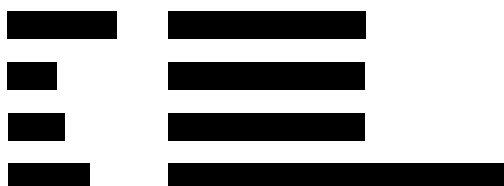


To: Airports Commission Consultation
Freepost RTKX-USUC-CXA
PO Box 1492
Woking GU22 2QR

Date: 03 February 2015

Ref:

Circulation: NFU South East Members



The NFU represents 55,000 farm businesses in England and Wales involving an estimated 155,000 farmers, managers and partners in the business. This represents approximately 75% of the major farming and growing business interests in England and Wales. In addition we have 55,000 countryside members with an interest in farming and rural affairs.

Airports Commission Consultation

The NFU recognises that infrastructure development is a major factor in securing the future of the UK economy. In this context many of our members consider favourably the potential economic benefits that could be associated with the proposed options for airport expansion. Despite this our members have a wide range of views both in favour and against the various options and we have tried to reflect this within our consultation response.

All three options will have a direct adverse impact on the business interests of a number of individual farm businesses on or adjacent to the proposed sites; however we have been made particularly aware of members opposition to the Heathrow third runway scheme and the continued disruption this has and will cause to many homes and businesses in that area.

With reference to those directly affected farms, our primary concern is that impacts should be kept to a feasible minimum; that affected homes and businesses should be treated fairly and any necessary adjustments to their business practice should be fully supported and mitigated as an integral part of a compensation scheme. In a wider context however, we would recommend that the scheme offering the best economic prospects for the wider farming industry should be promoted.

Q1: What conclusions, if any, do you draw in respect of the three short-listed options?

The table below summarises the main costs and benefits as reported in the consultation document. Whilst we recognise this may provide a simplification of the issues and options reported in the document, we have found this approach useful to highlight the basic offer behind each proposal. We assume that the economic efficiency and wider economic benefit figures were calculated on an annual basis, albeit this was not clear from the published information.

Agricultural Land

In pure terms of agricultural land take, the Heathrow Extended Northern Runway appears to represent the lowest impact option as it affects fewer farming hectares than both of the other schemes. The consultation document is however unclear as to whether the land take on any or all of the schemes concerns Best and Most Versatile Land (i.e. Grades 1, 2 and 3a).

The National Planning Policy Framework paragraph 112 states “Where significant development of agricultural land is demonstrated to be necessary, local planning authorities should seek to use areas of poorer quality land in preference to that of a higher quality.” In this context we recommend that the Commission gives great weight to the proposal that can demonstrate the lowest impact on best and most versatile land and can demonstrate an improvement in economic prospects for farm holdings within the influence of the preferred option. We would recommend that a further socio-economic assessment of the effects on agriculture is undertaken to guide the decision making process. The consultation documents do not provide sufficiently detailed information to consider the relative impacts on the farming industry.

Despite there being a need for more detailed assessment, in very broad terms the differences in agricultural land take between the schemes are relatively small, varying between 50 and 60 hectares. This indicates that there could be only very marginal differences in the direct adverse effects on the farming industry, when comparing all three of the proposed options.

| | Gatwick Second Runway | Heathrow Extended Northern Runway | Heathrow North West Runway |
|---|--|---|--|
| Area | 624ha + 78ha for surface access (Total 702ha) | 724ha + 390ha for surface access and flood storage (Total 1,114ha) | 569ha + 337ha for surface access and flood storage (Total 906ha) |
| Area in Green Belt | 9ha | 238ha | 431ha |
| Agricultural Land | 421ha loss (£5.8 to £6.9 million present value loss) | 371ha loss (£5.1 to £6.1 million present value loss) | 431ha loss (£5.9 to £7.1 million present value) |
| Capacity increase (air traffic movements) | 290,000 | 220,000 | 260,000 |
| Residential properties demolished | 168 | 242 | 783 |
| Job creation (2030) | 500-23,600 increase | 47,400-96,200 increase | 47,400-112,400 increase |
| Job creation (2050) | 7,900-32,600 increase | 54,800-92,900 increase | 64,100-108,300 increase |
| Cost | £9.3 billion plus £787 million for surface access (Total £10.1 billion) | £13.5 billion plus up to £6.3 billion surface access (Total £19.8 billion) | £18.6 billion plus £5.7 billion surface access (Total £24.3 billion) |
| Economic efficiency benefits (under various scenarios) | £3.7-£44.1 billion (plus reduced delays benefit of £0.73 - £1.78 billion) | £9.4-£36.7 billion (plus reduced delays benefit of £0.64 to £2.18 billion) | £10.3-£42 billion (plus reduced delays benefit of £0.84 to £2.36 billion) |
| Wider economic benefit | £42-127 billion | £101-214 billion | £112-211 billion |

Gatwick Option

We consider it noteworthy that Gatwick is predicted to deliver the highest overall capacity increase in air traffic movements for the smallest overall land take and the lowest predicted cost. The limited cost verses a relatively substantial economic and operational benefit indicates that Gatwick looks to be an advantageous option in terms of providing value for money. It is also of note that the Gatwick option causes considerably less development impact on residential properties and green belt land, so Gatwick may cause less overall disruption during the planning and construction phase of development. We also note with reference to the upper estimates of economic efficiency, that the Gatwick option offers the highest level of economic efficiency benefits of all three schemes.

Our members have questioned the lower estimate of jobs created for the Gatwick site and we are concerned that this seems impossibly small. In addition to onsite jobs created during construction and operation of the new site, there will be a tremendous number of ancillary jobs created serving the airport from car parks, overnight accommodation, meeting venues and within the supply chain. There will also be a great number of businesses that will choose to locate and expand in the Gatwick area of influence if this is the preferred option. We therefore suggest that the minimum number of jobs created for Gatwick should be revised upwards. Our members consider that there is substantial potential for job creation bringing substantial and much needed growth to Surrey, West Sussex and other surrounding Counties.

The feedback we have received from our members has been weighted towards support for the Gatwick option. Our members have specific concerns that the existing road network surrounding Gatwick is already in need of updating to accommodate existing volumes of traffic. In this context in addition to the

positive economic benefits, our members consider that the Gatwick proposal could offer a catalyst to making these much needed road improvements.

Heathrow North West Runway

The Heathrow North West Runway represents our least favoured option. This is due to the larger scale of both the agricultural impact, the large impact on the greenbelt and the large numbers of residential properties that would have to be demolished and rebuilt in an alternate location. Our members have indicated that the published figures may represent an under estimate of houses to be demolished and have quoted numbers closer to 950 houses (albeit some local campaigners quote figures closer to 4000) as well as an estimated 150-200 local businesses that will be forced to close or relocate. The loss of local business appears not to have been reflected transparently within the published figures. The cumulative effect is likely to require the relocation of thousands of people. Putting aside the potentially significant disruption and welfare concerns, such a large scale relocation of people, in our assessment, sounds logistically and administratively unfeasible.

We question whether the additional housing requirement, to replace those that are lost, will lead to an even greater agricultural land take than the reported figures. We also question the extent to which the additional demand for housing in the Heathrow area, both through housing loss and job creation will create substantial strain on existing public services and infrastructure in this area. It is our understanding that a substantial proportion of the jobs created will involve inward migration to the Heathrow area. In this context we are concerned that there may not be sufficient capacity to meet this additional demand in comparison to a less densely populated site that has more growth potential. This question of limited capacity to support increased housing and service demand, we believe applies to both Heathrow options, albeit it is more pronounced for the North West Runway.

The Heathrow North West Runway is by far the most expensive and will potentially cause the most disruption during the construction and operational phase. As a consequence we have ruled out further consideration of this option and we question whether the benefits will really be able to outweigh the costs. All reference to Heathrow within the remainder of our response relates to the Heathrow Extended Northern Runway unless otherwise stated.

Economy

At first glance it appears that both Heathrow options appear to be less favourable than the Gatwick option in terms of providing less air traffic movements, a greater impact on residential properties, a much greater impact on green belt land and a generally larger land take. As outlined above, we question whether the job creation estimates for Gatwick are perhaps an under-estimate, however based upon the reported figures; the prospects for job creation and wider economic benefit appear to be greater for the two Heathrow schemes. This is presumably due to Heathrow's position as a more integrated "hub" with much wider national and international transport links, plus the additional freight capacity and additional capacity to improve the economy along the M4 corridor, Oxfordshire and through to the Midlands via HS2.

By contrast the potential increase in economic activity associated with Gatwick would be focussed on economic development in the Wandle Valley and the Gatwick Diamond. We believe that there is very significant growth potential within the Gatwick Diamond, for example towns such as East Grinstead and Haywards Heath situated on its eastern boundary, could have significant economic growth unlocked as a result of the Gatwick scheme and that this should not be underplayed within the decision making process.

Our members have expressed the view that the economic influence of Gatwick could be far wider than anticipated within the consultation documents. In particular they suggest that there is a much greater potential for economic growth to towns in East Sussex (particularly within the Wealden District), including Uckfield, Crowborough and surrounding villages that fall outside of the Gatwick Diamond. By way of an example until recently, Hartfield, East Sussex was the base for MK Airlines, a freight airline, which employed over 200 people. It went into administration after its aging 747 air fleet was unable to compete with more modern aircraft; however this example provides a valuable indication that there is a much wider economic influence from Gatwick than suggested in the consultation documents.

Our member from Hartfield also highlights how there are some three hundred VAT registered businesses within that parish, which has just over one thousand households, representing quite a large economic output for a moderate sized village. Many of these local businesses, located in converted farm buildings, either provide services to Gatwick, or benefit from close proximity to the airport. There are also many other similar businesses on diversified farm holdings in many other surrounding parishes. The majority of these rural office and workshop facilities are diversification activities on productive arable or livestock farms, helping to maintain the overall viability of High Weald farms. There is an existing connected network of villages, towns and rural areas surrounding the Gatwick site, which is a somewhat different context to the Heathrow options, which have a more dense urban/ suburban context. Our members have suggested that there is much greater potential for economic growth within this network than may necessarily have been considered within the consultation documents and in this context the economic benefit of Gatwick may represent more of a competitive offer than the published figures suggest.

Despite our preceding observations, the information presented within the consultation documents has not allowed us to fully consider the agricultural economic implications of the respective options. It may be possible to assume that the reported wider economic benefits could have a beneficial effect on the agricultural economy through increased requirements for service provision and diversification opportunities. If this were the case the Heathrow option may provide more agricultural benefit; however as outlined above we suspect that the wider rural network surrounding Gatwick has greater potential to provide the growth and services required to support the expanded airport. Further information is required on how the support network is likely to operate in the wider economic area surrounding each airport option.

There is a risk that some of the predicted economic benefit may be achieved at the detriment of sectors such as farming. It is not clear whether the sectoral risks have been considered in sufficient detail, and we feel that there is a need for a much more transparent, sector based analysis of the predicted costs and benefits of each proposed option. Without a sector based economic assessment the recommendations you receive from this consultation will be made on an incomplete understanding of the economic implications.

Surface Access

For all options, we consider that the transport network servicing the new airport infrastructure will be a key factor in determining the value or hindrance likely to be encountered by NFU members. It will therefore be of primary importance for the preferred option to consider the detailed transport planning issues, not only on the major transport networks, but also on the supporting rural networks surrounding these.

We recognise that the Gatwick option includes proposals for capacity enhancements to the Brighton Main Line and the M23 motorway between junctions 8 and 10; as well as additional surface transport investments to the A23, Balcome Road and other very local approach roads to the airport. Our concern is that the proposed road enhancements may not be sufficiently extensive to accommodate traffic and freight loads on the wider network of local roads throughout Sussex and Surrey. The existing congestion on these local roads is likely to become worse unless there are comprehensive improvements to a much wider catchment area surrounding the site. A range of investments in the local road network are therefore likely to be needed to enable the delivery of the second runway at Gatwick.

We note the comment within Section 3.19 of the consultation response that the “*southerly location [of Gatwick] would see relatively long journey times by road access from areas north of London.*” Whilst we recognise that this may influence a degree of customer preference; there are existing links to Gatwick via the M25, so we question whether the additional journey time would be significantly different in practice, given the congestion already experienced in the Heathrow area. Furthermore in offsetting some passenger demand from Heathrow, it is possible that through enhanced competition Heathrow may be able to optimise their current services, which could both expand certain markets from Heathrow (e.g. freight) and bring down costs to consumers. This enhanced level of competition (and therefore reduced cost) may offset any consumer concern over additional journey time.

Given the comparatively low cost of the Gatwick option we suggest that it might be feasible to revise upwards the scope of improvements to road and rail networks within those proposals.

Flight Capability

We understand that expansion at Gatwick would create more opportunities for growth in domestic services. This is in comparison to the Heathrow options, where domestic flights remain static but there is a predicted increase in international and long haul services. From this perspective the proposition from Heathrow seems to be more economically attractive through bolstering our position as an international destination. It is also evident from the consultation document that the existing freight capacity at Heathrow means that it is well placed to respond quickly to growth in capacity.

This is in contrast to the prospects for the freight operation at Gatwick, which would require significant investment by third parties to improve provision of freight handling facilities. It is not implausible that better freight capacity could be achieved at Gatwick but it does not appear to be as easy to achieve in comparison to Heathrow.

Whilst the primary market for UK farms is domestic, our opinion is that an improved level of freight handling capability would offer UK farms an expanded opportunity to access overseas food commodity markets. From our members perspective the freight handling option is secondary to the potential operational disturbance from noise and surface access, however if the Gatwick option is selected, we recommend that greater efforts are made to maximise the freight provisioning services that it would provide.

The consultation documents appear not to have considered in detail the possible effects that greater competition might have on flight capability in both airports. By having two world class airports in competition this could open up better availability of a range of both freight and passenger services from either or both airports. We suggest that further work is required to assess the role that competition will play in opening up much better service provision across the board.

Noise

Despite our tentatively positive feedback on the financial benefit of the Gatwick scheme, we have major concerns over the potential noise disturbance effects of the operational development. In particular we are extremely concerned that there will be a “*doubling or trebling of affected populations*” affected by aviation noise from the Gatwick option. This will be an entirely new noise impact introduced into otherwise tranquil rural locations, parts of which are designated as AONB and National Park.

Both Heathrow proposals predict an increased noise profile over highly populated areas of west London and there will be a 25% increase in numbers of people affected. This is compared to a 200% increase for Gatwick. With reference to the Heathrow option we think it is likely that the altered noise profile will be set against an already impacted noise baseline within a busy urban environment and will potentially be less noticeable and potentially less disturbing from an environmental and agricultural perspective.

From a farming perspective, there can be significant effects on livestock and poultry as a result of aviation noise:

For sheep and cows, the combined visual and noise stimulus from low flying aeroplanes can cause high levels of stress and elicit an “escape response”. In severe cases this could lead to dangerous circumstances where livestock may stampede, potentially crushing members of the public, or breaking through fences and becoming a danger to public highways. Disturbance would also cause welfare issues for the animals concerned, such as cuts and broken bones, possibly leading to the animal having to be culled. In extreme events the disturbance may also lead to livestock abortions.

For poultry, chickens and turkeys can also exhibit an escape response as a result of loud noises. There is documented evidence where the noise from fireworks has caused mortality of birds housed in sheds. For large scale poultry operations where sheds may house over 10,000 birds, the economic loss of such a disturbance would be considerable.

We suggest that an agricultural impact assessment is undertaken of all proposed flight routes, to identify where low flying aircraft might risk causing stress and flight responses in farm livestock animals. Where specific risks to holdings are identified, we suggest that the airport must engage with affected

landowners and devise an acceptable mitigation strategy to avoid potential adverse effects. Such a mitigation strategy might involve amending a proposed flight path where there are significant risks to livestock, agreeing a management strategy with the affected farmer, or offering compensation so that the holding can adapt their operations to the impacted environmental conditions.

In very general terms we consider that the risk from aviation noise is considerably less from the Heathrow options in comparison to Gatwick, simply by virtue of the more rural land use surrounding the Gatwick site.

Overall conclusion to Question 1

In consideration of the information provided within the consultation documents, we believe that both Gatwick and Heathrow Extended Northern Runway options have potential positives and negatives. Heathrow North West Runway is the highest impact, highest cost scheme producing less wider economic benefit than the alternative Heathrow option and should therefore be ruled out.

Gatwick seems to represent the most value for money and is predicted to deliver the highest overall increases in air traffic movements (albeit these may be weighted to more domestic flights rather than international/ long haul and freight flights). Gatwick also has possibly the highest economic efficiency benefits. We question whether the job creation and wider economic benefits associated with the Gatwick scheme have been underestimated given that it has a much wider area of influence than is recognised within the consultation documents.

Our members have provided tentative positive feedback for the Gatwick option, primarily because there is an existing need to invest in the transport infrastructure within West Sussex and Surrey. If the road infrastructure is not addressed, then it will make it very difficult for movement of agricultural vehicles as holiday peak periods are also farming peak periods. Our major concern however is that the road improvements specified in the consultation documents would not go far enough and consequently we would be very concerned over the possible increases to travel disruption on already over-crowded roads as a result of this option. We believe that the Gatwick proposal could enhance the scope of the proposed surface access improvements whilst still providing a competitive offer.

The Gatwick option could facilitate an increase in economic opportunities for farm businesses throughout a wide catchment area around the site; however this has not been considered in any detail within the consultation. We do have concerns over the increased noise profile that is predicted with this option and the disruptive effect that this might have on livestock farmers. A detailed level of assessment and mitigation of proposed flight approaches will be needed in order to minimise the risks.

The Heathrow Extended Northern Runway, whilst occupying the largest area of the three options, has the lowest overall agricultural land take. This option offers a higher level of wider economic benefit, albeit this comes at nearly twice the price of Gatwick. It is unclear whether the agricultural economy will benefit from this or any other option, however we consider that the more immediately deliverable freight option associated with this scheme is relevant and may provide benefit to farm businesses in our region. We consider the noise and transport risks as lower from this option compared to Gatwick.

Despite our broadly positive comments on the Heathrow Extended Northern Runway, we are particularly concerned over the levels of negative feedback we have received from our members in relation to the Heathrow options. The high levels of predicted impact and disruption must surely call into question whether there is really a feasible option on this site?

Our observations have been made based on the available information, however there has been no sector based impact assessment to accompany these proposals. We believe that this is an essential step to understand who are the winners and losers in this investment. We also suggest that a greater level of analysis is needed into how the competition between two world class airports will affect service cost and availability; and how this might open up the market place for more service users. Until the sector impacts are more clearly defined we think that it could be risky Government policy if the investment encourages or disadvantages untargeted types of business activity.

Q2: Do you have any suggestions for how the short-listed options could be improved, i.e. their benefits enhanced or negative impacts mitigated?

As detailed above we think there should be scope to enhance the highways improvement measures proposed as part of the Gatwick option. In this context we read with interest Section 1.7 of the consultation document that *"The current approach of forcing ever greater volumes of traffic through the UK's existing infrastructure, if continued, would have increasingly detrimental effects for air passengers, but also over the long-term for the national economy and wider society."*

This squeeze in traffic volumes is very evident in Surrey and West Sussex as well as on all of the approaches to Heathrow. We therefore hope that the Commission would be open to considering a wider programme to improve traffic flows within the Counties surrounding Gatwick. Our members have suggested that the following road enhancements would be appropriate: a bypass for East Grinstead, upgrading more of the A23 to motorway standard, increasing capacity of the east west routes including the A264 and A272 by road improvements (and removing obstacles such as the low railway bridge at Ashurst).

We also consider that the Gatwick option might look to improve its freight handling options as this would open up more significant economic benefit.

Q8: Do you have any other comments?

All of the proposed options will have direct impacts on local farm businesses. In this context we believe that the Commission must:

- Pay special attention to preventing severe adverse impacts on farm businesses where these are avoidable
- Avoid causing severe disadvantage on affected farm businesses through disruption during the construction phase
- Ensure that appropriate levels of mitigation and compensation are included as part of the proposed scheme.

Members in certain locations have memories of previous expansion projects where the levels of compensation were not considered to represent appropriate market rates.

In order to offset some of the potential disturbance and loss of business activity we have the following suggestions:

- Implement a binding and comprehensive duty of care that sets standards and timescales for the conduct of the developer, its contractors and sub-contractors during construction
- Appoint an independent ombudsman to swiftly resolve breaches to this duty of care
- Appoint an agricultural liaison officer to work with affected farm businesses during the construction phase of the proposed development
- Incorporate a substantial programme of 'accommodation works' to minimise long term impacts on farm businesses
- Promptly pay enhanced compensation reflecting the dislocation, distress and income lost as a result of the project
- Consult regularly and honestly with farmers and growers and their representatives throughout the project
- Minimise the extent of any compulsory purchase of land, and maximising the compensation paid for any such land - particularly where the viability of a farm is affected by losing part of its land.
- Seek to ensure that local communities get some financial benefit from "planning gain" through Section 106, Community Infrastructure Levy or other mechanisms.