

PROPOSAL TITLE:	Isle of Grain	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Mayor of London	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

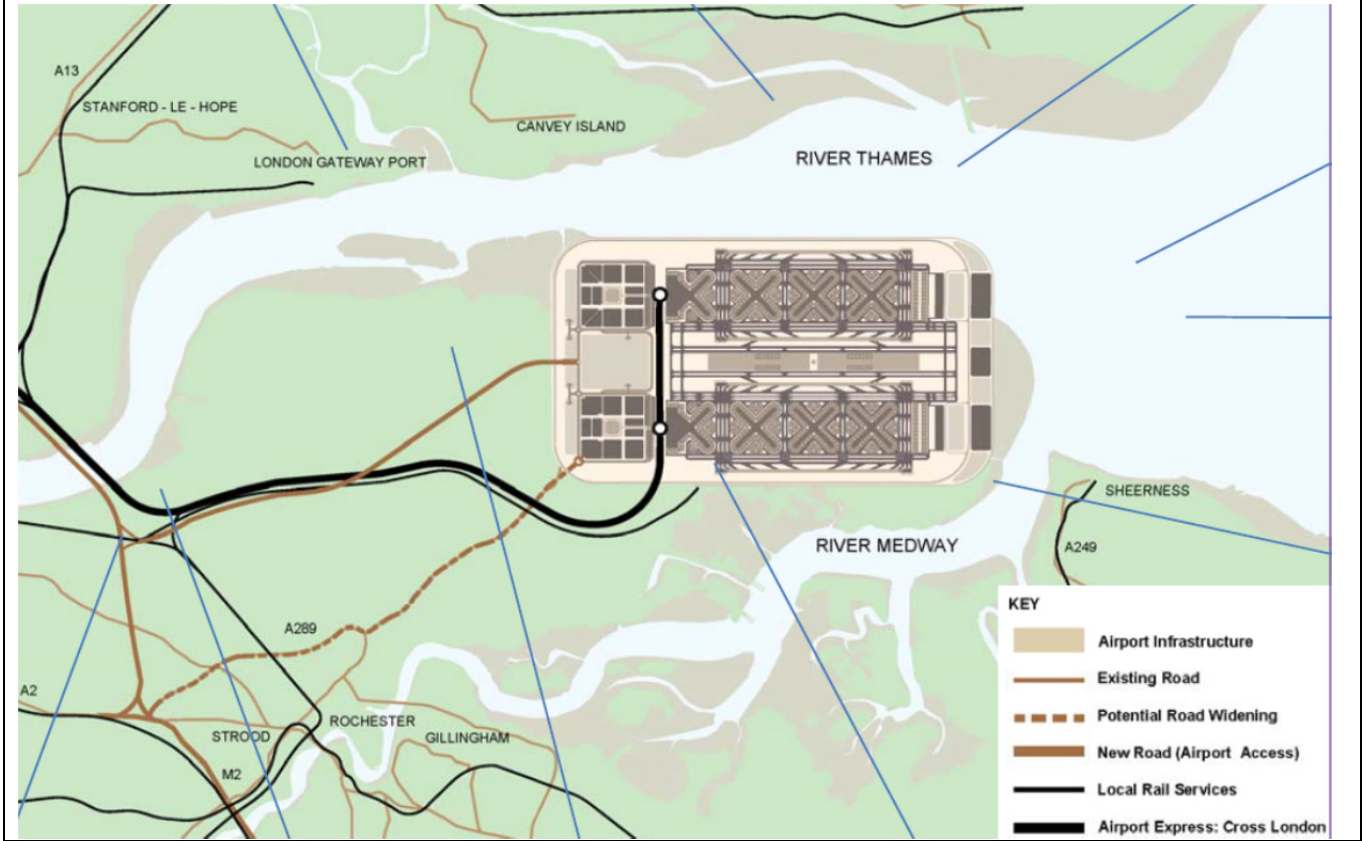
New four runway airport, developed on the Isle of Grain at the eastern end of the Hoo Peninsula on the north Kent coast, as a direct replacement for Heathrow.

Partially constructed on reclaimed land with a total site area of 55km². The airport comprises four independent parallel runways in an East/West orientation, each 4,000m long.

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.

Essentially a Government led initiative with the eventual sale of the airport and the land at Heathrow offsetting the up-front cost.

Phase 1 of construction is from 2020 to 2029 and delivers infrastructure to support 90mppa. Phase 2 begins from 2026 to 2050, ultimately delivering capacity of 180mppa.



INITIAL ASSESSMENT COMMENT

Submission sets out in partial detail proposals for delivery of the airport.

Although the closure of Heathrow only delivers a relatively small capacity benefit in the early phases, the proposal establishes the basis for long term expansion of airport capacity, with different environmental impacts to the expansion of Heathrow. Therefore, aligns with the Commission’s remit, the proposal appears worthy of further investigation.

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OVERVIEW

Proposal	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.		
Approach	Government led initiative to acquire Heathrow, construct the new airport and supporting infrastructure, transfer operations and redevelop Heathrow site before sale of both assets.	Stated Capital Cost Phase 1: £47.3 bn Phase 2: £21.0 bn	
Potential Benefits	<ul style="list-style-type: none"> ▪ Larger, more efficient configuration than Heathrow offers potential for a more resilient operation than Heathrow, able to operate over 24 hours. ▪ <u>National additional GDP contribution of £42.3bn GVA p.a. with additional 0.5% contribution to UK GDP (£6.9bn p.a. today). Cumulative GVA increase of £726bn between 2015 and 2050.</u> ▪ <u>Additional national employment of 388,000 by 2050, local employment 134,000; additional £16.4bn in local GVA p.a.. Additional 47,000-138,000 “catalytic” jobs in southeast and London.</u> ▪ Large net reduction in population exposed to noise on closure of Heathrow. ▪ Potential for night flights with lower noise impact. 	Additional Capacity (mppa) Phase 1: 0 Phase 2: 90 Capacity (ATM) Phase 1: 500,000 Phase 2: 1,000,000	
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> ▪ Although the first phase, as proposed, would only replace the lost capacity at Heathrow, the overall scheme provides additional capacity and would support the UK’s hub status, both aspects 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 to relocate to the new location... 		
Surface Transport	<ul style="list-style-type: none"> ▪ Substantial investment (£13bn) required for new surface transport to serve greenfield 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 65% rail mode share target. 		
Environment	<ul style="list-style-type: none"> ▪ Significantly impacts on sites of environmental designation. ▪ Would require appropriate assessment and demonstration of no alternative and overriding public interest plus large scale compensatory habitat creation. ▪ Potential impact on estuary/coastal processes including sedimentation and erosion. ▪ Issues not addressed include impacts from bird strike mitigation, loss of agricultural land, displacement of existing industry, and from airport construction/operational resource and energy use as well as infrastructure development including surface transport. 		
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. ▪ Negative impact on residents living near the Isle of Grain through loss of tranquillity 		
Cost	<ul style="list-style-type: none"> ▪ Exclusions not explicitly identify. Does not appear to include costs relating to relocation of the Liquefied Natural Gas (LNG) facility. ▪ Phase 1 cost estimate may need to be increased in order to improve flood protection. 		
Operations	<ul style="list-style-type: none"> ▪ Risk of bird strikes. Fog/low visibility conditions unknown. ▪ <u>Relocation of National Grid’s LNG facility</u> to unspecified location. ▪ 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. ▪ Essentially government-funded approach (total investment required: £96 bn with costs defrayed through lease/privatisation of new airport. Proposal suggests cautious approach to financial projections given lack of clarity/potential inconsistency of various assumptions (including Heathrow). ▪ Lack of clarity/consistency regarding assumptions raises questions of reliability of stated proceeds of privatisation and thus net government funding requirement. 		
Mitigations	<ul style="list-style-type: none"> ▪ Significant habitat replacement provision required – no specific proposals for where. Propose <u>to tie in with Thames Estuary 2100 plan</u> but not stated how. 		