

MAYOR OF LONDON

Lilian Greenwood MP

Chair
Transport Select Committee
House of Commons
London SW1A 0AA

Date: 30 November 2017

Dear Lilian

Firstly, I would like to congratulate you on your new role as chair of the Transport Select Committee.

There have been significant changes since the previous call for evidence. We have seen the Government's publication of the updated passenger demand forecasts, as well as the National Air Quality Plan and the new draft National Aviation Strategy, though disappointingly both the strategies ignored the Heathrow expansion question. Transport for London (TfL) has also now undertaken some modelling analysis. The Mayor remains opposed to expansion of Heathrow Airport and the points made in his previous submission to the Transport Select Committee remain pertinent. I would like to use this opportunity to highlight some of the key concerns, notably arising from the revised National Policy Statement (NPS).

Demand Forecasts

The updated aviation passenger demand forecasts show an acceleration in passenger growth, with a third runway at Heathrow forecast to be full in 2028. With the NPS now assuming a third runway at Heathrow will only open in 2026, later than what has previously been claimed, this means there will be no available take-off and landing slots just two years after the runway has opened. This will undermine the potential benefits of increased airport capacity, notably for connectivity, competition and resilience.

Economic

The revised economic appraisal in the NPS now shows that a two-runway Gatwick delivers the greater monetised economic benefit for passengers and the wider economy than a three-runway Heathrow.

The NPS nonetheless cites the strategic benefits of Heathrow expansion, citing its long-haul connectivity and associated freight. This is on the assumption that the market profile of Gatwick remains unchanged, even if it increases capacity. This does not reflect changes that are already happening in the industry, such as the growth of long-haul, low-cost airlines. Such airlines, one

of which has a major base at Gatwick, are taking on many of the characteristics of traditional carriers. They can maximise demand to support long-haul flights by carrying freight and facilitating passenger connections between flights, even between different airlines. All this questions the strategic benefits that the NPS now relies on to justify expansion at Heathrow over Gatwick.

The NPS also claims the forecasts show the economic benefits of Heathrow expansion are realised more quickly than Gatwick, even if the former could open (at least) a year earlier. But for the first time, the NPS cites the potential for phasing Heathrow expansion. While the NPS only raises phasing in the context of the surface access and environmental impacts, both of which would likely be reduced or delayed, it would also slow any economic benefits. Moreover, phasing must be attached to enforceable planning conditions on aircraft movement and passenger throughput if it is to be a factor assessing the impacts.

Given Gatwick expansion's greater economic benefit, combined with its significantly lower cost and lower environmental impacts, it is not clear why Government persists with Heathrow expansion as the solution to the capacity challenge despite the evidence to the contrary.

Funding

The NPS asserts that a third runway can be wholly financed with private funding, without providing any evidence to support this claim. The NPS mentions that an independent assessment has been carried out but, despite requests, this has never been published. At the same time, the Government has declared there would be no substantial increase in aeronautical charges and there would be no taxpayer funding required.

The forecast acceleration in growth brings forward the harmful impacts on communities and the environment, including crowding on public transport and congestion on the roads. Addressing these impacts comes at a significant cost, which for the most part is not included in the total expansion costs. There remains a considerable risk that taxpayers will be asked to foot much of the bill for a third runway at Heathrow.

Jobs

Much is made of the jobs associated with expansion. The NPS however does not set out a figure for the net additional UK jobs, which suggests in all likelihood that any new jobs will likely be displaced from elsewhere in the UK. Based on the new demand forecasts, the revised NPS predicts a 50 per cent increase in the number of jobs generated by a third runway by 2030 when compared to the previous NPS. However, this additional uplift in jobs is lost by 2050.

Domestic Connectivity

Part of the case for a third runway rests on its claims for better domestic connectivity to help the many parts of the UK that have seen their access to Heathrow and other London airports eroded or lost completely. The revised NPS misleads these regions, including an indicative list of fourteen potential domestic routes, despite the Government and the airport having little if any influence on the determination of routes. Indeed, the NPS condition placed on the airport regarding domestic connectivity is to work constructively with the airlines rather than actually secure any domestic routes.

Analysis in the revised NPS makes clear that with a third runway, Heathrow will only offer five domestic routes: fewer than the eight served today. This is unsurprising given the forecast

capacity constraints at an expanded Heathrow. Even if airlines could be convinced to deliver the additional routes when the new runway opened in 2026, little could be done to stop the airlines scrapping these routes after 2028, when projections show all the slots would be taken. In this scenario, airlines would sacrifice domestic routes for higher-yield bankable long-haul routes.

Surface Access

The revised NPS has distanced itself from Heathrow Airport's public aspiration for there to be no net increase in airport related traffic with a third runway. This commitment is key to ensuring that expansion can be sustainable and avoid the damaging consequences of increasing the number of vehicles on the roads.

The revised NPS public transport mode share targets are woefully unambitious and will result in a substantial increase in vehicle trips on the already congested networks that serve the airport. TfL's additional analysis shows that for Heathrow Airport's pledges to be realised, at least 61 per cent of passengers and staff, and as many as 69 per cent, need to access the airport by public transport and other sustainable modes.

Public transport investment is essential both to encourage passengers and staff to switch to sustainable modes and then accommodate them when they do. There has been no improvement in plans for surface access in the revised NPS. Modelling undertaken by TfL since the previous Transport Select Committee submission shows that the Western Rail Access is essential for expansion, as is a version of the Southern Rail Access which can deliver both capacity and connectivity. Without these schemes, it is impossible to see how Heathrow Airport's aspiration for no increase in vehicle trips to the airport can be delivered. Both should receive significant funding from the airport. There is still no mention of bus, coach and cycle interventions, particularly needed to support staff journeys. If the NPS fails to make Heathrow Airport accountable for the public transport infrastructure required for expansion, the costs will fall to taxpayers.

The Airports Commission found that these improvements are not enough to achieve the necessary mode shift: a road user access charge of at least £40 would be required. Modelling by TfL has come to a similar conclusion. The revised NPS notes that some form of congestion charge might be appropriate but it fails to recognise that this is a necessity for an expanded Heathrow if it is to achieve a more sustainable mode share.

Air Quality

Air pollution is a public health crisis facing the UK. It is inconceivable that Heathrow expansion could be taken forward when it would delay national compliance with legal limits.

The revised NPS shows that in the years 2026-2028, an expanded Heathrow can only hope to avoid breaking legal limits by relying on the air quality schemes we are introducing in London. The Mayor has taken tough decisions to bring improved air quality and associated public health benefits. These benefits will be lost to enable a third runway. Even if a third runway were to take advantage of such measures, the revised NPS finds that the risk of a third runway delaying compliance with legal limits is high until 2029, despite the Mayor's efforts.

Further, this investment is funded by Londoners, given London is unable to access much of the Government's air quality funding. It is not acceptable to use the investment that London is making to subsidise Heathrow's expansion.

Noise

The noise from an expanded Heathrow remains a serious concern for the hundreds of thousands already exposed to significant aircraft noise today and the revised NPS does nothing to allay those fears.

The noise assessment in the revised NPS uses indicative flight paths. Options for the actual flightpaths will only be published after the decision on the Heathrow's Development Consent Order (DCO) application is made, yet there is no requirement for these to bear any resemblance to the indicative flightpaths. In fact, NATS has previously found some of these indicative flight paths to be unfeasible.

The revised NPS also uses 2013 as a baseline. This allows the airport to bank technology changes to enable expansion, when they should be used to alleviate the noise impacts of what is already Europe's noisiest airport by a considerable margin. It is inconsistent with the treatment of air quality which rightly uses the future non-expansion scenario as the baseline.

Taken together, these erode any confidence that the public might have that the noise assessment for the DCO would be a reasonably accurate picture of the actual noise impacts of a three-runway Heathrow.

Carbon

The revised NPS has increased the estimate for carbon emitted by a three-runway Heathrow. It does not explain what the national implications will be; it is possible this could require sacrificing growth at regional airports and even more challenging limits for other industry sectors.

Conclusion

The Mayor remains opposed to Heathrow expansion given its dire environmental and surface access impacts. Government has now shown Heathrow does not even offer the greater economic benefit of its short-listed schemes.

The NPS lacks the robust conditions to hold the airport to account, without strict enough targets or monitoring and enforcement mechanisms. Government has failed to show that a third runway can be delivered without legal limits for air quality being breached: it is hard to believe that the promoter will be able to do better. Expansion at Heathrow cannot be taken forward on this deeply flawed basis.

Thank you for the opportunity to comment on the Government's proposals.

Yours sincerely,



Valerie Shawcross CBE

Deputy Mayor for Transport