

Airport commission

6th Floor

Sanctuary Buildings

20 Great Smith Street

London

SW1P 3BT

Bev Hindle

**Deputy Director for Strategy and
Infrastructure Planning**

Oxfordshire County Council

Speedwell House

Speedwell Street

Oxford

OX1 1NE

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Response to Airport Commission

Re: Consultation Document: Gatwick Airport Second Runway; Heathrow Airport Extended Northern Runway; Heathrow Airport North West Runway

Oxfordshire County Council would like to take the opportunity to respond to the above consultation on the expansion of the capacity of the major London airports.

Context

Oxfordshire is renowned across the globe for its academic excellence, innovative business culture and the quality of its built and natural environment. The county is home to Europe's largest concentration of multi-million pound science research facilities, underpinning our leading position in advanced engineering, manufacturing and life sciences, as well as sitting at the heart of the UK's growing international space cluster. We are therefore primed for investment with solid economic foundations and ambitious plans to support growth and the creation of sustainable jobs for local communities. Oxfordshire makes a disproportionately large contribution to UK economic performance in relation to its geographic size and population. The GVA per head per annum in Oxfordshire is £23,600 compared to an average of £21,300 in the UK.

Oxfordshire is strategically located between the two largest cities in the UK, London and Birmingham, as well as between London Heathrow and Birmingham International airports. The county has a large air transport need. The Civil Aviation Authority identifies 2.1 million passengers travelling by air to/from Oxfordshire mostly through Birmingham International and London Heathrow airports.

We have close strategic links to international networks via London Heathrow, which is fundamental to competing in international markets. Oxfordshire's close proximity to Heathrow makes it a great place to do business. Direct, western rail access to Heathrow will provide faster and reliable access, connecting businesses with global markets. Currently direct access to Heathrow is possible from Oxford by coach or via Reading by train prior to onward travel by coach.

Heathrow plays a critical role for the local, regional and national economy. Rail investment through Cross Rail and HS2 from Old Oak Common will expand direct access to Heathrow to significant areas outside the South East in the Midlands and the North.

Not only does Heathrow support thousands of businesses and livelihoods but is also the hub around which many major companies are based. It is our view that safeguarding and development of Heathrow is therefore vital for the growth of the UK and for maintaining its competitive advantage. To stay in the global race, the UK needs to remain attractive, to retain existing businesses and encourage new investment and keep pace with global competitors. Heathrow is the UK's most important access point for foreign and global trade.

Expansion of Heathrow gives London the opportunity to retain its position as a global powerhouse and support the 'golden triangle' of Oxford – London – Cambridge with the realisation of East West rail investment and the proposed Oxford – Cambridge expressway.

A report produced by consultants Regeneris¹ (2013) who undertook an economic assessment of the future proposals for airport expansion in the South East found that from nearly 500 business responses submitted, Heathrow directly supports one in every 20 jobs and £6.2 billion of economic activity in the Western Wedge region (which includes Oxfordshire) – numbers that are likely to decline if Heathrow is not expanded.

The report also found that 202 of the top 300 companies in the UK are headquartered within a 25-mile radius of Heathrow – many of which may move away if Heathrow's global hub status is not retained. The results show that by 2040 an expanded Heathrow would add 35,000 jobs and £3.5 billion GVA and productivity benefits worth up to £300 million a year when compared with the 'do nothing' scenario.

Preferred scheme

The deciding factor for expansion of London's airports should be based on the cost benefit ratio for each proposal. For this reason based on calculations for each proposal Heathrow Airport Extended Runway is Oxfordshire County Council's preferred option scoring the highest average BCR and highest maximum BCR. This places it 25% better than its nearest rival at the lower range and 16% better than its nearest rival at the higher range, making it clearly the favoured option in terms of economic impact against value for money. This economic assessment has been carried out in line with the guidance in the DfT's WebTAG assessment and Oxfordshire's Local Enterprise Partnership Appraisal for Transport Schemes:

¹ <http://www.westlondon.com/wp-content/uploads/2013/09/130924-Regeneris-Final-Report-24th-Sep.pdf>

Consultation Option	GDP		Benefit Cost Ratio
Gatwick	Benefit	42-127	4.5 – 13.7
	Cost	9.3	
Heathrow Extended	Benefit	101-214	7.9 - 15.9
	Cost	13.5	
Heathrow New	Benefit	112-211	6.0 – 11.3
	Cost	18.6	

As can be demonstrated in the above calculation Heathrow Extended Runway scores by far the most favourable BCR result and would therefore be our preferred option.

Consultation Questions

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

See above preferred approach

Q2: Do you have any suggestions on how the shortlisted options should be improved?

Heathrow Hub mitigation should be included in the Commissions appraisal of the schemes and each option should be calculated on the basis of cost benefit analysis.

Q3: Do you have any questions on how the Commission has carried out the appraisal?

The commission hasn't given a weighting to the sift criteria categories in table 2.1. It is our view that the following criteria should be weighted most highly; Strategic Fit, Economy and Delivery.

Q4: In your view are there any relevant factors that have not been considered by the commission to date.

See answer to question 2.

Q5: Do you have any comments on how the commission has carried out its appraisal of specific topics including methodology and results?

Oxfordshire County Council supports the GDP element of the appraisal and supports the approach for assessment of the benefits. This is in line with the Oxfordshire Local Investment tool assessment process.

Q6: Do you have any comments on the Commissions Sustainability Assessment?

No comments

Q7: Do you have any comments on the Commissions business Cases, including methodology and results?

No comments

Q8: Do you have any further comments?

Could consideration be made in relation to the implications that involve the demolition of Colnbrook Energy from Waste plant and how this would be replaced? If demolished and not replaced it would lead to increased use of other disposal facilities, including in Oxfordshire which already have a long term pressures to consider.

In conclusion, the expansion to Heathrow Airport and the Extended Northern Runway option supports the objectives set out in the current Oxfordshire Strategic Economic Plan and the emerging Local Transport Plan 4 and Science Transit Strategy. Each highlight the ambition for an integrated public transport strategy which includes improving our connectivity to international gateways –focusing on Heathrow Airport as it remains a key determinant of investment decisions for businesses operating in the global market.

Yours sincerely

Bev Hindle
Deputy Director for Strategy and Infrastructure Planning

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