

[REDACTED]
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Airport Capacity Programme Board (ACPB)

17 August 2017

Attendees

[REDACTED]	Caroline Low (Chair)	James Adutt
Farha Sheikh (joined from end of item 2 onwards)	Rupesh Mehta	Rosemary Hopkins
[REDACTED]	Lucy Chadwick (joined for item 2 onwards)	[REDACTED]
Tony Poulter	[REDACTED]	Sacha Hatteea
Jack Goodwin	Sarah Bishop	[REDACTED]
[REDACTED]	[REDACTED] Simon Baugh – item 2	[REDACTED] – item 6
[REDACTED] – item 4	[REDACTED] – item 5	[REDACTED] – item 7
[REDACTED] (observing)		

Apologies	Dan Micklethwaite, Martin Capstick, [REDACTED], [REDACTED], Tim Stamp, [REDACTED] Brett Welch
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Note

1. Minutes & Actions 13 July 2017 meeting

- 1.1. Caroline Low (CL) welcomed everyone to the meeting.
- 1.2. The board reviewed the minutes of the previous meeting on 13 July 2017 and these were agreed.
- 1.3. [REDACTED] noted that the actions from the previous meeting of the board were in progress and on track. A number of other actions from previous meetings have been achieved and some have been re-planned in line with broader programme timelines.

2. Communications update

- 2.1. Simon Baugh (SBa) summarised his paper for the board on 'securing a positive vote of the NPS' and noted that this material would be going to ExCo on 29 August. He confirmed that the focus of the communications campaign has shifted from being about generating general support for airport expansion to being more focused on securing a positive vote on the NPS. This reflects the Secretary of State's priorities. Note: As with many of the Board's discussions, this is based on an assumption that HR NWR continues to be the Government's preferred scheme;

however no decision has been or can be made until after consultation and parliamentary scrutiny.

- 2.2. He discussed critical MPs which might vote against a motion on any final Airports NPS next summer and the levers available to optimise MP support. He noted the importance of this work and how it will complement communications work Heathrow Airport Limited (HAL) is doing.
- 2.3. ██████████ asked about the balance between DfT / HMG communications and HAL's communications. Lucy Chadwick (LC) suggested that major events in HAL's calendar should be reflected in the DfT communications plan.
- 2.4. Tony Poulter (TP) questioned whether private funding for surface access could have a negative impact on the vote. He suggested that not relying on Government funding might be viewed as an advantage and that attitudes towards this would be monitored nearer the time of any final Airports NPS designation.
- 2.5. The board then discussed page 3 of the paper, noting the role of the Mayor of London. SBa suggested that a focus on employment and skills could help to build support with the Mayor.
- 2.6. Jack Goodwin (JG) pointed out that the current narrative surrounding the proposed third runway at Heathrow centred on benefits for London and he suggested that the programme should be mindful of national priorities.

Action 170817/1: Simon Baugh and ██████████ to return to ACPB with an update. Timing TBD.

3. Programme update

- 3.1. ██████ talked through key points on the Programme Dashboard. She noted that the Secretary of State for Transport has now confirmed that further consultation on the draft Airports NPS should go ahead in October subject to collective agreement.
- 3.2. CL commented that HAL's first DCO consultation may slip into the beginning of 2018.
- 3.3. Sarah Bishop (SBi) noted that there was an airspace planning workshop scheduled with HAL on 18th August.
- 3.4. The board examined the programme timeline included in their papers. CL commented that the further consultation could not be delayed by more than one week in order to complete prior to Christmas recess.
- 3.5. ██████████ asked about progress with extending the Section 16 process (advice from the CAA on Heathrow airport-airline engagement). JG noted that discussions were underway and that he would follow up with ██████ directly to provide an update on this.

- 4.4. LC thanked [REDACTED] and the team for the work undertaken on the programme objectives. She recommended that the objectives make clear that the economic benefits of freight and tourism should have impacts across the UK. She also suggested that national support in favour of airport expansion should not be an objective in its own right and that it would be helpful to combine the sustainability and good neighbour objectives.
- 4.5. SBi noted that more could be said in the objectives regarding ensuring regional connectivity.
- 4.6. [REDACTED] suggested reconsidering the phrase 'where practicable' in the fourth objective. He noted that a stronger statement would be more reassuring.
- 4.7. TP flagged that passengers were not mentioned in the objectives and that the meaning of 'local' could be made clearer.
- 4.8. [REDACTED] commented on the objectives strapline and questioned whether Heathrow Airport or the UK was the hub referred to.
- 4.9. The board discussed when and how to engage with HAL on the programme objectives. The board was supportive of engaging with HAL and it was noted that early engagement could prevent nugatory work. CL noted that engaging on the high level statements in the objectives this autumn would be helpful.

Action 170817/4: [REDACTED] to return to ACPB in September with an update on benefits management / programme objectives.

5. Relationship Framework Document (RFD)

- 5.1. [REDACTED] introduced his paper which sets out scoping work undertaken to date on a successor to the Statement of Principles (SoPs) with HAL. He drew the board's attention to the outcomes from the workshops held over the summer with programme / policy teams and next steps.
- 5.2. LC welcomed the paper and noted that it is right that the Department seeks to secure public commitments with HAL prior to any NPS designation.
- 5.3. With regard to the planned meeting with investors, [REDACTED] noted that this meeting would now be taking place in late October rather than November as stated in the paper. *[Post meeting note: It has since been confirmed that this meeting will now take place on 21 November 2017].* LC noted that we should seek to undertake initial engagement with HAL prior to this event.
- 5.4. [REDACTED] noted that this paper should be read in conjunction with the Programme objectives paper (item 4) and be used to gain assurance and confidence that the programme's objectives will be delivered.
- 5.5. The board agreed that senior level engagement on defining the future relationship between Government and HAL will be key. TP noted that buy in from senior parties on both sides before working on the detail in earnest would be beneficial.

[REDACTED]
[REDACTED]
[REDACTED]

5.6. [REDACTED] added that it would be helpful to understand what HAL would like out of a future relationship with Government. [REDACTED] noted that governance is one of HAL's priorities and that early engagement at working level has started on the need for a successor to the SoPs.

5.7. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

5.8. RM noted that discussions in relation to the RFD will need to take account of other negotiations with HAL for example on surface access schemes.

5.9. The board noted the findings from the scoping workshops and it was felt that there was merit in continuing to develop a new RFD (format and detail to be confirmed). The board also endorsed securing senior engagement with HAL as part of the process.

Action 170817/5: [REDACTED] to return to ACPB in September to present an update on the RFD.

6. Assurance update

6.1. [REDACTED] introduced the assurance update paper. She noted that this provides an update on the programme's assurance plan, key findings and recommendations from the recent PAR review of the programme, a governance forward look and the proposed approach to the programme's business case.

6.2. [REDACTED]
[REDACTED] JG noted that this is planned as a teach-in session with BICC ahead of any future decision making.

6.3. LC noted that the Department's BICC and ExCo forward look is heavily loaded until the end of 2017 and suggested that the programme team should set out what the priorities are for those boards.

Action 170817/6: Programme Office to set out the future items until end 2017 for BICC and ExCo and agree with LC and CL.

6.4. [REDACTED] outlined the proposed approach to the business case for the programme and that the SOBC would continue to be updated. [REDACTED]
[REDACTED]
[REDACTED].

[REDACTED]
[REDACTED]
[REDACTED]

6.5. LC noted that she has a discussion planned with Nick Joyce (DG, Rail Group) regarding surface access decisions and governance.

[REDACTED]

6.6. LC asked the board if the programme's response and proposed actions to the PAR recommendations was credible and sufficient. The board commented that they were.

6.7. [REDACTED] suggested that governance relating to the further consultation on the draft Airports NPS should be fleshed out in more detail in the governance forward look. [REDACTED] noted that this document was in draft and is being further developed with teams.

7. Updated Passenger Forecasts

7.1. [REDACTED] introduced his paper setting out the results from the updated demand forecasts and appraisal of main passenger benefits from airport expansion.

7.2. [REDACTED] noted that forecast passenger benefits are higher for all options (reflecting higher underlying demand). As with the interim forecasts (which were not published due to restrictions during the 2017 general election), the updated figures demonstrate that Heathrow will deliver benefits to passengers quicker. However, they also show that a new runway at Gatwick would deliver greater total benefits for passengers over a 60 year appraisal period. [REDACTED] noted that the analysis will be finalised over the next few weeks including monetisation of environmental impacts. This will be presented to the board in September. The board noted the analysis presented to date.

7.3. CL noted that whilst an interim update to the analysis was prepared internally in March this year, as this was not published this information will be new to external stakeholders and the general public. She noted that careful handling and communications planning will be required ahead of the further consultation in October.

7.4. [REDACTED] thanked analyst colleagues for taking him and TP through the paper prior to the board meeting.

7.5. [REDACTED] added that there may be questions about the broader credibility of forecasts raised by the analysis. He noted that forecasts are usually more accurate in the short term and less accurate in the long term. In this instance, the opposite is true. [REDACTED] explained that the changed forecast was due to largely to the fall in oil prices.

7.6. CL noted that work is underway to consider whether the cost data used in the analysis should be updated (rather than using the cost data from the Airports Commission analysis).

8. AOB

8.1. No other business was discussed.