

PROPOSAL TITLE:	Thames Hub Airport	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Foster + Partners	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

New four runway airport on the Isle of Grain at the eastern end of the Hoo Peninsula on the north Kent coast.

On opening of the new airport Heathrow would be closed and its site redeveloped, with the realised value offsetting the cost of construction of the new airport.

Four runway airport constructed on reclaimed land platform measuring 5.2km by 4.5km. The airport comprises two pairs of two parallel runways in an East/West orientation, each 4,000m long. The two pairs are separated by a minimum of 2,000m and runways within each pair are separated by 400m. The airport is proposed to operate in a segregated mode.

Requires all supporting infrastructure (road and rail links, utilities, etc), plus settlements (with their supporting infrastructure) to accommodate direct and indirect employees to be constructed.

The first phase of development would provide a modest net increase to system capacity (110 mppa) enabling it to accommodate the displaced traffic from Heathrow. Later phases would add to system capacity, with the airport providing capacity to 150 mppa with potential for further growth.

INITIAL ASSESSMENT COMMENT

Submission setting out in incomplete, but reasonable detail, a proposal for delivery of the new airport. Although similar in concept to a number of submissions setting out proposals to develop either the western or eastern end of the Hoo Peninsula, the proposal is uncertain on detail beyond the “first phase” of development.

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OVERVIEW

Proposal	<u>New 4 runway hub airport on the Isle of Grain on the north Kent coast, 30 miles from central London. Heathrow would be closed on the opening of the new airport.</u>		
Approach	<u>Enabling legislation to be provided 2015-2020 with construction commencing in 2022; new airport opened and Heathrow closed by 2029. First phase of Heathrow redevelopment by 2032. Heathrow and the new airport to be regulated as a single entity, with charges smoothed over a 20 year period (2018-38) enabling the capture of the resale value of Heathrow to the new airport company. Development risks to be underwritten by Government.</u>	Stated Capital Cost	
		<u>Phase 1: £24 bn</u>	
		Later Phases: £50 bn+	
Potential Benefits	<ul style="list-style-type: none"> ▪ <u>Greater capacity than Heathrow, with the potential for further expansion (to a claimed 150 mppa).</u> ▪ <u>£75 billion net benefits claimed</u> (whether NPV and period not stated). ▪ <u>Promotes regeneration in North Kent and Thames Gateway.</u> ▪ Away from current significant centres of population, therefore not creating a significant noise nuisance, whilst relieving those affected by Heathrow. ▪ Larger, more efficient configuration than Heathrow offers potential for a more resilient operation than Heathrow, able to operate over 24 hours, offering increased frequencies and/or destinations served. 	Additional Capacity (mppa)	
		<u>Phase 1 : 20</u>	
		<u>Later Phases: 60</u>	
		Additional Capacity (ATM)	
		Phase 1: 120,000	
		Later Phases: 350,000	
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> ▪ Providing additional capacity, the proposal is broadly in line with the Commission's terms of reference. 		
Economy	<ul style="list-style-type: none"> ▪ Given its distance from Heathrow existing businesses and workforce at Heathrow would be adversely impacted unless they are able to adjust to the new opportunities presented at the redeveloped site, or relocate to the new location. 		
Surface Transport	<ul style="list-style-type: none"> ▪ Substantial investment required for new surface transport to serve location. ▪ Uncertain whether proposed rail and road enhancements can cater for the predicted level of demand and what measures will be implemented to achieve the 60% rail mode share target. 		
Environment	<ul style="list-style-type: none"> ▪ Significantly impacts on major sites of environmental designation including marine and coastal protected areas ▪ Unknown implications from alteration of coastal processes on flood risk, sedimentation and erosion. ▪ Would require appropriate assessment and demonstration of no alternative and overriding public interest plus large scale compensatory habitat creation. ▪ Number of issues unaddressed including loss of agricultural land and displacement of existing industry. 		
People	<ul style="list-style-type: none"> ▪ Although health benefits likely to be occasioned for residents around Heathrow, removal of major employer could generate adverse impacts. 		
Cost	<ul style="list-style-type: none"> ▪ Only Phase 1 cost provided with unknown contingency allocation. ▪ The first phase cost excludes off-site works (notably transport) plus a number of on-site support infrastructure elements. These may increase the total cost to £30bn for the first phase and to £50 bn+ for the final build out to 150 mppa including an extension of Crossrail. 		
Operations	<ul style="list-style-type: none"> ▪ Location is likely to result in an increased risk of bird strikes. ▪ Fog/low visibility conditions currently unknown, <u>submitter proposes substantive study.</u> ▪ Liquefied Natural Gas (LNG) facility is close to the proposed site, submitter proposes <u>an assessment of risk to be carried out.</u> ▪ Impacts existing airspace with international cooperation required to resolve. 		
Delivery	<ul style="list-style-type: none"> ▪ Nature of reclaimed land platform poses increased risk of differential settlement. ▪ Unclear how proposed funding/financing strategy and ownership structures would work (e.g. combined Heathrow/Thames Hub RAB) and elements appear counter to CAA RAB policy. ▪ Viability of existing Heathrow investors "switching" investment needs further assessment. ▪ Clearly stated need for government underwriting of project risk may be key to ability to attract inward investment. Statements re limiting aero charges may suggest need for government funding to achieve financeability. 		