

[REDACTED]

Airport Capacity Programme Board (ACPB)

14 March 2018

**Attendees**

<b>Board Members</b>		
Caroline Low (Chair)	[REDACTED] (for Sarah Bishop)	Sacha Hatteea
Tony Poulter	[REDACTED]	Farha Sheikh
[REDACTED]	Philip Andrews	Rupesh Mehta
Rosemary Hopkins	James Adutt	[REDACTED]
Brett Welch	Jill Adam	[REDACTED]
Roger Jones	[REDACTED] (for Jack Goodwin)	[REDACTED]
<b>Other attendees</b>		
[REDACTED] – item 2	[REDACTED] – item 2	[REDACTED] – item 4
Roger Jones – item 6	[REDACTED] – item 6	[REDACTED] – item 9
[REDACTED] – item 10	[REDACTED] – item 10	[REDACTED] (observing)
[REDACTED] (observing)	[REDACTED] (Secretariat)	[REDACTED] (Secretariat)
[REDACTED] (Secretariat)		

<b>Apologies</b>	[REDACTED], [REDACTED], [REDACTED], Lucy Chadwick, [REDACTED], Jack Goodwin
------------------	---

**Note**

**1. Minutes & Actions**

1.1. Caroline Low (CL) welcomed everyone to the meeting and suggested a brief introduction for the benefit of new board members and observers. CL invited the board's responses to the minutes from the 21 February meeting to which there were none.

1.2. [REDACTED] ([REDACTED]) then pointed the board towards the action tracker, highlighting that all but three actions had been achieved and the remaining actions were on track [REDACTED]

[REDACTED] asked the board to provide any

additional comments for benefit profiling to the benefits management team (Action 180221/9).

## **2. Presentation from Gardiner & Theobald (Independent Fund Surveyor)**

- 2.1. CL introduced [REDACTED] ([REDACTED]) and [REDACTED] ([REDACTED]) from Gardiner & Theobald (G&T) to present to the board on the subject of their role as the Independent Fund Surveyor, jointly appointed by HAL and the airlines to provide an independent fund assessment of HAL's expansion proposals. G&T's appointment falls under CAA policy that pre-dates expansion.
- 2.2. [REDACTED] asked whether the information assessed is provided by HAL. [REDACTED] confirmed that the information was provided by HAL, but the scope of the information request was defined by G&T.
- 2.3. [REDACTED] presented an overview of the aims of an IFS before describing the role of G&T within Heathrow's Expansion Programme. [REDACTED] reported that as an IFS they were part of the engagement between a number of key governance groups including the Joint Expansion Board (JEB). [REDACTED] highlighted that a key aim of the IFS was to ensure the governance requirements are met before key gateways and that delivery is timely, relevant and efficient.
- 2.4. Tony Poulter (TP) asked whether communication between airlines and HAL could be difficult. [REDACTED] reiterated that the role of G&T was strictly independent and could help to facilitate engagement between the parties as a result of the relationships built up over time. [REDACTED] stated that HAL had set challenging timeframes to complete masterplan proposals, but he believed it was possible.
- 2.5. Roger Jones (RJ) asked whether the IFS role was mainly passive and retrospective. [REDACTED] answered that in certain projects, such as the T5 expansion, their role was retrospective but engagement in early gateways of projects allowed the work of an IFS to be the most effective. CL thanked [REDACTED] and [REDACTED] for their presentation and asked the programme management and commercial teams to consider any potential scope of work with the IFS in the future.

**Action 180314/1 PMO and Commercial Team to consider how DfT works with the IFS, post any NPS designation.**

## **3. Programme update**

- 3.1. [REDACTED] introduced the Programme Dashboard, highlighting that: the House of Lords debate on the revised draft airports NPS was planned to take place on the 15 March with Baroness Chisholm and Lord Young opening and winding up the debate on behalf of the government; the latest Section 16 (S.16) quarterly report had been received on 28 Feb which showed HAL had further progress to make on affordability; and that an update on the final terms for the Project Hexagon agreement would be given later in the meeting. [REDACTED]



3.2. [REDACTED] noted that the KPI relating to Project Hexagon (ACAP\_05 1718) had been delayed but an update would be given later in the meeting, as previously stated. [REDACTED] asked the board if there were any questions regarding the programme update.

3.3. Philip Andrews (PA) asked how the work of the Project Delivery Adviser Costain, as detailed in the programme update, coordinated with the work of Highways England (HE). [REDACTED] stated that Costain had already been commissioned for a separate piece of work with HE, but discussions were continuing within the scope of the assurance review of HAL's delivery plans. [REDACTED] noted that Costain's review will look at the totality of the construction schedule (of which the M25 is a critical element) and that the PMO is joining up with the Surface Access Team to ensure efficiency and information sharing as appropriate.

3.4. [REDACTED] ( [REDACTED] ) queried the change of 2017/18 programme budget from [REDACTED]. [REDACTED] clarified that the budget had been originally forecast in 2015 and was a best estimate at the time, recognising the complexity and risks of the programme. [REDACTED] noted that at Q3 in 2017/19 the programme budget was adjusted down to align with the forecast for the year [REDACTED].

3.5. [REDACTED]  
[REDACTED]  
[REDACTED]

3.6. Jill Adam (JA) asked whether the critical path to NPS designation was clear. [REDACTED]  
[REDACTED]

3.7. On the critical path, Sacha Hatteea (SH) stated that the team felt that the road to any potential NPS designation was clear with a comprehensive route for the decisions that needed to be taken. CL added that the TSC report would be an important moment for understanding the political risks to any NPS designation.

3.8. [REDACTED]  
[REDACTED]  
[REDACTED].

3.9. [REDACTED] presented the 'Key Decisions Forward Look'. [REDACTED] raised four aspects for the teams to consider: 1) the governance route for the HAL/HE Heads of Terms (HoTs); 2) confirmation of the Board's role in relation to any final NPS; 3) the approach to 'below the line' items; and 4) being clear if an item is being presented

[REDACTED]

to a governance forum as an update or for a decision. [REDACTED] thanked [REDACTED] for his comments and agreed to take these away to consider.

**Action 180314/4 PMO to review the 'Key Decisions Forward Look' in response to [REDACTED]'s points.**

- 3.10. [REDACTED] asked the board to note that a potential structure for the transition post any NPS designation had been included within the papers for the board's information.

#### **4. Communications update**

- 4.1. CL introduced [REDACTED] ([REDACTED]) to present the communications update to the board. [REDACTED] asked the board to note that the paper circulated had been presented to the Secretary of State detailing the communications and engagement strategy to prepare for a House of Commons vote on any potential final NPS.

- 4.2. [REDACTED]  
[REDACTED] asked the board to note however that a number of Labour MPS abstained on the vote on the second reading of the HS2 Phase 2a Bill.

- 4.3. In terms of upcoming stakeholder activity, [REDACTED] reported that meetings between the Aviation Minister and key local community groups around Heathrow were planned. A visit for the Aviation Minister to Newcastle Airport as part of Global North Week had occurred on the 23 February, with further events planned in Liverpool, Scotland and Belfast. A further roundtable with local authorities is planned for May after local elections.

- 4.4. [REDACTED] suggested that the team engage with Rail colleagues to ensure alignment on messaging related to Elizabeth Line services planned for May. [REDACTED] stated that dates in the engagement strategy were draft and would take this point away to consider.

#### **5. Roads update**

- 5.1. PA presented a brief roads update to the board, highlighting that HE intended to respond to HAL's pre-DCO Consultation 1 detailing concerns regarding the modelling of the M25 alignments. PA noted that HE intended to discuss their response with DfT prior to submission.

- 5.2. PA stated that discussions between HAL and HE regarding an Outline Heads of Terms, with good progress made. A joint update by HAL and HE was made to the Programme Coordination Board (PCB) on 12 March. Negotiations will continue ahead of the end of April deadline. If no agreement is reached by this time, HE and HAL will consider whether the MoU underpinning their working relationship will need to be re-evaluated.

- 5.3. [REDACTED] questioned whether the HoTs would be brought to the Commercial Steering Group (CSG) as described within paragraph 6 of the paper or be provided to the



ACPB as a below the line paper. ■ noted that this would be picked up with the Surface Access Team as part of Action 180314/4 above.

- 5.4. CL questioned the extent of HE's concerns regarding modelling. ■ suggested that if HE required further modelling, Transport for London and the London Mayor may also have similar requirements. Rupesh Mehta (RM) noted that during HAL's statutory Consultation 2, modelling would be critical. CL noted that it is important for the programme to understand how much any potential delays to modelling impacts on the M25 works and the critical path for the runway.

**Action 180314/5 PMO to work with the Surface Access Team to provide an overview of modelling used to support the draft NPS and the extent of modelling required for DCO application.**

## **6. Rail update**

- 6.1. Farha Sheikh (FS) presented a brief rail update to the board, highlighting that extra resourcing had been brought in to develop the Outline Business Case (OBC) for Western Rail Link to Heathrow (WRLtH). She stated that the delivery of the WRLtH OBC by the end of the year would be challenging, but the HRA team are working with a number of organisations to mitigate this risk.
- 6.2. FS stated that on the 19 March, Network Rail (NR) were aiming to publish a Statement of Community Consultation to set out their intention for a public consultation in relation to WRLtH. FS asked the board to note that the statutory consultation was dependent on the successful conclusion of Project Hexagon.
- 6.3. FS noted that Rail Group is continuing to look into how development funding for SRLtH could be secured and are in discussions with NR to discuss initial client requirements for any development work.
- 6.4. FS reported that the market engagement workstream continues to remain on schedule with the first phase of work planned to complete in March to enable advice to Ministers in the first week of April. Crossrail Ltd. has formally notified sponsors of its decision to implement a contingency plan and Stage 2 will be delivered in two phases, the initial phase to commence on 20 May 2018 running between Paddington and Heathrow. FS also noted that negotiations continue with HAL regarding the Crossrail contribution payment, which is due to DfT upon commencement of services to the airport in May 2018.
- 6.5. FS invited comments from the board. TP noted that the timetable for market engagement was challenging. CL added that the Secretary of State has made it clear that he expects outputs in early May and urged Rail colleagues to keep the Airport Capacity Programme notified of any changes.
- 6.6. ■ noted that a rail announcement is planned for next week where the market engagement exercise would be trailed.

## **7. Buses and coaches**



7.1. RJ introduced his paper stated that this was a follow up to a previous item presented to ACPB on 18 October 2017. RJ noted that it focused on a more detailed review of the current bus and coach networks that serve Heathrow, and an assessment of the potential scope for further service provision for travel to and from the airport by these modes.

7.2. RJ reported that Transport Focus are leading a research project jointly funded with DfT and HAL to look at why people travel from certain airports and reasons for choosing certain modes of transport. The report will be finalised by July 2018 and a further paper will be provided to ACPB with these results.

**Action 180314/7 Surface Access Team to provide paper to ACPB on Transport Focus research in July or August.**

7.3. RJ invited questions from the board. RM stated that he felt it was important that DfT stress the importance of all modes in order to meet mode share targets and address congestion issues around the airport. ■ added that local authorities and TfL are key players in the planning and provision of bus and coach services.

7.4. ■ (■) suggested that the Department could challenge HAL to be more creative in relation to bus and coach services, for example scope for more 'bookable bus' services as seen at other European airports.. CL stated that there seemed to be a gap in HAL's consideration of buses and coaches, especially regarding their use by passengers. Given that the Board view bus and coach services as an important area, CL questioned whether the Relationship Framework Document could be used to develop this thinking with HAL. ■ stated that HAL would not welcome extra pledges at this stage in the discussions, but it could be added as an agenda item at the Programme Coordination Board for further discussion.

**Action 180314/8 PCB secretariat to coordinate a buses/coaches item to be added for discussion with the PCB.**

7.5. JA suggested that it could be proposed to HAL to link into the 'Future of Mobility' grand challenge within the Industrial Strategy. CL asked ■ to consider this further.

**Action 180314/9 Surface Access Team to consider how buses and coaches workstream can support the 'Future of mobility' challenge of the Industrial Strategy.**

## **8. Hexagon update**

8.1. CL invited ■ to give a verbal update on the progress of Project Hexagon. ■ passed along apologies for ■ as she was currently unavailable due to ongoing Hexagon negotiations. ■ stated that negotiations were continuing this week with an announcement planned for the 20 March.

8.2. ■ reported that an update would be presented at the April ACPB meeting on Project Hexagon.

[REDACTED]

8.3. JA noted that there is the opportunity to learn in real time from the Project Hexagon negotiations and use this insight to inform engagement with HAL on other areas (eg M25 and the RFD), [REDACTED] noted that a workshop was planned for next week between the Project Hexagon team and HE to share lessons.

**Action 180314/10 Update on Project Hexagon to be presented at April ACPB meeting.**

## **9. Ban on scheduled night flights**

9.1. [REDACTED] ([REDACTED]) and [REDACTED] ([REDACTED]) presented a paper on options identified for taking forward the government's expectation, as set out in the draft revised Airports NPS, for a six and a half hour ban on scheduled night flights. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9.5. [REDACTED]

9.6. [REDACTED]

**Action 180314/11 [REDACTED] and [REDACTED] to make clarifications to the scheduled night flights ban paper and recirculate to board members via correspondence for approval.**

## **10. Sub-committee papers skeleton**

10.1. CL introduced [REDACTED] ([REDACTED]) and [REDACTED] ([REDACTED]) to present a paper to the board on the proposed skeleton of the sub-Committee paper. CL

[REDACTED]

asked the board for views on the proposed approach to developing the paper or any additional comments.

10.2. [REDACTED] raised a few points on the approach, including effective linkage between the Strategic Outline Business Case (SOBC) and the Sub-Committee paper. [REDACTED] asked if the team would be returning to ACPB. [REDACTED] noted that verbal updates would be given at the April and May meetings on progress.

10.3.

[REDACTED]

10.4. [REDACTED] suggested that briefing guidance on the sub-Committee process is made clear to private offices.

#### **11.AOB**

11.1. CL concluded the meeting due to time restrictions and asked the board to send any comments on the final ACPB agenda item on 'Any final NPS' via correspondence.