Keynote Address
Runways UK 7 July

Phil Graham
Head of the Airports Commission Secretariat
The Commission recommends a new approach, with airport expansion part of a wider package that addresses social, environmental and economic impacts.

**Limiting Noise Impacts**
- A ban on night flights before 6am, only possible with expansion
- A legally binding cap on noise and more reliable respite
- An independent aviation noise authority with a statutory right to be consulted on flight paths and other operations

**Improving Compensation**
- A new noise charge or levy to fund improved compensation for communities. Any charge must be fair, affordable, locally spent, transparent and VfM.
- Heathrow to pay more than £1 billion in compensation to local communities, including noise insulation and voluntary purchase schemes
- Anyone who would lose their home to be compensated at 125% of its full value plus costs, funded by Heathrow

**Listening to Local People / Rebuilding Trust**
- A new independent Community Engagement Board with real influence over compensation and airport operations
- Sufficient progress on air quality to be a legally binding planning condition
- Government to rule out any future ‘fourth runway’ in Parliament

**Sharing Economic Benefits**
- Apprenticeships to help local young people access the more than 70,000 new jobs
- Action to safeguard regional connectivity, including reduced charges and more liberal Public Service Obligations
Expansion provides a unique opportunity to change the way the airport operates, limiting the impacts of noise

There should be a ban on all scheduled night flights between 11:30pm and 6am. This is only possible with a third runway.

At the currently capacity constrained Heathrow night flights, although unpopular with residents, play an important role

A third runway would create enough peak capacity to reschedule services to later in the morning

- Additional capacity from a third runway could support around 40 additional movements per hour in the peak period.
- Heathrow is the final destination for the majority of passengers on these services. Travelling via a rival European hub would remain a longer and less attractive option.
- Some transfer passengers may choose an alternative route. This will only be relevant to the most time-sensitive customers within a relatively small ‘transfer window’

### Origin

<table>
<thead>
<tr>
<th>Origin</th>
<th>Total number of seats scheduled on ‘core night’ flights</th>
<th>‘Core night’ flights as a % of the total scheduled seat capacity (day and night) at airport for that route</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>480,755</td>
<td>53%</td>
</tr>
<tr>
<td>Singapore</td>
<td>387,319</td>
<td>52%</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>180,310</td>
<td>50%</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>158,264</td>
<td>28%</td>
</tr>
<tr>
<td>Nairobi</td>
<td>123,858</td>
<td>54%</td>
</tr>
<tr>
<td>Lagos</td>
<td>109,021</td>
<td>34%</td>
</tr>
<tr>
<td>Riyadh</td>
<td>107,483</td>
<td>51%</td>
</tr>
<tr>
<td>Dubai</td>
<td>69,489</td>
<td>4%</td>
</tr>
<tr>
<td>Chicago</td>
<td>67,664</td>
<td>9%</td>
</tr>
<tr>
<td>Cape Town</td>
<td>55,487</td>
<td>24%</td>
</tr>
<tr>
<td>Boston</td>
<td>45,540</td>
<td>8%</td>
</tr>
<tr>
<td>Accra</td>
<td>41,758</td>
<td>32%</td>
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<tr>
<td>Jeddah</td>
<td>22,853</td>
<td>12%</td>
</tr>
<tr>
<td>Total</td>
<td>1.85m</td>
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</tbody>
</table>
An expanded Heathrow does not need to be any noisier than today. A ‘noise envelope’ should be agreed and Heathrow legally bound to stay within its limits. More reliable respite will also be important.
The additional income generated by expansion should be allocated in a new way and used to benefit local people.

Heathrow Airport Ltd should be required to deliver a world-class community compensation package. Its proposal to spend more than £1 billion is a good start.

A new noise charge or levy should be introduced to ensure those who use airports pay more to compensate local communities.

Expansion should also increase revenue from business rates and developer contributions to support local sustainable development.

Noise insulation: Heathrow has proposed to spend more £700m on noise insulation for local residents. The Commission recommends that support for schools, including ongoing costs such as air conditioning should be a priority.

Voluntary Purchase Zone: Heathrow has offered to purchase up to 3,750 homes in the local area if residents wish to move.

Blight Provision: Heathrow proposes to purchase homes that would be needed for development at their full unblighted value plus an additional 25%.

Wider Community Benefits: local people should be actively engaged in determining how compensation funding is best used. This might include investing in local public services and amenities.
Heathrow Airport should be obliged to develop a better more collaborative relationship with local communities

A **Community Engagement Board** should be established under an independent chair with real influence over spending on community support and airport operations, drawing on the models successfully in operation at Schiphol and Frankfurt

- The ‘Alderstafel’ established in 2006 advises the Dutch Government on striking the right balance between future development at the airport and the quality of the local environment.
- Independent chair, Hans Alders, a former Environment Minister.
- Membership is inclusive and comprehensive, including representatives from local government and community groups communities, the airport operator, AirFrance-KLM and Dutch air traffic control.

- The **Forum Flughafen und Region (FFR – Airport and Region Forum)** established in 2007 to lead engagement during the construction and operation of a fourth runway.
- The FFR has a board of directors with an independent representative sitting alongside a representative from towns and cities and from the aviation industry.
Air quality issues can be tackled as part of a wider Government strategy

- The air quality assessment considered emissions from a wide road network. This along with one of the highest demand forecasts ensured a worst case scenario was considered.
- The Supreme Court ruling necessitates a new air quality plan from the Government by the end of 2015.
  - The Heathrow air quality issue is a manageable part of a wider problem, whose causes must be addressed.
  - To ensure compliance with the EU Directive on air quality, new runway capacity at Heathrow Airport should only be released when it is clear that air quality at sites around the airport will not delay compliance with EU limits.
There is no sound operational or environmental case for a fourth runway at Heathrow. The Government should firmly and finally rule this out.

Any feasible option for a fourth runway at the Heathrow site would have substantially increased costs for a greatly reduced benefit.

Going further north would require the relocation of the M4/M25 junction – this would be incredibly expensive and disruptive.

Going west or southwest would require the relocation of the Wraysbury reservoir – with huge environmental and cost implications.

While going south would have severe housing loss impacts, high costs and a large noise footprint.

Air traffic management issues are likely to mean that a fourth runway at Heathrow would provide limited net additional capacity across the London system.

ATMs at Heathrow scale poorly with a fourth runway:
Expansion will mean new economic opportunities for local people and businesses. The wider impacts of this growth can be managed.

- An already growing local population and strong transport links mean new job opportunities need not cause excessive pressure on local housing.
- Heathrow should invest in apprenticeships and training to ensure local people can benefit and show leadership on the London Living Wage.

**Forecast workforce growth in Heathrow area by 2030 against number of additional jobs from airport expansion**

**Heathrow transport links**
Expansion at Heathrow should support greater domestic connectivity but more can be done to ensure this happens

- The Government should alter its guidance to allow the introduction of **Public Service Obligations** on an airport-to-airport basis and should use them to support a widespread network of domestic routes at the expanded airport.

- Heathrow Airport Ltd should implement additional measures to enhance regional connectivity, including introducing **reduced charges and start-up funding for regional services.**
As the Commission heads off into the sunset...

It is now for the Government to decide how to move forward.

Taking forward the recommendations will require co-operation between national and local Government, the airport operator, the CAA and delivery bodies such as NATS, Network Rail and Highways England.

Expansion is a major undertaking, but justified by the benefits.
Whatever the choice of planning consent route, many of the fundamental tasks for Government and others do not change

**Setting the strategy**
- Government publishes a National Policy Statement (NPS) – a statement of the need for NSIPs
- Parliament and the public must be consulted before the NPS is finalised

**Designing schemes**
- Individual promoters can develop proposals for NSIPs, and submit them to the Planning Inspectorate (PINS)
- The developer must consult local people and interested parties on the details of any proposal

**Deciding on consent**
- Upon accepting a proposal, the Planning Inspectorate (PINS) must make a recommendation to the relevant Secretary of State within 9 months
- During examination by PINS, interested parties have a further opportunity to express views

**NPS / DCO**
- The Secretary of State must decide within 3 months whether to grant a Development Consent Order (DCO)

**Hybrid Bill**
- Government publishes a strategy document, setting out its assessment of need
- Strategy is subject to public consultation

- Government ensures development of a detailed scheme design (possibly in concert with a private sector promoter)
- Scheme design is subject to public consultation

- Government drafts a Bill to grant the necessary powers and consents and introduces this to Parliament

- Permission to proceed is granted through Royal Assent to an Act of Parliament

- During Parliamentary scrutiny the bill is subject to public petitioning at Committee stage
The Commission has made a number of recommendations on immediate next steps for taking forward its recommendations.

1. A timely decision by Government on the Commission’s recommendations will greatly facilitate expeditious delivery.

2. All parties involved in delivering the runway should agree clear roles and responsibilities. Risks to both the private and public sector should be identified and monitored.

3. A stable and predictable economic regulatory environment will be important. Early engagement between the airport, airlines and the CAA, as well as Government will be beneficial.

4. Ongoing monitoring of the financial situation will be appropriate. Under current market conditions, supportive measures from the Government such as the provision of guarantees are unlikely to be required.

5. The Government should consider establishing a dedicated body to ensure efficient delivery. Expansion will have impacts far beyond the airport boundary. Successful delivery will require consideration of how the different work-strands interact.

6. The Government may wish to deposit a ‘Paving Bill’ or table a motion in Parliament, setting out its early commitment to considering the Commission’s recommendations and delivering wider policies.

7. A decision on planning route should form part of a wider discussion between the airport and the Government.

8. The Government will need to agree the nature, scale and financing of the surface transport improvements. It would be appropriate for Government to seek funding contributions from the scheme promoter.

9. Necessary airspace changes can be completed efficiently, given a clear direction and strategy and renewed engagement from the Government.

10. The need to make best use of existing infrastructure will remain. This will mean opportunities for airports across the country.
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