

Thursday, 21 May 2014

[REDACTED]

Estuary.studies@airports.gsi.gov.uk

Dear sir/madam,

THAMES ESTUARY CALL FOR EVIDENCE

Please find below Slough Borough Council's comments in response to the call for evidence. These comments are supported by the council's participation in workshop based feedback to the Airports Commission.

Study 2 – Operational feasibility and attitudes to 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:

- 5. plans for transitioning to a new hub airport, including phasing, delivery, risks and barriers.*

Attitudes to moving to a new airport

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:

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

Response

The relocation of Heathrow Airport would have serious implications for residents and businesses within Slough Borough Council's area. Parsons Brinckerhoff and Berkeley Hanover Consulting carried out a study to quantify the economic impacts of a number of options for meeting aviation capacity requirements on behalf of Slough Borough Council and the London Borough of Hounslow and Ealing. The results of that study can be found here:

<http://www.slough.gov.uk/council/key-statistics-and-data/economic-impact-of-heathrow.aspx>

Resident employment

The 2008-09 on airport employment survey shows that 4,090 people, equating to 6.8% of Slough's population work on airport. Based upon those figures it was estimated that 10.1% of the borough's population works either on-airport, off-airport or in indirect or induced employment. When the impact of catalytic forms of employment are included, between 26% and 32% of Slough residents rely on employment either at the airport or in sectors reliant on the airport¹.

Since the completion of the joint study, Heathrow Airport Limited have released the findings of the 2013-14 on-airport employment survey, and this reveals that 4914 Slough residents now work on-airport. This represents an increase of around a quarter in five years, when the total number of on-airport employees has decreased. Only Hounslow, Hillingdon and Slough have witnessed an increase in on-airport employment out of the ten boroughs with the greatest number of on-airport workers. This could be due to the greater proximity of on-airport services to the borough since the opening of terminal 5, or due to improved surface access or improved access to training and employment opportunities, which were established as a result of terminal 5. Slough's airport-related jobs are created by both passenger and freight operations at Heathrow.

Risk of business retention

The same joint study found that a number of large companies located in Slough who rely on Heathrow for international connectivity would be as likely to relocate overseas as they would to an alternative location in the UK, if circumstances required this. Anecdotal evidence from conversations the council has had with local businesses supports these findings.

Businesses in the Thames Valley and further afield have called for improved surface access to Heathrow from the west. Thames Valley Berkshire Local Enterprise Partnership and Slough Borough Council have promoted a western rail connection between the Great Western Mainline and Heathrow for a number of years. This project has now been endorsed by Government and detailed plans are being developed by Network Rail, in close co-operation with rail operators and the aviation industry. Businesses highlight the importance of fast, reliable and convenient journey's to Heathrow, which is on the cusp of delivery with the Western Rail Access to Heathrow project. This project, due for completion by 2021, will deliver a journey time of just six minutes from Slough, home to Europe's largest privately owned Trading Estate, and 28 minutes from Reading, offering connections to Wales and the West Country. With the relocation of the UK's hub airport to the Thames Estuary this well developed transport network would cease to serve the nations hub airport, with communities in the West Country and Thames Valley much further away from the essential international connections. The M4 already suffers heavy congestion, as do many parts of the M25. For those businesses who may take the decision to remain in the Thames Valley in the case of a relocated hub, existing congestion could worsen and pose significant barriers to accessibility.

¹ Parsons Brinckerhoff and Berkeley Hanover Consulting, for Slough Borough Council, *Impact of Heathrow on Slough Employment*, December 2013

Business investment

Slough Borough Council engages with businesses who are considering relocation. There are examples of businesses already being influenced by infrastructure, for example the announcement of Government support for Western Rail Access to Heathrow, which caused one Slough business to consider its position in the town more positively. Slough has also been successful in attracting investment from China, and is currently engaging with companies in Guangdong Province through the British Chambers of Commerce Link to China Programme and UKTI.

Slough is home to a range of airfreight companies which provide a vital service to Heathrow and provide a well established network of inter-related logistics operations related to London and the motorway system. The uncertainty surrounding the future of Heathrow will influence decisions about future investment in their businesses and their ability or willingness to move to a new airport location is less than certain. Furthermore the logistics of relocating a range of ancillary services from one location to another, when it is anticipated that operations would effectively shift overnight, may put incumbent providers at a disadvantage if they choose to continue serving Heathrow during the last years of its operation, rather than establishing themselves to serve the new airport if it opened.

Study 3 – Socio-economic impacts

Understanding the national, sub-national, local economic and, in some cases, social impacts of closing Heathrow and potentially other airports. Assessing the regeneration potential of such an airport on east London and the south and east of England, including:

- 2. identification of the redevelopment potential of airports (including Heathrow and London City and other airports as appropriate), for example in construction, supply chain, foreign investment, new homes;*
- 3. economic assessment of the impacts of closing airports (Heathrow, London City, Southend and any other airports) and constructing a new airport at inner Thames Estuary location;*

Response

It is estimated that between 25-32% of Slough's population is employed either at the airport or in airport related activities and industries. 43,492 people commute into Slough from surrounding borough's to take up employment in Slough based companies, many of which rely on the domestic and international connectivity, clustering and skilled workforce offered by the Thames Valley. Similarly 48,785 Slough residents commute outside the borough for work, highlighting the important interrelationships across the functional economic areas of the Thames Valley and west London. Relocating the UK's hub airport would result in the loss of Heathrow as a major employer and the potential resultant relocation of large numbers of jobs in related sectors. If catalytic companies relocated, this would require large scale relocation of skilled workers or changes in their commuting patterns from west London to the east, involving a substantial increase in journey times, especially considering the acute congestion problems on the M4 and M25 currently. There is no guarantee that either option would be attractive to them.

A further consideration must be given to lower skilled workers with low pay, many of whom live in the closest borough's to Heathrow, who would not have the skills to access similar work in the highly skilled businesses across the rest of the Thames Valley. Consideration would therefore have to be given to the lower-skilled employment provided by Heathrow and

associated sectors, and how appropriate employment could be provided for the local population should this cease to exist.

Cont...

4. *social impacts of closing Heathrow and City airports, including regeneration impacts on London, north Kent and Essex as a result of building a new airport in the Estuary (direct, indirect and catalytic);*
5. *potential of airport developments to drive change in the economic geography of London; and*

Response

The closure of Heathrow would put at risk the employment of 10% of Slough's population, with the potential for a further 15-22% if companies decided to relocate. This would place additional pressure on already stretched resources across a town which has some of the most deprived wards in the country. The borough is delivering extensive regeneration of the town centre and is regenerating two of the most deprived neighbourhoods. Thought would have to be given to the impacts of regenerating Heathrow's site on the viability of surrounding town centre's and regeneration of town centres. An economic event of the magnitude of Heathrow's closure could initiate a slow decline of the region's prospects, starting on the day of announcement and becoming entrenched as services relocate to the east and before redevelopment of Heathrow could begin.

Study 4 – Surface access impacts

Study will assess the following under three broad headings:

i Operations

This may include:

1. *new infrastructure required to support inner Thames Estuary proposals and the deliverability of said infrastructure;*
2. *implications of an inner 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;*
3. *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;*
4. *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.*

Response

Development of surface access to Heathrow has been slow and fragmented over several decades. However investment has since gathered pace as Heathrow's surface access strategy has developed in conjunction with stakeholders, including Slough Borough Council. Crossrail is set to further enhance connectivity between London and Heathrow, and Western Rail Access will deliver a step change in surface access with the first direct connection into Heathrow from the west.

As a result of partnership working between the airport operators, bus companies and local authorities bus services operating through the town to Heathrow have increased in frequency with extended timetables and high quality vehicles, providing an essential accessibility for airport employees, many of whom work 'unsociable hours' shift work. The council is proposing to deliver a bus-based mass rapid transit project which features as an infrastructure priority for 2015/16 in the Thames Valley Berkshire Strategic Economic Plan (SEP). The SEP has been submitted to the Government for Local Growth Fund support.

The surface access improvements between Slough and Heathrow already made or to be delivered in the next few years have been developed to meet the changing needs of airport passengers and staff. Much of this alignment in transport focus would have to be amended should Heathrow cease to be one of the largest local employers and focus for travel activity.