

The Gatwick Diamond Initiative,  
55c Basepoint,  
Metcalf Way,  
Crawley,  
West Sussex  
RH11 7XX

2 February 2015

Airports Commission Consultation  
By Email: [airports.consultation@systra.com](mailto:airports.consultation@systra.com)

**Subject: Response to the Airports Commission Consultation**

Dear Sir Howard Davies,

This response to the Airports Commission assessment of the three options for a second runway in the South East of England, as published in November, 2014 is being made on behalf of the Gatwick Diamond Initiative.

The Gatwick Diamond Initiative is a business led economic partnership bringing together the local authorities, government agencies and private sector businesses to address the economic needs of the area. Our aim is to improve its economic performance and to ensure it is a world class place to do business.

**The Gatwick Diamond**

The Gatwick Diamond is a geographic economic region worth £20.7bn GDP, home to around 45,000 businesses. The 400 square mile region covers seven local district and borough councils, south of Croydon and north of Brighton, namely in Surrey, Epsom & Ewell, Mole Valley, Reigate & Banstead, Tandridge and in West Sussex, Crawley, Horsham and Mid Sussex. The Gatwick Diamond is home to the largest business park in the UK, Manor Royal District in Crawley with 500 businesses employing 30,000 people, and the area is probably the first airport economy in the world.

The Gatwick Diamond Initiative lobbies government and the public sector on issues that prevent businesses in the area from growing; we encourage international trade; we promote, attract and help UK and foreign inward investors looking to locate in the area; we campaign on aviation related issues; and we work with our FE Colleges and universities to provide a greater Higher and Further Education offer that meets business needs. The Gatwick Diamond Initiative is also one of five area partnerships which comprise the government sponsored Coast to Capital Local Enterprise Partnership.

Our response has been based on 11 years of close relationship working with and listening to the Gatwick Diamond business community, qualitative and quantitative results from our quarterly Business Barometer surveys and consultation with the business membership organisations covering the Gatwick Diamond area.

**Q1: What conclusions, if any, do you draw in respect of the three shortlisted options?**

Businesses recognise that increased aviation capacity is critical to the continued economic success of UK plc. It is also critical to the success of the Gatwick Diamond economy. Over the past 60 years, an entire economic region has clustered within a 20 mile radius of Gatwick Airport. It is an internationally recognised region which trades locally, nationally and globally. Proximity to Gatwick is critical to many Gatwick Diamond businesses and sectors, not just the strong aviation related business cluster. The Area has become home to the UK and European HQ's of many global brands and companies including Unilever, Nestle, Canon, Exxon Mobile, Doosan, Edwards, Sony, Thales, EDF Energy and Schlumberger. In addition, many non-airport related businesses and sectors use the wider transport links centred on Gatwick. Such sectors particularly important to the Gatwick Diamond economy include financial, business and professional services, advanced manufacturing and engineering. For example, Swedish owned Elekta and US owned Varian lead the world in advanced radiotherapy, proton and MRI imaging equipment. Both are based in the Gatwick Diamond.

We believe that Gatwick Airport is the most logical option for the following reasons:

- 1.1 It is the most cost effective using far less public money than the Heathrow options. We do recognise, however, that following a long period of little investment in this geographic area, our infrastructure is already completely inadequate even without a second runway. **Considerable** public sector investment into the area's road, rail and community infrastructure (schools, healthcare, and housing) is already absolutely critical. We would ask the Airports Commission to recommend significant infrastructure investment both immediately and to cope with the inevitable demand from a second runway.
- 1.2 Gatwick Airport is already by far the best connected airport by public transport at 45%, eclipsing Heathrow's considerably smaller public transport mode share. With the new GTR franchise and Cross Rail investments, by 2019, 15 million people will be within one hour of Gatwick by public transport.
- 1.3 Even with new aviation technology bringing quieter planes, we recognise that inevitably a number of local communities will be adversely affected by noise with a second runway at Gatwick. However, those few thousand in number are so very much smaller than the potential hundreds of thousands who will be additionally adversely affected by noise at Heathrow.
- 1.4 Land for a second runway will already have already been safeguarded for 30 years. The ability to convert to a second runway will be much less difficult in planning terms than allocating new land at Heathrow.
- 1.5 Two London hubs will ensure resilience, price competition and choice for businesses and holidaymakers alike.
- 1.6 Further, we believe that a decision to choose one of the other options will have a very serious detrimental effect on the economy of this Area. A decision in favour of Heathrow is likely to mean that all future public sector infrastructure investment in the South East for the foreseeable future will be targeted to try and alleviate the inevitable gridlock that further expansion of

Heathrow would bring. Equally we believe that there would be a very serious decline in private sector investment in the Area, particularly by international businesses who would be compelled to consider relocating to be closer to Heathrow. We accept that there are those in this Area who would prefer to maintain the status quo. We do not believe that the status quo is an option. If there is no additional airport capacity at all in the South East, then we believe the investment and jobs will go elsewhere in Europe.

**Q2: Do you have any suggestions for how the shortlisted options could be improved?**

We have no suggestions for Heathrow. Suggestions below are for Gatwick.

- 2.1 We believe the Airport has focussed on its operational needs and the needs of its airline customers and passengers. We do not believe sufficient consideration has been given to ascertain how the Gatwick second runway proposals can be adapted to improve their effect on the Gatwick Diamond economy as a whole.
- 2.2 We believe that the Gatwick Surface Access Strategy should be extended to take account of the transport needs of the whole area. We need to maximise the benefit to the whole economy of the improved connectivity that the second runway will bring. This will make it easier for businesses to use public transport to host or visit their customers and will both strengthen and widen the potential travel to work Area. We believe this will help minimise the additional housing required as many people, currently unable to realistically apply for job opportunities within the Diamond because of transport difficulties, will in future be able to do so.
- 2.3 We have identified that a second runway at Gatwick will mean the loss of up to 220,000 sq. m. of employment land. We have raised this as a major issue with the Airport and the local authorities. We believe that replacement employment land needs to be found for the businesses being displaced.
- 2.4 Whilst our prime concern is the Gatwick Diamond Economy, we do believe that the impact of a second runway at Gatwick on local residents should be minimised. We believe that further consideration should be given to the night flying proposals at Gatwick, particularly by charters and low cost airlines, which is causing the most objection by local communities affected by noise. We would seek to work with the Airport to ascertain how tougher controls might be implemented without jeopardising the economic viability of an enlarged Gatwick. A second runway at Gatwick will enable a wider spread of flights during the day. We do not believe there is a need for any significant expansion of night time flights and indeed a reduction may be possible.

**Q3: Do you have any comments on how the Commission has carried out its appraisal?**

- 3.1 We do not feel that the Commission has adequately consulted the Gatwick Diamond business community. We also believe that it has failed to sufficiently understand the existing economy, the business issues relating to Gatwick expansion or the business case. Just one example of this is Paragraph 1.51 of the Commission's Report "Gatwick Airport Second Runway: Business Case and Sustainability Assessment". This refers to "the local area, defined as the 15 local authorities and the Gatwick Diamond." This definition highlights that the Commission has failed to understand what the Gatwick Diamond actually is or means. The Gatwick Diamond area is broadly the Crawley/Gatwick travel to work area, stretching from Redhill and the North Downs in the North to Burgess Hill and the South Downs in the South, from Horsham in the West to East Grinstead in the East. The Gatwick Diamond Initiative is a business led private/public sector partnership that geographically covers 7 local borough/district councils. The definition of the local area as "the 15 local authorities and the Gatwick Diamond" does not make sense.
- 3.2 Paragraph 1.51 then goes on to say "This is exemplified in the Crawley local plan's aim "to ensure economic growth is achieved through the consolidation and enhancement of the existing employment areas, where airport-related activity makes up 75% of all employment". This does not make sense, nor does airport related activity make up 75% of all employment. The reference to consolidation and enhancement of existing employment sites in the draft Crawley Local Plan is "protecting these sites for economic development purposes" (Para 5.12) because there is already a potential "shortfall in business land provision of approximately 35 hectares" (Para 5.11). No council official we contacted was able to explain where this 75% figure originated. We believe it would be closer to 25%.
- 3.3 We are disappointed that local community groups and opponents of the Gatwick Second Runway seem to have been given more attention and more opportunities by the Airports Commission than local business groups. There are around 25 business organisations in the Gatwick Diamond representing around 100,000 employees. They are very positive about the arrival of a second runway. Those organisations do not have the significant money and resource behind them that the Back Heathrow campaign has and as a result we do not think their voices have been heard adequately. The Commission's consultation at Crawley in December is a case in point where only 10 minutes of 130 minutes of speeches was allocated to positive support for a second runway.

**Q4: In your view, are there any relevant factors that have not been fully addressed by the commission to date?**

There are several areas in the Gatwick proposal which we do not think have been fully addressed to date, and which need further emphasis:

**4.1 Growth of Employment** – paragraphs 1.50 -1.53. As outlined above, we do not believe the Commission has adequately understood or addressed the Growth of Employment issues within the Gatwick Diamond. This includes the number of jobs, the type of jobs, the availability of labour and the availability of employment land. We believe growth in skilled and well paid jobs will be more significant than this section would imply. Current examples we can give are the new build at Varian Oncology, the 7,000 sq. m. new build by Welland Medical, the new 10,000 sq. m. next generation Data Centre for US Rackspace and the recent announcement of a world centre research campus on a five acre site for MRI Imaging by Elekta Oncology. While Gatwick Airport is and will continue to be an important generator of jobs because aviation related businesses will continue to locate here, we believe the real jobs growth in terms of GDP will be in those non-aviation businesses attracted by a second runway. We would maintain that all seven local authorities will benefit from a second runway but in differing ways. For example, we believe that start-ups and SME's are more likely to be attracted to Surrey market towns due to the quality of offer, while local authorities with high out commuting rates will benefit from new jobs created locally. At the same time we believe that large corporates will locate easy travel distance of the airport as we have seen with Canon UK HQ in Reigate and Unilever HQ in Leatherhead in recent years because closeness to Gatwick balanced with quality of life was a key consideration. This has been the pattern for 60 years now and we believe there is no reason for it not to continue.

**4.2 Access to Skills** – according to ONIS and the 2011 census, currently over 100,000 people commute out of the Gatwick Diamond every day, 70,000 of them to London. These are skilled, well paid, often knowledge sector people who could fill the jobs which will become available when businesses are attracted here. A co-ordinated high level campaign to publicise such vacancies would enable those employees to consider working and living locally, an ambition for the Gatwick Diamond Initiative in terms of community cohesion, reduced congestion and better quality of family life. Paragraph 1.53 implies that jobs would be filled by in-commuters. We maintain this is a great opportunity to change a culture of out-commuting to fill those jobs that will be created. Reducing the number of out commuters will also reduce the housing needs as outlined in paragraphs 1.54 to 1.57. We do recognise that in commuting will still play an important part in filling jobs, but we would stress that out-commuting opportunities should not be ignored. We would ask the Commission to recommend that funding is allocated to local councils and/ or other organisations to mount campaigns to help our commuters understand and take advantage of the job opportunities in the area that a second runway will bring to existing and inward investing businesses.

**4.3 Employment Land** – paragraphs 1.58 -1.60 and 2.64. Land take for the construction of the new runway is mentioned in terms of impacts on ecosystems and homes lost. However, no mention is made of the loss of 220,000 sq. m. of current commercial property on this currently

safeguarded land. The Gatwick Diamond Initiative commissioned property agent Stiles Harold Williams to calculate how much and what type of property would be lost.

<http://www.gatwickdiamond.co.uk/media/21720/Gatwick-Airport-Runway-2-potential-loss-of-employment.pdf>

We felt that while lost homes had been adequately talked about, lost commercial property was being largely ignored. We made this report publicly available and we are delighted that Gatwick has suggested it will endeavour to provide Grade A office facilities for some of the businesses dislocated. However, that could leave around 120,000 sq. m. of light industrial space which cannot be accommodated at the airport. In addition we are losing commercial office space to residential due to Permitted Development Rights legislation which was designed to regenerate disadvantaged areas and not for the South East and, in particular, the Gatwick Diamond where new commercial land is already extremely hard to find. We recognise that some of those companies may leave the area, particularly non-aviation related warehouse distribution services to lower cost areas outside the Gatwick Diamond. However, the remaining businesses do need to remain in the area because the closeness to London and the world and/or access to the right skills is critical. In an area where gaining land for new commercial development is hard fought, the Gatwick Diamond Initiative would ask the Airports Commission:

- a) To recommend that Local Authorities are encouraged and helped to provide replacement land for such development
- b) To recommend, on announcement that Gatwick is the recommended expansion route, that Permitted Development Rights legislation is withdrawn from the whole Gatwick Diamond area at a minimum and potentially wider.

Such recommendations from the Airports Commission would be significant and welcomed by businesses in the Gatwick Diamond area.

**4.4 Rail infrastructure impacts** – paragraphs 1.62 – 1.65; 4.20 – 4.25. Mention is made of transport infrastructure improvements. However there are many rail infrastructure improvements which are already needed so that the rail network's capacity is increased to cope with the substantial increase in demand. We recognise that these are not inconsiderable rail recommendations. But the rail network is heavily overburdened already and significant investment is necessary even without a second runway. Namely:

- a) The electrification of the Guildford to Redhill line is not mentioned despite being discussed for the first time pre-World War 2. Its electrification would serve to bring in employees and travellers to Gatwick.
- b) Rail links to the east into Kent are currently woefully inadequate and currently ensure that potential employees in Kent are disadvantaged. The Gatwick Diamond Initiative would ask the Airports Commission to recommend that the restoration of the direct Gatwick to Tonbridge rail line be reinstated which would then enable connectivity to Ashford's international rail services.
- c) We also believe that the Horsham to Waterloo via Epsom line should be upgraded with increased frequency services.
- d) The Arun Valley line should be improved including action to deal with the chord at Ford – which will enable easier and faster connections to Brighton and services between Brighton and Ford

**Q5: Do you have any comments about how the Commission has carried out its appraisal of specific topics including methodology and results?**

We have no further comments.

**Q6: Do you have any comments on the Commission's sustainability assessments including methodology and results?**

We have no further comments.

**Q7: Do you have any comments on the Commission's business cases, including methodology and results?**

We have no further comments.

**Q8: Do you have any other comments?**

We have no further comments.

Yours sincerely,

[Redacted signature block]

[Redacted signature block]