



**Meeting of the Airports Commission
11th November 2013 – 09:00 – 12:00
Rm 6.02 Sanctuary Buildings**

Attendees:

Commission Members:

Sir Howard Davies – Chair
Professor Dame Julia King
Professor Ricky Burdett

Apologies:

Vivienne Cox
Sir John Armitt

Commission Secretariat:

Phil Graham



1. Welcome

Howard Davies ('the Chair') welcomed the Commissioners to the meeting. All members had been sent copies of the papers due to be discussed at the meeting.

The main objectives of the meeting were outlined:

- To discuss the long term options and any extra work required to sift out options for the short list.
- To give the Secretariat a clear idea of the Commission's direction of thinking.

With regard to chapter drafting, while comments were requested as early as possible, the deadline for Commissioner comments was set as 6 December. Alongside this, the Chair will work with the Secretariat directly on drafting.

The Chair asked all present to provide a verbal update on any changes to the register of interests or interests of relevance to the meeting. He noted that he owned a small



number of IAG shares. Julia King (JK) stated that she owned shares in Rolls-Royce. It was noted that JK would not take part in any discussions relating to Birmingham Airport on account of her Greater Birmingham and Solihull Local Enterprise Partnership role.

2. Note of last meeting

The Commissioners were asked if they had any comments or corrections on the note of the last meeting - there were none (this will also be confirmed on 18 November with Vivienne Cox and John Armit (JA)).

3. Round up of stakeholder meetings attended

The Chair updated on recent discussions with:

- John Cridland (Director-General for the Confederation of British Industry) who voiced support at the direction of the Airport Commission's (AC) work so far.
- The DfT special advisor Julian Glover voiced similar support.
- The Chair, JK and JA had a productive visit to Schiphol Airport where a number of interesting points were raised, including:
 - The Dutch government's previous consideration given to locating an airport on an island in the North Sea ten or so years ago (though they decided against the development).
 - The airport's management were not able to identify any policy to manage the overall climate change impacts of aviation in the Netherlands.
 - Schiphol has 6 runways; however two of these are for crosswind conditions and one a short runway. The airport in practice operates mainly as a three-runway airport, and is subject currently to a cap of 510,000 ATMs.
 - The consultative committee ('Alderstafel') approach to mediating between the airport and local communities on expansion was seen as a potential model for the AC to consider.

JK recently met with the Committee on Climate Change. The Committee confirmed that their belief was the Commission is working within the current framework.

The Chair recently provided a key note speech (cut down version of the emerging thinking speech) at the Airports Operators Association Annual Conference.

4. Communications strategy

██████████ Secretariat discussed the 2014 Communications Strategy Paper, which outlined strategic communications plans for Phase 2.

The Commissioners raised a number of concerns around this approach:

- Possible negative perception of Commissioners having closed-door discussions needed to be considered.
- Jan-Mar timeframe too early for site visits (insufficient time for proposers to further develop schemes).
- Risk of focus on local issues, as opposed to national issues/UK benefits.

Action: The Secretariat to present a revised communications strategy at the next meeting.

The Commission agreed which 2014 event invitations they would accept.

5. Long term options

██████████ Secretariat stated that additional analysis undertaken since the last meeting had led to a better understanding of:

- relative noise impacts
- financeability
- surface access requirements
- costs

For the next meeting, template assessments will be updated to include an indication of the financeability analysis indexed to Heathrow's Q6 revenues.

The Commission noted the need for a more up-front summary and presentation of the key risks/issues associated with each option, and specific consideration of how successfully it tackled the root problem identified in the Commission's emerging assessment of need: i.e. a need for one net new runway by 2030 within the UK's climate change framework.

The Commission summarised the strengths and weaknesses of each option.

Of the Heathrow options, the Commission felt that:

- NW option appeared the strongest of those proposed by Heathrow Airport Ltd, although the SW option was not ruled out at this stage.
- Heathrow Hub option merited further consideration.
- Thames Water's analysis of the water supply impacts and the CAA's analysis of the safety of the Heathrow Hub option were required before a final decision can be made on Heathrow Hub or Heathrow SW.
- Based on demand forecasts and the impacts on overall capacity of the consequential airspace effects, the case for the 4 Runway Heathrow option appeared weak (despite respite opportunities). It was agreed that this option would be removed from the shortlist.

Of the dispersed model options, the Commission considered that:

- Gatwick's two runway option was the strongest, preferable to Stansted's based on demand forecasts and current utilisation
- an additional Stansted runway might remain an option to consider for 2050 recommendation purposes.

The Commission discussed the relative merits of the new hub proposals at Stansted and in the inner Thames Estuary.

In respect of the Thames Estuary option, the Commission noted that:

- the proposal could be consistent with the eastwards shift in the economic geography of London and the Mayor's potential development plans (although it was also noted that Stansted expansion could be aligned with the Mayor's north east development corridor)
- the greater levels of unemployment in the Medway region – and potentially east London – support the estuary option in regeneration terms (compared to lower levels of unemployment in the region immediately around Stansted).

The Commission considered that the 'Stansted five' option would constitute a significant gamble on the hub model, due to:

- systemic impacts requiring the closure/scaling back of other airports
- possibility that the high level of total capacity in Stansted's proposal may not be deliverable.

The Estuary was likely to be a stronger option as it:

- kept more of the other London system airports open and did not affect capacity for the low cost sector to the same degree.
- performed better from a noise and heritage perspective (though further analysis was required before construction would be possible – particularly in relation to impacts on designated sites, as well as on numbers of homes lost and impacts on the nearby energy facilities).
- offered a once in a generation opportunity to virtually remove all aircraft noise from London area.

At this point JK left the discussion

The Commission discussed the Birmingham option.

- EP stated that additional analysis didn't indicate that there was anything that would be likely to alter the conclusions reached at the last meeting.
- In particular, the evidence presented on the UK's economic geography and assessments at a local/regional level of the population's propensity to fly, did not contradict Commission's earlier view.

The Commission confirmed their decision to remove Birmingham from the shortlist.

JK rejoined the room

██████████ summarised the paper provided on the responses to the Commission's consultation following the publication of the long-term proposals in August. This also included information on any relevant submissions/correspondence received prior to publication, and set out how the information received was used to inform the Secretariat's preparation of evidence to support the Commission's decision making.

6. Short term options

The Commissioners felt that the noise arbiter proposal required further work to define its proposed role, and that the proposal should be developed to have a stronger role in decision-making and in holding the industry and others to account. It was suggested that the Climate Change Committee's statutory responsibilities to provide published advice could be a good model to consider. It was also suggested that the arbiter could publish data on airports' and airlines' noise performance as a means of creating accountability within the industry.

██████████ Secretariat gave a brief overview of progress with the proposal for an Autumn Statement announcement on surface access. It was agreed that the proposal and the draft letter would be revisited after the Whitehall Liaison Committee meeting on 12 Nov.

7. Phase 2

██████████ Secretariat gave an overview of the Phase Two Appraisal Framework, and the possible incorporation of 'design ambitions' into this framework informing the Commissioners that 1:1 discussions can be scheduled with Commissioners if requested.

The Commission was in favour of presenting design ambitions to scheme promoters, further to appropriate consultation. These ambitions could relate to social, environmental or economic concerns. Given the Commission's remit, it would be appropriate for the ambitions to focus on ensuring that the schemes were developed in the national interest and to encourage promoters to think ambitiously about issues such as sustainability. Scheme promoters need not adopt the ambition, but they ought to outline why they prefer to adopt an alternative course, and what steps would need to be taken to meet the ambition. It was noted that the more prescriptive the ambition, the more likely it is to add additional costs to a scheme. The Secretariat was asked to work up the proposals for design ambitions further.

The Commission discussed pushing back the date of the Appraisal Framework consultation to January 2014.



8. Interim Report comments on chapters

Due to time constraints, this agenda item was not discussed in detail.

9. AoB

None.