



Meeting of the Airports Commission
20th March 2014 - 10:00 - 13:00
Rm 6.02 Sanctuary Buildings

Attendees:

Commission Members:

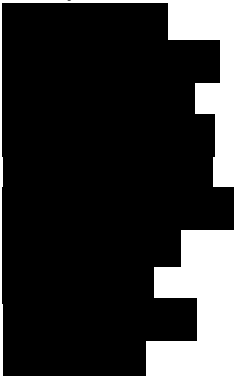
Sir Howard Davies - Chair
Professor Dame Julia King
Vivienne Cox

Apologies:

Professor Ricky Burdett
Sir John Armit

Secretariat:

Philip Graham



1. Welcome

Howard Davies (HD) welcomed attendees to the meeting and noted apologies from Sir John Armit and Ricky Burdett (RB).

RB had recently attended the Commission visit to Gatwick Airport and chaired the Interim Report Seminars arranged by the Airports Commission Secretariat.

Regarding the register of interests, Vivienne Cox (VC) checked whether her forthcoming appointment as a member of Stena's advisory board in April has been noted. PG confirmed it had been noted at the last Commission meeting.

The DfT will be publishing Commissioners' appointment letters and T&C's following a Freedom of Information Act request being submitted. The Airports Commission will be publishing Register of Interests forms and past Commission meeting notes for the

period up to publication of the Interim Report. The Commission agreed for Julia King's (JK) [REDACTED].

2. Note of last meeting

The Commission agreed to amend Section 8 of the 18th February 2014 minutes concerning Commissioner Membership and whether to appoint a new Commissioner to more fully capture the discussion which took place.

3. Round up of stakeholder engagement

HD briefed the Commission on recent meetings with stakeholders

- **Nigel Rudd on 24th February.** A note of the meeting has been produced by the Secretariat.
- **Julian Glover on the 24th February.** This meeting was to provide the DfT special adviser with an update on the Commission process.
- **Colin Matthews on 25th February.** The issue of local polling was raised during the meeting. In a recent poll conducted for Heathrow by Populus, the only constituency strongly against Heathrow expansion was Richmond. The remaining constituencies from the surrounding areas were either neutral or slightly opposed to expansion. For the majority of people living within these areas the issue of expansion was not a major concern. Colin Matthews was happy to cooperate with Heathrow Hub on their shortlisted option. The new Terminal 2 will be opened by the Queen in June. This event will be used as part of the wider campaign to promote Heathrow as a whole.
- **Roy McNulty and Alistair McDermid on 25th February.** The meeting discussed the letters received by the Commission challenging aspects of the consultation. Following the meeting the working relationship between the Commission and Gatwick has been positive. It was noted that Gatwick was conducting a local consultation on three options which included a more modest option to deliver increased capacity which might not meet the Commission's assessment of need. However, Gatwick's current preferred option was the option which the Commission had shortlisted in its Interim Report
- **Bernard Jenkin MP and Nick Raynsford MP on 25th February.** The meeting discussed their support for the Thames Estuary option and how this complemented the London Growth Strategy.
- **Lunch meeting with the Mayor of London on the 4th March.** It was noted that the Mayor was considering hosting a conference inviting the three shortlisted scheme promoters to present and demonstrate how their option will promote the London Growth Strategy. Since the lunch meeting The Airports Commission Secretariat has sent a list of possible dates to the Mayor's Office. The 9th June is being looked at as an option to hold the conference. On Monday 24th March the Mayor will be meeting with London Business Representatives.

FINAL

ACTION: PG to request a readout of the event from the Mayor's Office or London First.

- **Meeting with Mary Creagh MP and speaking slot at the PLP Transport Group chaired by Brian Donohue on 4th March.** There were no significant updates to report to the Commission following the meeting and PLP Transport Event.
- **Video recording for a Noise Summit on 10th March.** HD could not attend the event on the 11th and agreed to do the opening remarks via a video recording. PG attended and participated in the Q&A session. The summit was attended by representatives from anti expansion groups, business and the transport industry.
- **DfT Board Meeting on 12th March.** HD updated the Board on the Commission process going forward.
- **Augustin de Romanet, CEO of Aéroports de Paris on 14th March.** A positive productive meeting in which the aspects of the Independent Noise Authority were discussed. The message from the meeting was that for France, the public would not be so against airport expansion if airports were managed as a national asset rather than by private bodies. Airports should be regarded as a national infrastructure public asset key to the creation of jobs.
- **Theresa May on 18th March in her capacity as MP for Maidenhead.** Though she was on the record as against the idea of having a third Heathrow runway this was not raised during the meeting. The meeting was more of a briefing on the Commission's work programme.
- **Gatwick Airport Visit on 19th March.** Gatwick had provided an update on the development of their proposal since the interim report. A launch meeting was also held with Roy McNulty, David Macmillan and Michael McGhee (GIP) to discuss financing and investment.

PG met separately with David Macmillan on 11th March. They discussed the working relationship between GAL and the Commission Secretariat, and the views of the Gatwick Board. Both the Board and Stakeholders see their proposal as an attractive commercial proposition.

4. DfT Response to Interim Report

PG provided an update to the Commission on DfT's preparation of its response to the Interim Report. The response was not yet finalised. Although the Government was minded to agree the majority of the Commission's recommendations, there were ongoing discussions regarding the recommendations for early morning smoothing trials and for an independent aviation noise authority. The Commissioners felt that the lack of progress on these recommendations, and particularly on the noise authority, was disappointing and asked that this message should be sent back to the Department.

ACTION: PG to meet with Julian Glover to feedback the Commission's views on the noise authority.

5. Appraisal Framework Consultation

██████████ presented the paper, summary spreadsheet of responses and the compendium of responses from stakeholders to the draft Appraisal Framework consultation. The suggested approach was approved by the Commission and that a revised Appraisal Framework should be published. Key points in the discussion included:

- Many stakeholders had commented that, in their view, there was not enough focus on competition and greater emphasis should be placed on this.
- Wider spatial planning and development strategies would be a key context in which to assess the strategic fit and local economic impacts of options.

ACTION: Secretariat to make changes in line with paper and discussion and publish following sign-off by HD.

6. Strategy Team: Plans and Prioritisation

The Strategy Team presented their areas of work to the Commission and asked the Commission to prioritise their workstreams. This gave the Commission an opportunity to look at the plans in place and comment when needed. Each work stream had three categories of work ranging from Bronze, to Silver and Gold. Bronze was regarded as the absolute minimum. Silver and Gold contained additional activities to be undertaken should the Commission feel these were necessary.

██████████ presented her first work stream: *Incorporating competition, regulation and airline economics into the strategic argument for airport expansion in phase 2*, both in general and in relation to each shortlisted option. The Commission decided to go with the Gold package, but without the last two bullets ("work with the CAA to shed light on the regulatory environment that would have to be put in place to facilitate scenarios" and "provide formal engagement opportunities for airlines"). HD would be going to Singapore in the near future and this could provide an opportunity with the "engaging with airlines abroad" bullet under the Silver Category.

██████ presented her second work stream: *Defining the Commissions Strategic Fit Assessments*, including the development of baseline and a framework from which each option's strategic case will be constructed. The Silver package was chosen by the Commission.

ACTION: ██████ to prepare a slide pack concerning her second workstream and this will be covered at the Commission meeting scheduled for 20th May.

██████████ presented his work stream: *Regional Airports and Regional Connectivity*, including visible Commission engagement with Regional Stakeholders. This work stream is linked to the current work of finalising the draft Appraisal

FINAL

Framework following comments received during consultation. The Commission agreed to SH's proposal to publish a discussion paper on regional connectivity and capacity at London Airports in early June.

ACTION: ■ to draft paper on **Regional Airports and Regional Connectivity focusing on regional benefits to the local economy. A draft paper to be produced for next Commission meeting on 2nd May.**

■ presented her first work stream: *Commission Strategy on climate change and environmental issues*. The Commission agreed to take forward her proposal of a workshop in May with local stakeholders and watching brief on climate.

■ presented her second work stream: *Recommendations on making best use of existing capacity in the period out to 2030*. The Commission agreed that this should be included in the discussion paper on regional airport connectivity in early June.

■ presented her third work stream: *Commission strategy on any other relevant outside policy shifts, including changes to the political environment within the UK*. The Commission agreed that KG should proceed with the Bronze option, continue with a watching briefing and engage with stakeholders reactively when/if changes occur.

7. Estuary Studies

■ requested Commission agreement to the Terms of Reference and updated the Commission on the scope of the studies.

■ presented the Terms of Reference and summarised the changes made, focusing on amendments, and deletions and explained why the changes had been made. The Commission gave their agreement to the Terms of Reference which will be published in week commencing 24th March.

For the studies, costs have been received from the consultants and work is scheduled to start week commencing 24th March. The Secretariat has met with consultants to discuss the scope of work and finalise the Project Initiation Documents. These have been circulated to the Commissioners. The Project Initiation Documents will be kept for internal project management purposes.

8. AOB

■ gave an update to the Commission on the recent changes to Airport Passenger Duty (APD) delivered in the 19th March Budget. Bands C-D will be consolidated into Band B which will result in a reduction in the cost of the longest distance fares. The reason for changes to APD is to support business.

ACTION: HD requested a meeting with John Kingman at HM Treasury to discuss further. Secretariat to set up.

PG gave an update on the latest appointments to the Expert Advisory Panel (EAP). Rory Joyce was positive about participating. Brian Pearce and Chris Elliott have both

FINAL

signed up to join the panel. Richard Everitt was keen however there may be a conflict of interest. Hugh Summer had not been approached as the Secretariat had discovered he was under contract with Gatwick Airport Ltd. PG suggested that Ian Brown could be an alternative suggestion.

ACTION: Secretariat to progress finalising names and HD to write out to formally invite individuals to be part of the EAP.