## **Mayor of London Briefing**

# House of Commons Vote - Airports National Policy Statement (NPS) Monday 25 June 2018

#### Noise

Government analysis shows that 2.2 million people would experience a significant worsening of aircraft noise following Heathrow expansion.

- Heathrow airport today exposes around three quarters of a million people to significant aircraft noise, more than any other UK or European airport:
  - o Around 7 times as many people as Manchester airport (second noisiest in the UK);
  - Around 60 times as many people as Gatwick airport; and
  - More than its five main European rivals (Paris CDG, Frankfurt, Amsterdam, Munich and Madrid) combined.
- A third runway is forecast to allow the airport to handle 740,000 flights annually up from 480,000 today an increase of over 50 per cent.
- The noise assessment is based on flightpaths which are purely indicative and will not have any bearing on the actual flightpath options to be published by Heathrow Airport Limited (HAL) in 2021, after a Development Consent Order is approved.
- Government analysis indicates 2.2 million people will experience a significant increase in aircraft noise as a result of a third runway. A less optimistic fleet mix assumption increases this estimate to up to 3 million people affected.
- The Government has declined to require any restrictions on night flights. HAL's proposal for a six-and-a-half hour scheduled night flight ban would finish at 5:30am, allowing all three runways to be used at full capacity after that. This could mean up to a 140 per cent increase in night flights.

#### Air quality

Government analysis found that there is a high risk that a third runway at Heathrow opening before 2030 would jeopardise London's compliance with legal limits for air pollution.

- Addressing air pollution remains a key priority for the Mayor, to achieve legal compliance
  as soon as possible and reduce its short and long-term health impacts, including
  respiratory and cardiovascular issues and reduced lung growth in children.
- Heathrow has significant impacts on air quality as result of its flights, its airside (operational) vehicles and the vehicles carrying passengers and staff to and from the airport.
- Today there are locations in proximity to Heathrow where air pollution exceeds legal limits.

- Government and HAL are seeking to rely on the National Air Quality Action Plan to show that a third runway will meet legal limits – this relies on the Air Quality measures the Mayor is implementing in London to provide headroom for Heathrow to expand.
- Government and HAL also have to demonstrate that there will be no overall worsening of air quality (regardless of legal limits) which they have so far failed to do.

#### Surface access

If an expanded Heathrow is to achieve no increase in highway traffic, TfL's assessment is that it will potentially require over £10bn investment in transport infrastructure, including Western Rail Access and Southern Rail Access, as well as HAL introducing a road user access charge.

- Heathrow today has around 235,000 daily passenger and staff trips. That is forecast to increase to 370,000 in 2030, with a third runway, an increase of over 55 per cent.
- If HAL achieves the NPS conditions for a third runway in 2030, it will result in over 40,000 additional vehicle trips by passengers and staff every day.
- If HAL achieves its aspiration for no increase in highway traffic, this would mean as many as 150,000 additional public transport users accessing the airport every day (also accounting for increased freight traffic).
- However, no additional rail infrastructure has been committed by Government or HAL.
   The NPS instead relies on existing and currently planned infrastructure to accommodate demand. These projects were designed to support London's existing housing and growth challenge and will struggle to do this alongside the demand from an expanded Heathrow.
- The costs of additional transport infrastructure is likely to fall on the public purse.

### **Domestic connectivity**

A third runway opening in 2026 is expected to be full by 2028, and Government forecasts domestic routes will fall from eight to five with Heathrow expansion. Domestic routes are likely to be squeezed out as airlines use their scarce slots for more profitable international flights.

- Heathrow has seen the number of domestic routes fall from 18 to 8 since 1990.
- The only requirement in the NPS is for HAL to "work constructively" with airlines on domestic connectivity
- The Secretary of State and Aviation Minister have both said that Government want up to 15 per cent of additional slots used for domestic flights. This is an aspiration, rather than a commitment and something the Government is legally unable to guarantee.
- The Government says that Public Service Obligations (PSOs) will be the backstop for securing domestic routes but has not acknowledged the legal constraints on their use.
- The CEO of HAL told the Transport Select Committee that changes to PSO legislation would be required. However, PSOs are enshrined in EU law.

 PSOs can be changed following Brexit but this could jeopardise continued UK open access to the EU for flights.

## **Costs and financing**

The Government has not demonstrated that expansion is affordable and deliverable, risking much higher charges for passengers and a significant taxpayer contribution.

- The Secretary of State has said that there should be no taxpayer funding and that airport charges should be kept close to current levels. But he has declined to make this a condition.
- It is unclear how these can be adhered to while ensuring the scheme is commercially viable.
- HAL estimates the scheme will cost £14bn though there remains substantial uncertainties and this does not reflect the full surface access cost. HAL's debt in 2017 was £13.4bn.
- Analysis by the Airports Commission in 2015 found that funding expansion would require at least an additional £5.5bn of equity and £22.1bn of debt, tripling existing debt and equity levels.
- The Transport Select Committee called on Government to publish evidence to demonstrate expansion was affordable and deliverable before any Parliamentary vote. This has not been done.
- The risk remains that the scheme is not affordable without a considerable increase in the charges paid by passengers and freight users, along with significant taxpayer funding and quarantees.

For further information please contact: Stephanie Jarvis, Senior Government Relations Officer 020 7983 4149 or stephanie.jarvis@london.gov.uk