



**Meeting of the Airports Commission**  
**2nd May 2014 - 13:00 - 16:00**  
**Rm 6.02 Sanctuary Buildings**

**Attendees:**

*Commission Members:*  
Howard Davies – Chair  
Ricky Burdett  
Julia King  
Vivienne Cox

**Apologies:**

John Armit

**Secretariat:**

Philip Graham



**1. Welcome**

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

No changes to the register of interests were informed and Secretariat confirmed that 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 shortly.

**2. Note of last meeting**

The minutes of the last meeting were agreed.

**3. Round up of stakeholder engagement**

HD briefed the Commission on recent meetings with stakeholders

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- **Brendon Sewill from Gatwick Area Conservation Campaign (GACC) on 1<sup>st</sup> April.** A very useful meeting in which Philip Graham (PG) noted that a paper recently submitted to the Commission from GACC called (*Gatwick Further Unzipped*) examining the runway plans published by Gatwick Airport Ltd on 4 April and would be sent round with the weekly update. The paper will be circulated to all Commissioners.
- **Mayor of Denver on 9th April.** This was a meeting to inform the Commission of the challenges of moving an airport, though it was noted that the challenges in the UK were completely different because of the distance involved. PG noted that though the location of the airport has moved there are still some residential and industrial developments vacant as people and business have not moved. The cost of moving the airport was 3 times more than originally estimated and the light rail system was still not connected. Airports charges to airlines were also increased.
- **Secretary of State for Transport, Patrick McLoughlin on 9th April.** This meeting was for DfT to provide an update on the Department's response to the Interim Report. No decision will be made on the Noise Authority before the general election and a decision on smoothing will not be made before local elections.
- **Sir Jeremy Heywood, Cabinet Secretary on 24th April.** Sir Jeremy said he is overseeing the Commission interests and that everyone is content with the work the Commission has done so far. He wants a positive response from Government to the Interim Report which will not be responded to until after the local elections. PG corrected the assumption that the long term strategy would be a 4 runway hub at Heathrow.
- **Craig Kreeger, CEO Virgin Atlantic Airways Ltd on 24th April.** HD asked the question 'what would Virgin do if there was more space at Heathrow?' CK said that Virgin was a strong supplier of Heathrow as that is where passengers want to go. PG explained to the Commissioners that airlines are being very guarded with information and the Secretariat are building relationships with key airlines to assist with gaining information from them to answer some of the key questions.
- **CBI Investors and Infrastructure Roundtable on 2nd May attended by business and finance representatives looking at investment and finance options for infrastructure projects.** HD spoke with Andrew Paulson from Royal Bank of Scotland. He said that there is money around for infrastructure projects. However he stated that the CAA 5 year settlement is not ideal for investments and a longer framework would be beneficial. Some certainty around the length of time between the first and allowing of a possible second runway would be required

There was a discussion at the end of the CBI meeting regarding the Estuary. It had a negative response as attendees thought it is very difficult to build due to the scale and risks. If the Estuary was an option the belief was that Government would have to underwrite demand. Credit was given to the communication manager for ensuring this was a useful event for the

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Commission. A note of the meeting will be written by secretariat and circulated to commissioners.

### 4. Update on Secretariat Progress

PG provided an update to the Commission of the progress on the various workstreams. The deadline for the 3 shortlisted scheme proposals is 14 May.

#### ***EAPs***

The Secretariat now have 4 more expert advisory panel members added to the list.

**Brian Pearce**, Chief Economist at IATA.

**Richard Everitt**, former Chief Executive of the Port of London Authority and of NATS and has previous legal experience at BAA.

**Ian Brown CBE**, retired MD London Rail at TfL with a career in rail transport including responsibility for introduction of through Railfreight services through the Channel Tunnel.

**Rory Joyce**, town planning consultant, partner at Deloitte Real Estate, former President of the Planning and Development Division of the Royal Institution of Chartered Surveyors (RICS), a founding Council member of the National Infrastructure Planning Association. He has been an adviser to the Competition Commission, and was a specialist adviser to the House of Commons Environment Select Committee for five years.

#### ***Appraisal Update***

##### **Resourcing and Planning**

The Secretariat will be fully staffed by the end of May. Contracts or MoUs now signed (TFL, PWC, NR, DfT, CAA) or are in the process of signature (NATS, Jacobs). An agreement with HS2 Ltd needs to be initiated. Given the delays in appointing the consultants (contract negotiation issues) and delayed publication of the Appraisal Framework, we have about 2-3 weeks to catch-up over the next 4 months, which is feasible.

##### **Analysis Progress**

In absence of updated proposals work to date has concentrated on building the evidence base against which we will assess options. Secretariat is starting to receive draft outputs from the local economy literature review and the competition and airline behaviour projects. Also have tentatively agreed baselines for both the surface access (with HA, NR, DfT and TfL) and airspace (with NATS and CAA) in 2030 against which we can assess incremental changes of any options.

##### **Emerging Issues and Challenges going forwards**

**Improving on last' years wider economic impacts modelling** and analysis to make it option specific would be challenging. Working out a set of airline behaviour and competition scenarios which properly reflect the positive potential and the biggest risks associated with each proposal will also be challenging (though receiving revised scheme designs should help here).

**M25 Tunnelling:** Following modelling of the M25/M4 interchange and the proposed tunnelling the HA are concerned about weaving (lane changing) close to busy junctions. This is not insurmountable though may require changes to proposals with implications for cost and properties demolished. Mitigation at its most extreme could include diversion rather than tunnelling, though smaller junction relocation is also a possibility. HA discussing directly with promoters in advance of submission.

**Heathrow Southern Rail Access:** Government and NR have picked up the Commission's Interim Report recommendation for a study into Heathrow Southern Rail Access. Timescales for the study mean it is unlikely to conclude until shortly before our Final Report resulting in a degree of ongoing uncertainty around Southern Access modelling for Heathrow. We will continue to liaise with DfT and NR to reduce uncertainty where possible.

**LHR Airspace interactions with Northolt and London City:** NATS has now indicated highly likely interaction of Heathrow options with RAF Northolt potentially requiring its closure (serious concern from military perspective). HAL's proposals may have a higher impact than Heathrow Hub – modelling will be required to ascertain extents. They have also given us an informal indication that there may be a higher likelihood of interaction between an expanded Heathrow and London City than they indicated at interim report stage. Early indications, however, are that the effects may be felt more in terms of resilience and punctuality than capacity, but this will need further exploration to ascertain scale and potential mitigation.

PG then updated the Commissioners on the proposed structure and content of upcoming Commission meetings and events. It was agreed to try and bring forward the Commission's discussion with the three scheme promoters on the Masterplans from 26 to 1 August.

**ACTION: Secretariat to investigate change of date and confirm.**

## 5. Inner Estuary

██████████ presented the discussion paper on the Estuary proposal. The discussion was around a realistic delivery timeframe for getting an Inner Estuary proposal to the same standard as the currently short-listed options ensuring consistency of approach and timescales.

**ACTION: Commission agreed that the secretariat should take forward Option 1(b) – Start and finish consultation before Election.**

## 6. Regional Discussion paper

██████████ talked through the first draft of discussion paper 6, on regional and other London airports, showing that the Secretariat had taken on board previous concerns made by the Commissioners and that the Commission process is not just about Heathrow and Gatwick. The first three chapters were on regional connectivity, the final three were on making use of existing capacity in London and the South East.

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Commissioners requested that the points relating to the UK core cities role in the connectivity to London should be made up front. Commissioners asked for more consideration of concentration vs dispersal of regional airports including public transport considerations and a breakdown between charter and scheduled flights and more information on General Aviation. A revised paper will be presented at the next Commission meeting.

Note: Ricky Burdett left at 14.30

**ACTION:** [REDACTED] to feedback to [REDACTED] and include information on the UK's Core Cities' connections to London. Also include setting out the impact of the recession in 2007 to date and split the tables between chartered and schedule flights.

### 7. Delivery Discussion Paper

[REDACTED] presented his delivery paper which included a draft outline for a proposed discussion paper on the delivery / implementation issues for any new capacity. Publishing a discussion paper in July would enable views to be sought after short-listed schemes have submitted their updated designs and delivery plans and before a decision is taken on whether to short-list an Estuary scheme.

**ACTION:** The Commission agreed that [REDACTED] would develop a draft document for discussion with the Chair in June.

### 8. AOB

PG returned to EAP's and the Commission noted ongoing consideration of potential further EAP appointments, including infrastructure finance experts.

**ACTION:** Secretariat to progress finalising names.