

to begin in late February. The RFD was sent to HAL for review on 9 February.

3.0 Update on current events

3.1 Both DfT and HAL summarised their thoughts on the TSC and their line of questioning.

3.2 JG provided an update on the NPS dependencies as follows:

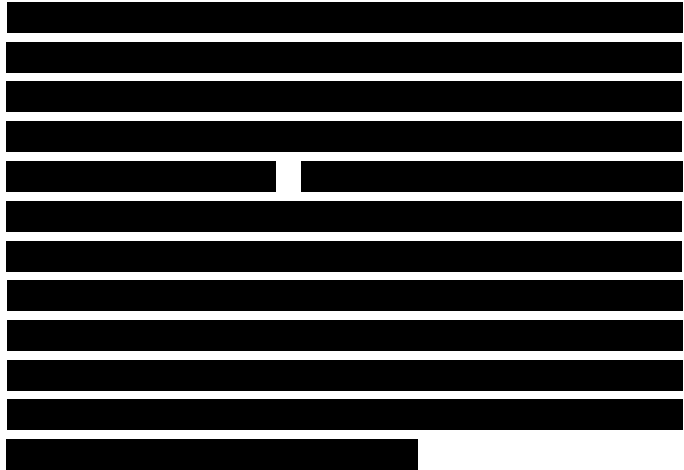
3.2.1 **Funding and Finance:** Financing checks have now begun and Rothschild, DfT's financial advisors, are content with the level of information which HAL have provided so far.

3.2.2 **Programme and Delivery Plans:** The Department is currently evaluating bids from potential project delivery advisors who will be analysing HAL's programme and delivery plans. The DfT hope to award this contract later this month.

3.2.3 **RFD:** A first draft RFD document was sent to HAL on 9 February. HAL will provided formal feedback within the next 2 weeks, followed by a period of further engagement to agree content. The document will then be finalised by the beginning of April. EG felt that these timelines were challenging, which JG acknowledged but confirmed that DfT would need an agreed final draft RFD document to provide to any NPS subcommittee.

3.2.4 **Blight:** A draft blight contract was provided to Heathrow on 31 January 2018. HAL/DfT policy colleagues agreed to meet w/c 12 February for a high level discussion on content, followed by a lawyer to lawyer discussion to unpack more detailed legal points and queries. EG summarised HAL's current view as follows:

3.2.4..1 [REDACTED]



Action 180212/01- HAL/DfT to meet to discuss principles around the blight contract, followed by a lawyer to lawyer discussion on the finer detail of the contract.

3.3 EG provided an update on Con 1. There have been 14 events so far, with an average of 175 people per event. HAL have received 1,153 responses to the consultation and have had 20,000 visitors to their website, 678 phonecalls and 668 email enquiries. Current respondees are focusing on the DCO element of the consultation rather than the airspace principles element, although HAL expect this to change as consultation events continue.

3.4 JG summarised the IPA Routemaps workstream. A small number of focused interviews will be undertaken by the IPA in February 2018 to assess the complexity of the proposed expansion of Heathrow Airport and examine the key aspects of the governance arrangements that should be incorporated in the RFD. This will be completed in April 2018. The data gathered from the interviews will also be used to develop the lines of enquiry, scope and methodology for the full Routemap exercise, which will be completed by September 2018.

4.0 Dashboard/Forward Look

4.1 PCB members were content with the Dashboard and no questions were raised on content.

4.2 PCB members made a number of amendments to the forward look as follows:

- The airspace update was moved from March to April's PCB.
- An air quality update was added to the March PCB, with papers expected from both HAL and DfT. DfT's paper will be a factual summary of publically released content on air quality, based on the content of the revised draft airports NPS.

- The NPS dependencies update was moved forward to April's PCB – recognising these need to be completed before May.
- A local roads update was added to April's PCB.
- A Con 1 update, providing an overview of the totality of the consultation, was added to April's PCB.
- HAL agreed to present a Section 53, direct action and community protest – focusing on proposals for monitoring and how any event would be jointly handled by HAL and the Department in May, given that the risk of an event increases at this critical point in time for the programme.
- HAL also agreed to provide an update on their business plan for expansion in June/July.

5.0 Surface Access Update

5.1 [REDACTED] presented HAL's surface access paper which gave an overview of HAL's thinking on a variety of surface access schemes and broke down the range of dependencies and considerations needed to meet public transport mode share targets stated within the revised draft Airports NPS. Key points were as follows:

- 5.1.1 HAL has been developing modelling tools and are carrying out a continuous programme of monitoring and assessment work relating to the development of their surface access strategy in three broad stages: to support Con 1, to support Con 2 and to support any final DCO application.
- 5.1.2 In order to meet the current revised draft airports NPS mode share targets of 50% public transport mode share by 2030 and 55% by 2050, HAL will need to reduce colleague car trips from c45,000 to c35,000 between 2013-2030 and down to c23,000 by 2040. HAL will in parallel, have to increase daily public transport trips from c55,000 in 2013 to c100,000 in 2030 and c145,000 by 2040.
- 5.1.3 Heathrow traffic levels will need to be capped at 2016 levels (150,000 daily traffic generation) to fulfil Heathrow's "no more traffic" pledge. There will be a different set of measures to achieve this pledge compared to measures used to achieve the public transport mode share targets.
- 5.1.4 In order to meet the public transport mode share targets HAL will need to shift passengers from taxi/private hire driving and "kiss and fly" onto rail. This can be accomplished through a variety of incentives to encourage rail (such as integrated ticketing, more attractive service patterns etc.) as well as a form of road charging. These schemes alone would increase mode share by 10%, with other measures such as bus and coach providing the opportunity for further increases. [REDACTED] queried HAL's ability to influence ticketing prices and patterns as these are under Transport For

London's (TFL) control. [REDACTED] stated that it would be in both TFL's and HAL's interest to work together to introduce innovative ticketing approaches, including integrated ticketing, to encourage more passengers onto rail.

- 5.1.5 The greatest opportunity for growing public transport mode share is in areas of concentrated passenger demand. London and the east currently dominate this market, with 25 million passengers per annum, 48% of which regularly using public transport.
- 5.1.6 HAL detailed some more specific measures beyond those that would be required to meet the revised draft Airports NPS targets. These include further consideration of how the airport could be operated in order to make it more efficient such as encouraging a shift from "kiss and fly" to parking, ensuring that taxis are full on journeys both to and from the airport and reducing freight trips through consolidation of freight activities.
- 5.1.7 [REDACTED] enquired as to whether HAL's surface access strategy extends beyond the achievement of the 50% public transport mode share target by 2030 and noted that even with all of the schemes deployed, mode share targets may be achieved but with little contingency. [REDACTED] outlined that HAL's strategy will continue to be adapted and developed as committed schemes (such as upgrades to the Piccadilly Line and the introduction of the Elizabeth line) come into play and technology and behaviours change.
- 5.1.8 [REDACTED] asked what is the extent of the deliverability risk of achieving the mode share targets, due to the scale of what is required and the relatively small number of schemes relied upon. EG felt that HAL were being sensibly prudent in their approach at this stage as they have not yet seen TFL's charging plans which are likely to have a significant effect on the content of any final strategy. HAL is however confident that the mode share targets can be reached based on their current modelling and overall surface access strategy.
- 5.1.9 [REDACTED] asked to see a breakdown of the cost of each proposed surface access scheme as well as the % of the mode share target which it achieves. EG confirmed that HAL is carrying out this analysis and would provide this to the CAA.

ACTION 180212/02- HAL to provide CAA with a breakdown of the cost of each surface access scheme and the % of the mode share targets which it achieves.

- 5.1.10 RM enquired as to whether HAL is evaluating potential surface access schemes based on a Value for Money (VfM) measure. [REDACTED] confirmed that if HAL require reassurance that costs relating to the achievement of mode share targets will be recoverable, then they must ensure that they have considered VfM as part of their evaluation of each potential scheme. [REDACTED] confirmed that HAL is

looking at this. JG requested that HAL provide a breakdown of cost of interventions in ascending order of cost. RM also said it would be useful for HAL's modelling to break down committed vs non-committed schemes and their respective contributions to reaching the mode share targets.

ACTION 180212/03- HAL to provide DfT with a breakdown of cost of surface access interventions in ascending order as well as a breakdown of committed vs non-committed schemes and their respective contribution to meeting mode share targets.

6.0 S.16 Replacement

6.1 ■ summarised HAL's position on the lessons learned from the current Section 16 (S.16) process and their thinking around a potential successor:

6.1.1 HAL feel that the current S.16 process has meant they have been unable to engage further than incumbent airlines, who are driving engagement to fulfil their own commercial interests which do not necessarily align with consumer interests. This has put a strain on the relationship between HAL and airlines which HAL feels is counterproductive. HAL also feel that the current S.16 process is resource intensive and that there is a large administrative burden enforced on them through the reporting structure.

6.1.2 HAL acknowledge that there is a need to work together with airlines to develop and improve expansion plans, however HAL would like the future engagement process to focus on the outcomes, including encouraging a broader range of airline engagement to facilitate competition.

6.1.3 ■ and ■ were of the view that airlines will continue to be vocal stakeholders throughout any expansion process. The benefit of the S.16 process is that if HAL follow this in good faith and act upon the CAA's recommendations, then they will be able to demonstrate this to the CAA as part of any final scheme design proposal. ■ also felt that good progress had been made in the relationship with airlines through this process.

6.1.4 ■ felt that the relationship between HAL and airlines was a potential risk to the DCO process and asked how this could be mitigated in any S.16 successor.

6.1.5 JG agreed that airline support is key to any expansion process and therefore the board need to reach agreement on the pillars underpinning any S.16 successor. From DfT's point of view, these include inclusivity, proportionality, assurance and oversight. HAL agreed with these pillars, adding that they should be enabled to make decisions based on the broader airline and passenger perspective. It will also be important for any S.16 successor to not undermine both the SoS's role in the DCO process and the CAA's role as regulator.

- 6.1.6 ■■■ stated that the next step was to expand and develop the principles behind any S.16 successor. ■■■ stated that the CAA would continue to engage with DfT, HAL and airlines and would set out an update on the high level principles underpinning any S.16 successor in their February S.16 report.

ACTION 180212/04- CAA to set out an update on the high level principles underpinning any S.16 successor in their February S.16 report.

7.0 AOB

- 7.1 There was no AOB to discuss.