



Introductory Note:

Inner Thames Estuary Feasibility Studies

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Introductory note

Purpose

- 1.** The purpose of this introductory note is to set out the Commission's current position on taking forward additional feasibility and impacts work for an inner Thames Estuary proposal. It also fulfils the twin purpose of:
 - inviting comments on the draft terms of reference for the four research studies it will be progressing; and,
 - opening a call for evidence to inform the study outputs.

Current position

- 2.** The Commission published its Interim Report on 17 December 2013 setting out the three short-listed schemes to be taken forward for detailed development work, for national consultation this autumn.
- 3.** The proposals received by the Commission for a new hub airport in or around the Thames Estuary were both imaginative and ambitious.
- 4.** The notion of a once-in-a-century decision to build a new hub airport that would significantly reduce the impacts of aircraft flying into and out of London, especially for the many thousands of people affected by noise around Heathrow, is compelling.
- 5.** In addition, supporting the shift of London's economic centre of gravity eastwards to allow for further expected population growth, combined with a major redevelopment opportunity of the Heathrow site, are potentially attractive prospects, and could have major impacts on the economic geography of the South East.
- 6.** There are, however, significant challenges and risks associated with an inner Thames Estuary proposal – for example, the Estuary has many areas of protected habitat and flood risk and is some 33 miles from central London with no direct surface access links in place.
- 7.** Therefore, while no proposal for an Estuary airport has presented a sufficiently powerful case for it to be currently recommended as a credible option, the Commission was unable to reach a firm conclusion on an inner Thames Estuary option (see paragraphs 6.24-6.46 of the Interim Report).

8. The Commission has recognised that, given the magnitude and complexity of a scheme of this kind, further research would be of significant value to understand better the feasibility and impacts of a new hub airport. The lack of evidence in some key areas was also recognised by a number of interested parties in their submissions to the Commission.
9. Over the coming months, the Commission is, therefore, proposing to take forward four studies to address the significant risks and challenges associated with a scheme of this magnitude and complexity.
10. It is also inviting evidence from interested parties, and commits to engaging with them in a consultative manner, to inform the study outputs.
11. Following the completed studies and evidence-gathering, the Commission will then decide whether a new hub airport proposal in the inner Thames Estuary is a credible option to be taken forward for further detailed development work or not. The Commission expects to make this decision by September 2014.
12. If the proposal is considered to be credible, it will go forward to the same level of detailed development as the short-listed proposals and be consulted upon nationally.

Feasibility studies and draft terms of reference

13. As set out in the Interim Report, the Commission has already assessed that the most viable options for a new hub airport are located in the inner Thames Estuary and not the outer Thames Estuary. The Commission will, therefore, only be taking forward further feasibility and impacts work in respect of the inner Thames Estuary locations.
14. The Isle of Grain option examined by the Commission in its Interim Report incorporated elements from several inner Thames Estuary proposals (as described in paragraph 6.25 of the Interim Report and paragraph 5.4 of Appendix 2 of the Interim Report). It is proposed, therefore, that the studies referred to below may consider alternative inner Estuary locations in assessing the feasibility and impacts of a new hub airport. This will enable consideration of the range of impacts which could materially affect the location and design of such a new airport.
15. The Commission's current position on the draft terms of reference for the four study areas can be found in the **Annex** to this note, and are outlined briefly below in alphabetical order:
 - **Environmental impacts** – assessment of the impacts on the Natura 2000 sites, coastal system, habitats and species affected and historical and archaeological

sites, in constructing and operating a new airport and identifying whether the legal tests could be met.

- **Operational feasibility and attitudes about moving to a new airport** – assessment of key potential operational issues and potential mitigation, including meteorological and wildlife impacts, the *SS Montgomery* and relocating energy facilities; assessing airline, airport, business and industry attitudes to the decision to move operations to a new hub airport, and to then moving operations.
 - **Socio-economic impacts** – assessment of the local, sub-national and national economic and social benefits and impacts of building a new hub airport in the inner Thames Estuary, closing down Heathrow and London City airports, and redeveloping the Heathrow site.
 - **Surface access impacts** – assessment of the operational, cost and environmental impacts of any surface transport proposals required to support a new hub airport, as well as impacts on existing and planned local and strategic transport infrastructure.
- 16.** The Commission is now inviting views and comments on its current position on the proposed terms of reference (as set out in the **Annex** hereto). Comments are invited by no later than **14 February 2014**, to inform the project initiation documents. Please send any comments on the draft terms of reference for the four studies to estuary.tor@airports.gsi.gov.uk.
- 17.** The Commission is particularly interested to hear whether there are any gaps or weaknesses in its current position on the draft terms of reference, and whether there is any specific analysis that will be appropriate to consider in undertaking these studies.
- 18.** The Commission expects to procure expert assistance from consultants in environmental appraisal and technical support; in the provision of engineering, airport operations and logistics consultancy and in the provision of economic modelling, commercial and financial appraisal. Much analysis has already been undertaken in Phase 1, and the Expert Advisory Panel will continue to help the Commission to access, interpret and understand evidence for the studies, as well as to make judgements about its relevance and potential application.
- 19.** The Commission expects to be in a position to publish many of the study outputs by **July 2014**, to ensure that any further evidence from interested parties is taken into account before a decision is made in September. **Figure 1** of this document sets out how the decision making process for this work is expected to proceed.

The call for evidence

- 20.** The Commission commits to engaging with interested parties in a consultative manner in order to ensure that high-quality, well thought-out study outcomes are delivered.
- 21.** In addition to welcoming views on the draft terms of reference for each of the studies, the Commission is now opening a call for evidence from interested parties, in order to inform the study outputs.
- 22.** Interested parties are welcome to submit analysis, evidence, additional research or comments in relation to an inner Thames Estuary proposal to the Commission by Friday **23 May 2014**. This will give sufficient time to ensure that appropriate evidence can be considered to inform the final study outputs before the studies are concluded and published. Please send evidence to estuary.studies@airports.gsi.gov.uk.
- 23.** If you are interested in submitting work, please do not hesitate to get in touch about the type of analysis and evidence which could best inform the study outputs.
- 24.** The Commission will not be considering new or refreshed scheme proposals on the Estuary, but will assess the credibility of an Inner Estuary option with particular focus on the distinct study areas set out in the **Annex**. Therefore, the Commission invites analysis and evidence relating specifically to the finalised study terms of reference, where it has concluded that additional analysis will be of value in reaching its decision on whether the Inner Estuary option can be regarded as a credible option.

Proposed process and timetabling

- 25.** The Commission will be taking forward the additional feasibility and impacts work separately to the process and timetable for the short-listed proposals.
- 26.** If the Commission decides that an inner Estuary proposal is a credible option, such a proposal can be developed to the same level as the short-listed options and be consulted upon, before the Commission publishes its Final Report in 2015.
- 27.** The proposed process and timetable is below. Please note that this is subject to change, for example depending on the progress made with the studies.

Figure 1: Process and timetabling to reach a decision on whether an inner Thames Estuary proposal is a credible option to be taken forward for detailed development work



Annex: Draft terms of reference for Estuary studies

The proposed studies are set out in alphabetical order below.

Study 1 – Environmental / Natura 2000 impacts

Assessment of the impacts on the Natura 2000 sites of constructing and operating a new airport at an inner Thames Estuary location, and the feasibility of meeting the legal tests for such development, including:

- assessment and field research as appropriate of the habitats and species affected, in particular identifying priority habitats and species;
- analysis of the impacts, issues and risks on identified habitats and species in the short and long term;
- consideration of any secondary impacts or unintended consequences to the overall stability of the eco-system and wider environmental conditions;
- analysis of the process and hurdles to developing on Natura 2000 sites including previous examples of successful and unsuccessful cases (particular focus on national infrastructure and transport projects, preferably airports), in the UK and other European Member States;
- analysis of the compensatory habitats necessary and costs involved for the species and habitats identified, particularly those at risk;
- risk assessment of successful cases and outcomes being achieved and estimation of best approach and costs involved;
- identification of possible compensatory sites or locations and the potential impacts on the habitats and species as a result of moving to new sites or locations and impacts on new sites and locations; and
- siting work as appropriate to assess historical and archaeological buildings and any potential prehistoric or medieval remains. Risk assessment, mitigation options and cost.

Study 2 – Operational feasibility and attitudes about moving to a new airport

This will evaluate certain aspects of airport operations that to date have not been possible to assess to the same extent as other short-listed options in the absence of a current operational site.

Study will assess under the following two headings:

Operational feasibility

There will be assessment of the key potential issues affecting the operational feasibility of a new airport and whether they can be reasonably be mitigated against, including:

- risk assessment of meteorological and wildlife impacts on operations such as flooding, fog, wind and bird strike;
- risk assessment of the impact on the SS *Montgomery* of the location of a new airport, including assessment on the need for disposal and any costs associated with it; and
- potential impacts of relocating energy facilities on the Isle of Grain and assessment of the feasibility of doing so.

Industry response

This will assess qualitative reactions of key industry stakeholders: views, confidence levels or reactions to any decision to develop a new hub airport in the inner Thames Estuary and the different potential airport operational scenarios at any such new site, with participants likely to include:

- operators (airlines – alliances, scheduled, charter, general and business aviation, airports and related services – baggage handling, rescue, safety and others as appropriate); and
- airport users (industries for which aviation connectivity is important, for example tourism, financial services, businesses affected around the current and prospective airport, e.g. M4 corridor /north Kent / east of London).

Study 3 – Socio-economic impacts

Understanding the national, sub-national and local economic, and in some cases, social impacts of closing Heathrow and seeking to assess the regeneration potential of east London and the south and east of England, including:

- economic benefits of a new hub airport in the inner Thames Estuary;
- identification of the redevelopment potential of Heathrow and London City airports, for example in construction, supply chain, foreign investment, new homes;
- economic assessment of the impacts of closing Heathrow and London City airports and constructing a new airport at inner Thames Estuary location;
- social impacts of closing Heathrow and City airports, including regeneration impacts on London and north Kent as a result of building a new airport in the Estuary (direct, indirect and catalytic);
- potential of airport developments to drive change in the economic geography of London; and
- competition impacts on aviation sector and potentially wider (where relevant, e.g. freight) in the South East of closures and redistribution of traffic.

Study 4 – Surface access impacts

Study will assess the following under three broad headings:

Operations

This may include:

- new infrastructure required to support inner Thames Estuary proposals and the deliverability of said infrastructure;
- implications of a Thames Estuary airport on the utilisation of current strategic and local road and rail infrastructure, including the availability of rail paths for commuter and intercity services, the availability of capacity on HS1 and levels of road congestion, and impacts on local transport networks;
- availability of London rail terminal capacity and the ability to relieve constraints in this area (for example via outer-London interchanges);
- implications of an inner Thames Estuary airport for travel times to a hub airport for users beginning or ending their journey outside of the London area;

- resilience of surface transport links to an inner Thames Estuary airport against forecast growth in non-airport demand on road and rail networks;
- whether these forecasts remain realistic alongside any development opportunities that might reasonably be expected to accompany an inner Thames Estuary airport; and
- The relationship between any surface transport infrastructure required for an inner Thames Estuary airport and other planned major infrastructure works such as Crossrail, HS2 and lower Thames crossing.

Costs

This may include:

- cost of constructing new surface transport infrastructure;
- level of any potential charging required to support the ongoing operation of surface transport links to airport;
- implications of an inner Thames Estuary airport for wider Government revenues and subsidies to transport sectors, for example rail franchising, bus funding, local funding and any other;
- balance between those costs that might be privately financed and those which would require taxpayer support, with clear view as to the balance between users getting to and from the airport and to and from other locations on any new infrastructure; and
- wider benefits that might accrue from surface transport investments for example in east London and north Kent.

Environment

This may include:

- likely impact of new surface transport infrastructure requirements on protected sites, habitats and landscape and whether these raise any particular legal problems; and
- any significant local environmental issues (such as air quality, carbon, noise) arising from new surface transport links to an inner Thames Estuary airport and whether these can be overcome.