
Consultation by Davies Commission on Options to Expand London's Airport Capacity – February 2015

Response by the East Grinstead Post Referendum Campaign

2nd January 2015

CONTENTS

Executive Summary

Introduction

The PRC Case against the Gatwick Option promoted by GAL

Conclusion

Executive Summary

The PRC opposes the inclusion of the Gatwick Airport Limited (GAL) proposal for a second runway at Gatwick (LGW2R) because it is undeliverable.

As proposed, the scheme is opportunistic and lacks substance. The economic benefits to the UK economy are exaggerated while the economic, social and environmental costs to the Gatwick sub-region are not fully considered and are underestimated, because:

- There is no support for the scheme in the area surrounding Gatwick as GAL claims. GAL has tried to downplay the overwhelming opposition to their scheme.
- The GAL proposal is ill-thought out and opportunistic and based on incomplete evidence lacking in robustness.
- The GAL proposal will have significant hidden costs.
- Gatwick is neither the quickest nor cheapest option.
- The current road and rail network around Gatwick is already struggling to cope with current volumes and without massive investment in roads and rail LGW2R would result in gridlock.
- GAL has failed to assess the impact on Ashdown Forest which contains a SPA and SAC that are protected under the EU Habitats Directive.
- A mis-conceived plan to add a second runway such as the GAL LGW2R proposal would be disastrous for the surrounding communities in economic, environmental and social terms.
- GAL wrongly claim that more of the UK population can reach Gatwick in shorter times than Heathrow and more easily.
- GAL's economic case doesn't stack up.
- The opportunity cost of Gatwick over Heathrow would be at least £100bn.
- The risk to the taxpayer due to the lack of substance and funding is too high.
- The Gatwick option doesn't answer the question asked by the Commission.

Introduction

This is the formal response by the East Grinstead Post Referendum Campaign (PRC) to the public consultation by the Davies Commission (The Commission) into options for an additional runway to expand capacity at London's Airports.

The PRC was created in 2003 as an umbrella group to bring together the main residents groups of East Grinstead and the surrounding villages in order to advocate sustainable development in the area. It has been able to draw on the support of 10,000 of the 24,000 residents of the town to support its activities. In addition to individuals it is supported by local amenity and residents' societies.

The PRC takes a responsible attitude to development. It is advised by Savills [REDACTED] on planning issues, MTRU on highways issues and by Frances Taylor Buildings on legal issues.

The PRC has read the documentation published by the promoters of the three options and the information and analysis provided by the Commission.

We are not persuaded that there is any immediate need for increased capacity at London's airports given the unutilised capacity predicted at London Stansted (STN) until 2040. In the various submissions it is argued that the traditional HUB airport model may be reaching the end of its life as the default. If this is the case and point-to-point flights become the preferred model then it seems that focusing expansion at any London Airport may prove to be the answer to yesterday's problem.

The PRC Case against the Gatwick option promoted by GAL

However, the Commission has concluded that it must determine the best option for expanding the overall capacity for London. We are surprised that in doing so the Commission so readily rejected STN from the shortlist but decided to include Gatwick (LGW). It seems to us that the LGW proposal put forward by Gatwick Airport Limited (GAL) was not held to the same high threshold when it was allowed through to the shortlist, since the original GAL submission had so little evidence or substance to it. We remain surprised at the yawning gaps in the Gatwick proposal even at this late stage.

It is not surprising that this is the case when considering the history of the search for more airport capacity/replacing Heathrow as the national hub, over the last 50 years. Extensive work has been carried out over the years on proposals at Foulness/Maplin Sands (1970s), Stansted 4 runway model (1970/80s) and most recently Heathrow third runway (1990/2000s). Foulness got to the stage of clearing the ex-MOD land of spent munitions, at Stansted the proposal got to the stage of compulsory purchase of all necessary land and the building of the M11 was prioritised to serve the plan and of course the third runway was approved by the last Government and land acquired. In contrast the unsuitability of Gatwick was established early on and recognised by the 30 year moratorium agreement signed in 1989.

This means that deliverable solutions have been drawn up in detail for Foulness, Stansted and Heathrow. These have been extensively thought through and challenged. In contrast no work whatsoever has been carried out for the expansion of Gatwick until 2012. Only with the announcement by the Government that it had changed its mind since coming to office and that it now thinks additional capacity is needed leading to the appointment of the Commission has the idea of a second runway come onto the scene.

The GAL proposal is not strategic but an opportunistic play. We explain our reasons below:

- 1. There is no support for the scheme in the area surrounding Gatwick.**
The GAL consultation in 2014 was mis-leading but even so the response was overwhelmingly opposed. It was so embarrassing that GAL attempted to discount several thousand of objections made by people supporting the reasons for opposition outlined by the Woodlands Trust.
- 2. Since then almost every local authority has set out its opposition,** even including WSCC which had bent over backwards to take a positive approach to GAL's scheme. Planning authorities that object to Gatwick include Crawley, Horsham, Mid Sussex, Tandridge, Mole Valley, Wealden, Sevenoaks and Tunbridge Wells as well as Kent and West Sussex. East Grinstead Town Council joins over 40 parish councils in the area opposing the GAL scheme. GAL's claim that there is local support is unjustifiable and is mis-leading to the Commission.

3. The GAL proposal is ill-thought out and opportunistic and based on incomplete evidence lacking in robustness.

- a. As recently as 2012 **GAL's senior executives said** that their shareholders were looking to sell on Gatwick by 2019 and that there was **no sustainable business case for a second runway**. Their change of heart is purely opportunistic - an airport with a Government commitment to expansion will be worth more to shareholders in the forthcoming sale. This last minute conversion also explains the lack of robust evidence to support the scheme.
- b. **GAL propose to increase capacity by 260%** (from 38m passengers per year to 98m) **but do not propose any significant improvements to road or rail infrastructure** beyond the airport's immediate footprint.
- c. They say that there will be a huge net boost in local jobs, around 60,000 but there is no local pool of unemployed people to fill the vacancies. Either workers will need to commute in from further away or 46,000 additional houses will have to be built. The local authorities around Gatwick are struggling to find space for the number required without a second runway.

4. The GAL proposal will have significant hidden costs.

It would be naive to accept GAL's claim that no new infrastructure improvements will be required to support the scale of expansion. If the Government commits to expanding Gatwick, based on this proposal, it will be left with the choice between an inefficient and underperforming airport or having to fund massive upgrades to the motorway network and new lines into central London at taxpayers expense.

GAL are being disingenuous to claim the economic benefits of a new runway operating at full capacity, while looking at the road and rail impact of one operating at less than half that figure. Extra traffic on local roads will require many traffic engineering schemes, putting substantial extra cost on West Sussex, East Sussex and Surrey County Councils, and ultimately local taxpayers. GAL have not provided any assessment of what might be required or the likely cost.

5. The current road and rail network around Gatwick is already struggling to cope with current volumes and without massive investment in roads and rail LGW2R would result in gridlock.

A second runway would mean at least 100,000 vehicles every day, plus whatever lorry numbers needed to transport the proposed 'million tonnes of freight'. With no new improvements planned to help meet this demand, the M25 and M23 will become 'car parks' and smaller local villages and roads will be pushed beyond their limits by the overspill.

- a. GAL seek to rely on improvements to the M23/M25/A23 already scheduled to cope with currently planned development. These will not be

adequate to cope with the additional traffic from LGW2R, but allows GAL to falsely claim that their scheme is cheaper than Heathrow.

- b. GAL's claim that other local roads could cope with more traffic are fanciful. **Roads such as the main route east, the A264, are 'at capacity' now and at East Grinstead, eight miles to the east, the situation is far worse. Here the A22 and A264 share the same route and is already severe according to the recent transport report by JUBB Consultants (January 2015).¹ GAL are offering just £10m towards off-airport improvements.** There would be a severe negative impact on the social, economic and environmental health of the whole area surrounding Gatwick.
- c. Gatwick is served only by a single rail and road connection and is already dangerously vulnerable to disruption. This single rail connection will be forced to accommodate an extra 90,000 daily rail journeys when Gatwick reaches full capacity on both runways, with no new investment planned. Even with no new runway, Network Rail forecast passengers on the Brighton main line will rise by almost a third in the decade to 2020. GAL rely on the improvements already committed to the Brighton Main Line linking Gatwick to London. Improvements already in the pipeline are needed to accommodate existing growth. There is no simple, straightforward, or cost effective solution to adding capacity, as this would require new tunnels through the North Downs and compulsory purchase of land north of Croydon.

6. GAL has failed to assess the impact on Ashdown Forest which contains a SPA and SAC that are protected under the EU Habitats Directive.

GAL have only considered the impact of increased flights on Ashdown Forest and have ignored the impact from increased surface traffic and visitor disturbance, not simply from the passenger traffic, but also the additional 60,000 workers for jobs in and around the airport. The Commission identified the Thames Basin SPA as a major problem for the Estuary Airport schemes. **The problem facing Gatwick expansion is far more complicated.** The South East Plan acknowledged that the housing targets it set in 2009 must be assessed for potential adverse effects on Ashdown Forest, and Wealden District Council have done this in drawing up their Local Plan.

The Wealden Local Plan has been examined and adopted. It survived a High Court challenge by developers in 2014. This plan sets an upper limit for development in Wealden, that is lower than demanded in the South East Plan, in order to avoid adverse impacts on the Ashdown Forest SPA and SAC sites, and in order to comply with the UK Government's international obligations. The evidence behind the Wealden Local Plan shows that the scale of development required to support an expanded Gatwick risks adverse effects on Ashdown Forest and so, under the precautionary

¹ East Grinstead and Surrounds November 2014 Survey and Review Of Traffic Conditions Headline Summary Report Annex 1 attached

principle, **must be assessed and if mitigation measures are not possible avoided.**

In contrast, expansion at either Heathrow or Stansted would NOT put at risk any similar protected sites of international importance, protected by international law.

7. A mis-conceived plan to add a second runway such as the GAL LGW2R proposal would be disastrous for the surround communities in economic, environmental and social terms:

- a. If the second runway creates the sort of jobs that GAL claim, then **60,000** more people will be needed to fill the **mostly low-skilled jobs** created by expansion. Since there is very little unemployment in the area around Gatwick, these new workers would **either need to commute in daily** or there would need to be **46,000 additional homes**. Environmental and infrastructure constraints mean that the local authorities are already unable to deliver the housing numbers set out in the South East Plan. **GAL offers no plan to house these workers.** GAL offers no consideration as to the pressure they will place on local services already struggling to meet demand, including housing, schools, GPs and hospitals. All these uncertainties add to the riskiness of the GAL proposal.
- b. **GAL pay no heed to the high value environment in Surrey's Green Belt or the High Weald AONB** that would be urbanised by their scheme and very seriously affected by the lack of new infrastructure that their scheme proposes.
- c. **Three times more people will be subjected to noise.** Up to 30,000 people will be impacted by noise. With two aircraft expected to take off or land every minute, and no plans to provide respite by alternating arrivals and departures on the runways, living under the flight path, house values will fall and people will be trapped in unbearable conditions, unable to move without serious financial loss. The apparently generous promises of financial support much trumpeted by GAL's PR machine would be worth less than the compensation to which homeowners would be legally entitled under the Land Compensation Act.

8. GAL has tried to downplay the overwhelming opposition to their scheme.

- a. In the summer of 2014, GAL conducted a very mis-leading publicity campaign presented as a public consultation on their second runway scheme. The response was an overwhelming rejection of their scheme. GAL however attempted to massage the results by excluding responses from 4,000 supporters of the Woodland Trust, discounting them as repetitive, instead of being rightly viewed as strength of feeling against expansion.
- b. Despite GAL's protestations of local support, almost all local authorities oppose the second runway largely because the proposal does not even

recognise the challenges in terms of infrastructure that would result, let alone set out how these would be resolved – or funded.

- c. The biggest blow to GAL's scheme must be the recent decision by West Sussex County Councils to oppose their scheme. The Leadership at WSCC have bent over backwards to help the GAL scheme, but Councillors were unconvinced that the scheme was sustainable, desirable or deliverable. Far from enjoying wide-ranging support, the GAL scheme has even lost the support of its own county and in the last few days Crawley Borough Council and Mid Sussex District Council.

9. **GAL wrongly claim that more of the UK population can reach Gatwick in shorter times than Heathrow and more easily.** This is counter-intuitive when most of the UK is the other side of London from Gatwick. The times quoted for journey times north of London are **fanciful** allowing no time to change trains from tube lines. Quoting times from Cambridge reveals the absurdity of their proposal, since those airport passengers from Cambridge would literally pass by Stansted on their way into London and out on the other side to Gatwick, thus adding to their journey times and increasing the carbon footprint of each journey.
10. **GAL's economic case doesn't stack up.** Before the ink is dry on their proposals, the cost of LGW2R has leapt by 26% from £7.4bn to £9.3bn, according to published estimates. Moreover, leading ratings agency Moody's considers the scheme to have high financial risks, and it seems that Gatwick's principle shareholder will have sold the airport before work is even started, given their policy of only investing in assets - such as the airport - for a ten year period. And this is before factoring all of the infrastructure costs that GAL have ignored in the case.
11. **The Gatwick option that doesn't answer the question asked by the Commission.**
 - a. Heathrow has been full for a decade. Nevertheless, Gatwick has secured virtually no long haul connections to the new economic powerhouses of Brazil and India, and not a single route to China. It lost the last major US airline in recent years. It is already established that those major carriers unable to secure slots at Heathrow are **not** tempted by Gatwick but move to HUB airports at Paris, Schipol and Frankfurt. The airport's on-going failure to attract airlines for these routes provides conclusive evidence that expansion at Gatwick would be a white elephant and is likely to actively damage Britain's ability to compete in the global economy rather than enhance it. All the social and environmental cost paid locally will not even be offset by economic gain for the UK.
 - b. To pay for a second runway, passenger charges at Gatwick will rise and could more than double. Faced with higher charges of up to £28 more for a return flight on supposedly low cost routes, it is unclear whether passengers and airlines will be able to afford an expanded Gatwick at all. But the fact that Easyjet, the largest short haul operator at Gatwick, have expressed concern that the increased landing costs needed to fund

LGW2R would be likely to force it to look at moving somewhere cheaper, such as Stansted gives a pretty clear idea of how damaging the added costs would be to Gatwick's competitiveness.

12. **The GAL scheme is incomplete and lacks robust evidence** because they had to start their work from scratch because of the 30-year moratorium, unlike schemes for Heathrow or Stansted that have been under scrutiny for many decades. The GAL scheme has ignored a whole raft of issues – surface transport, Ashdown Forest and where houses for new workers would go – in order to brush over problems and to try and stack up their claim that LGW2R is the cheapest option and the easiest to deliver. The evidence says it is not.
13. GAL argue that a HUB airport (Heathrow, expanded Stansted or the Thames Estuary) is no longer necessary because that business model is out of date, with the industry switching to point-to-point journeys. If that is true then it would be far more logical to support all airports other than Heathrow including Stansted and Luton and regional airports rather than distorting the market by creating a second leviathan at Gatwick. Stansted already has capacity to 2040, could be expanded easily and is on the right side of London for most of the country. The expansion of Gatwick does not serve the interests of the immediate area or the South East. It would also be worse for the UK economy and increase the overheating south at the expense of other regions.
14. The Commissions own analysis that whilst the environmental, infrastructure and social costs of GAL's Gatwick proposal are at least as high as at Heathrow, the predicted benefits are much, much lower – **the opportunity cost of Gatwick over Heathrow would be at least £100bn.** The only people who would benefit from LGW2R would be GAL shareholders and those firms involved in the airports construction.
15. The costs and difficulties of developing Stansted or Heathrow have been raked over many times and are well known. This is not the case for Gatwick and **this means that the GAL scheme is risky both in terms of deliverability but also to the taxpayer who will be left to pick up the bill when GAL sell on Gatwick by 2019 as they have always said they intend to.**

Conclusion

The PRC opposes the inclusion of the GAL proposal for a second runway at Gatwick (LGW2R) because it is undeliverable.

As proposed, the scheme is opportunistic and lacks substance. The economic benefits to the UK economy are exaggerated while the economic, social and environmental costs to the Gatwick sub-region are not fully considered and are underestimated.

Given this plus the lack of substance, high risk to the taxpayer and the economy of the GAL proposal and its inability to meet the criteria set out by the Commission the PRC calls on the Davies Commission to reject the second runway (LGW2R) scheme at Gatwick Airport. It is our view that the Commission should also revisit the alternative of expanding Stansted, should it be considered that there is a need for greater capacity develop.