

## Programme Coordination Board - Meeting 16 Minutes

9th April 2018 15:00-17:00

H3, Great Minster House, Department for Transport

Members	Additional Attendees
██████████ - Independent	██████████ – DfT
Emma Gilthorpe - HAL	██████████ - HAL
Rupesh Mehta – DfT	██████████ - CAA
██████████ – HAL	██████████ - DfT
██████████ – CAA	██████████ – DfT (Airspace item only)
Jack Goodwin - DfT	██████████ – HAL
Caroline Low -DfT	
██████████ – DfT (Airspace item only)	
██████████ – NATS (Airspace item only)	
Apologies: ██████████	

### 1.0 Minutes and Actions

- 1.1 ██████ welcomed everyone to the meeting.
- 1.2 Minutes of the Programme Coordination Board (PCB) meeting held on 12 March 2018 were agreed by the Board, subject to minor amendments.
- 1.3 The outstanding actions were discussed by the Board and the action log was updated accordingly.

### 2.0 Update from working groups

- 2.1 JM provided updates from the previous months working groups. Key points were as follows:
  - 2.1.1 DfT has now established a schedule of airline engagement at both a senior and working level. This will aim to discuss airline views on the expansion programme including night flights, scheme cost and surface access, whilst also reminding airlines of the critical period which the programme is in and the importance of airline support during this time.
  - 2.1.2 Good progress has been made on the RFD over the last few weeks and both HAL and the DfT are confident that they can reach an agreed document shortly.
  - 2.1.3 DfT will share a marked up copy of the Blight Contract with HAL by COP Monday 9 April. HAL's shareholders have enquired as to why the wording summarising Government's relationship with HAL going forward is included in the RFD rather than the blight contract. DfT confirmed they would respond to HAL on the issue.

**ACTION: 180416/01- DfT to confirm why the “Government relationship with HAL” wording is included in the RFD rather than the Blight Contract.**

- 2.1.4 ■ asked whether there would be any regulatory impacts of the Project Hexagon deal, as the CAA were currently unsighted on this matter. EG confirmed that a meeting between HAL and the CAA to understand the regulatory impacts of Project Hexagon and other Surface Access schemes would be useful and should include a discussion on the funding of future contributions to surface access schemes.

**ACTION: 180416/02- CAA/HAL to meet to discuss SA matters including the funding of future contributions to any SA schemes**

- 2.1.5 EG confirmed that HAL would be carrying out their two runway (2R) five year noise action plan consultation in May. This will last for around 4 weeks. HAL will provide a short briefing summarising the content of this consultation for circulation to board members.

**ACTION: 180416/03- HAL to provide a briefing on the content of their 2R noise action plan consultation, which will be launched in May.**

### **3.0 Update on current events**

- 3.1 JG provided an update on the IPA Routemap process. The IPA has now produced their final report on current governance processes and suggestions for governance arrangements post designation (in the event that Ministers decide to proceed). The key governance concepts will be included in the RFD. The final IPA report will be circulated at the next PCB on 14 May for board sign off.

**ACTION: 180416/04- DfT to circulate the final IPA Routemap report for board sign off at PCB on 14 May.**

- 3.2 The board then reflected on the recent TSC report into the revised draft Airports NPS which endorsed Governments preference for the HAL-NWR Scheme, and recommended a final Airports NPS is laid before the House of Commons for a vote. CL confirmed that the DfT would be unable to discuss how the Department intended to respond to the detailed recommendations of the TSC, given the Department's Statement of Approach.

- 3.3 ■ updated the board on Consultation One ("Con 1"). HAL held their final consultation event on 12 March, with the consultation closing on 28 March. HAL received 6,432 consultation responses (4,600 DCO and 1,700 airspace), 5,000 attendees at consultation events and 30,000 visitors to their website. The consultation responses will be used to help shape the development of HAL's masterplan and HAL will publish a report summarising the key themes running through consultation responses as part of Consultation Two ("Con 2"). CL confirmed that the Department were particularly interested in how HAL propose to take forward property compensation schemes.

- 3.4 [REDACTED] congratulated HAL on a well-run process noting that undertaking a consultation whose scale and complexity was considerable was a big achievement.
- 3.5 [REDACTED] provided an update on S.16. The CAA is on track to produce their final S.16 report by the end of April and is providing early sight of the key messages to stakeholders. [REDACTED] highlighted the interest airlines have placed on third party developers and set out that he expected HAL to meet their commitment to engage in good faith with interested parties.
- 3.6 JG updated the PCB that the Secretary of State would look to announce the successor to S16, which would be commissioned if the scheme proceeds, around Whitsun recess. JG provided his thanks for the constructive engagement from the CAA and HAL in considering the S16 successor.

#### **4.0 Dashboard/Forward Look**

- 4.1 PCB members were content with the Dashboard and Forward Look, subject to minor amendments.

#### **5.0 Airspace Update**

- 5.1 [REDACTED] presented a NATS paper providing detail on the NATS Airspace modernisation modelling activity and feasibility assessment together with an update on the developing governance arrangements around this work. Key points were as follows:
  - 5.1.1 [REDACTED] confirmed there were two key questions relating to the airspace modernisation work; 1. Whether there is sufficient airspace to cope with expansion/the developing requirements of other airports; and 2. Whether the existing London Terminal Manoeuvring Area (LTMA) could be redefined to cope with this additional demand.
  - 5.1.2 NATS is in the process of modelling the changes required to accommodate the additional Air Traffic Movements (ATMs) associated with the potential expansion of Heathrow as well as the competing requirements from other airports in the South East. Initial proposals involve funnelling planes into “tubes” from the end of the runway, through Terminal Airspace and En Route Airspace, into Free Route Airspace at approximately 24,000 feet. NATS is currently modelling 900 tubes, with the capacity of each tube estimated to be 510 flights per day. This system will allow for aircraft to be transitioned through airspace more efficiently.
  - 5.1.3 The early conclusion of this analysis is that there is sufficient airspace capacity to accommodate the additional ATMs associated with the potential expansion of Heathrow. This will, however, require a complete redesign of airspace in the South East, resulting in a significant amount of consultation activity across the 15 affected airports.
  - 5.1.4 NATS expect to take a role in coordinating and supporting the public consultations on airspace change to ensure a coherent

outcome, but expect airports to be responsible for their own designs, consultation and implementation of their respective parts of the plan. There is significant overlap of individual airport design and unless the consultations are aligned with each other they risk duplication and implementation issues. Consultations will therefore be held at the same time but the implementation of changes will be staggered.

- 5.1.5 The airspace modernisation programme will be most effective if every relevant airport takes part. This will require comprehensive governance arrangements, coordination at an airport level (which is already happening through the LTMA) and a clear understanding of roles and responsibilities by airports, DfT and NATS.
- 5.1.6 These airspace changes will require a large amount of resource, from a limited pool of expertise in this area. NATS, CAA and the DfT are looking at these requirements alongside the current available pool of resource to produce a joint resourcing plan. An update on the development of this plan is scheduled for PCB on 11 June.
- 5.1.7 [REDACTED] enquired as to why the coordinated airspace modernisation consultation was scheduled to launch on 2020. [REDACTED] confirmed that this is a practical working date for how long it will take to establish the requirements for each airport in the LTMA and is therefore the earliest possible time for any consultation. This date cannot be delayed as the airspace changes then become more challenging to implement before the runway becomes operational.
- 5.1.8 JG said that it was important to note that a general election is scheduled for 2022 which could cause delay to the airspace modernisation programme. This should be factored into NATS' airspace modernisation timeline along with any other significant political events to ensure contingency is in place. JG also enquired as to the scale of the consultation. [REDACTED] confirmed that there are up to c30 million people in the proposed consultation area (the whole of the South-East) and that the consultation would last for around 9 months, from August-February 2020. [REDACTED] stated it would be important to understand the ranges that consultation might be built around i.e. the minimum to deliver a three runway Heathrow versus the maximum for total change.
- 5.1.9 EG emphasised the need for HAL and NATS to map out the key decision points for the expansion programme and how these fit into the airspace modernisation timeline. This should culminate in a well-defined process/timetable for airspace change that aligns with the expansion programme which can be provided as part of any final DCO application.

**ACTION: 180416/05- HAL/NATS to meet to ensure the key decision points for the expansion programme are aligned with the airspace modernisation timeline.**

- 5.1.10 The next step in the airspace modernisation process is for NATS to establish what a more granular airspace modernisation plan would look like. NATS is producing an outline paper to the SoS to update him on the programme, which will include more granular detail on their proposals including a resourcing strategy and communications plan.
- 5.1.11 [REDACTED] felt it would be important for NATS to include several scenarios in any final plan/timeline, particularly to account for the potential to re-consult, should material changes to airspace change proposals be required following consideration of consultation responses.
- 5.1.12 [REDACTED] listed his view on the current four key focus points for the programme, which were agreed by the board as follows:
- The current airspace modernisation plan and timetable need to be developed into a more granular project plan, which accounts for several different scenarios, including the possibility of having to re-consult.
  - A new governance framework for the programme needs to be introduced, incorporating DfT, NATS, the CAA and the relevant airports.
  - Any resourcing requirements and associated issues need to be fully scoped out, with a plan in place to address any shortfalls.
  - A political delivery plan as well as a technical/comms plan needs to be produced. The final airspace modernisation timeline and plan then needs to be aligned with Heathrow's expansion timeline.
- 5.1.13 CL agreed with [REDACTED] and asked DfT/NATS/HAL to work together to map out the milestones which PCB should monitor as part of the expansion programme.

**ACTION: 180416/06- DfT/NATS to meet to map out the relevant milestones in the airspace modernisation timeline which should be monitored as part of the expansion programme.**

- 5.1.14 [REDACTED] asked HAL to outline their current airspace consultation timeline. EG confirmed that HAL's 3R airspace consultation would launch as part of Consultation Two in January 2019. HAL's 2R airspace consultation is planned for the end of 2018 in September/October. The outcome of these consultations will be submitted as part of HAL's DCO application in 2020, which aligns with the current proposals from NATS at a headline level.
- 5.1.15 [REDACTED] asked whether there had been any comparable airspace modernisation programmes which NATS could look to for insight. [REDACTED] confirmed that this project is long overdue and therefore of a much larger scale than anything else that has ever been done. The airspace modernisation project has not previously been

carried out successfully due to lack of a governmental case, the contentious nature of changing airspace in smaller locations and the risk of individual airports dropping out of the process due to a perceived lack of benefit.

- 5.1.16 [REDACTED] agree to provide a further update at PCB on 11 June, particularly focusing on the governance and timetable for the airspace change programme.

**ACTION: 180416/07- Airspace Modernisation update to be scheduled for 11 June.**

**6.0 NPS dependencies update:**

- 6.1 JG and [REDACTED] took the board through HAL and DfT's view on progress made on the NPS dependencies. Key points were as follows:

- 6.1.1 Discussions around the Heads of Terms for the M25 works are progressing, with the two outstanding issues being the commuted sum and future proofing. HAL are due to have a discussion with the CAA over the commuted sum and how this would be treated under the regulatory system.

**ACTION: 180416/08- HAL/CAA to meet to discuss the commuted sum relating to the M25 works.**

- 6.1.2 The DfT will be providing comments on HAL's latest proposals for the Blight Contract by COP Monday 9 April as well as organising a schedule of meetings to discuss any outstanding issues.
- 6.1.3 Costain is in the process of assuring HAL's delivery plans to check whether the runway can be operational by 2026 and this work is on track to be completed by the end of April. EG confirmed that HAL's current expansion plans are not developed enough for them to be able to commit to the runway being operational by 2026. HAL is at an early stage of the expansion process and their masterplan is still under development, meaning it is not possible to have an appropriately developed construction plan. This will become available at Con 2 when HAL announce their preferred scheme. CL emphasised the importance to DfT of understanding a feasible delivery date for the runway from HAL. EG agreed to speak with [REDACTED] on this. [REDACTED] and JG agreed to discuss the way forward on this issue

**ACTION: 180416/09- JG and [REDACTED] to meet to discuss handling of queries around the runway opening date**

- 6.1.4 The Department is content with and appreciates the coordination and input from HAL in their engagement with Rothschild as part of the funding and financing workstream. This is necessary for the Department to be able to give a developed view, on the credibility of HAL's ability to privately finance expansion, in the Cabinet sub-

Committee papers. Any final wording for public use on the financing position would need to be agreed with DfT, to ensure it properly reflects the Department's view (which will be based on input from its financial advisers and the CAA), and should also detail the next steps of the financial assurance process.

- 6.1.5 The board agreed to hold a further update on the NPS dependencies at PCB on 14 May.

**7.0 AOB**

- 7.1 There was no AOB to discuss.