb an expansion of this magnitude. An airport bigger than Heathrow will be airlifted into the English countryside – a countryside we know and love; the reason why many of us moved here. Rural areas are priced on tranquillity and the surrounding beauty and its countryside. It does not benefit from London house prices that are not affected by aircraft noise. This is not London, nor do we want it to be.

#### 5. Surface Transport

By 2030 we can expect 60 million passengers to be using local transport to get to and from a two-runway Gatwick. Those of us who are local know that public transport can only mean one of two routes: one road and one railway. Even with improvements currently in the pipeline, the M23 will reach capacity in 2030 and exceed capacity in 2040. This is without an extra runway at Gatwick. Similarly, on the railway network, planned changes will only create enough additional capacity to meet around half of the new passenger demand. Commuters already paying a premium will endure slow, crowded services into London, something the Commission's own report recognises. Our commuters already endure the Brighton-to-London mainline, which is already pushed to the brink. It is the second most crowded in the country. Adding around 90,000 extra travellers to the area is not going to help. What a welcome for tourists and what a great way for us to get about our daily lives.

With all due respect, I would like to ask the Airports Commission how you arrived at the conclusion that one road and one railway line can accommodate 60 million passengers. That is without the local people who live here and rely on the roads to go about their daily lives. Moreover, what will happen if there is an accident on the M23 or M25 and passengers are forced onto the local roads to catch their flights, or, similarly, when there is inevitable disruption on the rail? It would seem Plan B is to heap more misery on local people. We already have volunteers answering 999 calls.

#### 6. Noise

Gatwick's proposal also ignores the fact that aircraft noise in rural areas is far more intrusive than in an urban environment. In fact, can Mr Wingate even tell us how many people will be affected by noise under his new proposal? Every time he is asked – even today – he seems to have a different figure, but of course that is all within the magical 57 Leq. The ADNID trial route is now one of the indicative routes off a new runway. Gatwick have created a moving feast for all their neighbours by continually changing their story. That is why so many opponents are here today.

## **III.** Local Consultation

The views of those affected have been ignored. Those trying to call the Gatwick noise line today receive a message that Gatwick will not repeatedly supply or continue to discuss the same subject. They omit to publish the 6,300 that said no to a new runway. As Gatwick's neighbour we have a right to be heard about what happens to our communities. Lots of people are making the same points and it should not be systematically ignored. It is with that that I thank the Commission for holding this very important meeting today, with Gatwick's management present, to hear the community voice. Gatwick's new runway consultation was instigated in May, by which time Gatwick had already submitted their proposal to the Commission. It demonstrates a total disregard for the views of local people. Indeed, the proposals consulted on were not even accurate. For instance, they stated the number of passengers as 87 million; in actual fact it is 10% higher, at 97 million. I recently asked Mr Wingate why Gatwick would not attend local meetings and he commented that they would not. Now, as the Commission arrives in town, Mr Wingate offers to meet protest groups about aircraft noise.

For Gatwick this may be about business, but for our communities it is about the quality of our lives and people's lives. For example, Forge Wood, a new development with housing, a primary school and outdoor areas, will be about a mile from the end of a new runway and yet it appears on no maps. Gatwick would have many believe that it has great local support, but if it took the time to engage with local communities it would soon appreciate the full weight of concern and the opposition that thousands of people and organisations have represented here today.

# **IV.** Concluding Remarks

With the full endorsement of many West Sussex parish councils representing thousands of people, I can firmly say we strongly oppose a second runway at Gatwick, not because of the secrecy or the lack of consultation, not because it takes the Commission to force Mr Wingate to speak to the community, but because this is an ill-considered proposal that does not work on so many levels. It has no consideration of the blight on our community, the strain on our local services, the explosion of new noise on our villages and the transport and housing required. Expansion at Gatwick will leave a permanent mark on yet another part of the British countryside, something that all of us in the room will fight to protect for future generations. Gatwick is not the easy option. Gatwick is big enough. We will fight this all the way to stop Gatwick expansion. We will stand in the way of this offshore-owned company. We will show them that they have made a bad investment in Gatwick. We will use any means possible to stop a second runway being built at Gatwick. Let me be clear: if you approve this scheme, we will not stop opposing a second runway at Gatwick Airport. Thank you very much.

#### Sir Howard Davies

Thank you. We now move to Major Richard Streatfeild, who is probably the most relaxed person here today, because he has a lot of experience of operating in warzones.

# Major Richard Streatfeild HWCAAG

## I. Preamble

I always like being introduced as Major Richard Streatfeild. It makes me sound like a bit part in *Fawlty Towers*. Sir Howard, thank you very much for the invitation to speak to the Airports Commission and to the management at Gatwick, although I have to say that I am extremely disappointed to be here. A year ago, like Sally's group, we did not exist, and I can honestly say that we did not expect, believe or think that Gatwick would make your shortlist. That we have grown in the number of councils exponentially in itself should challenge your assumption about the deliverability at Gatwick. I am here because I have a mandate from 11 councils in the High Weald representing 18,000 people. I am confident that by the time this consultation period finishes the policy that started as the construct and common mind of four parish councils will be adopted either in name or in practice by all of the councils across the High Weald and further afield, representing at least 200,000 people.

As we have heard already – and we thoroughly endorse what has been said by Crispin Blunt and Brendon and Sally – the funding risk and minimal economic benefit of Gatwick expansion seem to belie the key aims of your Commission and your stated objectives. If the economic and financial case is shaky, the environmental case is non-existent. Perhaps you think it might be socially, politically or legally more acceptable to put new capacity at Gatwick. I am here to bear witness to the fact that it will not – not because of the quantity of the effect but because of the quality.

## **II.** Relations with Gatwick

Before that, I must bear witness – and it gives me no pleasure to do so – that there has been a catastrophic breach of trust between the airport and the communities around it and with assisting the Commission in this process. As you have heard already, yesterday invitations went out to local individuals and parish councils to give their views on this scheme. Too late. Far, far too late. White paint on the grave. We all wish to see Gatwick as a successful regional airport, so it gives me no pleasure either to say that they routinely lie to us.

#### [Applause]

As routine business, they are prepared to obfuscate, to mislead and to evade. They even lie about the lie. As one of my company sergeant majors was prone to say about the more errant riflemen in my former life, 'Sir, they cannot even lie straight in bed'. For those in the High Weald, this is the one that hurts the most. In 2012, they began to change the way they used the airspace to get more planes into Gatwick, taking a longer route, flying over many more people far more often below 4,000 feet. As people began to notice, Gatwick consistently said nothing had changed. That is still

their public position. It was not until we got the maps from the CAA under the Freedom of Information Act that proved the change that the Chief Executive of the CAA told us last week air traffic control had been 'trying out new vectoring choices'. Nice semantics. We also discovered that the head of NATS at Gatwick put on a blog in 2013 that there was a trial – the exact words used – and the shortened[?] flight path had been removed. Gatwick told us there was no trial and no change. Why did you lie? That is the first question.

They ran a consultation on a new flight path. Ipsos MORI said they would publish the results in September. Gatwick have made liars of Ipsos MORI on their behalf, and we believe they did so in order that they did not have to tell you, Sir Howard, the results before you put out the consultation papers. The second question: why did you get Ipsos MORI to withhold the results from us and from the Commission, Mr Wingate?

They continue to mislead us and you. The latest one is that the new concentrated arrivals and the second runway are not linked. We know it is simply not possible to get the quantity of planes into Gatwick without those new flight paths. They are linked. Why will you not be straight with us or the Commission?

# **III.** Impact of Gatwick Expansion

## 1. Tourism, Schools and Countryside

Trust is gone, and so will our economy, a notable omission from the proposal and the consultation documents. 2 million tourists – a conservative estimate – come to the High Weald. 300,000 come to Hever Castle alone to get on the Tudor Trail, to see the family residence of the mother of the virgin queen. What they get is Virgin Atlantic overshadowing their experience. 250,000 planes a year will kill it dead. Why will you not release the data of the noise meter at Hever Castle that proves the extent of the intrusion and undermines the noise data in the consultation documents? Furthermore, this new route goes over six schools. We know it will be damaging children's concentration at school and expose them to high levels of pollution. The heritage, the tranquillity, the quintessential character of the High Weald and the garden of England elsewhere is about to be lost to the bucket-and-spade airport: the returning Sunday afternoon boozy boys' weekend to Prague and the 01.00 flight from Geneva so the Biltons can get a little more chalet time.

#### 2. Night Flights

Then there is the killer argument. You may have noticed the Senate Intelligence Committee report into the torture carried out by the CIA on so-called black sites across the globe. Second on their list of abhorrent practices was sleep deprivation.

#### [Applause]

Our quality of life will be diminished. Most importantly, our life expectancy will shorten. Long-term sleep deprivation will kill you – not according to me, but to the World Health Organisation. It is the key difference between Heathrow and Gatwick. Heathrow accepts a quota of 3,500 night flights, not campaigns to maintain 11,800. That number is not sleep disturbance, Sir Howard; it is sleep deprivation. Heathrow puts the majority of night flights before 23.30 and after 06.30. The bad neighbour flies in all through the night. The better one definitely puts all of

their flights after 04.30. The bad one makes night flying as cheap as possible and will not even acknowledge that there is anything wrong.

#### [Applause]

That is why Gatwick is such a bad neighbour right now and will be a worse one in future. But it is the season of goodwill, so I have brought some Christmas presents. An alarm clock set for zero-one-something for you, Sir Howard, and for Mr Wingate. I challenge you to do a week of that. You will find that it is just time to get into a deep sleep before being woken up. I know something of this for real. Sleep deprivation is physical torture. My questions are:

- Do either the Commission or the airport really want to facilitate the torture and ultimately the early demise of innocent people?
- Why is this not costed in?

# **IV.** Concluding Remarks

I also wish to bear witness, finally, to our determination to prevent a second runway at Gatwick. If you think the anti-Heathrow campaign is well-organised and well-funded, by the time 2015 is out you have my word that we will make them look like the Mad Hatter's tea party. We know now that if Gatwick were to be chosen we would be in a fight for our lives. It will be a fight to protect some of the most vulnerable in our communities from dying before they have to, a fight to defend our quality of life from the uncaring and unscrupulous, to protect some of our most precious green and pleasant land from being desecrated for personal and corporate gain. Sir Howard, I hope you really understand what you will ignite. We will campaign in the newspapers, in the courts, at the ballot box and in Parliament. We will fight those battles in Kent, in Sussex and Surrey, in Westminster, Brussels and Strasbourg. We will call you out in the town halls and the council chambers, in the Treasury, at Revenue and Customs, in the Channel Islands, in the board rooms in Korea, Australia, Abu Dhabi and California. We will take this fight to the City, the Stock Exchange and the Old Bailey. Trustees will be made answerable for your actions. You will find us protesting on the runway and on the airwaves, on your way to work and on your way home, day and night. We will not stop and we will not give in until we have a mutually acceptable solution.

The solution is simple: disperse the aircraft and make them fly the greatest height that is safe, stop the night flights and do not build an additional runway. Gatwick is big enough already.

# **Responses**

#### **Sir Howard Davies**

Stewart, could I try to group some of these points? I think initially I would like you to try to deal again with three things, really. One is the trials and the consultation. You have said something about that, but clearly you have not answered all of those questions to everybody's satisfaction. Secondly, the noise, and particularly night flights, which have emerged from these responses to be a very significant issue. Then, thirdly, housing and local services. You said something about

employment particularly last time, but I think the housing issue is one which has been particularly raised. Perhaps I could ask you to pick off those three things to start with.

#### **Stewart Wingate**

Perhaps, Sir Howard, what I will do is comment on the recent airspace trials and the consultation. I will then ask Alastair to say a few words on noise and night flights and then I will come back in and talk about housing and local services.

If we just start with the trials and the consultation associated with those trials and the reason for the trials and, indeed, the changes that have been implemented, to put it into context, what we are trying to do at Gatwick is to be right at the forefront of utilising the new technologies that are available to our industry in order to minimise the populations and the impacts of noise to those communities which are right on our doorstep. Certainly when we went into the implementation of precise navigation on the departure routes and also when we went about doing the ADNID trial, what we were interested in was to see how effective the precise navigation would be, how safe it would be to practise, and whether or not it would, among other things, have a benefit to communities in terms of flying over and impacting fewer people than was otherwise the case.

Of course, we do find ourselves, as the airport, right at the forefront of this because we are by far the leader in this area in the UK. None of the other UK airports is advanced as Gatwick is. If you look at the work that has been done on the precise navigation, the trials started as long ago as six or seven years ago, but of course the trials that were done over that prolonged period of time accounted for only about 5-10% of the flights. What we have learnt this year with the trials are really two things, I believe.

The ADNID routing, so everybody knows exactly which trial we are referring to, is the routing that went close by the village of Warnham, among others. I think really what we learnt there was that with the precise navigation there is no question that the planes fly on very precise tracks indeed. In fact, the terminology that is being used is 'concentrated' tracks. Of course, this is exactly where the Government policy of our land has been placed for at least the last 10 years, essentially encouraging the airlines and the airports to put in place precise navigation such that by flying it you would overfly a more concentrated area and thereby, if it was a more sparsely populated area, impact fewer people. Historically we have had the likes of noise-preferential routes (NPRs). To some extent there has been concentration within the NPRs, but believe you me we have found over the course of the last 12 months that precise navigation has taken this to a whole new level of concentration – in fact, so much so that what we are now doing at Gatwick is turning back to the DfT and the CAA and saying, having had our experiences and the community response that we have had, 'Is this actually the right policy to have?' At the same time, we are not saying, 'Let us go down a fully dispersed model'. I suppose what we are representing back to the industry and the regulatory bodies is that perhaps we need to think again about how we utilise this precise navigation technology to more closely mimic what was the situation in the past, when you had some level of randomness within certain bounds using the radar technology. We have found ourselves in a place where we really are learning and learning fast. As I said earlier, we have no immediate plans to make the ADNID routing permanent.

#### [Heckling]

If we were to do that, we are fully aware of the fact that it would require a public consultation and, indeed, a Secretary of State decision. It goes way beyond the authority of the airport.

If I now move to the NPRs, where we have been utilising the precise navigation on the NPRs, as I said in my opening remarks, for eight of the nine NPRs we have record-level performance in terms of our compliance with the NPRs. What we also have is an absolute concentration in these routes. We are having feedback from communities who are saying surely we should try to disperse more in line with what was the case before, and we are starting to have the discussions with the regulator and the DfT about how we can achieve that. We do have the one route, which is the Lambourne wrap-around, where undoubtedly, with the use of the precision navigation techniques, the planes are spilling out of the top side of the Lambourne wrap-around, and that is bringing into a more concentrated noise envelope people who previously were not directly overflown. This is something which, as I said in my opening remarks, we are now working with the campaign group on, but we have been working with the DfT, the CAA and NATS to see what can be done to get the level of compliance back to where it was previously.

I think if you look at those two instances – the ADNID one was a trial; the other one is actually an implementation – the key learning, as I said in my opening remarks and I think Sally actually said, is that what airport operators, the Commission and others should expect is that when new communities are overflown there will be an outcry. At Gatwick we are under no illusion whatsoever that that is the case, and that will be the case at Gatwick or at Heathrow.

Let us go across to the other side of the runway – the eastern side – and this matter of the flying of the routes over the Weald. I have not had the opportunity to meet with Richard as yet, but I have met with other campaign groups in your area and I have done that over the last five years.

## Major Richard Streatfeild

There were no campaign groups in our area until last year.

#### **Stewart Wingate**

I think you would find that GATCAN actually was over in that area. I think you would find that David Baron was over in that area and that Duncan Leslie, the CEO of Hever Castle, is in that area. These are all people who are over in that area and all people who I have personally taken the time to meet and sit with to try to understand the issues. Your group is new and we look forward to meeting with you in the New Year. Certainly I will commit to meet with yourself and representatives of your group in the New Year.

If you look at the changes over to the eastern side of the airport on the westerly approaches, my interpretation of the letter which Andrew Haines, who is the CEO of the CAA, sent to yourself, Richard, last week – I am sure Andrew would be very happy to have that shared with anybody in the room today – is that the practices over on the eastern side of the airport actually fall within the parameters within which NATS are allowed to operate. I think it was quite clear on that particular point. Having said that, what it did go on to describe was the fact that in 2012 the vectoring point onto the instrument landing system did move back from a range of, if I recall correctly, somewhere between seven and 12 miles to about 10 and 12 miles. What he pointed out, I think quite clearly, was that this in itself does not constitute an airspace change. Hence the position of the airport is that this has not been a change – or an airspace change. We may be getting hung up on a slight technicality between the two of us –

## [Heckling]

But the viewpoint of the regulator of the country, which is the Civil Aviation Authority, is that the changes that have been taking place over to the east of the airport, where NATS have been vectoring the planes further out to get approach stabilisation, do not constitute an airspace change.

#### **Sir Howard Davies**

We are going to move on to noise and night flights particularly.

#### Alastair McDermid, Airports Commission Director, Gatwick Airport Limited

If I can divide my comments between daytime noise and night-time noise, on daytime noise I would echo the comments that Stewart made in his opening remarks. We have acknowledged in all of the assessments that we have made that daytime noise will cover a larger area and will cover more people. I am afraid that is unavoidable and we have never suggested that it would be possible to put down another runway in the West Sussex countryside and avoid that happening. The job that we have tried to take on board is to make sure that those adverse noise effects are no greater than they need to be and then, secondly, where they cannot be reduced further, to mitigate them through the noise insulation programmes that Stewart mentioned and then, thirdly, to compensate people who are most severely affected by noise in the way that Stewart has mentioned.

The figure that Stewart gave in his opening remarks of an additional 18,200 people newly affected by noise in what is called the 55 Lden contour is a significant number of new people. We do not think we have yet exhausted the scope to bring that number down. The work that we have done to illustrate the noise impacts of a second runway at Gatwick was actually started about a year ago now in the lead-up to our public consultation exercise that was referred to earlier and fully set out in our consultation exercise that was mentioned earlier. That number I believe is capable of being reduced, but even if it can be reduced by a significant amount that still leaves a significant number of people newly affected by noise, and we are not trying to shy away from that. Again, as Stewart said earlier, that is a point that we know the Airports Commissioners will take into account when they are making their final recommendations and weighing the balance here.

The night noise regime at all of the London airports is governed by the Secretary of State for Transport and generally revised every five years, although the present ones have existed for a longer period of time. The job that the Secretary of State tries to do is to weigh the balance between what he perceives to be the benefits of additional air traffic in permitting a degree of flying at night time as against the adverse effects. Again, views on that tend to be very polarised between those who suffer the effects of it and those who benefit from it. In doing the work that we have been doing in relation to a second runway, we have not known for sure what the future night-time regime would be, since it is subject to the Secretary of State's further decisions, so for the time being we have assumed that the present regime would continue because we take that to be a neutral assumption. It may well be that the number will reduce. We simply do not know.

#### **Stewart Wingate**

In terms of housing – we will maybe keep the comments reasonably short on this particular one – what we have put forward at Gatwick is that the housing demand associated with the additional circa 20,000 jobs at the airport will be 9,300 additional homes across the region. In terms of the support infrastructure that will be required by local councils for these houses, what we have proposed – I think we are unique in this; I believe Heathrow have not proposed to match this – is that for each and every one of those homes we, as a private business, will match-fund what is called

the New Homes Bonus. The New Homes Bonus is a central Government grant that is paid to borough councils who approve the planning permissions for new properties within their borough. We will do that for each and every one of the 9,300 homes, which has a total cost of some  $\pm 50$  million.

# **Public Gallery Statements**

#### Sir Howard Davies

We now have some time for public comments. There are three people hovering with microphones. It is helpful if, one, you say who you are and where you are from and, two, if you keep to a minute or two.

#### David Blackman, Chairman, Worth Parish Council

Thank you very much, Sir Howard. First, I would like to express my dismay that I can see at least 20 spare seats in here. When my council applied for four seats, we were told this was sold out.

#### Sir Howard Davies

It was.

#### David Blackman

Worth Parish in Mid-Sussex is the area most affected by noise in the east of Gatwick Airport. We have two large villages, Copthorne and Crawley Down. Copthorne is a rural village of about 6,000 people. It is currently experiencing great noise when aircraft take off to the east and immediately bank south while gaining height. This noise starts at 05.30 and goes on until 02.00 the next day. This is from the existing runway, which is one mile north of Copthorne. A second runway 1km further south would place Copthorne as an overflown village. The noise for all residents would become unbearable. The next village, south-east of Copthorne, Crawley Down, is also a rural village of about 7,000 population. This will experience what Copthorne is currently experiencing, as they will become more under the flight path as well. We have yet to see a noise contours chart to accompany the indicative flight paths. The ones that we have seen assume the same NPRs as at present, just shifted 1km south. No efforts have been made to set up noise and pollution monitoring stations in Copthorne and Crawley Down, despite an open invitation from the parish council. Even were they being monitored, as Richard over there said, the current noise measurement calculations and associated acceptable thresholds are generally recognised as being unrepresentative of the actual nuisance impact and the effect on health, especially in rural areas. My last point is that Stewart Wingate earlier said there would be an additional 1,800 people affected. Alastair has just said an additional 18,000. Which is it? I suspect it is 18,000.

## [Ray Smith?], Campaign to Protect Rural England

I would like to make two points. First of all, England is the most densely populated country after Malta. There is a huge need to rebalance the economy to the north, but we do not have a national spatial plan, unlike most other European countries and, indeed, Wales and Scotland. The fact is if we did have a national spatial plan the Gatwick expansion would fall at the first hurdle; it would fall at the strategic fit stage. It is because we do not have this that Gatwick has got off first base.

My second point is about Stewart Wingate's pledge to do everything to mitigate and compensate for the noise from the flights. Stewart, what use is your loft insulation to people in parks, gardens and playgrounds? What use is your double glazing for people trying to go for a quiet walk along a footpath or a country lane? The fact is there is nothing you can do to mitigate or compensate for the huge disruption to tranquillity. All you can do is avoid it by not going ahead with a second runway. Thank you.

#### Cllr John Northcott, Executive Member for Planning, Mole Valley District Council

Mole Valley is a largely rural district lying to the immediate north west of Gatwick Airport. The dilemma is that while the economic effects benefit the wider region, the harmful effects will be felt in a much smaller area in the districts around the airport. For Mole Valley, noise is of concern, as is congestion on the roads and rail, and pressure for more housing.

Firstly, noise. We know from recent experience that even small changes in noise disturbance give rise to real distress. Noise is particularly disturbing in a rural area such as Mole Valley, where background noise levels are low. This is a real difference between Gatwick and Heathrow and one that may not be appreciated.

Secondly, congestion. Your own study, Sir Howard, shows that planned improvements to the road and rail networks serving Gatwick will not be enough to accommodate demand at peak periods. A second runway at Gatwick would make that situation worse. We do not accept the argument that because airport trips are only a small proportion of the total they do not matter. This is probably the issue of most importance to local people.

Lastly, housing. Your report makes an overly simplistic assumption about where housing would be located. The reality is that the bulk of new housing would need to be provided close to the airport because that is where employees would want to live. Some areas, such as Crawley, are already built up to their boundaries. Others, such as Mole Valley, are covered by the green belt or areas of outstanding natural beauty. I do not think any Government is ready to abandon the green belt. For these reasons, I challenge the assumption that the housing demands can be accommodated as easily as your assessment suggests. Thank you.

#### Helen Reeves, Copthorne Village Association

Copthorne is one of the largest villages in West Sussex, living peaceably with Gatwick, as at last year, on its doorstep. As the crow flies, the second runway will be less than 3km from Copthorne. Copthorne has been consistently overlooked, ignored and left out by GAL. Copthorne has to be the most seriously affected populated area. Copthorne has about 2,000 existing residences with a population of approximately 6,500. Planning permission has recently been granted to St Modwen for 500 more residences and Wates are applying for 60 more residences. How can anyone live with aircraft taking off every 60 seconds, flying at about 1,800 feet above these residences – all through

the night too? Add in Donewood[?], Furnace Wood and Crawley Down, who will all be seriously affected. Across the M23, nearer to Gatwick, Forge Wood is being built with 2,000 residences. I believe that actually joins on to Gatwick land. GAL says only 163 houses will be pulled down, so where will you count the uninhabitable villages like Copthorne? Thank you.

### Victoria Banks Price, Woodland Trust

I would just like to raise the issue of ancient woodland, which seems to have been ignored in today's debate. The proposed second runway at Gatwick would destroy 14 hectares of ancient woodland. These woodlands are at least 400 years old. They probably date from the last ice age and represent the UK's most biodiversity-rich land habitat. Thank you.

## **Cllr Roger Arthur, Horsham District Council**

We had a meeting a while ago with some of the representatives from Gatwick who are here today. I asked them two questions. One was: 'How much are you going to fund for the infrastructure?' They gave a figure which would probably widen about one or two miles of the M25. I then asked them another question: 'What is the total cost of the infrastructure?' 'We do not know.' To have reached this stage in this process without knowing the total cost of the infrastructure is incompetent, I submit, Mr Chairman. I ask the question again: what is the total cost of the infrastructure? At the end of the day, I suspect that it will be the residents of the surrounding districts who will pick up the tab.

We all know that large companies avoid taxes by funnelling their profits through offices in Dublin, Malta and the like.

#### **Audience Member**

Some.

#### **Cllr Roger Arthur**

Some companies do that. I am not saying they all do that, and I am not saying they are doing it illegitimately. I said 'avoid', not 'evade'. What I would like to know and I think a lot of people around here would like to know is: in view of the fact that so many of these funders are from abroad, what are the profits going to be in terms of capital gain and revenue, and what percentage of those profits will remain in this country in the form of taxes?

#### Ian Trevett, Platinum Business Magazine

We have been doing the magazine for about a year and we spoke to an enormous amount of businesspeople locally. The support and excitement for the airport is virtually unanimous. Business-wise there is a huge appetite for this airport. The question I would like to ask is something I have not heard raised before. What happens to the airport that does not win the bid? I believe that if Gatwick were to win, Heathrow would still thrive as a two-runway airport. I worry, and a lot of the businesspeople that we talk to worry, that if Heathrow was to have three runways as opposed to Gatwick's one, Gatwick could become more irrelevant and it could become side-lined, as in Stansted Airport.

#### [Heckling]

There is enormous fear among the business community about this. If we have thee runways against one, there is a fear that this could actually happen. That is an issue that I think should be addressed. Sir Howard, is the impact on the losing airport something that is considered in your process?

#### Sir Howard Davies

We are going to try to wrap up issues at the end, rather than go backwards and forwards with questions.

#### Gary Whitworth, Chairman, Limes Avenue Action Group

Our members are particularly concerned about the proposal for a second runway at Gatwick. The most serious issue, however, is the increased risk of flooding. Gatwick has already flooded several times, and that is with just one runway. With a second runway you are going to be covering a huge amount of additional land and the water has to go somewhere. Could Mr Wingate give us an assurance that there will be no additional risk of flooding in this area as a result of a second runway?

#### Sir Howard Davies

Thank you. I am going to ask him to pick up a number of these points later on in the day.

#### Penny Shoebridge, Charlwood Parish Council

The communities of Charlwood and Hookwood combine to form the civil parish of Charlwood, with some 2,000 people and 900 homes with a lively and vibrant, family-orientated community. We are totally opposed to any second runway. Charlwood has the longest continuous adjoining border with Gatwick of all the local communities around the airport. Charlwood can trace its roots back many hundreds of years. We have an outstanding grade one listed Norman church with nationally important wall paintings, as well as 80 listed properties, many of which date back to the 1500s. A second runway at Gatwick would have a severely detrimental impact on our community and our daily way of life. The impact of land take from within our parish, the road closures, diversions, neighbouring woodland destruction, water-course re-routings and wildlife habitat destruction would change the character of the parish and its surrounds forever.

Noise and air pollution increases would affect the whole parish. In particular, Gatwick Airport admit ground noise would increase significantly and this without any realistic means of attenuation. The additional traffic, exacerbated by the local road closures, would have serious impact on our villages: more noise, more pollution, more risk and danger for everyone. Access to and the capacity at local schools, hospitals and GP surgeries would be greatly affected by the incoming labour force needed in the area. This too would contribute to a decline in the quality of life for our local residents. Local small businesses based in the parish have commented that a second runway would bring access difficulties, greater competition for housing for their workforce, significant competition with Gatwick for unskilled and semi-skilled labour and the removal of the pleasant working environment they now enjoy. In 851 the women of Charlwood defeated the invading Danish army. In more recent years, there have been three attempts to inflict a second runway on the parish of Charlwood, all of which have been seen off. Charlwood parish will defeat this again.

#### Paul Garber, Capel Parish Council

Capel Parish lies immediately to the west of the airport on rising ground. Mole Valley have already indicated the issue with regard to housing problems. I am going to address another issue linked to that. It is very important that many of the local plans have been postponed due to decisions of the Communities Secretary regarding housing provision and in relation to green belt issues. We know from the housing numbers, just taking percentage requirements, that at least 1,000 hectares of greenfield sites, green belt or otherwise, will be lost. They will have to go through a planning process that is not going to be confirmed certainly until the latter part of 2016-2017, way after decisions are made with regard to housing provision. How is the expectation of meeting the 9,000 or however many dwellings that are going to be required to be taken out of the greenfield/green belt sites going to be achieved if they have not gone through the statutory planning process?

The second part of my point relates to a site that has been referred to. I promoted the Forge development on behalf of my company. I am now retired. In evidence to the inquiry, accepted by the current Secretary of State, two things happened. First of all, 60% of the 2,000 dwellings would be affected by the 57 Leq levels of noise. 27% of all the dwellings would have a major impact if you were in the garden. How is that going to be addressed? Finally, the evidence of Gatwick Airport Limited to that inquiry made it very clear that there was no legal way in which they could be obliged to make the contributions that Stewart Wingate has been required to make. The question I put to that is: how is he going to achieve that within a legal framework? The final point, if I may say, is: why, both in the original documentation that came out a few months ago and in the current proposal, is the Forge development – a development which will house over 6,000 people, with 2,000 houses, schools and open space – very clearly excluded from all of the plans? It is excluded. To demonstrate how it is has been cynically excluded, the noise protection areas that are demonstrated on plan show how the Manor Royal industrial site is going to be protected by noise bunds; it certainly excludes any link to the Forge development.

There are key issues, key exclusions and some key answers as to how you are going to meet the housing provision given the greenfield sites, the statutory process and planning, and how the legal requirements to compensate what has been referred to will endure in terms of time. Those are issues that I would like clear answers to, and I think they are issues, sir, that you have to address.

#### **Audience Member**

Sir Howard, I am talking really about the financing of Gatwick, against the background of a major rating agency saying that Gatwick is facing a significant financing risk and that a new runway at Gatwick would be damaging to the airport's business, the involvement of Gatwick in a so-called Eurobond scandal, the declaration by the Prime Minister and the Chancellor of the Exchequer that tax avoidance is immoral and the Public Accounts Committee Chair saying that corporation tax avoidance is outrageous. We deem Gatwick to be financially so frail as to be disregarded for any further development, let alone a new runway that will devastate a vast swathe of southern England with no benefit whatsoever to the country. The British taxpayer can no longer be expected to participate in the immoral act of pouring millions of pounds each year into the foreign tax-avoidance companies that own Gatwick.

#### **Jenny Frost**

I am speaking on behalf of Ifield Village Conservation Area. We are part of Crawley. We are one of nine conservation areas in the town and we are in the north-west part of Crawley. The
conservation area is noted for its historical features, its village green and its meadows, which are sites of nature conservation importance. It has thriving community activities, including a local theatre company, an annual May fair, an active church community, and cricket and football teams. If Gatwick is expanded, the airport boundary will be 200 metres from the northern edge of the conservation areas. Planes will be taking off at full throttle about 650 metres away and circular walks into the countryside will be unbearably noisy. The whole of the conservation area will be above the 57 decibel level, half above the 60. Noise apart, we are mindful of the fate of Lowfield Heath, an erstwhile village on the boundary of the present airport. We can foresee the same happening to Ifield village, where warehouses, commercial premises, car parking and B&Bs replace family homes. The village's thriving community activities will go. We have other concerns which have already been explained by other speakers. 90 seconds does not allow me to expand on these. We shall do so in our written response.

### **Stuart Spencer**

I am a resident of Slinfold and a representative of CAGNE as well. Stewart Wingate is, I think, a fantastic salesman. I take my hat off to you - from one salesman to another - for making the case for obtaining planning permission for a second runway for an airport that can then be sold off for a premium profit. It is a fantastic idea, Stewart, for you and your team sitting there and your bonuses, which I am sure are directly related - there is another question for someone to ask - but is it a good deal for the country? I say no. Why? Because Gatwick has, as we have heard, failed to come up with sufficient funds for infrastructure improvement that will be needed on the M23. John, you will be aware of this. Construction of a single-carriageway widening for a motorway is about £1 million per mile. The M23 is 23 miles. Do the maths on that. The single carriageway from the M25 to London will obviously need to be dualled, or are you expecting our foreign visitors to struggle in and out of London via a single-carriageway road? Do the maths on that: £500 million-plus for that. In addition, there is no allowance for the rail bottlenecks that we have heard about. The only allowance will be, of course, the taxpayer picking up the bill for all of this. When the brown stuff hits the fan eventually, when the congestion in this area finally comes to a halt, where will the Gatwick sales team be? They will have sailed off. 'SEP', as they say in corporate speak - someone else's problem to sort out. That will be us, the taxpayer.

I have one other point about financial resilience. What would happen if easyJet complained about the increase in landing charges because of the second runway and decided to partially or wholly relocate? How would that look on the financial accounts for borrowing more money, Gatwick?

One last point is the preciousness of green countryside, which I do not think the Commission has taken account of. How do you put a price on that as an accountant? I am not sure, but for our future generations you must take account of maintaining breathing space around London for us and our future generations, who will not thank you if you pave them over with housing and industrial developments to serve the second runway. Thank you very much.

### Peter Hood, Chairman, Colnbrook Parish Council

Colnbrook Parish borders Heathrow and will be built on if either of the runway proposals go ahead at Heathrow. It probably would have been more appropriate if I had spoken at the Heathrow consultation but unfortunately, despite wearing a shirt and tie and a suit, I was never selected and I was not invited to sit on the panel to speak. Although you seem to have had invitations the day before the consultation, we did not receive any.

Going on from there, I sympathise with everything that has been said today about the problems that Gatwick will face in the future if the second runway goes ahead, but I would just say that those problems are tenfold if it goes ahead at Heathrow. They really are. Everybody who lives around that area has lungs, hearts and ears as well. Please bear that in mind. I am not here to compete with you, but unfortunately the Commission's decision to date that we have a competition between Heathrow and Gatwick has meant that one of us is likely to fail in supporting our communities.

[Heckling]

I would love to think that it could go somewhere else. I truly hope it would, but if the Commission are minded to select one of these, please bear in mind that the pollution and traffic problems around the Heathrow area already exist. Adding to that is going to be ridiculous. The M25 from junctions 10 to 16 is at a standstill every single day. The idea of getting rid of pollution by putting it through a tunnel – it has to come up somewhere. As I say, it is probably less appropriate that I speak here today, but I have to take the opportunity just to make that point. Thank you very much.

### **Sir Howard Davies**

Thank you. I am going to pause now, because I am very conscious that we have a group of council leaders who have been asked to come at 12.45 and I do not want to lose them if they have other things to do, which they may. We are going to break for lunch now. Because you have been such undisciplined children you are going to have a shorter break for lunch, I am afraid, than you otherwise would have had. Let us try to reassemble at 13.00. Thank you.

[Break]

### Sir Howard Davies

Thank you very much for coming back on time. I am sorry if your digestion suffers from wolfing lunch down, but we have caught up a little bit, though not entirely. We have now five local authority leaders: Peter Lamb from Crawley; David Brazier from Kent; Louise Goldsmith from West Sussex; Peter Martin from Surrey; and Tony Newman from Croydon. We are going to receive comments from all of them and then the promoters will pick up the points they make. We are going to go right to left as you look at them, though that does not say anything about their political complexion.

# **Local Authorities' Statements**

# **Cllr Peter Lamb**

## Leader, Crawley Borough Council

# I. Preamble

Can I thank the Commission for inviting me here to speak today? Gatwick Airport is the busiest single-runway airport in the world and it is Crawley's largest employer. Whatever decision is finally made by the Government around airport expansion will play a defining role in the future of

the town and the wellbeing of local residents. The council will be making a written response with regard to the technical aspects of the Commission's latest assessment of proposals and I would like to take this opportunity to discuss some of the local issues and implications of expanding Gatwick in a broader sense.

# II. Cost-Benefit Analysis

## 1. Overview

I have no real interest in aviation. I have never worked in the airport; I do not believe I ever will. I have no relatives working there, and I do not stand to benefit or lose out financially in any way. The only thing that I get once every so often is a plane from Gatwick, like most local residents, but that is about the limit of my personal involvement. For me, the question of Gatwick expansion rests wholly on a cost-benefit analysis of the risks and consequences for the town of wherever the Government chooses to situate an additional runway.

## 2. Environmental Impacts

I think fundamentally the question is about finding a balance between the environmental and the economic consequences of whatever decision is reached. There is a huge environmental knock-on effect. I know the Commission has [undertaken a tool?] where they have seen where the runway will be coming up to - right up to residential areas in many cases, and that will push the noise contours much further into the town. That is going to have a significant impact, particularly around early-morning flights, which have an impact upon people's sleeping patterns and so their health and all the knock-on effects of that, in addition to all the levels of pollution.

### **3.** Economic Impacts

### a. Employment

The trade-off against that is the possible employment consequences of it going elsewhere. Crawley historically has had very low unemployment. We are talking about a period, however, that stretches not from now until next year, but a 36-year period. 36 years ago, Jim Callaghan was mid-term. To try to compare the current economic state with what the future economic state is and to say that we are safe in terms of employment I think is a mistake; we are really not. We provide an awful lot of talent to neighbouring authorities, but when you look at where my actual residents work, an awful lot of that is in low-paid jobs, and an awful lot of that is in activities which at the moment are either automating or which, like retail, are falling back. 10 years ago there was an acceptance that there was an impact on employment if the runway went elsewhere, and so we came up with a strategy. The strategy was called Town Centre North – a massive expansion of retail. That has failed. We have no back-up plan at this point in time for how we are going to deal with this. A council study a year ago identified the possible loss of 6,000 jobs if Gatwick goes elsewhere.

### b. Business opinion

I have read Gatwick's argument about this, and they know their business better than me so maybe they are right that they will not be affected, but I did also see the recent report by Moody's about the impact in terms of the runway going elsewhere. It is not just about Gatwick; it is about the neighbouring industries. I accept that Gatwick has to maintain a viable business one way or the other, so they are never going to say it this way, but going around the place I have had businesses approaching me and telling me, 'If it goes to Heathrow, we intend to go to Heathrow'. I say, 'Well, do not tell me. I am not taking the decision.' I have my own concerns about that, but when people say there is no economic impact they are not getting the same data that I am getting and I find it really very concerning that it is ignored when you bear in mind the huge impact that unemployment has on people's quality of life.

## 4. Summary

Certainly in terms of the economy, there is a major impact if the runway goes to the proposed location. We will lose out on a huge amount of current business space. The impact for the council will be a loss in terms of rates that we currently receive, and it could have a detrimental impact on current employment, although Gatwick have a plan in terms of re-providing some of that. I think the big question around this point is which is going to matter more – the environmental aspect on people's lives or the economic aspect.

# **III.** Infrastructure and Housing

# 1. Funding

There is considerable difficulty around planning for both the infrastructure and the housing, not least because no one can quite agree on the figures. To my mind it has increasingly become clear that we are not going to be clear on what the figures really are. There are no international comparisons. It is very much a best guess. Yet looking at the existing gap in terms of local infrastructure, it is very clear to see that with the gaps in what money we have and our local needs, if you are putting additional demands on that, we are going to need considerable expenditure around our infrastructure needs. As yet, it is unclear quite where that scale of money is going to come from. Frankly, I do not care where it comes from as long as it comes.

## 2. Infrastructure Needs

The range of infrastructure needs in the area is vast. In Crawley alone, it ranges from capacity issues around road, rail, sewage and parking. That is before we start to consider some of the housing impacts and providing schools and surgeries, which I can tell you is not easy, having to deal with some of those people at the moment, before any additional housing growth. In terms of the town itself, we already need to build 6,000 properties. We have space for about two-thirds of that. We are not sure where the demands for this are going to be met. I am in favour of building additional housing; I just do not have the space to put it in.

## **3.** Planning Considerations

Under the current planning regime, in terms of the local area, I am not sure who is going to step up and make that provision. I think to a large extent it is going to be a question about how we choose to approach planning around major infrastructure projects and the fall-out from that, and not just about individual authorities trying to tackle the problem. To my mind, it is important that it is the right sort, particularly for an awful lot of the jobs we may well be talking about; they need affordable housing and there has to be good governance in place around that. In fact, I think ultimately the governance arrangements around both housing and infrastructure are going to be considerably more important than the total amount of money we are talking about when deciding how that money gets spent.

### 4. Summary

Whatever the decision around runway capacity, a considerable amount of effort is going to be required on the part of the council to deal with the consequences, either by cobbling together a new economic strategy for the town and sub-region or by preparing to deal with the demands on housing infrastructure and environmental mitigation that a new runway will require. We need to plan for both scenarios. It became very apparent to me when I became Leader back in May that that was going to be one of the dominant questions in terms of my period in office. Since that point I have met regularly with Gatwick to discuss what steps the airport and the town need to take together in either eventuality, and it has also been a topic of conversation between the council, LEP, other economic actors and other council leaders, and I have met leaders of authorities from Croydon to Chichester. There seems to be considerable consensus that we are going to have to work together on this whatever the outcome and we are starting to get to grips with some of the detail of that and what it is going to entail.

# **IV.** Local Opinion

# 1. Age Divide

As a town, Crawley is split down the middle on the issue. Certainly that is what we have seen when it comes to randomised polling. Whatever decision is taken, it is going to upset about half the town. Surprisingly, the biggest split in support does not seem to be the north-south divide, although that does exist. It seems largely to be running along the lines of age, with younger residents, who are more likely to see a runway reach peak capacity in 2050, being more in favour of expansion.

## 2. The Council's Position

When the future of air transport was last debated in 2003, the council adopted a position that it supported a two-terminal, one-runway airport. Last year the council voted to not take a view on the further runway until more information was available, and now that more information has become available we will be taking a vote on the principle of a second runway next month. As with previous votes, it is likely that neither party will impose a whip, and at this stage, on that basis, I am anticipating the members will not be voting to support a runway.

My own view is something which is constantly flowing; it is based around whatever data I get, and I am certainly open to new arguments. But I think when it comes to the council we should be taking a position, frankly, of neutrality until central Government gets to decide on the matter. Taking a decision at this stage gives up our biggest bargaining chip, and it is likely to weaken the borough's ability to negotiate the best deal for the town in the event that a new runway goes ahead. Given that everyone has concerns around the infrastructure, the housing and the environment whatever their position on the new runway, it strikes me that we all want to make sure that we have that preparation in place just in case it does go ahead, and we do not want to score an own goal on this unnecessarily.

# V. Concluding Remarks

I have been accused of sitting on the fence in the past – by people in this room, in fact. Actually, I have been a lot more active than that and we have been actively trying to engage with the people involved to find out what is going to go on and how we are going to address it. But if a vote took place tomorrow, frankly, on the basis of the evidence, I would be more likely to support a new runway.

It comes back to this question of balancing harms. The issue of local infrastructure and housing can be addressed. It is going to require changes to the way these areas are dealt with, both locally and nationally, and considerable financial resources, but a solution is possible if GAL and the Government are prepared to step up to the plate. Since Gatwick are not allowed to put spade in soil until 2019 at the earliest, there is time to prepare, particularly because it is not looking at peak capacity until 2050.

The environmental impact is more significant. As engines continue to get more efficient we can see reducing levels of pollution and noise emitted by individual planes, allowing the noise contours to recede back towards Gatwick as we head towards peak capacity. Particularly bear in mind the noise contours used to cover much of the town. But the fact is that the proposed location of the new runway so close to the residential properties means that even if planes get quieter and fewer houses are affected, those houses are still going to have to deal with a huge increase in frequency affecting their quality of lives.

Clearly, to those residents that is a harm and one which mitigating and compensating measures can only go so far to address. However, the total impact unemployment has on every aspect of the lives of individuals and families is clearly a greater harm when the trend is for aeroplanes to become quieter and less polluting and the sectors which a large part of Crawley's population depends upon are either reducing in scale or becoming more automated. We have no effective mitigation or compensation measures for dealing with that change.

Whatever decision is made is going to upset half the town, but one of the worst parts of politics is the tendency to only look so far as the next election. What is important now for the town is that we take a decision which enables the town to evolve in the most responsible way over the next 36 years and not just the next five. Thank you.

## **Sir Howard Davies**

Thank you very much. You packed a lot in to your 10 minutes. We are moving to the east, to Kent. Councillor David Brazier.

# **Cllr David Brazier**

## **Cabinet Member for Environment and Transport, Kent County Council**

# I. Preamble

Good afternoon, everybody. After disposing of the estuary airport option, the Commission is now left with the binary choice of expanding either Gatwick or Heathrow, albeit with two options at Heathrow. However, since the proposal for a second runway at Gatwick was put forward, there have been other issues surrounding the airport and its impacts on Kent that have led me away from an early position of support to one of opposing a second runway at Gatwick.

This year has seen a significant increase in the number of flights at the airport and, when coupled with changes to arrivals flight paths, has led to many west Kent communities now being overflown significantly more than in previous years. Complaints from people suffering from aviation noise have brought this issue to the forefront of the county council's attention. We have heard from thousands of people in distress in west Kent. People have understandably linked all of the issues – increased overflight, flight path changes and proposed airspace changes – with the second runway proposal. Although they are, of course, all separate issues, they are nonetheless related. An additional runway would bring changes to flight paths, with more aircraft flying in and out of the airport, resulting in people being overflown more, and new groups of people not previously overflown will subjected to aviation noise as well. I will now describe some of the concerns that I have with the proposal and pose some questions to the scheme promoter.

# II. Gatwick versus Heathrow

On the Gatwick-or-Heathrow debate, Heathrow is already full today and I question how adding a second runway at Gatwick will solve the problem of Heathrow already being at capacity. 84% of London's long-haul market is at Heathrow. Gatwick serves predominantly short-haul European destinations. This is demonstrated by the low-cost carrier easyJet being the dominant airline at Gatwick. Additional capacity being provided in the wrong location will not yield the optimal result for the UK's connectivity requirements. Stansted is an example of this, as it remains half-empty despite the capacity constraint at Heathrow. If creating capacity elsewhere was the answer to Heathrow's problems, then Stansted, with its spare capacity, would be filling up with legacy airlines. Heathrow is where the aviation market wants to be.

My question to Gatwick Airport Limited is: what is the direct economic benefit to Kent from expansion at Gatwick compared to Heathrow? As mentioned earlier, Kent suffers considerably from noise due to overflight. Therefore, as residents of west Kent would be subjected to even more noise with a second runway, it is only right to know what the value of the trade-off is. I see no evidence of the economic benefit to west Kent towns of being in close proximity to Gatwick. For example, Edenbridge is very near to Gatwick and suffers from aviation noise but appears to benefit little from business opportunities or jobs for young people associated with the airport. Gatwick's own analysis states that less than 1% of their workforce is from any of the three west Kent districts of Sevenoaks, Tunbridge Wells and Tonbridge and Malling.

# **III.** Surface Transport

### 1. Rail

I must question Gatwick's reliance on already planned and, further, as-yet-uncommitted improvements in surface transport intended to accommodate background growth. Is all of this extra capacity likely to be used up by airport-related demand from the second runway? When looking specifically at rail, the Airports Commission's own analysis states that both planned and as-yet-uncommitted investment is needed on the Brighton mainline to accommodate background demand growth in the 2020s. By the 2040s, continuing growth in background demand is likely to require further investment to increase capacity on the London-to-Brighton rail corridor. What are evidently lacking in Gatwick's proposals are east-west rail links, with a complete absence of a direct service by rail to Gatwick from Kent. These services will be needed to achieve the expected modal shift – 60%, we are told.

### 2. Road

Moving on to road access, the appraisal concludes that planned and anticipated, although uncommitted, investment on the M23 and M25 is forecast to provide sufficient capacity to accommodate growth in demand from a two-runway airport. However, I am not sure that I believe the transport modelling that leads to this conclusion, as, driving here on the M25 today, even with an extra lane from converting the hard shoulder for permanent running, it is already highly congested. The extra capacity created was intended to meet background demand growth without consideration of the extra demand generated from a two-runway Gatwick Airport.

### 3. Heathrow

In contrast, Heathrow's proposal coincides with major step changes in rail access - e.g. HS2 and Crossrail - which are already planned and road improvements that are needed anyway will be brought forward by the development of a new runway at Heathrow.

# **IV.** Mixed-Mode Operation

Gatwick Airport Limited's proposal for a new runway with fully independent operation – i.e. independent mixed mode, with both runways used for departures and arrivals – provides the maximum amount of additional capacity in terms of aircraft movements and passengers. However, it also has the most detrimental environmental and noise impacts, with no opportunity for respite from runway alternation: one runway used for arrivals while the other runway is used for departures. I question why it would be acceptable for there to be mixed-mode operations at a two-runway Gatwick when this is not currently permitted at a two-runway Heathrow. Mixed-mode operations at a two-runway Gatwick will subject west Kent to two parallel arrival streams throughout the whole day and potentially through the night as well if night flights continue to be permitted, with no opportunity for respite from runway alternation. Coupled with the concentration of flight paths through the use of precision navigation from the implementation of the Future Airspace Strategy, the noise would be intolerable. Chairman, our residents do not want mitigation; they do not want compensation; they do not want the noise.

# V. Concluding Remarks

In summary, Kent County Council is opposed to a second runway at Gatwick Airport due to the increase in noise from overflight which would result from the more than doubling of flights. The lack of respite from use of runways in mixed mode will make what is currently an already unacceptable situation across west Kent into one which is completely intolerable. This would be further exacerbated by the concentration of flight paths, which Kent County Council also opposes, and high numbers of permitted night flights at Gatwick mean that people overflown do not even get a rest at night. Kent County Council urges that the number of night flights must also be reduced in line with that permitted at Heathrow. The lack of evidence of direct economic benefit to Kent from a second runway at Gatwick does not make a convincing case to outweigh the disbenefits of aircraft noise across the west of the county. The greater net benefits to the UK economy from expansion of Heathrow would be more beneficial to Kent than a second runway at Gatwick. The aviation markets want to be at Heathrow. Business and the City want them to be there. The superior surface access improvements to an expanded Heathrow, along with Heathrow's immediate need to increase its capacity to provide the UK with a proper hub airport, are more convincing arguments than adding a second runway at Gatwick. Kent County Council therefore opposes a second runway at Gatwick.

# **Cllr Louise Goldsmith**

### Leader, West Sussex County Council

# I. 1979 Agreement

In 1979 an agreement was made between West Sussex County Council, as the planning authority, and BAA, the then owners, that there would be no second runway at Gatwick until 2019. It was of course therefore an agreement binding between two public bodies at the time, but it was binding also on BAA's successors. Although they could at any time have sought to terminate it, it relied on goodwill, a principle that has worked very well over the years. A similar 40-year agreement probably would not happen today. Between then and now, there has been considerable social and economic mobility, which is to be welcomed. The whole world has opened up to business and the movement of people and resources. A decision on airport expansion, because of its considerable significance nationally, is no longer in the hands of the local people and politicians but very much with the Government of the day, and only after extensive public consultation.

# **II.** Planning for the Future

Sometime in 2015 the Airports Commission will make a recommendation – whether expansion be at Heathrow or Gatwick – for increasing airport capacity in the future. If the recommendation is for expansion at Gatwick and the Government chooses to accept the recommendations, the ramifications for West Sussex and other communities close to the airport would be huge. I am firmly of the opinion that we have to start planning now for whatever decision is made.

If there is to be a second runway at Gatwick, then we need to consider how best to mitigate the effects of these on local communities and the environment while considering how best to provide the infrastructure and services that are needed for more jobs, new business opportunities and homes

as well as increasing traffic and transport. If the Government opts for expansion at Heathrow Airport, this would be considerable news also for the county. We would have to consider how we optimise the benefits of Gatwick in its current configuration. There will still be growth, but it will be very different and the impact on supporting infrastructure will need to be planned differently but no less carefully.

Whichever way the decision goes, we do need as much time as possible to plan work with a range of key partners to lobby, inform and prepare, which is why I think it is vital for the good of the residents of West Sussex and the county's economic and environmental needs that we start now and do not wait for a decision. To that end, we are in discussion with our district and borough councils, who too have a vital part to play, and just to reassure the audience here today, the initial work is on both scenarios.

# III. In-Principle Support for Gatwick Expansion

Whether there is a new runway at Gatwick or not, we all need to work on the economic implications for our area. I have lots of letters from people questioning the decision to ask the council to support in principle the idea of an expanded Gatwick Airport, including a second runway. I fully understand and accept people's anxiety about what a second runway in the county might mean in terms of increased flights, housing, jobs and services and the environment. The action we took was to trigger that very debate: to recognise that a big decision was going to be made, not one in our control but one we were able to influence. Support in principle means showing a keen interest in the future of the county, its economy and employment. It does not mean a blanket support regardless of the wider effects. Taking the decision to support Gatwick Airport Limited in principle in its attempts to bring a second runway to the airport has allowed us to really hold Gatwick to account as a critical friend on the issues that matter to our residents. It has opened doors and shown that we are not wedded to any particular cause other than the interest of our communities. We have had some really challenging conversations about residents' concerns over the noise, particularly this summer, and the need for significant investment in business, transport and community infrastructure should the runway be given the green light.

Those are the very issues we raised as conditions needing to be addressed when we gave our support in principle but, as I said earlier, now we need to move on to plan for either scenario. Second runway or not, we have to plan for the future for the whole county. We have to do what we can now to ensure there are sufficient jobs across the county for our children being born now and children thereafter.

# **IV.** Strategic Priorities

What we are doing is trying to plan not only for the future economy of West Sussex but also for our residents. The county council has three key priorities: the start of life; the economy; and later life. All are inextricably linked. We are looking as we have never done before from when a child starts in life right through to the very late life and all between, and the economy plays an enormous part in giving employment and providing funds that enable us to support those in need. The county council is also the strategic authority, so whatever happens it has a very large and important role to play. For me, that is the county council's main role, and that is what differentiates us and our role from that of the local MPs and the local district and borough councillors.

# V. The Role of West Sussex County Council

In looking at Gatwick Airport and planning for a second runway or not, we have to consider not only the implications for the immediate Gatwick area and the areas affected by flight paths but the repercussions for the whole of the county, from Crawley to the coast. It is a unique role and one I am proud to have, but it brings with it many challenges and responsibilities of which I am more than aware – not least how we balance our stunning and beautiful environment with the need for a strong economy for future jobseekers and investors. Unfortunately, the job does not bring with it a crystal ball.

West Sussex is in a unique situation to other authorities here today, as Gatwick is in the county. Ultimately the decision as to whether there is a second runway or not at Gatwick is not the county council's to make. We are at the mercy of the Commission and, more importantly, the Government of the day and its decision whether to accept the Commission's recommendations. However, we have to take control now of our own destiny as much as we can and plan constructively for the future. Second runway or not, that is going to be one of the council's main areas of focus in the coming years. That will include working with the Government, it agencies and other partners to ensure that the county and its communities receive the investment that will be necessary to support those communities, businesses and the economy whatever the future of Gatwick Airport. Investment will be needed in transport infrastructure; road, rail, cycling and walking; healthcare, community and social infrastructure; flood protection; education, employment and training; services and utilities; and environmental mitigation. In the meantime, the county council is carefully considering the consultation material published by the Commission. This will inform the drafting of a response to the Commission to be reported to our environmental and community services select committee at its January meeting.

# VI. Questions

The county council has already asked lots of questions of Gatwick Airport Limited. Today I would like to pose just a few more.

- To what extent is Gatwick Airport Limited willing to turn its pledges into legally-binding agreement?
- How will it build and foster direct communications with the residents close to the airport and under current or new flight paths?
- The communications over recent months about flight path trials and the associated noise could have been better. How will Gatwick assure that in the future?
- On the matter of noise, what does GAL see as adequate respite for those communities affected by noise, especially the noise of night flights?
- If the runway is allocated to Gatwick Airport, does the local workforce have the skills required in terms of engineering and construction to take up new job opportunities?
- Will Gatwick Airport help train people across West Sussex so that they can benefit from the job opportunities in the building and then work at the airport?

Lastly, I encourage all those here today – although perhaps they do not need much encouragement – to also make their comments known and engage in the Commission's consultation. Thank you.

### Sir Howard Davies

Thank you very much. On our tour of the South East we now move to Surrey and Councillor Peter Martin.

# **Cllr Peter Martin**

### **Deputy Leader, Surrey County Council**

# I. Preamble

I am delighted to be here today. Can I first of all say that Surrey's economy is extremely successful? It generates £35 billion a year for the UK economy and contributes more in income taxation to the Exchequer than any other area outside London. There is no doubt that both Heathrow and Gatwick airports, which are located on Surrey's borders, play a critical role in the success and economic wellbeing of Surrey and its residents, and we welcome the positive benefits that they bring to our county. But these benefits come at a cost in terms of noise, air pollution and traffic congestion. While we oppose any proposals that might reduce their capacity, we are clear that expansion at either Gatwick or Heathrow should be conditional on environmental and surface access issues being satisfactorily addressed.

Both Gatwick and Heathrow attract inward investment, which provides job opportunities for people in Surrey that are directly and indirectly related to the airport's operations, and building a second runway at Gatwick would certainly lead to increased economic activity in east Surrey and in the Gatwick Diamond, of which it forms a part. However, the increased demand for labour will attract inward migration of people requiring new homes. The Airports Commission's assessment indicates that as many as 18,400 additional homes could be required by 2030 as a result of airport expansion. This will place terrific pressure on the green belt and on the infrastructure and services of which the county council is a key provider.

# **II.** Surface Transportation

### 1. Concerns

As an example, let me start with transport. The existing Government commitment to fund improvements to rail schemes such as Thameslink and the Southern and Great Western rail networks, and to the strategic road network, are very welcome, but these are principally to meet existing demand. The county council also welcomes GAL's pledge to improve local transport links and its commitment to ensure local roads are no more congested than they are today. However, we are concerned about how Surrey's road and rail network will cope with the extra demands of an expanded airport. GAL's commitment of  $\pounds 10$  million for local highway development seems substantial but, spread over two or perhaps three counties, it will not go very far, and the roads around the airport in Surrey are already, in my view, at capacity. We are particularly concerned,

Mr Chairman, about the A24 between the M25 and Dorking and the local road network between Dorking and the airport, which could be significantly impacted if and when the motorway network becomes congested.

## 2. North Downs Line

Public transport access to the airport from Surrey and from areas both east and west of Gatwick is fairly poor, leaving little choice than to travel by car. The lack of any mention by the Commission of improvement to the North Downs line is a major concern. If this line were significantly enhanced, it would improve connectivity between Gatwick and Reading, with the potential to reduce traffic congestion likely to be generated by an expanded airport. We would argue strongly that firm proposals for infrastructure improvements need to be in place before any expanded airport is operational.

## 3. Questions

- What will GAL do to ensure that improved surface access by both road and rail is delivered before any expansion of the airport is operational?
- Secondly, we would like to hear GAL's views on the importance of the North Downs line in relation to their expansion plans and how they will work with the rail industry to ensure that improvement proposals are taken forward and delivered.

# **III.** Community Infrastructure

### 1. Concerns

We need to assess and plan for the likely impacts on community infrastructure that will come with any new housing both in and around Surrey. We welcome Gatwick's pledge of £46.5 million to help local authorities deliver essential community infrastructure to support new homes. However, that is based on its estimate that a second runway will only require up to 9,300 new homes. The Airports Commission estimates double that, as I have already said, to some 18,400 new homes being required. If just 4,000 of these new homes were in Surrey, this would generate a need for new school classrooms, for instance, which would cost in the region of £30 million, and without additional support being made available there will be a substantial funding gap for the infrastructure improvements needed, which will fall on local authorities and the health services.

## 2. Question

• How does GAL envisage discussions with infrastructure and surface providers being taken forward during the more detailed planning and implementation stage? It is a similar point to that made by Councillor Goldsmith.

# IV. Noise

## **1.** Clarification of Flight Paths

Before I move on to some of the major environmental issues, the county council is not, of course, the authority for noise but we do receive complaints from local residents about aircraft noise, and these have increased in the last year, noticeably from areas to the north of Gatwick, where noise has not previously been an issue. We have heard a great deal about that this morning. We see that those areas affected by the new flight path are also under a path shown on a map in the Airport Commission's assessment work of indicative flight paths for the second runway. Surprisingly, the map in the noise assessment section of the technical document defines a very different area for the purposes of the noise study. We have a situation where Surrey residents are directly under an existing and possible future flight path and raising their concerns about noise impacts and yet because they are outside the airport's assessed noise footprint they are not counted as being exposed to noise impacts. It is important, I think, that local people know where the flight paths will be for an expanded Gatwick and that the compensation package for noise impacts can be applied in a way that benefits all of those communities affected. I also ask that the Commission recommends to Government that night flights continue to be severely restricted at Gatwick.

### 2. Concentration of Flight Paths

I should add that the question of whether flights should be concentrated down narrow routes at all remains an open one. The proposals for concentrated flight paths could mean that more people will be exposed to a lot more noise than they have previously experienced, and I think something of a national debate – certainly a regional debate – needs to be held on that issue.

# V. Flooding

### 1. Concerns

The planned additional investment of up to £30 million for ongoing flood-risk assessment and mitigation to improve Gatwick's flood prevention measures and resilience is welcomed. Surrey residents were severely affected by the floods last winter, including people living north of the airport, particularly along the River Mole. We are therefore concerned that the Airports Commission's assessment identifies considerable potential for downstream flooding resulting from a new runway and changes to river flows. I think further modelling work is needed to determine the impacts, and we wish to see work on a mitigation strategy undertaken at an early stage in collaboration with the Environment Agency, together with agreed funding.

### 2. Question

• What will GAL do to guarantee that adequate mitigation to address downstream flood risk is delivered before their expansion proposal is operational?

# VI. Further Assessment

### 1. Concerns

Mr Chairman, the Airports Commission and GAL have looked at a wide range of potential impacts and GAL has set out a series of community pledges, including compensation pledges. It is inevitable that some communities will be affected more than others by noise, flooding, traffic and air pollution. We agree with the Commission that there is a need to consider how expansion would affect different communities, businesses and localities. However, the assessment work so far has mainly considered these impacts over a wide geographical area and some issues, notably the impact on air quality of expansion, have not yet been the subject of detailed modelling. It is really important to understand how individual communities will be affected, and without this information it will not be possible to know what mitigation measures can reasonably and effectively be applied, how much they will cost and how they will be funded and for local residents to be satisfied that any compensation being offered is fair and reasonable.

### 2. Question

• Will further work be carried out to identify the specific and cumulative and cumulative impacts that are likely to affect particular communities and localities, and how far can these be mitigated?

Thank you.

### Sir Howard Davies

Thank you very much. There were a lot of interesting points there.

## **Cllr Tony Newman**

### Leader, London Borough of Croydon

## I. Preamble

I respect that any proposal on a new runway will rightly attract vigorous debate, but I am speaking here today very much as the Leader of Croydon Council and we are very clear indeed from a Croydon perspective that a vibrant and expanded Gatwick with a second runway will be good news for the people of Croydon and Croydon, if there is a decision to back Gatwick, we believe can be good news for Gatwick, Crawley and the surrounding area.

# II. Croydon

### 1. A London Growth Zone

I was very pleased that last week the Chancellor, George Osborne, recognised Croydon in his Autumn Statement as a significant growth zone now within London. Separate from these proposals, we are planning currently within five years to deliver and build 9,600 new homes in Croydon with significant infrastructure growth around that. I think very much I would relate that point to the point that was made by colleagues here that if we are seeing a second runway, if we are seeing growth with that and we are seeing continuing pressure on local council budgets, then very much the discussion that we have had as Croydon and perhaps others should have is that if the investment is going in and needs to go in to local infrastructure to support what in our case would be welcome growth then we do need to see local government given more freedoms and the ability to keep more of the income that is generated locally. As I have said, this proposal for an expanded Gatwick we think will bring significant new jobs for Croydon – at least 4,000 new jobs – that would sit alongside the expansion we are seeing in Croydon at the moment through those homes I brought up earlier and things like the Westfield retail development and many others.

# 2. Political Support for Gatwick Expansion

I would also say that in Croydon – it is not always the case in Croydon – across the council chamber there is cross-party political support for runway two at Gatwick, and I know there is also support across the councils in that part of London. I had a very positive meeting about an expanded Gatwick with the Leader of Wandsworth Council in my office in Croydon last week. In Croydon we have signed a memorandum of understanding with the airport because we want to explore very early on in this how we maximise the benefit to the population of Croydon. We think that will bring those extra jobs; it will give greater access to international markets. We also in terms of our growth plans and our provision for new homes believe that if runway two at Gatwick does bring with it the requirement for new housing then some of that could be facilitated within Croydon and the wider area, not necessarily down in Gatwick or Crawley. It has fantastic transport links; it is 14 minutes from Croydon to Gatwick if you are on the right train and it is only 12 minutes from London in the other direction. That is very important.

## [Heckling]

If you are looking at a sustainable transport policy, then you need that connectivity.

## 3. Private-Sector Support for Gatwick Expansion

Croydon is now London's growth borough. Regeneration is at the heart of the council's role, working closely with the private sector. I want also to say there is huge support among the private sector in Croydon for runway two at Gatwick because of the opening up of those markets, the jobs it will provide locally and the connectivity with other markets.

# III. Regional Economic Benefits of Gatwick Expansion

We also believe that a rapidly expanding Croydon with a second runway at Gatwick is not just good news for south London but in terms of the economic growth that we need to see running down through Croydon and places like Crawley to Brighton and the wider South East, it really could play a significant role in altering the dynamic there and seeing the jobs and growth that we are going to need to see in the future.

# **IV.** Concluding Remarks

Perhaps slightly differently from the contributions that other colleagues have made here, we are very supportive of runway two at Gatwick. We also believe it is deliverable in the short to medium term. I am not here to speak against the Heathrow option, because I have been taken through that in great detail as well, but it strikes me that the Heathrow option, even with a very fair wind indeed, is many years further down the line than what Gatwick offers in terms of something that could happen within the lifetimes of most people in this room and actually play a huge role in delivering that growth. As the leader of a council where there are still far too many young people unemployed, far too many people looking for a job and far too many people who cannot afford to buy their first home, I think we have a wider responsibility as politicians to look at what that economic growth can bring, while respecting the views of local people who could be impacted and doing everything that can be done to mitigate that. I think we have a responsibility to future generations to make sure that we are bringing the economic growth, jobs, homes and opportunity that they are so dependent on and we have a degree of responsibility for helping to deliver. Thank you very much.

# **Responses**

### **Sir Howard Davies**

There were a number of extremely interesting points made in those contributions. I do not think, Stewart, I will begin by asking you whether there is any chance that you might agree with Tony Newman; I think inevitably in this kind of event we need to focus on the difficult points, so that is what we will do. There were a number of points. I am trying to pick up one or two that came from the public comments as well as the ones from the councils. Could you deal first with the flooding question? That came up from the floor but was also mentioned by the councillors, and I think it is a point that concerns a number of people.

### **Stewart Wingate**

Certainly if we reflect on the flooding over the last 12 months, just about 12 months ago to the day the airport and the region faced the severe weather on Christmas Eve which resulted in significant disruption across the region – not just to the airport; to the M23, the rail services, the local roads and the airport as well. Certainly we found ourselves in the eye of the storm. For me, that meant that I had to get the history books out to look at how big of an issue historically flooding had been at the airport. Of course, given the location of Gatwick, the management of the water course has been something which previous management teams have invested in and focused on quite carefully. The last significant flooding before last Christmas Eve at the airport was seen in the late 1960s, so it was several decades earlier. The North Terminal last year on Christmas Eve clearly was the terminal where the electricity systems were taken out by the flooding. Of course, that terminal was not built back in the late 1960s; it opened in the late 1980s, and it is fair to say that that terminal had stood the test of time from the 1980s right the way through until Christmas Eve of last year.

Having had that experience, what we decided to do at the airport was to look once again at the flood risk and the flood protection that needed to be put in place to build further resilience given some of the recent weather events that we had seen. That led us to put £30 million of capital investment

funding to one side. That funding has been drawn down and is in the process of being invested at the airport as we speak in order to put in place more comprehensive flood protection for the facilities as they exist today. Just two weeks ago we opened an £8 million investment in further water management facilities. To give you a sense of what it is that we are trying to achieve at the airport today in the single-runway, two-terminal configuration, we are trying to protect ourselves from a one-in-100-year flood risk event, which is industry best practice.

In terms of the way in which the airport itself functions when we are subject to these extreme and rare weather events, our objective is to ensure that essentially what we do is mimic a green field. We have what we call a green field run-off rate. What we have put in place are water management facilities that should ensure that if we have similar weather events to what we experienced last year then we should be able to withstanding a one-in-100-year event and, at the same time, limit any discharge from the airport – and there will be discharge from the airport – to a rate which is the equivalent of had the airport just been green fields.

That is the work that we have done to date. Clearly, as we look forward to the second runway, this has been something which has been brought into sharp focus. Perhaps I will ask Alastair to talk about how we have looked at the management of the water systems in the event that the second runway goes ahead.

## Alastair McDermid

Just briefly to add to that, though our discussions with the Environment Agency, the body that is responsible for water courses, they have confirmed to us that we should assume a design criteria of, similarly, a one-in-100-years flood plus a 20% allowance for climate change. That is the basis on which we are designing the run-off for a second runway. In addition to that, as part of our proposal for a second runway, we are proposing that the River Mole would be diverted around the western edge of the expanded airport boundary. The design of that river is designed to accommodate much more holding capacity than even the existing River Mole has as it passes through the airport, which is coupled with increased balancing-pond capacity to take the run-off from the concrete areas and control the rate of discharge into the River Mole. Those are the design standards that we are applying at the moment, and we are challenging ourselves as to whether or not they are enough and whether or not we should go further. We do not want to increase the risk to the airport, but equally we do not want to increase the risk downstream of the airport either.

## **Sir Howard Davies**

Thank you. Could we then move to the mixed-mode challenge: that Heathrow does not operate in mixed mode but you are proposing a two-runway airport that does? That links, of course, to the broader question of respite.

## **Stewart Wingate**

If you look at the proposals we have made, we have proposed a two-runway system that would see the airport operate in mixed-mode operations, which is not dissimilar to how the single runway is operated today. By definition, all single-runway airports are indeed mixed mode. What we have also committed to do, however, is to see no increase in the number of night flights. What that gives is an opportunity, particularly late on in the evening and in the early hours of the morning and, of course, in the early hours of the morning before the peak wave departures, to alternate flights between the two runways in the event that the runway is built. That means that you can get the alternating benefits at the most sensitive times - i.e. late evening, throughout the night and in the early morning - but during the daytime periods we have proposed to operate the runways in mixed-mode operations, which would then see the maximisation of the use of the infrastructure that is laid down. Hence you see the airport grow to somewhere of the order, when it is at full capacity, of 95 million passengers.

### Sir Howard Davies

What would be the implication of not doing mixed mode on the number of passengers you could service?

### **Stewart Wingate**

As an estimate, Sir Howard, because clearly we have to do the modelling on that, it would be of the order of about a 10% capacity reduction, down to somewhere of the order of, let us say, 85 million passengers.

### **Sir Howard Davies**

Sorry to jog around a bit, but another point which at least one, if not two, councillors raised was the issue of the workforce and whether the local workforce will be able to do the things that you need if this goes ahead. Perhaps you could talk to us a bit about training and skill development which you might think about in order to maximise the opportunities for the local workforce.

### **Stewart Wingate**

Certainly if you look at Gatwick – not only the airport company but also the airlines, the ground-handling businesses and the whole variety of different agencies that operate at Gatwick – there is a strong track record over recent decades of having good training schemes to get young people into the workplace through apprenticeships and trained in a whole variety of different skills. They can be engineering apprenticeships; they can be more administrative-type apprenticeships; they can be apprenticeships looking at the maintenance of aircraft, for example. There is a strong track record of apprenticeships in terms of the business as usual, but of course, particularly in recent years, as we have invested very heavily in the infrastructure of the airport, so we have had a lot of the big construction companies carrying out quite major capital projects, and that means there has been also the opportunity to see young people pick up the construction skills as well in a way in which was not the case when the investment levels at the airport were significantly lower under the previous ownership.

As we look forward, our commitment is that on both the construction projects and indeed the business-as-usual aspects of the airport operating, as you would expect, we will continue to invest in apprenticeships, in training and in creating the right skilled workforce for the job at hand on the airport campus itself. Over and above that, we have also pledged to put in place up to 2,500 grants for apprentices who will work in businesses across the region, not on the airport campus. These grants are targeted at those businesses which are likely to be small and medium-sized enterprises, where the decision for the likely-to-be-owner of the business is pretty touch and go as to whether or not they can get that young person into the workplace and onto a training scheme. What we have looked at is the UK Apprenticeships scheme, which caters for this particular aspect of trying to get young people into the workplace. What we have done is to match the level of funding that is made

available by UK Apprenticeships to small and medium-sized enterprises. That is specifically targeted at businesses that are located within the region. We will be looking very carefully at the more regional aspects as well as the local aspects, as you would expect. Do we think that we have the right skills available to us in terms of the construction and the running of the airport? We think if we apply ourselves, with the years that we have ahead, there is no reason that we would not be able to have the right skills.

### **Sir Howard Davies**

Thank you. There were a couple of specific points that were raised, one from Surrey and one from Kent. The Surrey one was particularly the North Downs line and whether you had looked at that, and the Kent one was, if I might paraphrase, what is in it for Kent in terms of the impact on the economy of Kent.

### Alastair McDermid

If I pick up the North Downs line point, although our transport assessment does not show that there is a need for an upgrade of the North Downs line, we actually think Peter is on to a very good point here. Part of the reason for that is that, irrespective of whether a Gatwick option or a Heathrow option is recommended by the Airports Commission and chosen by the Government, there are still quite large numbers of people who would want to move from the Sussex/Kent/south-east Surrey part of the country over to the Heathrow location or vice versa – perhaps and vice versa. For those people at the moment, the only public transport alterative they have is one that is into London and back out, no matter which way they are going. Not to do with connecting Heathrow and Gatwick as a hub, but purely as a means of getting people who want to travel by air in either direction, we think there is a good case to be examined there, and we would be very willing to work with Surrey, West Sussex and the Commission, if necessary, to look at that in more detail. It does then offer a greater opportunity than perhaps exists without it to think about connecting that rail service through into Kent and to get Kent better connected into that rail network, both to Gatwick and up to London and places beyond as well.

### **Stewart Wingate**

In terms of the, 'What is in it for Kent?' question, this is something which we discussed with Peter Martin and members of his core team when we recently met. This is a piece of homework which we need to do further work on in order to look at the way in which the economic benefits flow associated with the expansion of Gatwick. The way in which the economic analysis has been done thus far does not lend itself easily to us simply slitting out the economic benefits county by county or borough by borough. This is something which we are aware of and we think it actually is an intelligent request of us and something that we should be looking at to try to figure out how we show in a more granular fashion what the economic benefits are.

I suppose in terms of the benefits as we see them, it really starts to come back to the key economic arguments of the debate: the additional jobs; the additional choice of routes; the ability to have a choice of going from either Heathrow or Gatwick and probably getting more advantageous fares as a result of the competition between the airlines and the airports. There is one area that we absolutely do agree on and indeed we are active in, which we think is very important not only to Kent but also to us, the airport, and this is the east-west rail links. They simply are not good enough. The emphasis in previous decades we believe has been on the north-south rail links, but

the work that we have done with Network Rail in preparing the case for a second runway at Gatwick actually demonstrates that improvements, particularly focused in the Redhill area, are quite a key enabler in future rail control periods to starting to open back up again these east-west rail links, which will be to the benefit, we believe, of Kent but also of communities to the west of London and beyond.

### **Sir Howard Davies**

Thank you. Another, which is really at the heart of your bid and which you alluded to at the beginning but not in great detail, is the question which I think David Brazier made more firmly but one or two other people have made as well as to whether this is the right answer in terms of the nature of the aviation business: that what is really needed is long-haul flights and they are at Heathrow, and that what you are proposing is not going to deliver the economically valuable connectivity which Heathrow could deliver. If I might summarise your point, Councillor Brazier, I think that is roughly it.

### Nick Dunn

As we look at the aviation market and our projections forward of the requirements for travel, a lot of the debate has focused, indeed, on long-haul flights to emerging markets, but that is only one small part of this debate. It is not clear to us why somewhere between 3% and 5% of the future demand should dominate 100% of the solution required. What we see is 65% of travel still being to mainland Europe, our main trading partner as the UK, which will continue to be the case going forward. Around 20-25% will be to long-haul markets that are already well established. Those might be to North America. We see many flights from Heathrow to North America today, but as of this summer you see flights again from Gatwick to North America in competition – low-cost airlines against very high-fare airlines operating out of Heathrow and offering passengers a real alternative. Finally, we come to the emerging markets. Gatwick already serves quite a number of the major emerging markets. Turkish Airlines has been a very successful airline at Gatwick; Emirates similarly so. I think of easyJet starting flights to Moscow, Vietnam Airlines starting, etc. We are demonstrating it can be served.

Why is that? It is because in the future more and more flights will go point to point, from the airport of choice to the airport of choice. Airline technology is changing to allow that to happen. People want to fly from one place to another, not via a hub, and so it should be no surprise that the aviation industry has developed much more fuel efficient aircraft that can achieve that without the need to pick up marginal transfer passengers. I think as we look forward we see an aviation market that can be served by a network of airports around London, and we would always stress this is not about Gatwick versus Heathrow; this is about Gatwick growing and Heathrow getting better. There are some of the long-haul flights and some of the short-haul flights that will continue to be served by Gatwick adding that capacity into the system.

### **Sir Howard Davies**

Thank you. We are still running over on our timetable, so we are going to break again for a few minutes. Let me just add one point that was made which has not been picked up but I think is more for us. That is this question of legal assurances and legal commitments. I can assure you that is something we are thinking about at the Commission. I do not think it is reasonable to ask Gatwick

because on the whole they do not draft legislation, but this is a point that is of interest to us and we are reflecting further on it.

### **Stewart Wingate**

For us, Sir Howard, from Gatwick's perspective, these pledges have been made in a very public manner and we have put them on public record such that we can be held to account in the future against the pledges that we have made. In the New Year, we would be very interested in looking at how we can make those pledges legally binding on ourselves in the event that we are the chosen runway option. It is very important to us that we behave in a way that is consistent with the pledges that we have made on public record.

## Sir Howard Davies

Thank you. We have one more session after this, which is the business representatives, and then some more opportunities for public comments. It is now almost 10-past, so we will reassemble at 25-past. Thank you.

[Break]

Thank you very much for coming back. We are going to start our last session now. We have three representatives of the business community who are going to speak to us. As you look at them, on the right is Martin Heffer from the Coast to Capital Local Enterprise Partnership. Jeremy Taylor I am afraid has had a family emergency which he has had to go and attend to, and so in the middle is Rosemary French, the Executive Director from the Gatwick Diamond Initiative. Then to her right, on the left from your perspective, is Cath Lynn, Group Commercial Director from easyJet. We are going to go straight into them, Martin Heffer first.

# **Business Representatives' Statements**

# **Martin Heffer**

## **Coast to Capital LEP**

# I. Preamble

Thank you. My name is Martin Heffer. I am a board member of Coast to Capital Local Enterprise Partnership and my brief on the board of Coast to Capital is infrastructure. I am a Technical Director of the consultancy firm Parsons Brinckerhoff, where I am a transport specialist, concentrating on the planning, delivery and operation of major projects. Coast to Capital wishes to thank the Commission for the opportunity to give the views of the business and public sector bodies we represent regarding the expansion of Gatwick. I would like to do this by summarising the general position of the LEP, highlighting a small number of specific challenges that we feel need to be addressed in with- and without-new-runway scenarios and by responding to any questions that you may have following these points.

# II. Coast to Capital LEP and Gatwick Airport

Coast to Capital LEP was formed in 2011, with the intention of fulfilling the twin objectives of increasing levels of enterprise and entrepreneurship and increasing levels of international trading. As part of this, we have set ambitious targets for new business start-ups, new jobs created and businesses newly exporting. The board of Coast to Capital has made its position on Gatwick Airport clear. That position is namely that it is supportive of expansion at Gatwick Airport. It notes the importance of Gatwick as a source of direct and indirect employment and as an international gateway for the area; that the airport is a positive factor in location decisions for businesses coming to the area; and that the Gatwick area will face challenges whatever the airport's future, whether it is from an expanded airport or from an airport that sees no growth and declining employment. We would wish to see the airport as a force for improving the skills base of both on-airport and off-airport-related employment in the local area. However, we are clear that there is a need to strike a balance between what makes the Coast to Capital area an attractive destination – that is its environment, particularly the South Downs National Park, Brighton and Hove and coast, and its connectivity with London – and the potential negative impacts of airport development.

# **III.** Challenges

### 1. Preamble

There are, as I said, a number of specific challenges we would like to raise to the Commission. Coast to Capital feels the following need to be met if a new runway is developed.

### 2. Loss of Business Premises

Our area is seeing a steady erosion of business premises floor area. In part this is due to changing use of existing office stock from business to residential usage, but it is also due to a market failure in bringing suitable development forward. We would argue that any loss of business space resulting from development of the airport needs appropriate re-provision.

## **3.** Pressure on Local Services

The LEP is tasked with enabling economic growth in our area. We see the airport as a key enabler in this. We appreciate, however, that our public sector members on the LEP are concerned by the impact that that growth will have on stretched public services. Growth in our area we believe will have a virtuous impact in terms of increased tax receipts at a local and national level. We would ask the Commission to give thought in its recommendations to Government to how local impacts can be paid for by retention of at least some of these tax receipts in the local area for use by the service providers. This would seem fair to both the developer, who would not be saddled with excessive funding liabilities, and the local authorities, who bear the brunt of service provision.

# **IV.** Surface Access

### 1. Rail

a. Sussex route

Having reviewed the Commission's consultants Jacobs' report on surface access, there are four points which I would like to highlight to the Commission with regards to rail. The first is the development of what is called the Sussex route. Coast to Capital sees the recommendations in Network Rail's Sussex area route study as critical to delivery of sustainable development in our area irrespective of airport development. These improvements are not yet funded and we would expect the Commission to note the importance of securing these improvements on the route to sustain public transport mode share at Gatwick.

### b. Capacity

Second is the allocation of capacity. It would appear from the Jacobs report for the Commission that there is an implied trade-off between the airport and other users on the Brighton mainline. Our area's rail links with London are critical to business success and the implication that local growth could only be accommodated by slow stopping services would be a worry for the local business community. We suggest that more work is done to understand the trade-offs between slow and fast services to London, particularly in the peak period.

### c. Peak loading

Carrying on with thinking about the peak period, I would like to talk briefly about peak loading. I suspect that growth in transatlantic and Asian flights, if it occurs, will load more London-bound passengers into the morning peak, given when these flights traditionally arrive in the UK. We would like to see the ability of the Brighton mainline to accommodate these passengers, if they occur, and the impacts on other users, to be more fully understood and reflected in the Commission's appraisal.

## d. North Downs line

Finally, we would have expected more investigation of the part that the North Downs line could play in linking Gatwick to the passenger markets – particularly business passengers – in the Thames Valley area. Again, Coast to Capital views development of this line as strategically important to growth in the area and at the airport.

## 2. Roads

With regards to highways access, there are two challenges that we see and that we would like to raise to the Commission. The first is the importance of the M25. We note the Commission's consultants highlight capacity issues on the M25 as being critical to all the runway options under study. Our view is that the importance of this route must be emphasised to Government as requiring strategic level attention hand-in-hand with airport development and, more locally, ensuring M23 access from the south. The M23 between junctions 10A and 9 carries significant levels of local traffic and consequently can suffer from capacity issues generated by the relatively high volumes of traffic what I refer to as 'junction hopping' between the local junctions. We would

expect this to be recognised and to figure in the plans for part of the national highway network should growth occur.

# V. Concluding Remarks

To sum up, Coast to Capital welcomes the work of the Commission. One of our major concerns is the apparent void, however, in the long-term strategic-level planning of the sub-regional and national networks across all transport modes in both the Thames Valley and the M23 corridors. The members of Coast to Capital LEP have all noted the need for this void to be filled, and we would hope that the need for strategic long-term cross-infrastructure and cross-modal planning will be recognised by the Commission and form part of its response to Government. We would also expect to see early partnership working between the airport and local authorities in whatever option is chosen. That concludes the challenges that we wish to raise to the Commission. Thank you for your time.

# **Rosemary French**

## **Executive Director, Gatwick Diamond Initiative**

# I. Preamble

First of all I apologise for my cold, and secondly I apologise if I stumble over some of Jeremy's speech because, as you can imagine, I have just read it the once. However, I will do my best to represent his and our views, indeed.

# **II.** Gatwick Diamond

### 1. Overview

I am Rosemary French. I am the Executive Director of the Gatwick Diamond Initiative, which is an economic partnership which drives economic growth in the area known as the Gatwick Diamond, which is south of Croydon and north of Brighton. Jeremy Taylor is the Chief Executive of Gatwick Diamond Business Association, one of 30 business associations in this area. The Gatwick Diamond Business Association has 350 business members employing around 50,000 staff. Earlier this year, Jeremy surveyed his members and discovered that 92% were in favour of the second runway. The Gatwick Diamond Initiative also surveyed a large number of businesses in January of this year and again found support in the high 90s.

## 2. Member Organisations

However, as I mentioned earlier, there are within this region 30 business membership organisations, so in fact I am speaking on behalf of those organisations. It is disappointing that more of those organisations, while they are in the audience, have not been given the opportunity to talk. We had three community organisations and I am the only business organisation. However, I am just going to read out the business organisations that we represent:

- Burgess Hill Business Park Association
- Chichester Chamber of Commerce and Industry
- Crawley and Gatwick Chamber of Commerce
- Croydon Business Improvement District. I would have loved to have heard from them, not just from the councillor
- Brighton and Hove Economic Partnership. The Chairman was here earlier
- Eastbourne Chamber of Commerce
- East Grinstead Business Association
- The Federation of Small Business
- Gatwick Diamond Business
- Gatwick Diamond Initiative
- Hastings Area Chamber of Commerce
- Worthing and Adur Chamber of Commerce
- Up in the top corner was Christina, representing the East Sussex Chamber of Commerce
- The Chambers of Battle, Hastings, Hailsham, Seaford, Newhaven, Peacehaven and Lewes all join Eastbourne in their wholehearted support of the second runway
- This morning, Haywards Heath and District Business Association confirmed their support too

I have no idea how many businesses that represents. It is probably about 10,000 and probably a workforce in the region of 200,000. Sometimes it is the largest number that makes the least noise. They are busy out today working; they are not at this event.

### **3.** The Airport Region

This airport region – as indeed this is an airport region – is probably the first airport economy in the world. It actually developed 60 years ago in Manor Royal Business Park, which is now the largest business park in the UK. The large businesses that moved here in the 1950s developed a supply chain within and close to Crawley and as Manor Royal and Gatwick Airport expanded, that supply chain attracted further businesses. We now have a £21 billion sub-regional economy.

Naturally, there are some businesses with questions – indeed, all businesses have question – and you have heard many of those questions just now from Martin and from others today. I will return to those later, but in our view an airport brings economic diversity. This is very well evidenced at Gatwick. In terms of the membership, for example, of Gatwick Diamond Business Association, only 12% are in the aviation, airport or tourism-related industries. The area actually boasts many household-name companies that choose to be here as a result of the connectivity and the skilled people in the area.

The Gatwick Diamond is home to 45,000 businesses with an employee workforce of 400,000 and has six industry sectors that are particularly strong:

- Advanced manufacturing and engineering, which of course includes aviation
- Financial and professional services
- Health technologies and medical devices. We have a large probably one of the largest in the world – medical device sector on oncology radiotherapy and MRI imaging
- Environmental technologies
- Food and drink

One of our major employers in medical devices, Elekta, has recently committed to investing tens of millions into a global centre for research, creating hundreds of high-end manufacturing and research jobs. The other leading company in this field, Varian, also based here, has also just expanded its factory.

### 4. Employment

There is no question that the second runway will bring an increase in employment levels, particularly as Gatwick has a real impact on the local economy. 43% of Gatwick's operational spend is with local suppliers. There is understandably some concern about how these jobs will be filled. We have already seen the plans to develop public transport and the road infrastructure around Gatwick, which will allow other areas to rightly benefit. We can see employment opening up for those who live in real disadvantaged areas along the coast and into Croydon in London. While these employees are working here, they will in turn spend money in the local area. Furthermore, the Gatwick Diamond currently has a daily outflow of 110,000 people who travel outside of this area to work, many of them highly-paid, many of them knowledge-sector workers. We are sure that a significant proportion of those would rather work locally than have to travel. 70,000 of those work in London. The jobs that will be attracted here by the businesses that will come here will be those high-end jobs.

# **III.** Heathrow versus Gatwick

## 1. Competition

I would now like to talk about competition and demonstrate why growing Gatwick is better not just for the region but for the country. One of the key benefits to come out of the sale of Gatwick has been the increase in competition on routes. This can be shown in the price differential achieved between Heathrow and Gatwick on the Moscow route. A search for a four-day return ticket in early February with luggage and reserved seats showed £138 from Gatwick versus £1,198 from Heathrow. As businesspeople looking for new opportunities, the majority of SMEs will choose the former price. In this area, 30% of our businesses export. The UK average number of businesses that export is much lower, at 20%. Businesses here export because of the airport.

In a similar search for tickets to San Francisco from Heathrow, the differential was only  $\pounds 70$ . That is despite being between competing airlines at the same airport. I am not here to attack individual airlines but to demonstrate that should the next runway be built at Heathrow, airlines will

congregate there and there will be less competition. The price of trading internationally will rise for SMEs and businesses.

## 2. Regional Connectivity

Creating capacity at Gatwick will also bring better and more affordable connectivity to the regions. Air connectivity to London is vital to those further parts of the country where road and rail travel are impractical and more expensive. Even at the maximum of  $\pounds 15$  per passenger, the relative difference in landing charges means that Gatwick will still be affordable for domestic airlines and far more affordable than Heathrow.

### 3. Resilience

In business it is important to have a capacity to cope, particularly when things go wrong. By expanding Heathrow, the airport capacity will be concentrated in one place and our resilience will be at risk. By developing Gatwick there will be enhanced resilience in the London network, with two world-class airports where competition means lower costs and higher standards for the customers.

### 4. Travel Costs to Departure Points

Travel costs to the departure points are of great interest to the business community, as they are to the leisure traveller. I can show this by referencing one of our large businesses here that has a French parent and so travel to and through Paris is a necessary part of their business. Only this year we have seen the Paris route back at Gatwick. Previously this company had spent over £130,000 in travel costs reaching Heathrow, never mind the congestion. With more routes, coupled to the improvements in public transport access to Gatwick, the costs of travel to Gatwick are coming down while the convenient-travel-to-airport footprint is expanding. Let us not forget that Gatwick already has 45% of its travellers – both commuter and holiday – and staff travelling to Gatwick on public transport. I cannot quite remember the Heathrow figure, but I think it is in the low teens. Gatwick will probably in two or three years' time have reached 60% public transport access.

## 5. Affordability

The Gatwick option is the most affordable for the country. We also speak as taxpayers and let us not forget that the business community is an enormous contributor to the Exchequer. If there was a simple choice between a scheme that could cost billions of public money when a privately-funded alternative is available, it does not make sense, especially in these difficult times, to pursue the one that will be funded from taxation.

### 6. Business Travellers

As has been made quite clear in the Commission's findings, the future of aviation growth is hard to measure. In 2003, low-cost aviation was seen as a blip – it was not even mentioned in one of the reports – yet we now see that easyJet and Norwegian Air carry the vast majority of Gatwick passengers, while some charter airlines are actually pursuing a low-cost model of operation. Most interesting is how business travellers have increased their use of Gatwick, an airport that used to be called a 'bucket-and-spade' airport, but no longer. In only four years we have seen an increase;

20% are now business travellers, up from 15%, which in real numbers is from 4.6 million to 7.6 million. Business travellers are using the airport.

### 7. Hub Model

The future of the hub model is also in question as aircraft manufacturer order books show a far higher interest in aircraft that will serve two points directly. The idea of London maintaining itself as a hub is diminishing and, with only 14% of London's travellers using it as a hub, why should aviation policy be structured around the convenience of those few?

# **IV.** Questions

### 1. Business Premises

But as I said earlier, there are questions to be answered. Around 250 businesses are likely to lose their premises. It was the Gatwick Diamond Initiative that commissioned the report from Stiles Harold Williams to find this out. We have been working with Gatwick to address this and it is really encouraging to see that Gatwick is looking to support any business that has to relocate with its charter. We do expect the airport to provide on-campus office and other employment space, but there will be a question over leasing rates, particularly for some of the warehouse and storage businesses that are in the currently safeguarded land. We would encourage the airport to work with local authorities and other developers to find alternative and affordable sites for these businesses, as they are an important part of the local economy.

## 2. Skills Availability

There is also a concern on the impact of skills availability. We can see the number of initiatives that Gatwick are suggesting that should address this, and we look forward to greater detail, particularly about the subsidies for apprentices outside of the Gatwick supplier community. I mentioned earlier those 110,000 that are commuting every day. Let us make use of them. Let us change our way of working and living to working and living locally. In terms of the construction workforce itself, the large new development at Westfield Croydon will just be finishing as Gatwick's construction work starts. These builders, engineers and other construction professionals will then move to the Gatwick site almost immediately.

## **3.** Measuring Economic Benefit

Our final question for the Commission itself is this. We can see the impact of a second runway does mean different things to different people subject to their location. While we fully understand and empathise with the relatively small number of people that will be affected by noise –

## [Heckling]

There is a much wider area – many millions more people than sitting in this room – and population that will benefit economically. We feel it is important that the economic impact is taken across an area measured by a 90-minute travel zone. Thank you, Sir Howard.

## Sir Howard Davies

Thank you very much for stepping in at short notice and reading someone else's speech in a way that made is sound like your own, and with simultaneous translation into Scots. Cath Lynn will deliver an easySpeech.

# Cath Lynn Group Commercial Director, easyJet plc

# I. Preamble

Firstly, I would like to thank Rosemary for the plugs on the Moscow and Paris routes. I am sure Sophie, who is our UK Country Director, who has been with us all day here today as well, will be very pleased to get some free advertising. It is always welcome. In true easyJet tradition, I will try to be short to enable us to have an on-time finish for today's session; I will try to keep this fairly brief. Thank you for the opportunity to contribute to today's session.

Any new airport capacity has environmental and community impacts, and impacts that have been very personally felt and have been, I think, well-voiced today. It is worth pointing out that easyJet is still on the early stages of evaluating and reviewing the shortlisted proposals and the Commission's analysis of them and we will be responding formally to the Airports Commission at the end of the consultation period.

# II. Aviation and easyJet

Aviation plays a vital role in supporting the UK's economy and connecting British businesses and people with Europe and the rest of the world, and we support the work of the Airports Commission in determining a future road map for aviation capacity in the South East and delivering the recommendations which will maintain – and I am quoting from the Government's brief to the Commission – the UK's status as an international hub for aviation.

easyJet is Gatwick's largest airline and we fly 15 million passengers every year to and from the airport. We work with the airport to minimise the impact of our operations on the people in the local area and we continue to invest in the latest-technology aircraft to meet and exceed noise quotas and expectations.

## **III.** Focus on Passengers

Today we will approach this issue very much from our passengers' perspective and based on three core principles:

- Capacity should be provided where the passenger demand is. Aviation works best where consumers determine the outcomes.
- Airports should only build infrastructure that passengers value and are willing to pay to use.

• Passengers should only pay for new infrastructure when they actually use it and not years in advance.

The current debate between the airports has lost sight of the people who will pay for and use the new infrastructure. Today we want to highlight some of the issues that are important to passengers.

# IV. EasyJet's Position on Gatwick Expansion

## 1. Gatwick Today

Gatwick today is a good airport which has been significantly improved by GIP over the past five years. We know our customers like Gatwick and that their satisfaction with the airport has increased in recent years. The airport is attractive to our customers because it is well connected to public transport, it provides a good experience and its charges allow airlines to offer affordable fares.

## 2. Passenger Demand

I will review Gatwick's proposal against our three principles, starting with customer demand. There is a common belief that airlines create passenger demand. In fact, airlines follow the customer. Gatwick has a distinct catchment area, as does Heathrow, and Gatwick today is primarily a short-haul leisure airport providing excellent connections across the UK and Europe.

### 3. Infrastructure that Passengers Value

Secondly, when we look at Gatwick's plans, we think about how our customers would use the new infrastructure. The Airports Commission has identified some initial concerns with the Gatwick proposal which we would echo. It was very concerning that Gatwick's initial plans meant that for five years there would be a significant worsening of passenger experience, with the new runway being in use before any new terminal capacity. In Gatwick's submitted plan, during the development phase the South Terminal would need to accommodate 18 million extra passengers, doubling its current number. The initial plans did not include any additional spare terminal capacity for passengers, but instead relied on highly ambitious efficiencies driving a doubling of throughput at each stage of the customer journey. The vast majority of these extra passengers would then have to be bussed from the terminal to remote stands near the new runway. We could find no other airport in the world which had attempted to operate a bussing operation on this scale or for this duration, and our customers tell us being bussed is not an airport experience they value. From our experience, the airport would be particularly vulnerable at times of disruption, making it much more difficult to recover operations in the event of delays, so we welcome Stewart's comments today that Gatwick is looking at re-phasing the delivery of their plans. We still need to see to what level they address our concerns, and the detail, costs and customer impact of these need to be much clearer.

## 4. Paying for Infrastructure

Alongside a good experience in the airport, passengers want affordable fares. Airport charges are of course an important element in the fares, and the Airports Commission recently estimated that the passenger charges at Gatwick would have to increase from £18 per departing passenger to £36 per departing passenger by the end of the decade. We acknowledge that Gatwick believe the increases could be lower and welcome that, but if we use the Commission's figure this would be a

doubling in charges. This increase in cost would have to be passed on by the airlines to all passengers, so fares would inevitably rise. To put this into context, our average fare from Gatwick is around £60, so an £18 increase in charge would have a material impact. Importantly, we believe that passengers should only pay for any new infrastructure as they use it. This is already a common approach for other transport infrastructure, such as toll roads and sea ports. Gatwick's plans are based on passengers paying for a new runway as early as 2016 which would not be in use until 2025.

# V. Questions

In conclusion, we are keen to understand from Gatwick:

- How reliant is the Gatwick proposal on pulling passengers from outside its core catchment? Why do you think this is possible when Heathrow has been full for decades and this has not happened at any scale, particularly for scheduled long-haul?
- How will Gatwick ensure an acceptable level of quality of service standards during the interim period when the project is being delivered?
- Is it fair that passengers who may never use the new infrastructure pay for it, or that others who will not benefit from it pay many years in advance?

As I said at the start, Gatwick today is a good airport that works for customers, so if Gatwick are to secure a second runway, it needs to show how its plans will be workable and affordable for customers. Thank you.

# **Responses**

## **Sir Howard Davies**

Before we go to our final round of public comments, let me just ask Stewart and his team if they could deal with two things that have emerged. One is that last complex of easyJet challenges, if you like, particularly relating to the phasing of infrastructure but also the charging for it. Also, I think the point that Rosemary made about business premises relocation was an interesting one, because that has not come up yet today. I think Martin raised a particular point about peak loading in the morning going into London. I am sorry; at this point I am trying to pick out the points that have not appeared at all earlier in the day. I think those were the ones that were new.

### Stewart Wingate

Let us start, then, with the comments around the business premises relocation. During the course of this year, we have taken lots of feedback from various different community groups and, of course, the business community as well. Rosemary and Jeremy have been at the forefront of bringing this issue to our attention. What it has led us to do is to already set up a partnership arrangement whereby members of the property team at the airport, years in advance of any construction of a runway or even decision on a runway, are now reaching out to the different owners of the

businesses which are within the safeguarded land. What we have found is that we have to have quite tailored discussions with each individual business, because, as you can imagine, their desires for the future are very varied and very individual to their own particular situation. We have essentially put in place a business-partner relationship manager who is now reaching out to each of those different businesses so that we can understand which businesses plan to continue into the future, which businesses plan to grow into the future, which businesses actually do not plan to grow into the future, and which are open-minded to relocation and, if so, to where. We are just now going through quite systematically and talking to each of those various different businesses to offer a very tailored proposition to each and every one of them. It is by no means complete – I do not think you would expect it to be at this stage – but it is something which is certainly underway. The feedback I have had is it is very much welcomed by the businesses that we have spoken to thus far. We look forward in the New Year to speaking to the other businesses.

The peak loading point I think was particularly referenced to rail, if I remember right, Martin.

## **Martin Heffer**

Yes.

## **Stewart Wingate**

I suppose it takes us back to our earlier comments. The work that we have done with Network Rail and, indeed, the train operating companies suggests that by 2018 we should see a doubling of the capacity, and by the 2030s, with the planned investment that is anticipated, we should see a tripling of the capacity. At peak times that will be really quite significant, so we should not actually expect to see a deterioration in the service levels all the way out until the late 2040s. In fact, what we should look forward to is significantly better service levels given the capacity that is going into the rail system.

One point on rail to note is that actually the passengers coming into the airport provide the rail system with a strong level of demand, which is counter-cyclical to the peak demands. When you look at it, because the airport has a constant flow of planes during the course of the day, there is a constant flow of passengers onto the rail system that otherwise would not be there. When you look forward, from the period of 2025 to 2050 there is actually a net incremental benefit to the rail fare books, we estimate, of some £3 billion over that period of time associated with the second runway, which is something which has not been discussed thus far today. From a peak loading perspective, we are confident right the way out until the late 2040s, which of course is the point in time when the runway would be running towards its full capacity.

If I then move across to the easyJet challenges, Cath represents, as she said, our biggest airline at the airport, in fact by quite some margin. Around about 45% of the passengers at the airport today travel on easyJet planes and increasingly more of those passengers are travelling on business as well as leisure. Indeed, we are working closely together to make sure that we can fulfil the services that particularly business travellers are looking for in terms of destinations but also services on the ground so that they choose easyJet and they choose Gatwick. At the airline level, there really have been big strides over the last three or four years in terms of the percentage of passengers now travelling on easyJet on business. It is more than 20%, I understand. At the airport level, that has been reflected in the way in which business travellers are starting to use Gatwick. In the non-summer months, we can see up to one in four passengers travel on business, and in the peak summer months it is more like one in five. It has been that sort of quantity over the last 12 months.

Let us turn to the challenges that Cath lays out. The first one is phasing. I am not sure if you were in the room, Cath, earlier when I made my comments –

# Cath Lynn

I was.

# **Stewart Wingate**

- so I risk repeating myself in front of perhaps 150 people, but following the comments by the Commission in the consultation documents but also following feedback from airlines – and I particularly noted easyJet's feedback in my earlier comments – we have thought again about the phasing and the delivery of the infrastructure that would be available for the first day. We have reflected on the comments and we now are of the mind and, indeed, will be submitting further documentation to the Commission that says on day one what passengers should expect to enjoy would be an automatic people-mover similar to the track transit system from the South Terminal to the North and, in addition to that, the first phase of the third terminal facilities. We are now reflecting that into our plans and we can share more details of that with you going forwards.

In terms of the other two points you raised, one was around how we maintain satisfactory service levels as this infrastructure project goes ahead in the event that Gatwick is chosen and planning is permitted at some future date. One of the key aspects of the project at Gatwick is that under construction this will largely be a landside site. What we mean by that is that we will not have all of the security arrangements associated with a controlled security environment such as we have on the airfield today. That is because it is to be built on the currently safeguarded land to the south of the existing airport. We should actually be able to build quite a significant proportion of the new terminal facility, and certainly the new runway, taxiways and stands as well as the people mover, with minimum disruption to the existing terminal facilities. It will be quite different to the development that we have experienced at the airport over the last five or six years, which essentially has been upgrading the existing terminal facilities with millions of people still using those terminal facilities, and it will be quite different to the next £1 billion that we will use to transform the existing facilities, which will result in upgrading the facilities with millions of passengers going through. We are actually quite optimistic that we can develop this site in a way in which the impacts to the existing passengers are relatively small.

In terms of the airport charges and the level of charges, this is where I will hand across to my esteemed colleague Mr Dunn, who manages our financial affairs.

# Nick Dunn

I will just pick up on that narrow point. I think Cath is alluding to a conversation that is happening at the moment with the Civil Aviation Authority around how charges should arise ahead of the delivery of new infrastructure, and I think is correct in observing that for a brand-new greenfield airport site or port or other toll-road project there are no users – there are no airlines and there are no passengers at that point in time – so there is nobody to charge. But what we have is an operational airport which is increasingly constrained. At many of the peak hours, there is far more demand than there is available supply of airline slots on the runway. Those slots are held by the major airlines such as easyJet, which holds close on 50% of the slots at the airport. All the time that demand is rising far above the supply, the airlines and the passengers who use that enjoy a very precious resource at a time when demand is rising. I think the CAA observes in its recent papers

that in other markets they would expect the price to rise ahead of this new infrastructure to encourage the arrival of this new infrastructure, otherwise what is the market signal that is suggesting that that should be paid for? Of course, when the new infrastructure arrives, there will be a surplus of capacity and therefore we would actually expect airport charges to drop. Indeed, that is a discussion that we are having with a number of our airlines at the moment.

I think it is right to take that perspective of the passenger. If you step back and look at the alternatives that are on offer, essentially we have the chance of delivering an airport charging passengers £12-15 at Gatwick or over £30-40 at Heathrow. It does not matter how you do the maths; passengers are going to pay more if they travel through Heathrow, if that is the developed solution, than would be the case at Gatwick. Also, what passengers get with the development of Gatwick and a second runway at Gatwick is increased competition. Not only is the base cost lower at Gatwick but there is also more competition in the system, which means that airlines will be fighting for that business more vigorously between different airports. Those are very important points, I think.

If we look at the traffic forecasts that the Commission themselves have prepared, they note that the model that they have used actually has a number of limitations. The two most important limitations are that it does not actually model what fare differentials are between airports and it does not model the nature of competition between particular airlines and between airports. I know that is a more qualitative piece of work that the Commission is looking at, but it needs to look at it because it underpins the traffic forecasts that it prepares that underpin things like the economic forecasts that it makes.

## Sir Howard Davies

Thank you. We are now in the last 20 minutes or so. We have time for some more public comments.

# **<u>Public Gallery Statements</u>**

## Christina Eubank, Alliance of Chambers in East Sussex (ACES)

ACES has about 3,700 business members, and they employ about 15,000 members of staff. Those chambers of commerce and the FSB stretch from Rye right the way across to Lewes. I would like to support Rosemary and Jeremy and the Gatwick Diamond in giving our wholehearted support to a second runway at Gatwick Airport. We believe it is important to the economy of East Sussex and we want to make that known.

There has been a lot of talk today about the future for our children, and I think that is really important. I would like to ask this meeting to think about the young people who have been hardest hit by the recession – young people who are not actually in the Jobseeker's Allowance figures; young people like my niece and nephew, who are graduates. They have a string of temporary jobs that they work through, including bar work and waitressing, and they are even packing parcels at the moment for a Christmas online delivery service. They want a career, but they cannot find one. If we can support Gatwick Airport to grow, the chance of them finding a career and all of your

children finding careers is that much better. This is a one-time-only opportunity and I think we need to grab it with both hands. Thank you.

## **David Butcher**

My job is Managing Director of FD Outsourcing; my voluntary job is as the founder of the Gatwick Diamond and Chairman of the Gatwick Diamond Initiative management group. I have one comment and question for you, Sir Howard. I do not feel that so far today you have adequately had expressed to you the business case for the airport. Indeed, out of this session I feel that it is only Rosemary who has actually started to try to put the business case to you. I cannot do that in 90 seconds. My question is: what is the Commission going to do to ensure that you have adequately heard the business case?

For most of my working lifetime there has been precious little investment in this area. Such investment as there has been by successive governments has gone up north. I believe this gives us a once-in-a-working-lifetime opportunity to secure billions of pounds worth of investment in this area – not just in the airport economy but in the non-airport economy too. We are not just talking about investment for the roads and for the infrastructure and by the public sector; the second runway at Gatwick will generate billions of pounds of investment by firms which are here in the area. It will secure the jobs for my children and my children's children in the area in which they grew up. It will give them that opportunity. Indeed, an example of where you have not heard the business case until just now is that we had all of the talk this morning about jobs. You would believe that there were not enough people to take care of the economy; we need to create 20,000 jobs and there are only however many on the unemployment register. It is only with Rosemary speaking that it is made clear that we have 110,000 people who are every day commuting out of the Gatwick Diamond area. That dwarfs the additional numbers of jobs that are going to be required on the airport, and these proposals give us the opportunity to improve the economy of this area and provide jobs.

That is just a fraction. Can I have your assurance that you will ensure that before you reach your decision you will have heard the business voice?

### Sir Howard Davies

Yes. We certainly will. Balancing a day like this is always difficult and we have had a whole session to get the business voice, which I hoped was a reasonable balance, but we will be getting lots more submissions as well.

### Participant

Councillor Peter Lamb stated that there was a 50/50 split in Crawley among voters for and against the runway. He then went on to say that this was an age split, so the younger people were in favour. With the majority of the younger people being in favour, they and their children and their children's children are the future of this country and will be here when the runway is built. Please give it due consideration. Thank you.

### Barbara Woods, Mid-Sussex Friends of the Earth

You have been talking a lot about the economy and cost-benefit analysis, but I do not think that you have done a proper comprehensive cost-benefit analysis. It is not just about short-term economics;

it is actually about the economic situation, the social aspects and the environmental aspects. We have heard a lot this morning from the councillors, the parishes and also the community groups about the environmental impacts and the lack of infrastructure, but the elephant in the room, which has not really been spoken about, is carbon emissions. You have said that you are working on a one-in-100-year occurrence for flooding and all the rest of it. If our climate changes the way it looks like it is going to, as predicted by the scientists, we are going to have a lot more frequent extreme weather and a lot more frequent problems to deal with and mitigate against. I do not think you necessarily have bargained for that in your equation. Also, if we are actually going to end up urbanising and industrialising this area more, we are not only going to be creating more carbon emissions; we are also going to be reducing the capacity to soak up carbon dioxide by removing the trees and the plants that actually take up the carbon dioxide.

Also, this has health implications – not just the direct ones of pollution, etc. but also the health and wellbeing benefits that we get from having a country walk and having contact with nature and also a decrease in biodiversity. Also, there has been no mention of the impact on internationally designated areas like Ashdown Forest. Have the health costs, for example, been done – that is the direct and indirect health costs – in this? I do not think they have. As I say, I would like to see a full and comprehensive cost-benefit analysis done, not just a narrow economic one. Thank you.

### Peter Jordan, Member, GACC Committee

I want to bring out one small point which has come up a number of times. That is the transport situation. It seems to me that we need to be absolutely clear on the distinction between transport for passengers, where I might believe everything that Stewart Wingate says, and transport by and for commuters, which is already a big problem in Crawley. There are already 30,000 people commuting into Crawley every day. This can only get worse if we have a larger airport.

## **Brenda Smith**

I am the Chairman of One's Enough, which is a group particularly based in Crawley who support the view that one runway is enough. I am also the borough and county councillor for Langley Green and the airport sits wholly in my ward and division, so I am very au fait with being one of their closest neighbours. I was interested in Rosemary French's discussion when she said that there were 400,000 employees in the Gatwick Diamond area. I wonder how many of those people actually live in or around Gatwick Airport. You are talking about companies in Eastbourne and Hastings; the lady at the back was talking about Lewes. We have a population in Crawley of 106,000 people, and if it is a 50/50 split that is still 50,000 people who live close to the airport who are against a second runway. It is very easy to say, 'Oh, it is one in two' but that is 50,000 people who do not want a second runway. Those people who you say are out working are not going out from Crawley, and the position of those staff, the 100,000 who are going away from the region, could not be accommodated in this area even with a second runway. I think you have to think more about the residents who are going to live here. What gain is that to the people who live here?

We moved from London to come to a pleasant green land away from London. That was the reason Crawley was built – not to be concreted over. You talk about the children. We have one of the highest percentages of asthma in children in the whole of the south. I do not think that has ever come out. The lady over there talked about health. It is very important. I have 1,000 things I could say, but I would like to have some indication of just how many more people you think – going on Peter Jordan's figure of 30,000 already travelling in – the roads in Crawly could cope with. We are up to full capacity and choc-a-bloc every single day. We live here and experience that.

# [Cristina Amman?]

I am a member of the public. I live half an hour away from the airport and yet every morning I wake up at 06.30 because of this huge thundering noise of aircraft. It makes me ill as well as, I know, many other people who suffer from this attack which we get from the air. Unfortunately I have also to mention the easyJet whine; it is a much noisier aeroplane than planes used by British Airways, for example. EasyJet has to date not done anything about this to decrease the noise which is being put on the neighbours. Gatwick Airport does not seem to think about its neighbours whatsoever. In the consultation paper there is no indication of the actual noise which we will suffer with a second runway; there is no indication that two-thirds of the population of Horsham will suddenly find itself under a flight path at 60-70 decibels. There have been no noise contours made with Leq max. Just averaging out noise contours on an assumed noise level without actually measuring on the ground is really not good enough.

## Martin Spurrier, Coneyhurst Concern Group

Coneyhurst is a rural village just to the east of Billingshurst. Chairman, my group welcomes this public session, and we appeal to the Commission to hear the real people whose children's lives will be destroyed if you impose a second runway upon us. The seven or eight elected Members of Parliament who represent the people surrounding Gatwick are saying no, as are increasing numbers of elected parish councillors. Meanwhile, the fabulously wealthy New York venture capitalists who own Gatwick and who intend to sell it at a huge profit the moment they have your blessing for a second runway have the boundless financial resources to influence the public – groups with short-term self interests and decision-makers alike – through Gatwick's in my view misleading and cynical communication, for which Gatwick has been roundly criticised. When the New York gang go back with the cash in their hands, they will leave us with the bills and the chaos. We welcome foreign investment, sir, but not if it is a rape and pillage by people with deep pockets – deep enough to hire London's PR firms and ex members of the UK Government, including Sir John Major, to lobby for them. Please, sir, listen to the real people of this area. Our MPs are telling you that they are against the second runway.

The promise of 90,000 jobs is quite hypnotic. Time and time again we hear the politically correct argument, 'It is good because of jobs'. I do not know what the jobs situation will be in five or 10 years, but I do know now that in Horsham it is 1% unemployment; in West Sussex it is 2%; and in Crawley alone I am informed that there are three times more job vacancies than there are jobseekers. Plus the Gatwick jobs will be low-skilled and we have neither a demand at that level nor people to fill them. Nor do we have the adequate roads, rail, housing, schools, doctors or hospitals for our current population right now, never mind the 90,000 incoming workers, the 134,000 more cars a day and the extra 50 million passengers a year who will bung up our system. They will bring our area to its knees. Our group, sir, is not a bunch of objecting whingers. We do not subscribe to the 'not in our back garden' notion because we already have an airport in our back garden and we support it fully. What we do not need and what we cannot possibly sustain for our children's children is two airports in our same back garden. We ask you, sir, to listen carefully to the actual people whose lives the second Gatwick will destroy and not be distracted by Gatwick's well-funded and influential lobbyists. Thank you.

### **Maureen Schofield**

I am wearing two hats: one as Chair of the Haywards Heath and District Business Association; the other as someone who runs a business that was based in London and is now based in Haywards

Heath. What I am finding really sad about today is that this session following the businesses should have been for businesses. I feel that this is an unfair playing field. I really do feel that we ought to encourage and listen to businesses as well. As far as MPs are concerned, I am afraid they are after their electorate who live in the area. I happen to live and work in Haywards Heath and I am very proud to do that. I would support the second runway on a personal basis and on a business basis. When we have asked our businesses in Haywards Heath whether they want the second runway or not, they are in the majority saying yes.

We understand all of these arguments about the plants, the ground and the environment, but I do ask this country to just for once look to the future. Most of the people in this room will not be alive in 2050. I do think that we need to look to the younger generation. It is very easy to bash political people; it is very easy to bash people who are actually investing in this country. Whether it comes from abroad or from this country, we need to just give businesses a chance to be listened to and heard, and I really feel that today this balance is unfair. There is an emotional appeal in this room, but it needs to also have a logical one to it.

# Christopher Allen, Member, CAGNE

I can point you to about 30 learned academic studies of the adverse effects on children's cognitive ability, the development of their reading skills and their memory capacity published in such journals as the *Lancet* to the *American Journal of Epidemiology* over the last 12 years. In addition to that damage, there is – and here I do not need to refer you to any studies – the undoubted damage caused by NO2 pollution to people of all ages, but particularly to young and developing lungs. Recent research has shown that that early damage to children's reading skills, etc. is carried forward to their 16<sup>th</sup> year.

Why should this have a bearing on the Heathrow/Gatwick debate? The difference is, as you have just heard, that there is a huge labour shortage in the Gatwick area. This means that some 90,000 workers are going to have to come into the area. Supposing that half of those are married and their average number of children is two, that means 90,000 children needing education in the immediate area of Gatwick. The House of Commons Environmental Audit Committee has very recently – I think in the last two weeks – advocated a ban on the building of schools anywhere in the vicinity of airports. On the local councils is going to fall the burden of providing education in this hostile environment to children within West Sussex and maybe Surrey and maybe part of Kent as well. The answer is not that you can insulate schools. Children are encouraged to undertake outdoor activities. Indeed, my local school two years ago built a special outdoor classroom because it was in the fresh air. This is an important difference, I submit to you, between the Heathrow proposal and the Gatwick proposal. Our children and our grandchildren are going to have to grow up in that environment. Thank you.

## Maarten Hoffmann, Platinum Business Magazine

For the Commission's interest, we are the widest-distributed business magazine in Sussex, read by on average about 145,000 business leaders each month. We have surveyed for the past six months our readership and we have come up with a 96% agreement rate with the expansion of Gatwick Airport. You might expect that because they are business leaders, but of course every business leader is also a resident.

I would also like to take on not so much Gatwick but Heathrow. I find it a bit of a rhetorical question that you are even looking at expanding Heathrow. If we took Heathrow away and the

Commission was tasked with placing an airport in London, it would not even be one of 1,000 options. We all know it is in completely the wrong place. To expand it seems complete and utter madness. It was a famous American tourist I think who said he wondered why the Queen built her castle so close to such a big airport.

The gentleman at the back here earlier mentioned the position today of how we are, but we have to look at the next 20 years. A report came out recently that said we are going to have 233,000 new homes built in the South East just to take care of immigration. They need jobs. Might I suggest that Gatwick is probably the biggest employer we have in this area? They will need jobs. They are coming whether this debate goes on or not. 233,000 new homes in the South East. It is going to get concreted over whether we like it or not, due to successive governments' decisions on immigration. They are going to need jobs. Thank you.

### Cllr Tony Schofield, Reigate and Banstead Borough Council

I am the Executive Member for Planning and Development at Reigate and Banstead, which, as you all know, borders Gatwick. It is quite literally the other side of the M23/A23 link road to Gatwick. Any kind of expansion that happens at Gatwick directly affects the borough. In fact, we believe the bulk of all passengers to Gatwick travel through the borough. When the M25 stops, Reigate grinds to a halt. Our priority, which has been reinforced by surveys we have carried out across the borough, is to ensure that any expansion here, be it a second runway or further expansion on a single runway, has to deliver the maximum benefit for all our residents. Of particular importance is that there must be a very clear commitment – this is almost a demand – from both Government and GAL to deliver the necessary infrastructure that has been discussed many times today. That is transport, health and education services, and that must be in place before the second runway becomes operational. There is no point having a second runway working with our existing infrastructure. We are already grinding to a halt. There must be a clear mechanism for appropriate strategic planning across the wider area that is affected by Gatwick to deliver all the associated benefit needs and to identify them all. It is vital that local authorities are central to this process, because we know the local area and our residents better than anyone else does. Reigate and Banstead are actively seeking to establish a joint working framework which will allow local authorities to understand and establish a consensus on the development and infrastructure impacts of the additional runway, and we would encourage the Commission to support this approach. Thank you.

### Stan Abrahams

I started my career with the Roskill Commission. You can imagine the times I have been through this particular position. I am amazed that the Commission has painted itself into a corner where it is looking at two options in heavily-populated areas. Both Heathrow and Gatwick are in heavily-populated areas, which is bound to cause a conflict between the environment and the economic welfare of the country. It is unfortunate that the only alternative to this was put forward as a madcap scheme on the estuarial site. I am again surprised that the Commission readily rejected Stansted, which is in a comparatively uncongested part of the country. All the arguments for Gatwick about spreading the services between two airports would have been so much better for spreading it between three airports, one north of the capital, one to the west of the capital and one to the south. I feel that Stansted could be built with a lot less environmental damage to the country. We must not conflate the value to the country with the value to the airlines. The reason that Stansted has not been used is that the airlines find much higher profit to go to either Heathrow or

Gatwick, and if push came to shove I am sure that Stansted would provide a better alternative. Thank you.

### Sir Howard Davies

We have turned it down, for a variety of excellent reasons.

## [Ian Harris?]

I am a resident in the High Weald area. I have worked for many years in the somewhat arcane world of the corporate bond market and have some experience of rating agency methodology. I want to pick up on the comments of various people earlier on the funding side. Mr Dunn said that only £2 billion of debt would be needed. Presumably that is a per-annum figure, in line with the Airports Commission's report, which says that the total debt funding need of the second runway would be between £10 billion and £15 billion, if I have got that right, and that the runway would be financed by a £2 billion-per-annum rolling programme of bond issues. That is before the changes in terminal infrastructure that have been proposed today. Moody's, as we have heard, have already made their views public. For me, it is quite inconceivable that Gatwick could increase its debt by a factor of five to 10 times and retain its BBB+ credit rating. I expect the two existing rating agencies will wake up to this if and when GAL is awarded the runway. I do wonder what the Airports Commission has done to verify Gatwick's funding requirements from the debt market and how it would feel if the awarded sponsor found its debt downgraded to junk status, with all that that would imply from my experience in terms of cost cutting and so on. I will put more of that in a formal response to the consultation.

A second unrelated comment is we have heard very little from customers of the airport today apart from easyJet. I think we need to hear more about what customers actually really want. Anecdotally it seems that what they really want is Heathrow, but we would like to hear more about that.

### Duncan Leslie, CEO, Hever Castle

London benefits from having one of the highest concentrations of protected landscape just to the south of it – interestingly, not much of it to the north – with the North Downs Area of Outstanding Natural Beauty, the High Weald Area of Outstanding Natural Beauty and then, further to the south, the South Downs. It seems a great shame that if we have to expand our airports we have to forego this particularly heavily protected landscape, because you cannot really replace it anywhere. It is a great place for Londoners to come out for a day out and if we take the area with the highest concentration of highest-rated landscape out of reach of people having a day out to get away from the hustle and bustle of the city, it seems a great shame.

We also have the issue that at the moment the aeroplanes are increasingly flying over some of our best heritage in the country. Hever Castle represents, as someone said earlier, just under 300,000 visitors. We have Chartwell up the road, Winston Churchill's old home. That brings it up to that. [With Penshurst?] as well, we are looking at over 500,000 visitors who choose to come here. Will these people still come to these places if they have aeroplanes flying overhead every one or two minutes? It slightly defeats the whole point of having an area of outstanding natural beauty, where you cannot build factories and you cannot build ugly buildings, if you are allowed to fly aeroplanes over it every two minutes. Thank you.

# **Closing Remarks**

# Sir Howard Davies

We are now out of time. I just want, rather than attempting to sum up the sense of the meeting, which I think might be beyond me, to thank everybody who has come for their points. I know there have been people who have said we have not heard enough of this or that, but I think that anyone who has sat through the last six and a half hours would say that we have heard a decent balance of views, frankly. I think we have heard community views, we have heard environmentalist views, we have heard business views and we have heard views just of ordinary people thinking about this and thinking about the nature of the aviation challenge and the nature of the economic challenge facing the country.

For us, these meetings are not just useful; I think they are essential. Unless we hear and sense the points that people feel most strongly about we will not make a good decision, so I thank you all for coming. I thank the various contributors, particularly, on this occasion, the three business contributors. Thank you to Gatwick. Maybe you think I should not thank them – they are paid to be here – but nonetheless they have sat patiently all day and attempted to respond to the detailed questions that people have put to them. Thank you all for taking part in this. I encourage you to put in written communications if you have specific points or points that you think have not been properly raised today. The consultation period is open until 3 February. Thank you.

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