

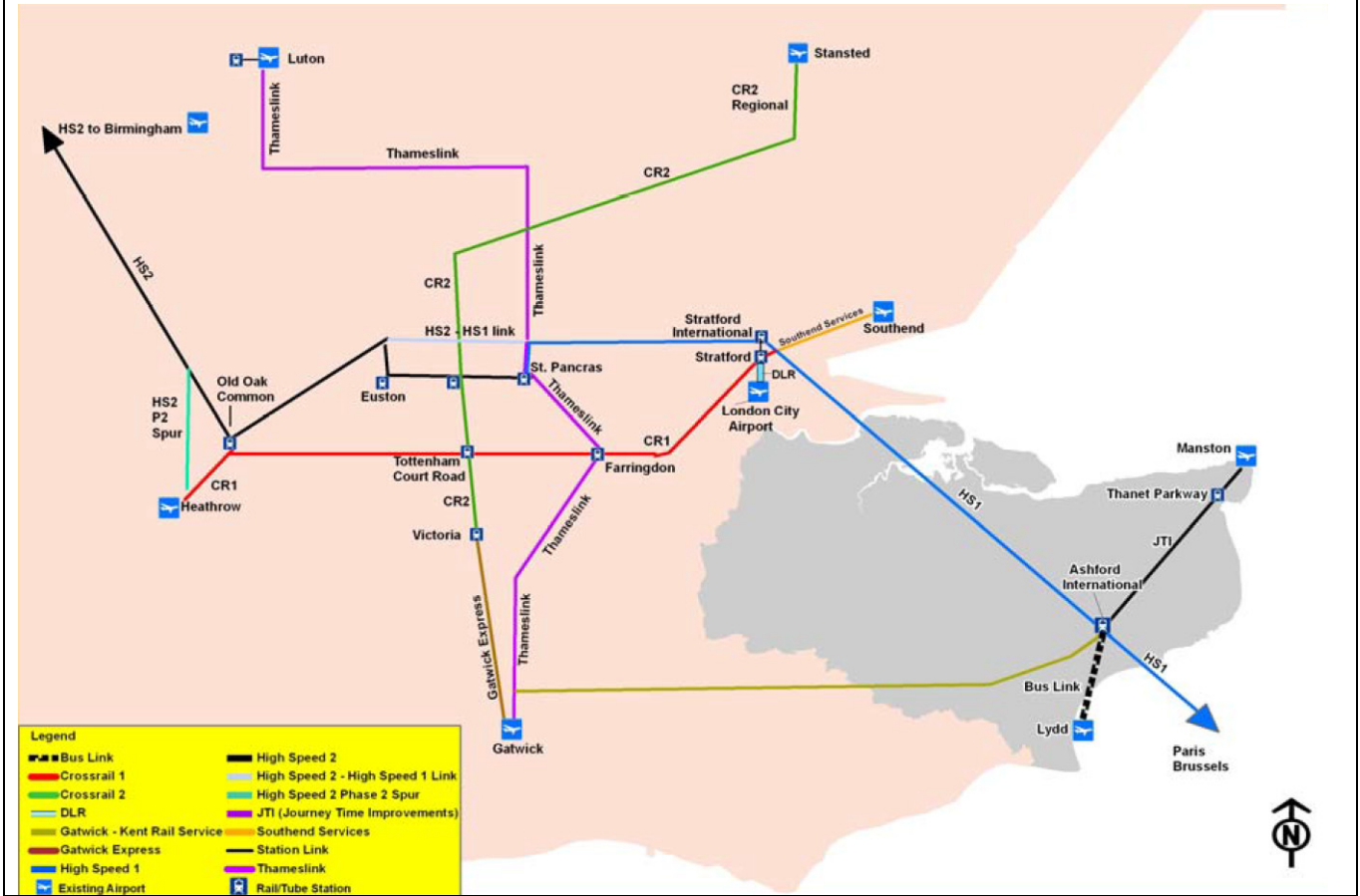
PROPOSAL TITLE:	"Dispersed Hub" Model	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Kent County Council	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

High level presentation of provision of additional capacity at some existing airports, together with improved rail access to facilitate better strategic use of the London/South East multi-airport system. Better utilisation of regional airports including Manston and Lydd in Kent, for point to point flights, to release capacity and complement the main London airports to provide enhanced “hub” operations.

Additional runways proposed at Gatwick and subsequently Stansted, to encourage competition with Heathrow and establish a “dispersed hub”, with the potential for second runway at Birmingham should future capacity be required.

The submission also includes a recommendation to Government to keep UK airports competitive with European airports in terms of APD.



INITIAL ASSESSMENT COMMENT

Describes how currently underutilised and potential future capacity could be used to accommodate forecast demand. However, although the proposal notes there would be reluctance from airlines or airline alliances to move from Heathrow, it nonetheless assumes that should the additional capacity be created, airlines or airline alliances would do so.

Although considering a broader rail strategy in more detail, the airport capacity submission is similar in principle to the “constellation” of airports concept proposed by Gatwick Airport Limited and others.

PROPOSAL TITLE:	"Dispersed Hub" Model	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Kent County Council	Medium/Long Term	<input checked="" type="checkbox"/>

## OVERVIEW

Proposal	High level proposal for the phased expansion of Gatwick and Stansted, presumably by the respective owners, to two runway airports in the 2020's and 2030's respectively. Longer term further additional runway at Birmingham if required. Improved rail surface access to enable each airport to more effectively serve an enlarged catchment.		
Approach	Effectively policy led initiative that implicitly precludes the development of Heathrow or any other, new, replacement hub, allowing the remaining airports in the London network to expand as their own business cases dictate.	Assumed Capital Cost	£20 bn
Proposed Benefits	<ul style="list-style-type: none"> <li>Phased expansion of non-hub airport capacity building upon existing airports and existing and planned surface access infrastructure.</li> <li>Diverse spread of capacity through London network potentially enabling corresponding spread of economic activity across network.</li> <li>Required surface transport network would be expected to encourage local economic activity.</li> <li>Retains local employment around Heathrow compared to other schemes closing Heathrow.</li> <li>Lower construction carbon footprint compared to new hub locations with use of existing infrastructure.</li> </ul>	Capacity (mppa)	<b>320</b> <b>(generated capacity across all airports considered)</b> Capacity (ATM) 2,500,000
<b>Key Issues &amp; Risks</b>			
Strategic Fit	<ul style="list-style-type: none"> <li>Whilst the dispersed/constellation hub concept is unproven, the improved surface access proposals would help make best possible use of existing capacity and the phased expansion of Gatwick and Stansted would increase airport capacity. The proposal appears therefore to be aligned with the Commission's remit.</li> </ul>		
Economy	<ul style="list-style-type: none"> <li>Economics benefit claimed to be spread across London and South East, but potential for lost economic activity as traffic is lost from London to other European hubs rather than redistribution around the London system.</li> <li>Appears to require APD adjustment to ensure London remains competitive in European market.</li> </ul>		
Surface Transport	<ul style="list-style-type: none"> <li>Elements of the proposed surface transport network would appear to have limited broader use beyond connecting relatively remote airport locations to justify potential scale of investment required and environmental impact caused.</li> </ul>		
Environment	<ul style="list-style-type: none"> <li>Does not address existing impacts at Heathrow.</li> </ul>		
Cost	<ul style="list-style-type: none"> <li>High level costs for the airport schemes only considered, but noted that significant cost would be incurred to deliver the suggested transport links. Expansion of Stansted and Gatwick likely to cost £20 bn+ including surface transport.</li> </ul>		
Delivery	<ul style="list-style-type: none"> <li>Implicitly assumes that the business case for each of the airport schemes would be sufficiently attractive for the individual owners to fund.</li> <li>Government investment in surface transport required to an unstated extent.</li> <li>May potentially lead to slow capacity growth as individual airport investors would require clear visibility of demand and policy certainty before investing.</li> </ul>		