



**Meeting of the Airports Commission
16th September 2014 - 10:00 – 16.00
Rm 6.02 Sanctuary Buildings**

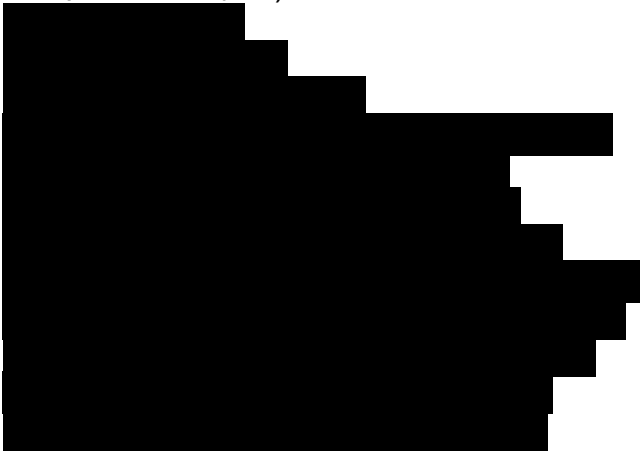
Attendees:

Commission Members:

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

Secretariat:

Philip Graham (PG)



1. Welcome

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

2. Note of last meeting

The Commissioners commented on point 7 of the note of the last Commission meeting held on Thursday 28th August. The Secretariat were to take these comments into account and amend the note accordingly.

ACTION – Secretariat to amend the note

3. Round up of stakeholder meetings attended

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

- 28th August - Call with Jeremy Heywood, Cabinet Secretary
- 29th August - Call with Patrick McLoughlin, Secretary of State, Department for Transport
- 29th August - Call with Philip Rutnam, Permanent Secretary, Department for Transport

- 1st September - Calls with:

Mary Creagh MP, Shadow Secretary of State for Transport
Oliver Letwin MP, Minister of State for Policy, Cabinet Office
Ed Balls MP, Shadow Chancellor
Boris Johnson, Mayor of London
John Holland-Kaye, CEO Heathrow Airport Limited
Captain Jock Lowe, Heathrow Hub
Stewart Wingate, CEO Gatwick Airport Limited
Willie Walsh, CEO International Airlines Group
Carolyn McCall, CEO EasyJet

- 9th September - Meeting with Helen Grant, Minister for Sport and Tourism, Department for Culture, Media and Sport

4. Summary of response to Estuary Decision

HD gave an update on the media coverage and stakeholder reactions to the announcement of the Estuary decision. The Commission noted that the Mayor had retracted his assertions regarding statements by the Chair about a 4th runway at Heathrow. In general response to the decision had been positive.

5. Update on Secretariat progress

PG gave an update on Secretariat work, explaining the volume of information that will be sent to the Commissioners over the next few weeks. The Secretariat have been working extremely hard with the contractors, although in some areas significant further work by contractors was needed to deliver reports to the standard required. The Secretariat is continuing to manage the consultants to ensure they work more effectively in order to prevent any further slippage to deadlines, but some analysis would only be available close to the launch of consultation.

The Secretariat is additionally working with the International Transport Forum (ITF) on a specific project relating to competition in the UK aviation sector.

ACTION: JK said she would speak with CEO of Jacobs re environmental analysis.

6. Appraisal update

The Secretariat reiterated what PG had said with regards to the difficulties they were having with the contractors. Much of the work commissioned was running about a month behind and some work was not at this stage up to the standard required for publication. The Secretariat was working with the contractors to resolve these issues.

Use of Scenarios – The Secretariat presented an update on qualitative scenarios in terms of headline demand numbers. It was explained how scenarios are used throughout the appraisal. It was also explained that due to issues on a PwC project, the Secretariat had tasked the ITF to do additional work on airline competition. The Commission welcomed the approach taken by the Secretariat and the ITF to conduct the assessment.

Surface Access – The Secretariat explained that most proposals were based on expansion being integrated into current infrastructure. The baselines had been worked out with key organisations and once set had been put to the scheme promoters for further discussion. Two baselines were worked up due to the uncertainty of what surface transport will look like post-2030. Analysis will highlight any potential problems and pinch points and suggested solutions.

Cost and Commercial – The methodology for this workstream and current status were presented to the Commissioners with reference to the material that was being shared with the scheme promoters at the presentations on 17th September. In addition, initial draft aero charge outputs were shared. These were indicative in nature given delays in finalising the costs for each scheme with the technical advisers. Firming up these costs and assessing the impact of different demand scenarios/sensitivities will form one of the key outputs of this workstream.

Noise – The noise papers were presented to the Commissioners at the meeting (due to sensitivity of the noise issue). The Secretariat explained the noise analysis carried out by the Commission's contractors and by the promoters and discussed where differences occurred. The Commissioners highlighted that the challenge was to fully understand and explain the drivers for the numbers affected by noise. The influence of fleet mix was also discussed.

Economics - The Secretariat presented an update on the approach it was taking in relation to estimating the economy and local economy impacts, including an update on results received so far. Results were now available for the local economy work and transport economic efficiency impact numbers from the DfT aviation model. It was noted that results from PwC on the wider economy S-CGE (spatial computable general equilibrium) modelling and internal analysis being undertaken on airport delays were outstanding and would only be available close to the launch of consultation. Given emerging results, uncertainty over future carbon policies and treatment of international passengers, the Secretariat proposed that using carbon traded results for

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appraisal was more appropriate for consultation than the carbon capped scenarios, although the consultation materials would include some non-monetised assessment of the potential benefits under a carbon capped scenario. The Commission welcomed the work undertaken so far, agreed with the proposed approach noting the difficulties of using carbon capped scenarios for appraisal and requested that the Secretariat consult the Climate Change Committee (CCC).

ACTION – Secretariat to set up a discussion with the CCC

7. Review draft consultation documents

The Secretariat explained in more detail the draft consultation document that had been sent to the Commissioners prior to the meeting. This will be the primary document to be launched at consultation. The idea is that the respondents to the consultation can, if they wish, engage with only one document, and still be sufficiently informed to respond.

The Commissioners indicated that they were broadly happy with the early draft of the document, but expressed a wish for the document to have more of a focus on revisiting and explaining the Commission's early decisions.

8. Consultation handling

The Secretariat outlined the progress with preparations for the launch of the national consultation, including the measures put in place with its consultants and efforts to make the consultation accessible to local populations around Heathrow and Gatwick. The public evidence session outline was discussed. It was agreed that the day session would include invited witnesses and members of the public registered for the event to observe the proceedings. The Secretariat was asked to prepare a revised plan for these sessions reflecting this. An open, evening, drop-in session would also be run by the Secretariat on both days.

9. Preparation for September 17th meeting with scheme promoters (Note actually taken out of order of agenda before Item 7)

The Secretariat explained in more detail the slides that were sent to the Commissioners and the scheme promoters previously and what questions and particular issues the scheme promoters were expected to discuss.

10. AOB

Media Agency Support – Commissioners requested that the Secretariat investigate contracting experts for the consultation. This would inform a decision as to the support needed, if any, for the final report. A discussion on the types of organisations/individuals that may have the required expertise took place and it was agreed that a single tender action with a major player for the consultation, with the option of competition for later work, if needed, would probably be the best approach. It would be important to ensure no conflict of interests with any organisation contracted.