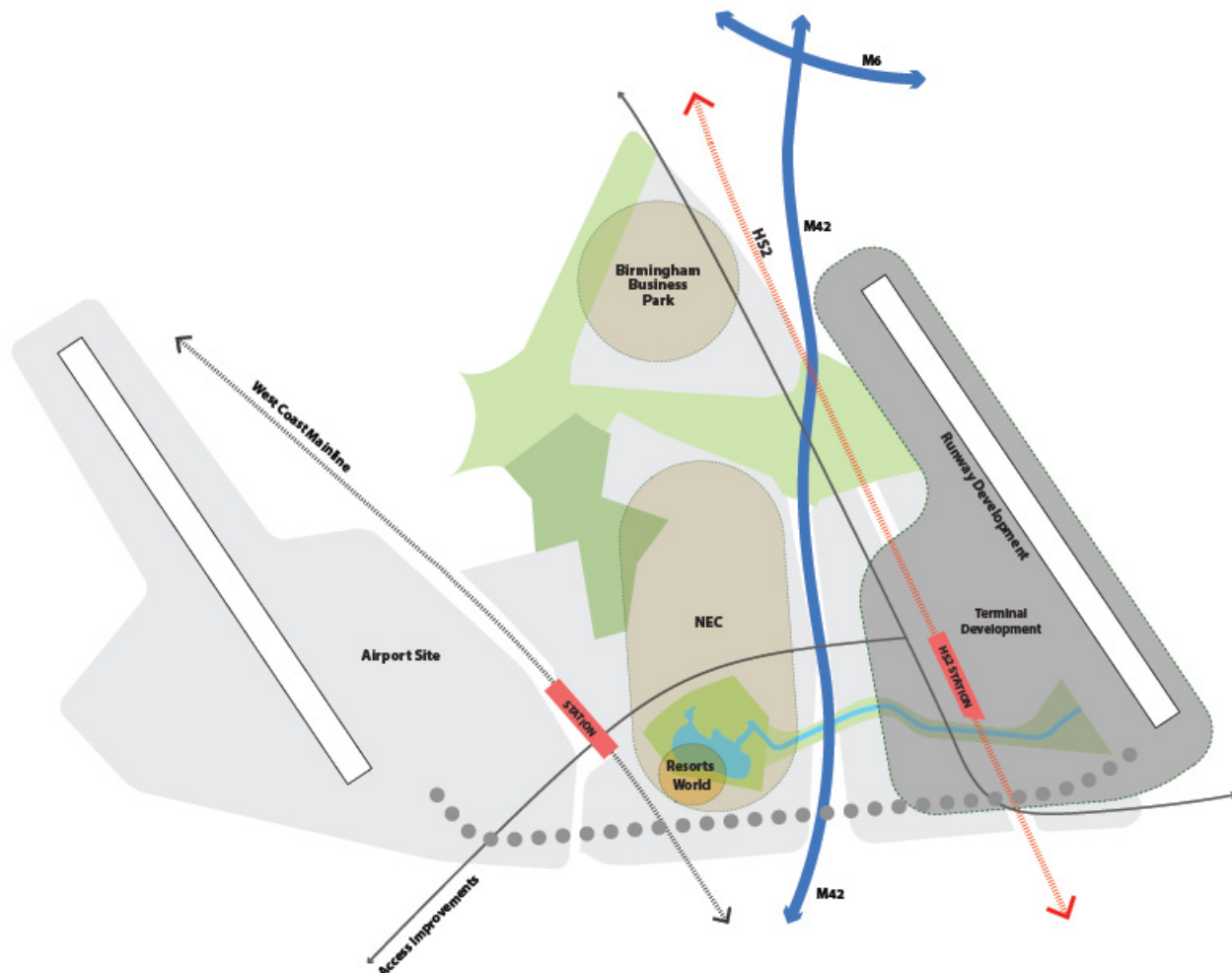


PROPOSAL TITLE:	Birmingham Airport	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Birmingham Airport Limited	Medium/Long Term	<input checked="" type="checkbox"/>

## PROPOSAL

New single independent “full-length” runway, parallel with the existing runway, and terminal developments located approximately 3.5km east of the existing runway. Linked by dual taxiway and integrated terminals via rail link. Largely constructed on a brown field site. HS2 interchange terminal c 1.5km from existing airport and directly linked to proposed site (38 minutes travel time to London).



## INITIAL ASSESSMENT COMMENT

Well presented, detailed proposal for the expansion of the airport. Although the airport configuration appears somewhat disjointed, it has been configured to make maximum use of the connection to HS2.

The commercial viability would appear to rest upon the wider capacity strategy and in particular that the existing London airports do not expand significantly in order to capture demand that might otherwise migrate to Birmingham.

May be worthy of further consideration as part of a strategy to move new capacity away from London.

PROPOSAL TITLE:	Birmingham Airport	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Birmingham Airport Limited	Medium/Long Term	<input checked="" type="checkbox"/>

## OVERVIEW

Proposal	<b><u>As part of a broader expansion of UK airport capacity, new single runway and terminal building located approximately 3.5km East of current airport.</u></b>	
Approach	<b><u>Delivery body (comprised of a number of land owners and interested public and private entities) to oversee implementation would be akin to a Development Corporation with spending powers and statutory CPO powers.</u></b>  Delivery process not described, but it would appear that phased expansion would follow setting of public policy and establishment of the Development Corporation.	<b>Stated Capital Cost</b> <b><u>Airport only: £7 bn</u></b>  <b><u>Including surface transport: £11.5 bn</u></b>
Potential Benefits	<ul style="list-style-type: none"><li>Supports ability of Birmingham to meet unconstrained forecast demand for increased destinations, frequencies and airlines.</li><li>Supports competitive pressure on existing airlines and services.</li><li><b><u>Up to 3,010 more jobs in Birmingham, 13,450 in Solihull, 7,880 in former county of West Midlands and 19,090 in West Mids region (if BHX reaches 27.2mppa). Income impacts of between £147m-£824m for each of those three areas. By 2040, 145,373 jobs at Solihull, 187,634 jobs at Greater Birmingham and Solihull Local Enterprise Partnership (GBS LEP) and 221,246 jobs in West Midlands region. GDP impacts of £15.1m Solihull, £18.7m GBS LEP, £21.5m West Midlands region.</u></b></li><li>Largely brownfield site with <b><u>limited impacts on designated sites.</u></b></li><li>Significant benefit to local communities currently affected by noise.</li><li>Significantly fewer residents impacted by night noise from the use of the 2<sup>nd</sup> runway in preference to the existing one.</li></ul>	<b>Capacity (mppa)</b> <b><u>63</u></b> <b><u>(27 existing + 36 new)</u></b>  <b>Capacity (ATM)</b> <b><u>455,400</u></b> <b><u>(205,400 + 250,000)</u></b>
<b>Key Issues &amp; Risks</b>		
Strategic Fit	<ul style="list-style-type: none"><li>The proposal adds capacity to the UK airport system and could be seen as providing competition to London’s airports, with the potential to provide point to point capacity, potentially freeing slots at constrained London airports for hubbing movements. The scheme would therefore appear to be aligned with the Commission’s terms of reference.</li></ul>	
Economy	<ul style="list-style-type: none"><li><b><u>Suggests no expansion at Heathrow</u></b>, but its questionable whether carriers would be willing to move from Heathrow.</li><li>Competitive access to London market predicated on delivery of HS2, with fares and service patterns conducive to flights from Birmingham Airport being competitive to those from London Area airports.</li></ul>	
Surface Transport	<ul style="list-style-type: none"><li>Significant local highway expansion works required, although these may be required irrespective of airport development (as <b><u>part of the UK Central Masterplan</u></b>).</li><li>Uncertain impact on wider highway network, and which rail schemes and demand management measures are critical to achieving 50% non-car modal split.</li><li>Uncertain whether the improved links to London would attract customers to use Birmingham given other London airports offer the same destinations.</li></ul>	
Environment	<ul style="list-style-type: none"><li>Overall carbon, air quality and noise nuisance effects depend on how the option is used in conjunction with other airports.</li><li>The scheme directly affects one SSSI, with a number of other designated sites within 2km of the development. 6 listed buildings would be lost with a further 228 and 12 scheduled monuments within 2 km. An unknown number of dwellings would require demolition.</li></ul>	
Cost	<ul style="list-style-type: none"><li>Of the total estimated cost (£11.5 bn including surface transport), the submission suggests the airport company would contribute £7 bn, including £0.9bn towards the estimated cost of £1.6 bn for surface transport. This may underestimate the total surface transport cost, which, depending upon extent, may be £1-2 bn greater.</li></ul>	
Operations	<ul style="list-style-type: none"><li>Creates essentially two airport zones with potentially long transfer times between.</li></ul>	
Delivery	<ul style="list-style-type: none"><li>Viability of airlines preferring London capacity making use of capacity at Birmingham is unclear.</li><li>A number of potential funding/financing strategies stated.</li><li>Most of the costs of ancillary infrastructure (e.g. surface access) would be publicly-funded in addition to which government guarantees would be needed to achieve required private finance.</li><li>Raises potential issues regarding affordability and value for money. No indication of impact on aero/other charges.</li></ul>	