

CHIDDINGSTONE PARISH COUNCIL



Airports Commission Consultation
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CHIDDINGSTONE PARISH COUNCIL'S RESPONSE TO THE AIRPORTS COMMISSION'S CONSULTATION ON PROPOSALS FOR ADDITIONAL RUNWAY CAPACITY

Executive Summary. Chiddingstone Parish Council is grateful for a process that allows us to make the case for those we represent. We welcome the methodical, detailed and rational approach adopted by the Commission.

At full capacity a two-runway Gatwick is forecast to handle 96 million passengers a year, compared to 38 million at present. In terms of the number of passengers, it would be substantially bigger than Heathrow at present – 72 million. Heathrow is in a better position to absorb the catalytic impact of the addition of capacity growth with greater long term benefit to the country.

Gatwick Second Runway proposal

Affordability and financing:

- In the case of the GAL business case this cannot be proven, although we note that the Commission has suggested that the project could be financed in the corporate bond market at Gilts + 200bps using GAL's existing BBB+ rating from S&P and Fitch. We believe this to be implausible.
- The project will increase the amount of debt GAL has by a factor of 5-10 times, with considerable uncertainty about the ability to push through price rises prior to opening in 2025.
- Forecast cash flow to debt ratios could not sustain the current rating category.
- It is unlikely that those conservative investors would agree that credit quality is preserved.
- Current credit spreads are near all-time low levels and, through the probable several cycles that will occur during the financing period, it is likely that average spreads even for BBB will be considerably higher than this.

- Financial information from GAL made available to the Commission has not been made available to the public. We are not confident that GAL has made a sound financial case.
- The wider business case depends on the taxpayer making improvement to local infrastructure and surface access. It seems inconceivable to us that an airport bigger than Heathrow will be constructed with surface access limited to single rail and road access. The cost of providing resilience to those networks both in themselves and provision of alternatives from Gatwick has not been costed in. Provision of the catalytic change to Gatwick transport links is currently unaffordable.

Chiddingstone Parish Council propose a number of mitigation measures for the scheme:

Maximum Respite: the introduction of a regulatory discipline to control noise and disturbance; the adoption of noise measurement standards to replace noise averaging; a national policy within the United Kingdom whereby all the Airbus A318, A319, A320 and A321 aircraft, and those with a similar airframe, are to be retrospectively fitted with a modification to reduce FOPP cavities and similar aircraft noise.

Noise monitoring, enforcement and consultation: a revision of the terms of reference and management of Airport Consultative Committees to make them independent, representative, transparent and effective; the establishment of an Independent Authority to oversee the management and delivery of Noise Action Plans and Airport Master Plans, with effective powers of enforcement; greater public involvement in all stages of selection of inbound and outbound flight routes as part of the changes arising from the London Airspace Consultation; research into health management issues with regard to aviation noise; research into the likely environmental impact of the increase in aircraft flying below 7000 feet on our community.

The majority of aircraft flying to Gatwick Airport fly over Chiddingstone. By any measure the increase in quantity will have a qualitative impact none of which is in the analysis presented;

- The Gatwick second runway proposal will transform the character of a nationally protected landscape to the detriment of residents, tourists and the country. Chiddingstone is a National Trust village that would be ruined by expansion at Gatwick.
- In so doing it will have a major negative impact on the local tourist economy.
- The noise levels now being measured at night in close proximity to Chiddingstone will cause ill health, particularly in the most vulnerable.
- There will be a severe detrimental impact on the education of children in our community. Chiddingstone Primary School sits under the new concentrated flight path.
- It would have a considerable detrimental impact on the quality of life for residents and thousands of tourists that come to Chiddingstone annually.

Reputation and Stakeholder support: The Commission notes that there is stakeholder support for expansion at Gatwick. Since the Commission's evidence has been presented important stakeholders have withdrawn their support. To a large extent this is because Gatwick's conduct in the last eighteen months has not lived up to corporate responsibility standards. We are extremely concerned that if granted the second runway GIP, Gatwick's current owners, will do reputational damage to the UK. They will sell the airport in 2019 and none of the pledges will be legally bound, the taxpayer will have to pay the bill if they build an additional runway and they may not build the extra capacity because they could not afford to.

We also note that the extent of the Commission's work has made it extremely difficult for those most affected to respond appropriately.

Q1. What conclusions, if any, do you draw in respect of the three short-listed options? In answering this question please take into account the Commission's consultation documents and any other information you consider relevant.

The chair of the Commission has said that other options were rejected in the process for “a variety of excellent reasons.” We conclude that all of the other available options were rejected for one principal reason. The market. And for the market we conclude that the Commission was too reliant on the view of the airline industry. A simple STEEPLE¹ analysis would demonstrate that the greatest barrier to provision of additional capacity will be political and social rather than economic or financial. We believe that this was a fundamental flaw in how the shortlist was decided. Unfortunately this will only manifest itself in the planning process subsequent to the Commission’s recommendation.

We believe that the Commission should have included in its final analysis the impact of the option of not expanding runway capacity. We believe that it is far from conclusive that the aviation capacity is full, or approaching that level. With the UK economy no longer growing so strongly and better rail connections to Europe, there is a case for arguing that the leisure market will mature and not grow as fast as forecast. We also believe that, to the extent that an airport (whether LHR or LGW) is at maximum aircraft movement capacity, there remains the possibility to increase passenger throughput by using larger aircraft. We share the view that the growth in air transport would be better catered for by expanding the use of regional airports such as Birmingham, Manchester and Cardiff. In addition, the investment in additional runway capacity in the south-east does nothing to reduce the imbalance between the north and the south of the UK. Debate on this issue has not been helped by there being no sponsor for the ‘no runway’ option. The level of GDP in 2050 is forecast to be around 0.2% to 0.6% higher than it would have been in the absence of the LGW 2R scheme, depending on the scenario. (Airports Commission’s Detailed Analysis Report 2 Economy: Wider Impacts Assessment section 6.1.4). We regard this payback from the runway as a paltry potential return and not worth the environmental damage.

Of the shortlisted options it is clear from the Commission’s work that either option at Heathrow would give the UK far greater economic benefit, albeit, for any of the three options that benefit is only accrued in 30 years’ time. All of the airlines have said they prefer the Heathrow option. If the decision is to be market and economy led then of the available options either of the Heathrow options would be better than Gatwick.

Of the catalytic effects of the provision of additional capacity Heathrow is also in a better position to cope with expansion. In the area of surface access, housing, jobs, education and healthcare Gatwick is in a manifestly worse position to cope with the catalytic effects of expansion than either of the other two options.

The lack of transparency for the general public of the financial data of the Gatwick option reduces our confidence in the process. Given the Moody’s agency report we now have far less confidence than the Commission that the GAL second runway proposal is financially sound. There are detailed reasons for this in the answer to Q7.

¹ Social, Technological, Economic, Environmental, Political, Legal, Ethical

Q2. Do you have any suggestions for how the short-listed options could be improved, i.e. their benefits enhanced or negative impacts mitigated? The options and their impacts are summarised in Section 3 of the Consultation Document.

Chiddingstone Parish Council reiterates its position as part of the High Weald Councils Aviation Action Group in relation to how the negative impact for all activity, both current and future, at Gatwick including airspace management might be mitigated:

No Second Runway: Rejecting the second runway application by Gatwick Airport Ltd. on the grounds that it will cause too great an increase in noise, and therefore be too damaging to our environment, tranquillity and quality of life.

Maximum Respite: Advocating the introduction of a policy that offers maximum respite for all communities and individuals affected, and is based upon geography rather than size of population. It should include:

- The provision of a **programme of planned rolling respite** for all blighted communities.
- The abandonment of the current policy, which unfairly targets rural areas, areas of tranquillity and areas of low-density population by concentrating flight paths over them.

Maximum Safe Height: Advocating the introduction of a regulatory discipline to control noise and disturbance. This should include:

- minimum height restrictions for aircraft preparing to land.
- significant and effective financial penalties for noise-related incidents, so that unnecessary noise from low flying aircraft is reduced to a minimum.

Noise Measuring: Advocating the adoption of noise measurement standards to replace noise averaging (as represented by the current use of the 57dB LAeq yardstick), so as to reflect better the actual impact of individual noise events. The assessment of impact would be based upon the latest technical opinion on Noise Disturbance and its correlation with health issues. This, along with the use of more meters, would make noise reduction targets more realistic.

No Night Flights: The cessation of all night flights between the hours of midnight and 6.00 a.m., in order to eliminate the most disturbing aircraft noise for the benefit of our communities.

Aircraft modification: Advocate a national policy within the United Kingdom whereby all the Airbus A318, A319, A320 and A321 aircraft, and those with a similar airframe, which call at UK airports, are to be retrospectively fitted with a modification to reduce FOPP cavities and similar aircraft noise.

Noise monitoring, enforcement and consultation:

Chiddingstone Parish Council is **in favour** of the following technical improvements to the consultation, implementation, monitoring and enforcement regimes:

We support a **revision of the terms of reference and management** of Airport Consultative Committees to make them independent, representative, transparent and effective.

We support **the establishment of an Independent Authority** to oversee the management and delivery of Noise Action Plans and Airport Master Plans, with effective powers of enforcement.

We support **greater public involvement** in all stages of selection of inbound and outbound flight routes as part of the changes arising from the London Airspace Consultation.

We support **more research into health management issues** with regard to aviation noise.

We support **research into the likely environmental impact** of the increase in aircraft flying below 7000 feet on our communities.

Q3. Do you have any comments on how the Commission has carried out its appraisal? The appraisal process is summarised in Section 2 of the Consultation Document.

We note the logical structure of the appraisal and methodology that the Commission has used.

The Commission has often noted in public forum that previous Commissions have been unable to forecast the direction that the aviation industry has taken. While we acknowledge the Commission has done as much as possible to undertake this difficult work with the scenarios envisaged, we also note that the language used is not as clear and simple as it could be making it much more difficult than necessary for the general public to respond appropriately. It seems to us that there is a crucial aspect that should have been undertaken prior to this consultation rather than afterwards. We particularly refer to para 2.41:

It has not been possible to assess the transport economic efficiency, delays or wider economic impacts under a carbon-capped forecast. This is because carbon prices are much higher in each scheme option than the 'do minimum' baseline meaning the carbon policy component of the appraisal dominates the capacity appraisal. This is particularly problematic as appropriate carbon policies have not been investigated in detail. For example, carbon emissions have been forecast assuming a rate of technological development and fleet turnover commensurate with past trends, whereas in reality it might be expected that the higher carbon prices associated with greater capacity could incentivise technological developments and uptake which enhance the carbon efficiency of aircraft. This risks implying greater dis-benefits attached to cutting carbon than may be realistic. The Commission intends to carry out further work to complete a fuller economic assessment of the case where UK aviation emissions are constrained to the CCC planning assumption of 37.5MtCO₂ for its final report in summer 2015.

Technological advance is likely to slow down not speed up in the period the Commission is talking about but there may well be industry factors that we are unaware of. It seems that the Commission is equally unaware. So there is also a risk of exaggerating the benefits as well as implying greater disbenefits. In the current environment it would seem that Carbon Capping would be highly likely and have a high impact and therefore a more thorough analysis would have been appropriate prior to this consultation.

Q4. In your view, are there any relevant factors that have not been fully addressed by the Commission to date?

New flight paths. The Commission has published a map of the new flight paths with a new runway. They emphasise that this is only illustrative and does not represent where the routes might actually be. One of the basic flaws of airport planning, in Britain and other countries, is that the actual flight paths are only decided after permission is given to expand an airport, causing many people to feel misled and aggrieved. Residents and councils currently feel extremely aggrieved at the lack of consultation about new air traffic control procedures at GAL. The statutory requirement to take account of the AONB and a village held in trust for the nation has not been factored in to these indicative flight paths by the Commission.

Negative impact on jobs in Chiddingstone and more generally the High Weald Tourist industry. Gatwick is surrounded on three sides by Areas of Outstanding Natural Beauty – the High Weald AONB and the Surrey Hills AONB – each visited by over a million people each year in search of peace and tranquillity. National government and local councils have a statutory duty to conserve and enhance the natural beauty of these areas, and this applies to any decisions they may take, not merely to planning applications. Gatwick with two runways is planned to handle 560,000 air traffic movements a year, compared to 250,000 a year at present. Aircraft at present take-off or land at a rate of nearly one a minute. With a new runway it would be nearly two a minute. We would remind the Commission that with both runways handling arrivals and departures, there could be no scheme to provide respite by alternating the use of the runways, as at Heathrow.

Indeed when account is taken of background noise levels, it can be shown that the difference in the level of disturbance at Gatwick compared to Heathrow would be much less marked than shown in the usual simplistic Leq figures. Leq measures noise but does not measure the LMax annoyance impact. The International Standards Organisation recommends a 10dB difference in the assessment of noise in rural areas compared to urban residential areas, to allow for the difference in background noise levels. At Gatwick, with a second runway, 13,200 people would fall within the 57 Leq contour. If they were all living in a rural area as GAL suggest, then the 57 Leq contour would be equivalent to the 67 Leq contour at Heathrow – which has 9,500 currently living within it.

Night flights and the effect of sleep deprivation. The LMax of flights coming over the High Weald between 2500 and 3500 feet is 90db. The LMax of 90 db is enough to wake even the deepest sleeper. Long term sleep deprivation reduces life expectancy according to the World Health Organisation. It is a key difference between the Heathrow options and Gatwick. Heathrow accepts a quota of 3500 night flights; the current Commission assumption is a Gatwick quota of 11800. Heathrow puts the majority of night flights before 11.30pm and after 6.30am. Gatwick night flights arrive all through the night. The charging regime at Gatwick encourages night flights during the summer months, off peak landing charges are levied in peak season and there is no overnight parking charge for aircraft. We see no examination of this key difference between the bids in terms of negative impact on health and well-being. The Commission seems preoccupied with a numerical analysis of the noise issues rather than a qualitative one in which ambient noise, LMax and the effect on quality of life. Given the CAA paper on night noise and the effects the Commission should have access to data from the noise meter at Bidborough and Hever Castle to establish true noise impact in the High Weald.

Reputation. We also wish to comment on the reputation of the proposer in the case of Gatwick. Chiddingstone Parish Council feels that what the Commission will recommend amounts to an asset of national significance. It should be managed as such. Global Infrastructure Partners have already indicated they will divest themselves of GAL in 2019. The current management have made a number of pledges none of which will be worth anything if there is a change of ownership. It is a risk that has not been considered. It undermines the validity of the undertakings made by GAL in their proposal and reduces our confidence in the business case and sustainability assessment.

Both Chiddingstone Parish Council and the High Weald Councils Aviation Action Group have tried to engage constructively with GAL with regard to their plans for the airport and the airspace around it. At each stage we have been met by obfuscation and denial. All of the issues that affect our residents have turned out to be true.

Throughout its process the Commission has taken a utilitarian view of the benefits of extra capacity in relation to national economic life and social impact. The opportunity for the public to engage with the airport, specifically at Gatwick, to shape the scheme has been negligible. The enactment of corporate responsibility of the proposers should form part of the Commission's judgement. In the case of GAL the Gatwick second runway consultation conducted by the airport was contemptuous of the local communities that will be some of the most impacted. There were three versions of the scheme presented locally, but it appears that GAL never intended to take any account of local opinion in the design of the scheme or subsequent alterations, indeed the final proposal was not any of the three presented nor carried any of the local recommendations.

We ask that corporate responsibility and reputation are addressed.

Q5. Do you have any comments on how the Commission has carried out its appraisal of specific topics (as defined by the Commission's 16 appraisal modules), including methodology and results?

The types of appraisal carried out by the Commission may by necessity be accessible only to experts or those with the time and energy to ask question and keep asking. What they imply will have a very great impact on many ordinary people including in some cases how long they live for. We note that there has not been much room in the early part of the Commission's process for those who will be most severely impacted to have their say. The sudden appearance of a multitude of concerned residents groups and councils opposed to the GAL proposal might give the Commission cause to think that the appraisal process whilst methodical detailed and rational has lacked sufficient breadth and rigour to be endorsed by the general public and councils in the High Weald.

Q6. Do you have any comments on the Commission's sustainability assessments, including methodology and results?

Noise. Chiddingstone Parish Council has a number of concerns that by using data provided by the CAA they are missing some important aspects in the sustainability assessment of impact of noise.

Aircraft Noise Certification. When airports and airlines have enquiries from members of the public over aircraft noise they are often advised that the investigation has found the aircraft concerned was operating within the permitted rules. There are few rules and no UK statutory laws covering aircraft noise. Aircraft have to operate within International Civil Aviation Organisation (ICAO) noise energy standards which are awarded when a new aircraft receives certification. In modern aircraft that is at Chapter 4 standards. Earlier and noisier aircraft would be in Chapters 1, 2, or 3. To determine sound energy emissions for certification noise is measured at three points around a runway: Fly-over - 6.5kms from brake release point, under take-off path; Sideline - the highest noise measurement at any point from 450m from the runway axis during take-off; Approach – 2km from the runway threshold, under the approach flight-path. What is not measured is the pitch or frequency of the sound emissions. The Commission should include pitch and frequency considerations of noise impact.

Airbus A318/A319/A320/A321 Airframe Whine. For residents living under the long low flight path for aircraft arrivals there is a high pitched whine to contend with, emitted by the Airbus A318/A319/A320/A321 series of aircraft. As we have seen above high pitched frequencies are not recorded in sound energy measurement for certification of aircraft nor are they measured by the ANCON 57dB LAeq contours but they affect people's lives day and night up to 25 miles from airports along the arrival flight path. Although this nuisance was known to the CAA as long ago as 2005 they only finally admitted to this fact on 16 October 2013 when it confirmed that the noise was emitted around Hz500-600 which is at the peak sensitivity of human hearing and therefore very noticeable. At night time over 70% of all flight arrivals are of the Airbus A319 variants and nearly all owned by EasyJet. Throughout the day these aircraft interfere with the public's enjoyment of the High Weald, a recognised Area of Outstanding Natural Beauty and many internationally recognised cultural and historic tourist attractions such as Chiddingstone Castle, Hever Castle and Penshurst Place. At night the debilitating whine is constantly interfering with people's sleep patterns which should give Government, the CAA, airport and airline operators as well as the Commission greater concern for individuals' well-being and long term health issues than is currently in the Commission documents. The causes of this nuisance are cavities on the wings which allow air to resonate at a high frequency but a modification is available known as a vortex generator which cancels out this nuisance. It is a simple piece of aluminium and made in the United Kingdom. Lufthansa and Air France have already fitted out their fleets with the retro fit; Chiddingstone Parish Council asks that the Commission should recommend that all UK Fleets are required to do the same.

Measurement of Aircraft Noise around Airports. For measuring nuisance for residents living around airports, an old and unscientific (by contemporary standards) formula is used called ANCON 57dB LAeq contours. This discredited method, originally conceived on limited research in the 1960s but tinkered with regularly since then, is used by the Civil Aviation Authority to measure sound contours around airports but based on a continuous 16 hour period. There are other methods over a night time period or 24 hour day but the 57dB LAeq is more commonly used. The formula suggests that people only become irritated by noise when it reaches 57 decibels on a continuous basis. This is palpably nonsense particularly in the countryside where the ambient noise level is recognised as being 10 decibels lower than in the towns.

When we examine the contour maps drawn for each airport it becomes obvious how restrictive these measurements are for they will only extend 6 miles either end of a runway and less than ¾ mile in width from the projected centreline. This will then show that as far as Gatwick Airport is concerned people living only within a derisory 40.4km² are affected by noise. The reality is that the area around Gatwick Airport affected by decibels in excess of 57 dBs is at least 1172 km² much of it across Areas of Outstanding Natural Beauty and encompassing many villages and towns, schools, hospitals and care homes.

The CAA's report claiming fewer people are affected today by aircraft noise is incorrect. More people on a national and international level are being affected not just on increased flight movements but from the toxic mix of sound at excessive decibels and high frequency pitch airframe whine. It is disappointing that the aviation industry in justification of its operations quote ANCON contours as a mantra. The Commission should hold itself to a more scientific standard than the ancon metric. They were not scientifically established to protect people's health and well-being, they represent an arbitrary figure.

Place. The Commission recognise that "there are areas around Gatwick that are rural and have high levels of tranquillity that would be adversely impacted by new development at the airport". Our Parish of Chiddingstone would certainly been one such area which would be impacted very negatively. Chiddingstone is one of the prettiest villages in Kent and is a beautiful example of a Tudor one-street village. In order to ensure its preservation, the village was bought by the National Trust in 1939. The building that's now the post office is mentioned as early as 1453 and many of the other buildings probably took materials from earlier settlements. Over 70 percent of the buildings in Chiddingstone are more than 200 years old. The Chiddingstone Parish is in an Area of Outstanding Natural Beauty - local councils have a statutory duty to conserve and enhance the natural beauty of these areas.

A second runway would significantly affect the Parish of Chiddingstone's quality of life in a number of ways:

Sleep disturbance has become a serious problem in recent months with GAL adopting a single line approach for landing over the last couple of years. Many residents of all ages have been complaining about being woken several times during a night, and this can seriously impact someone's health and ability to perform properly at work or school the following day. A second runway would significantly increase this problem. The LMax of flights coming over the High Weald between 2500 and 3500 feet is 90db. The LMax of 90 db is enough to wake even the deepest sleeper. Long term sleep deprivation reduces life expectancy according to the World Health Organisation. It is a key difference between the Heathrow options and Gatwick. Heathrow accepts a quota of 3500 night flights, the current Commission assumption is a Gatwick quota of 11800. Heathrow puts the majority of night flights before 11.30pm and after 6.30am. Gatwick night flights arrive all through the night. The charging regime at Gatwick encourages night flights during the summer months, off peak landing charges are levied in peak season and there is no overnight parking charge for aircraft. We see no examination of this key difference between the bids in terms of negative impact on health and well-being. The Commission seems preoccupied with a quantitative analysis of the noise issues rather than a qualitative one in which ambient noise, LMax and the effect on quality of life.

Air Quality and pollution would be seriously impacted by an additional runway. Doubling the number of aircraft using Gatwick would undoubtedly result in a reduction in air quality for our Parish.

Chiddingstone Primary School has been regarded as Outstanding by Ofsted in previous years and this helped it convert to an Academy School, with over 200 pupils from many of the surrounding villages. This is great testament to the leadership and teachers at the school, and also the attractive quality of life which is enjoyed. The current change in vectoring choices has made the outdoor stage obsolete. Any additional runway would significantly impact on the education and early experiences enjoyed by these many children.

Many rural businesses in the Chiddingstone Parish require a level of tranquillity in order to operate and prosper. For example, Chiddingstone Castle runs frequent outdoor events such as country fairs, weddings, vintage car rallies and Japanese open days.

Wellbeing. This response has made much of night flights and the effect of sleep disturbance which leads to sleep deprivation and to a considerable impact on well-being. The Commissions assertion para 15.2 of the GAL sustainability assessment is untrue.

Living in a night time aircraft noise contour was not associated with any effect on subjective wellbeing.

This view stands in direct contrast to our experience as residents and councils in the High Weald. Night flying is the activity our residents resent most and has the greatest negative impact on their subjective and objective well-being. The Parish Council wishes to draw the Commission's attention to the ERCD Report 1208 Aircraft Noise, Sleep Disturbance and Health Effects: A Review the key findings were

Key findings

7.7 In conclusion, the following key findings must be considered when taking into account cost-benefit analysis of night flights:

- The WHO recommends an interim limit of 55dB Lnight for the protection of residents against significant noise-induced adverse health effects.*
- Percentage highly sleep disturbed (%HSD) can be used to monetise sleep disturbance based on night-time exposure, Lnight. This measure is taken from self-reported estimates of sleep disturbance.*
- Levels above 55 dB Lnight result in increased risk of myocardial infarctions and these can be monetised using established methods.*
- Levels above 45 dB Lnight result in increased risk of hypertension, and this can lead to hypertensive strokes and dementia, which can be monetised using established methods.*

The latest noise report published on behalf of GAL taken from readings at Hever dated 21 October 2014 concludes that the total night noise is 54dba. The report also notes that the Lmax is 89dba only one decibel short of what the CAA report says causes chronic illness if there is exposure to 25 events. The Hever report does not include Gatwick's busiest month in August.

These two reports prove that the High Weald is already at its threshold for noise pollution. To put more planes into Gatwick would cause significant health impacts which can be monetised according to the CAA report. Chiddingstone Parish Council request that this impact is monetised and costed into the forecast.

Q7. Do you have any comments on the Commission's business cases, including methodology and results?

Affordability and financing are the most important aspects of any business case. In the case of the GAL business case this cannot be proven, although we note that the Commission has suggested that the project could be financed in the corporate bond market at Gilts + 200bps using GAL's existing BBB+ rating from S&P and Fitch. We believe this to be completely implausible. Firstly we see it as highly unlikely that GAL would retain its rating: the project will increase the amount of debt GAL has by a factor of 5-10 times, with considerable uncertainty about the ability to push through price rises prior to opening in 2025. This would devastate relevant cash flow to debt ratios pushing them well below where S&P has signalled they should be for this rating category. Secondly, the bond market has to buy in to the strategic and business case. With such a huge amount of debt to be absorbed and key customers likely to be affected, we see it as unlikely that conservative investors would agree that credit quality is preserved. Thirdly, current credit spreads are near all-time low levels and through the probable several cycles that will occur during the financing period, it is likely that average spreads even for BBB will be considerably higher than this.

Already, the other ratings agency, Moody's, has publicly opined that the likely impact on GAL's credit quality would be negative and has indicated that EasyJet would be adversely affected by higher charges. Indeed, one of GAL's own agencies has been quoted as stating privately that it is concerned for EasyJet's own rating. This calls the whole business case into severe question.

Should all this come to pass, the potential prospect of GAL being rated 'non-investment grade' i.e. "junk" fills us with horror given the likely impact on the future management of the airport, particularly cost savings measures and other ways of preserving cash. We cannot imagine that the Commission would welcome this either, nor the government.

Furthermore financial information from GAL made available to the Commission has not been made available to the public. We are not confident that GAL has made a sound financial case. Given the Moody's report we believe this merits further work by the Commission. Indeed, we would query whether the Commission has taken sufficient genuine soundings from the agencies and the bond market itself to reach its view that the project is financeable.

The wider business case depends on the taxpayer making improvement to local infrastructure and surface access. It seems inconceivable to us that an airport bigger than Heathrow will be constructed with surface access limited to single rail and road access. The cost of providing resilience to those networks both in themselves and provision of alternatives from Gatwick has not been costed in. Provision of the catalytic change to Gatwick transport links is currently unaffordable.

Airspace structures. We note that at paragraph 4.17 – 4.19 of the business case the Commission says:

4.16 The Commission has received advice from NATS regarding the airspace structures that would be required to support the Gatwick Second Runway proposal.

4.17 NATS have confirmed that the promoter's estimated capacity increase can plausibly be delivered within the required timescales. The delivery of any new capacity within the London and South East system will require substantial redesign of current airspace structures, but the Gatwick Second Runway proposal does not contain any exceptional features that would heighten the level of risk or challenge.

4.18 The scheme is not expected to have a negative impact upon the capacity of any other major airport in the London airspace system, though there may be impacts upon the airspace available for general aviation at some facilities. Fast-time simulation will be used to verify this position.

4.19 The Commission has noted that recent trials of revised flight paths at Gatwick have met with considerable public opposition. Processes for discussion of and consultation on new flight path designs will need to be considered carefully to ensure the delivery of a credible final airspace design. The establishment of an Independent Aviation Noise Authority may support this process

GAL has always maintained that the provision of a second runway is not linked to Airspace change. The Commission makes clear that it is. Chiddingstone Parish Council is committed to achieve multiple respite routes that would impact on deliverability.

Q8. Do you have any other comments?

Local stakeholder support. The Commission has noted with regard to the GAL second runway proposal:

Local stakeholder support: The Commission has noted mixed levels of support from local stakeholders for the proposed expansion. Some local government bodies have indicated opposition, while others have indicated potential support, contingent upon appropriate environmental mitigations.

Local stakeholder support has proved subject to rapid change. Perceptions of the value of the GAL proposal have changed. GAL is not regarded as conducting itself in a manner consistent with corporate good practice. The change of perception occurred during consultation on the proposal, consultation on airspace change. Opinion has polarised. The Commission should update its work on stakeholder support for the GAL proposal in time for the final report. In Kent there is not a single council – parish, town, borough or district that supports expansion at Gatwick.

Pollution and Climate Change

Air Quality. We are glad that the Commission reports that at Gatwick there would be no breach of the EU legal standards.¹ Nevertheless doubling the number of aircraft using Gatwick, plus the pollution from the extra traffic, would undoubtedly result in a reduction in air quality for the communities around the airport.

Climate Change. The Airports Commission have concluded that one extra runway in the South East would be consistent with the Climate Change Act although this is disputed by the RSPB, Greenpeace, Friends of the Earth, WWF and other environmental organisations.²

The conclusion that a new runway would be compatible with the Act is dependent on two crucial assumptions: first, that any substantial expansion at other UK airports is ruled out; and second, that scientists confirm that the non-CO2 pollution from aircraft emissions at high altitude do not have any additional damaging effect.

Economic benefits. The Commission has suggested that a new runway at Gatwick could benefit the UK economy by £42-127 billion.³ A new runway at Heathrow would, however, produce roughly twice as much economic benefit, estimated at £112-211 billion.⁴

These huge figures give an exaggerated impression. They are cumulative over a period of 60 years. And most of that benefit would occur towards the end of the 60 year period. They take no account of the subsidy that aviation receives as a result of paying no fuel duty and no VAT (with only a quarter of the lost revenue made up by air passenger duty).

A new runway at Gatwick would have serious adverse economic effects. It would increase the North-South divide, would create more employment in the South East adding to the pressure on all aspects of the infrastructure, and would leave the North suffering the costs of decline. A second Gatwick runway would do nothing to assist a Northern Powerhouse as envisaged recently by the Chancellor of the Exchequer.

The Commission forecasts show that in some scenarios building a second runway at Gatwick could result in the ‘migration of flights from Stansted and Luton to Gatwick’.⁵ Concentrating even more in the most overcrowded corner of England, with even more traffic on the M25 seems only to make sense if the market is to dictate every aspect of our life.

At a local level the predicted economic benefits would largely accrue to the additional labour force at the airport, in new jobs related to the airport or to the staff of new firms moving into the area. To the extent that the benefit would go mainly to people who move into the area, there will be few benefits to existing residents. And, huge disbenefits for those living in affected areas such as the High Weald on which the Commission has not registered the true economic impact.

Residents are extremely concerned that the housing blight will extend far further than the Commission envisages. With a preponderance of large detached houses studies suggest that those who end up in the noise shadow of the flight paths will lose 30% of the equity in their houses as well as suffering the noise pollution. The true extent of the housing blight, the economic effect, and the impact on HMT revenue should be costed into the business case and sustainability assessment.

Passengers. We note that in most future scenarios explored by the Commission, ‘Gatwick [with a new runway] remains mainly focused on the short-haul market ...’⁶ so there would be no wide choice of long haul destinations.

The new terminal, which features so large in all the advertisements, is to be designed to handle 50 million passengers a year, making it larger than the two existing Gatwick terminals combined. But the Commission comment that there would be less space per passenger than in the existing terminals.⁷

The Airports Commission estimates that the cost of building a new Gatwick runway would be up to £9.3 billion.⁸ That is higher than GAL’s estimate of £7.4 billion.

In order to pay the cost of a second runway, the Commission states that passenger charges would rise from £9 at present to ‘between £15 and £18, with peak charges up to £23.’⁹ That is an average extra charge per return flight of £12 - £28 per head. We note that the Commission has not taken into account that this might cause some airlines to move to other airports.¹⁰

Carolyn McCall, Chief Executive of EasyJet, has said recently that EasyJet was “quite concerned” at the prospect that Gatwick landing charges could rise to cover the costs of a second runway. “We make £8 profit per seat and our average price is just £60,” she said. If Gatwick’s charges doubled to an average of £15 to £18, “that is quite worrying in terms of our economic case.”¹¹

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31st January 2015

¹ See <http://www.gacc.org.uk/resources/NGO%20%20September%202014.pdf>

² <http://www.gacc.org.uk/resources/NGO%20manifesto%20September%202014.pdf>

³ Airports Commission Consultation Document November 2014 paragraph 3.23

⁴ Airports Commission Consultation Document November 2014 paragraph 3.128

⁵ Airports Commission. Gatwick Sustainability Assessment paragraph 1.45 third bullet point

⁶ Airports Commission Consultation Document November 2014 paragraph 3.13

⁷ Gatwick Airport Second Runway: Business Case and Sustainability Assessment. Airports Commission. November 2014. Paragraph 1.30

⁸ Airports Commission Consultation Document November 2014 paragraphs 3.48 and 3.52

⁹ Airports Commission Consultation Document November 2014 paragraph 3.41

¹⁰ Airports Commission Consultation Document November 2014 paragraph 2.26

¹¹ Financial Times 18 November 2014