



Meeting of the Airports Commission
28th August 2014 - 10:00 - 15:00
Rm 6.02 Sanctuary Buildings

Attendees:

Commission Members:

Howard Davies - Chair (HD)
John Armitt (JA)
Julia King (JK)
Ricky Burdett (RB)

Apologies:

Vivienne Cox (VC)

Secretariat:

Philip Graham (PG)



1. Welcome

HD welcomed attendees to the meeting and asked whether there were any updates to the register of interests from Commissioners. There were none.

2. Note of last meeting

Any comments on the note of the last Commission meeting held on Friday 1st August had been taken into account in the version circulated with the meeting papers. The note was agreed.

3. Round up of stakeholder meetings attended

HD gave an update on meetings he had since the last Commission meeting. These were as follows.

- 4th August – Telephone call with Lucy Chadwick, Director General of International, Security and Environment Directorate (DfT)
- 15th August – Jock Lowe and Anthony Clake, Heathrow Hub
- 15th August – John Cridland, Director General CBI, and Nicola Walker, Director of Business Environment, CBI
- 15th August – Saad Hammad, Chief Executive Officer, Flybe Group Plc

4. Update on Secretariat Progress

There remained disagreements between the Secretariat and promoters on the cost and commercial appraisal of the short-listed schemes. The Secretariat is working with the promoters to gain mutual understanding of why these differences occur and to ensure that a consistent approach was taken across the shortlisted schemes.

The Commission noted that the differences in the Commission's forecasts and those of the promoters should be acknowledged, including setting out where forecasts are based on different assumptions or methodologies.

Action: Secretariat to consider whether it is possible to accurately compare the historical performance of Commission and promoter forecasts.

5. Estuary Consultation Responses

The Secretariat presented the Commission with three papers;

- Paper 1: Summary and review of responses to consultation on the feasibility studies
- Paper 2: Analysis of claimed material gaps in the Commission's analysis
- Paper 3: Commentary on legal advice provided by TfL

The papers and the issues they raised were discussed. The differences in case studies used by the Commission and its stakeholders were discussed in relation to habitats compensation, as was the best way to present overall costs. The level of capital potentially required from the public purse was discussed with Commissioners reaching a view that the Estuary Airport would be likely to require between £30-60bn for the "basic" package.

PG also explained that [REDACTED] had not submitted a formal consultation response, but had nonetheless raised a number of issues

FINAL

regarding the Commission's analysis. These included: concerns over the use of Jacobs to assess costs due to risks of a conflict of interest (it was noted that AC had considered such risks prior to making the appointment); concerns regarding the Commission's cost estimates; the importance of land and finance availability and return on investment in reaching a decision; and the suitability of Chek Lap Kok airport as a comparator for land take purposes. He also raised a number of concerns regarding the relative feasibility of an Isle of Grain, as opposed to Cliffe, airport location.

6. Additional and updated analysis previously requested or completed as a result of consultation responses

The Secretariat presented the Commission with an additional four papers and a further two papers for information only;

- Paper 4: Air quality analysis
- Paper 5: Noise impacts of a Cliffe option
- Paper 6: Outcomes from planning constraints consideration
- Paper 7: View[s?] of Fosters combined RAB model

- Paper 8 (for information only): Analysis regarding 24 hour operations
- Paper 9 (for information only): Operational impacts of proximity of radars

The papers and the issues they raised were discussed. Areas of discussion included aerocharges, the potential economic impacts of a new airport, and the overall financeability of the airport. The views of expert panellists were shared with the Commissioners on key topics. On noise the Commissioners also considered the 'Sift 3' analysis of the IAAG option and the IAAG East option, which hadn't previously been carried out – and then set it alongside the analysis done pre-interim report of the other Sift 3 schemes.

The Chair noted that since the closure of consultation, TfL had produced updated economic benefit assessments, which appeared to be based on a 150 ppm airport. The Secretariat explained that these appeared to follow the same methodology as the earlier figures, but applied it to a whole airport rather than a marginal change in connectivity. They also noted that the approach made no allowance for the specific factors relevant to an Estuary location and that the passenger numbers used, especially for LHR and LGW, were different from those employed by the Commission.

7. Estuary Decision

Based on all of the relevant information available to the Commission, including the information provided in the papers and the discussions which followed, it was decided unanimously not to short-list an inner Thames Estuary option.

8. Review of Estuary Decision and Paper

The Commission were presented with two draft versions of the decision paper, reflecting the two possible decisions. The Commission reviewed the draft decision paper, relating to the decision not to shortlist as this would now form

FINAL

the basis for the published document. Individual comments and amendments were agreed. The Commissioners agreed that the key point to communicate was the balanced nature of the decision after a careful consideration of all the relevant evidence and of many different aspects of the decision. However matters which were of particular significance in the Commissioner's decision were issues of cost, financeability, and the range of environmental hurdles which may prove difficult or impossible to overcome. The substantial disadvantages to an inner Estuary scheme led the Commission to the decision that this was not a credible option and so not to short list a Thames Estuary option.

9. Consideration of Next Steps on Estuary

The next steps to be taken regarding the Thames Estuary proposals were discussed. These included stakeholder management, media handling and the timetable. The timing of the announcement was agreed for 7am Tuesday 2nd September. HD agreed he would carry out a series of interviews on the day, and all requests for media should be passed to him via the Communications manager.

10. Appraisal Update

The Secretariat gave an update on the appraisal process.

The surface access module has been completed. The Commission discussed the nature of background demand beyond 2040 on the UK's transport networks, the likely capacity issues regardless of airport expansion and the implications for the Commission's work. The Commission noted that the steps needed to address wider rail and road infrastructure capacity issues beyond 2040 would fall outside of the Commission's remit, although the Commission may need to comment on the feasibility of delivering appropriate interventions.

The operational viability module, which includes ground infrastructure and airspace, has been completed.

The environmental and strategic fit appraisal modules have encountered delays, but it is expected that these delays will not impact upon the current consultation timeline. The situation is to be monitored.

11. AOB

It was noted that the absent Commissioner, Vivienne Cox, had been provided with the papers used in the meeting and was consulted on this meeting's issues prior to the meeting and her views were in agreement with the decision taken on the Thames Estuary proposal.