

Facing the Aviation Challenge

Discussion Document

Kent County Council

DRAFT

July 2014



Contents

Executive summary	3
1 Introduction	4
2 Background to aviation in the UK	6
3 Facing the Aviation Challenge proposals	12
4 Reasons for opposing a new hub airport	21
5 Conclusion and recommendations to Government.....	34
6 Background documents	35

DRAFT

Executive summary

In **Facing the Aviation Challenge** Kent County Council sets out its recognition of the growth in aviation and its position on how the UK can meet this need through expansion of existing airports - Heathrow or Gatwick (as shortlisted by the Airports Commission in its interim report in December 2013) and better utilisation of regional airports including London Ashford Airport (Lydd) and London Southend Airport, combined with improved surface access by rail. This is a far more affordable and deliverable solution than building a new hub airport in the Thames Estuary; and this document sets out the reasons for Kent County Council's robust opposition to the proposals for an airport on the Isle of Grain, which the Airports Commission is investigating further in 2014.

Expanding existing airports will allow the UK to compete with other European hub airports, although the UK's current competitive disadvantage with high rates of Air Passenger Duty (APD) also needs to be addressed.

However, aviation growth needs to be balanced against the adverse impacts, such as noise. Therefore measures need to be put in place to minimise noise impacts and protect people living near airports.

Kent County Council recommends to Government:

- The need for correction of the UK's competitive disadvantage in terms of APD.
- The creation of a National Policy Statement (NPS) for airports that supports the growth of existing airports with one net additional runway added in the South East by 2030.
- The NPS should not, however, support the development of new airports.
- The NPS should support a phased approach to adding runway capacity to keep pace with demand, therefore allowing existing airports to add additional runway capacity when the need arises, most likely a second net additional runway in the South East by 2050.
- The need for better utilisation of regional airports, especially in the short and medium terms, as this will provide much needed capacity across the South East and bring significant economic benefits to regional economies.
- Investment is needed to improve surface access to airports; especially rail access and the development of an integrated air-rail transport system that will be beneficial to London and the South East's connectivity to global markets.
- An independent noise authority should be set up (as recommended by the Airports Commission) and measures taken to properly measure, minimise and mitigate the noise impacts of existing airport operations and airport expansion.
- Proposals for a new hub airport must not be progressed any further. Action is needed now and this can only be achieved by building on the UK's existing airport infrastructure.
- In the interests of the national economy, action on these issues is needed now.

1 Introduction

The UK's position as a premier world aviation hub is threatened by its inability to meet increasing capacity demands. Heathrow is operating at 98.5% of its capacity and there is a significant lack of available peak runway capacity at the major London airports, meaning that the UK economy is losing an estimated £1.2 billion a year to the Netherlands, France and Germany, as each has hub airports with significant spare capacity¹.

In May 2010, the newly elected Coalition Government sought to replace the existing Air Transport White Paper (2003) which gave policy support for an additional runway at both Heathrow and Stansted. Without Government policy support, the planning applications for new runways at both airports were abandoned by the then owner, BAA. The replacement Aviation Policy Framework which was adopted by Government in March 2013, did not address the issue of airport capacity.

In late 2012, the Government appointed the independent Airports Commission chaired by Sir Howard Davies to report on whether there is a need for additional airport capacity; and the nature, scale and timing of that need. The need for one net additional runway by 2030 was identified in the Commission's interim report in December 2013, with likely demand for a second additional runway by 2050; and shortlisted three feasible options for long term solutions, along with short and medium term measures for how to make the best use of existing airport capacity. The three shortlisted options of a new third runway at Heathrow, an extension of one of Heathrow's two runways (to then effectively operate as two separate runways, i.e. provide three runways in total) and a new second runway at Gatwick, are all being appraised in 2014 and will be subjected to a national public consultation. A final report and recommendation to Government is due by the summer of 2015. It is then anticipated that by 2016, if the Government accepts the Commission's recommendation, it will produce a National Policy Statement (NPS) for airports which will give government policy support for the chosen option.

Proposals for a new hub airport in or around the Thames Estuary were not shortlisted in the Airports Commission's interim report (December 2013). However, the Commission is conducting further feasibility work for an airport on the Isle of Grain and will make a decision as to whether to add this option to the shortlist by September 2014. If shortlisted, the Isle of Grain airport proposal will then be appraised and consulted on in a similar way to the Heathrow and Gatwick options, before the Commission publishes its final report and recommendation to Government in summer 2015.

¹ Frontier Economics, Connecting for growth: the role of Britain's hub airport in economic recovery, September 2011

Kent County Council (KCC) is of the view that the UK needs to be able to connect with emerging markets now, in time to stop the UK's continued slide against its competitors, and the quickest way of addressing this is to build on our current aviation infrastructure, rather than building a new multi runway hub airport in the Thames Estuary.

This discussion document presents Kent County Council's view on UK aviation.

DRAFT

2 Background to aviation in the UK

2.1 The importance of aviation to the UK economy

A healthy and dynamic aviation sector is vital to the UK economy. According to a 2011 study, aviation contributes £49.6 billion to the economy, 3.6% of UK GDP². The aviation sector employs over 220,000 workers directly and many more indirectly throughout the supply chain³. The value added by employees in the sector is around one-and-a-half times the economy-wide average, amounting to 2% of Gross Value Added (GVA)⁴. Economically, the aviation industry is pivotal to the UK's growth and employment opportunities.

The UK has the sixth highest number of international visitors in the world. In 2011, 73% of the total visits made to the UK by overseas residents were by air, generating some £15,132 million of annual expenditure across the economy⁵. Tourism directly provides 1.5 million jobs in the UK, representing 5% of employment nationally. Aviation also provides social benefits with people travelling to visit family and friends and it was the most common purpose of travel at Heathrow in 2011 (36% of trips)⁶.

Good air connectivity is frequently cited as an important factor in business location decisions and companies' ability to attract highly skilled labour from abroad. The growth of regional airport services across Europe has helped to attract inward investment and, together with complementary road and rail improvements, has enabled the integration of many previously peripheral cities and regions into the global economy. The ongoing expansion of these services in the UK can play a significant role in rebalancing regional economies in favour of the private sector.

2.2 The demand for air travel

Overall, global aviation is expected to grow at an average compound annual growth rate of 5.6% for the period to 2025⁷. Rising incomes in the UK and internationally will result in higher rates of business and tourist travel to and from Britain, while the emergence of greater wealth in China, India, Russia and Brazil (BRIC economies) will further increase worldwide demand for aviation. The Department for Transport's (DfT) 2013 aviation

² Oxford Economics (2011), 'Economic Benefits from Air Transport in the UK'

³ Aviation Policy Framework, March 2013

⁴ HM Treasury, Reform of Air Passenger Duty: a consultation, 2011

⁵ Office for National Statistics, 'Travel Trends', 2011

⁶ Aviation Policy Framework, March 2013

⁷ Greater London Authority, A New Airport for London, 2011

passenger demand forecasts indicated that, in a scenario without capacity constraints, UK-wide demand for air travel is likely to increase between 2011 and 2030, from 219 million passengers per annum (mppa) to approximately 320 mppa; and up to 480 million passengers a year by 2050⁸. Civil Aviation Authority (CAA) statistics show that in 2013, UK airports handled a total of 228 million passengers, an increase of 3.5% on 2012, showing the continuing recovery that started in 2011 after three years of falling passenger numbers, although current air passengers are still 4.8% below 2007's peak of 240 million⁹. The Airports Commission's own forecasts, although 7% lower than the 2013 DfT projections, due to improved modelling of overseas hub airports and updated GDP forecasts, still predict growth in annual demand to 450 million passengers by 2050¹⁰.

2.3 UK airport capacity

Existing runway capacity at London's airports acts as the primary constraint on their ability to accommodate future demand for air travel. No new runways have been added since 1987 with the short runway for the new London City Airport as part of the London Docklands regeneration. Heathrow is effectively at capacity throughout the day and Gatwick operates close to capacity during the day's peak periods. London's airports collectively accommodate more passengers than those of any other city in the world and this, along with the lack of excess capacity, means that they are particularly susceptible to disruption and delays. With forecast growth, the major South East airports will be full sometime between 2025 and 2040, and Heathrow is effectively already at full capacity¹¹. The Airports Commission in its interim report concludes that there is a clear case for at least one net additional runway in the South East by 2030, and there is likely to be a demand case for a second additional runway by 2050¹².

Heathrow's runways operate at 98.5% capacity, compared to 70-75% at other European hub airports and during busy periods, aircraft can be held in one of its four stacks for 30 to 45 minutes awaiting a landing slot. Heathrow also suffers from lengthy queues for take-off slots. These delays have environmental and financial costs to both airlines and passengers.

⁸ DfT, UK Aviation Forecasts, 2013

⁹ Airport World: The Magazine of the Airports Council International (ACI) http://www.airport-world.com/home/general-news/item/3779-uk-airport-passenger-numbers-rise-3-5-in-2013?utm_source=MASTER+EMAIL+LIST&utm_campaign=3b7a97b2de-Airport+and+Regions+32&utm_medium=email&utm_term=0_b8d5a5ddc7-3b7a97b2de-101756901 accessed 18/03/14

¹⁰ Airports Commission, Interim Report, December 2013

¹¹ DfT, UK Aviation Forecasts, 2013

¹² Airports Commission, Interim Report, December 2013

2.4 European competitor airports

By the late 1980s London's five main airports (Heathrow, Gatwick, Stansted, Luton and London City) had 6 runways, and today nothing has changed. However, in that time, Amsterdam Schiphol has increased from 4 to 6 runways, Frankfurt from 3 to 4 and Paris Charles de Gaulle (CDG) from 2 to 4. Overall this means our main competitors have added 50% runway capacity¹³.

Table 1 – Illustration of Heathrow capacity in comparison to other Northern European hub airports in 2012

Airport	Total Air Traffic Movements (2012)	Total passenger traffic (mppa) (2012)	Runways	Destinations served	Percentage of capacity used
Heathrow	471, 791	69.9	2	193	98.5%
Frankfurt	487, 162	56.4	4	296	74.2%
Paris CDG	514, 059	60.9	4	258	73.5%
Amsterdam Schiphol	437, 074	49.7	6	313	70.0%

Table 1 shows that Heathrow currently handles the largest proportion of passenger numbers out of Europe's major hub airports and is Europe's busiest airport. However, by 2021 it is predicted to fall to third place behind Frankfurt and Paris CDG¹⁴. As demand increases, with Heathrow already full, it has little room to accommodate additional passengers; whereas Frankfurt, Paris CDG and Amsterdam Schiphol have sufficient available capacity (between 25-30%) to continue to take advantage of this growing market. This severely disadvantages Heathrow in supporting UK businesses to trade with growing markets.

A report commissioned by Heathrow, found that UK businesses trade 20 times as much with emerging market countries that have direct daily flights to the UK; and Paris and Frankfurt already have 1,000 more annual flights to the three largest cities in China than Heathrow¹⁵. Heathrow has five flights per day to China serving two destinations, whilst Paris has 11 serving four destinations and Frankfurt ten serving 6 destinations¹⁶. These startling comparisons clearly illustrate the difficulties the UK is facing right now in remaining competitive and taking advantage of emerging markets.

¹³ Parsons Brinckerhoff, Airport Study for the South East Local Enterprise Partnership: Research Study – Greater South East Airport Capacity, May 2012

¹⁴ Victoria Borwick, Protecting London's position as a world city: creating the first "virtual hub airport", March 2012

¹⁵ Frontier Economics, Connecting for growth: the role of Britain's hub airport in economic recovery, September 2011

¹⁶ Greater London Authority, A new Airport for London, 2011

This lack of capacity does not only affect UK passengers wishing to connect with these new markets but also overseas customers who cannot directly access the UK. A similar situation will soon exist at Gatwick with the airport approaching its capacity limit for a single runway airport.

2.5 The UK's competitive disadvantage with Air Passenger Duty (APD)

Table 2 shows the difference between Air Passenger Duty (APD) for flights from the UK from 1 April 2014, as compared to other airports in Germany and the Netherlands.

Table 2 – Comparison of APD – UK, Germany and the Netherlands

From	To Band A destinations - up to 2,000 miles, e.g. Europe		To Band B destinations - 2,001 to 4,000 miles, e.g. northern Africa, Middle East, North America		To Band C destinations - 4,001 to 6,000 miles, e.g. southern Africa, Caribbean, South America, India, Far East – India, China		To Band D destinations - over 6,000 miles, e.g. Australia, New Zealand	
	Reduced rate (lowest class)	Standard rate (any other class)	Reduced rate (lowest class)	Standard rate (any other class)	Reduced rate (lowest class)	Standard rate (any other class)	Reduced rate (lowest class)	Standard rate (any other class)
UK*	£13	£26	£69*	£138*	£85*	£170*	£97*	£194*
Germany**	To Europe, Russia, parts of northern Africa		To northern and central Africa, Middle East		To the rest of the world			
	€7.50 (£6.41)		€23.43 (£20.03)		€43.18 (£36.91)			
Netherlands***	Abolished APD							

*source: ABTA Travel Association <http://abta.com/news-and-views/policy-zone/more/air-passenger-duty> (accessed 25/03/14). Note: From 01 April 2015, Bands C and D will be abolished and all long haul flights will be included in Band B which will increase to £71 (reduced rate) and £142 (standard rate).

**source: http://en.wikipedia.org/wiki/German_air_passenger_taxes (accessed 22/05/13) and converted to £sterling at XE Currency Converter (www.xe.com) on 23/05/13

***source: ABTA Travel Association <http://www.atab.org.uk/our-campaigns/air-passenger-duty/> (accessed 22/05/13)

Table 2 shows that APD in Germany is considerably lower than in the UK. The Netherlands after a period of APD increases decided to abolish the tax. The result is that with significantly lower taxation; flights to and from Amsterdam and Frankfurt are more attractive to business and leisure passengers than Heathrow. It is especially the case to and from long haul destinations where the difference in APD is most pronounced. Many of the world's emerging economies are long haul and UK needs to improve its connectivity to these destinations. The net result is that UK business and tourism are negatively impacted, with inbound passengers lost to other European countries and outbound passengers either paying higher air fares or being deterred from travel.

A report by Parsons Brinckerhoff (2012) into 'Greater South East Airport Capacity' for the South East Local Enterprise Partnership (SELEP) states that according to World Travel Tourism Council, 91,000 jobs are being lost in the UK each year due to high APD and argue that by removing the tax it would result in £4.2 billion added to the economy within twelve months. Parsons Brinckerhoff agree that by reducing or removing the tax it would put the UK back on an even footing with our European competitors and lead to a rise in seat availability¹⁷.

Correcting the UK's competitive disadvantage compared to its European competitor airports in regards to APD is needed so that we do not continue to lose business to our European rivals. This issue, which significantly impacts on the cost of air travel, needs to be addressed along with the UK's airport capacity disadvantage compared European hub airports.

In addition to changes in APD at a national level, reductions in APD at regional airports would provide them with a competitive advantage and could lead to relocation of some short haul leisure flights from congested airports. This would free up capacity at Heathrow and Gatwick for more long haul flights, improving the UK's global connectivity, while at the same time improving the viability of regional airports and providing connectivity and economic growth in the regions. Although the Airports Commission ruled out this type of action in its interim report (December 2013), Kent County Council urges that Government look into this issue again.

2.6 Summary - The need for action

If additional runway capacity is not provided in anticipation of forecast demand growth, then delays and disruption at London's airports will steadily worsen and there is no room for connectivity growth to new markets. As a result, the UK will become less accessible than its rivals to strategically important locations in the world economy and the UK's future economic prosperity will be threatened. With the current UK economic situation, it is all the

¹⁷ Parsons Brinckerhoff, Airport Study for the South East Local Enterprise Partnership: Research Study – Greater South East Airport Capacity, May 2012

more important that this industry, so vital to our country's economy, is invested in, protected and expanded to meet growing needs.

In the interests of the national economy the need to act is now.

DRAFT

3 Facing the Aviation Challenge proposals

3.1 Support for aviation growth

Kent County Council (KCC) fully supports growth in UK aviation in order to improve the UK's connectivity and competitiveness, thus supporting economic growth and job creation.

3.2 The right solution

KCC advocates that the best solution to the UK's aviation hub needs in the longer term is to utilise, improve and expand existing airports. Provision of additional capacity at some existing airports, together with improved surface access by rail will facilitate better strategic use of the London/South East multi-airport system.

Heathrow and Gatwick airports have both put forward a credible and deliverable solution to the problem of airport capacity constraints in the South East and an additional runway at either airport are the options shortlisted by the Airports Commission in its interim report in December 2013. KCC gives support in principle to expansion at either airport as the right solution to the UK's aviation needs.

This approach will deliver the UK's connectivity requirements, provide much needed suitable capacity and could be delivered within the shortest possible timescale. Better utilisation of regional airports such as London Ashford Airport at Lydd in Kent and London Southend Airport, for point to point flights, will also release extra capacity and complement the main London airports that provide 'hub' operations. This also provides a solution to the capacity problem in the short and medium term while new runways are constructed at the main London airports over the longer term.

3.3 The wrong solution

KCC is of the belief that there is no sound evidence for a new hub airport in the Thames Estuary. There are many economic, social and environmental reasons against such a development; one of which would be the forced closure of Heathrow and the devastating impact this would have on the west of London economy. This would be harmful to the UK's global connectivity and be to the detriment of the national economy. The reasons for opposing a new hub airport are explained in Chapter 4.

3.4 Better utilisation of existing airports

Delivery of new runways will take at least a decade or longer, therefore in the short to medium term, aviation demand could be met by better utilisation of existing airports. Table 3 shows the available capacity at the London airports excluding Heathrow.

Table 3 – available capacity at London airports excluding Heathrow in 2012

	Total Air Traffic Movements (2012)	Total passenger traffic (mppa) (2012)	Runways	Destinations served	Percentage of capacity used
Gatwick	240,494	34.2	1	200	86%
Stansted	132,920	17.5	1	150	50%
Luton	75,783	9.6	1	104	53% *
London City	69,902	3.0	1	44	38% **
Southend	8,086	0.6	1	16	30%

* if planning application for 18mppa is approved

** based on 2006 Master Plan accommodating up to 8 mppa

Table 3 shows that, with the exception of Gatwick which is approaching its capacity limit, the other London airports have available capacity. Stansted, London's third airport (the 4th largest airport in the UK) has around 50% spare capacity, therefore has significant scope to alleviate the capacity issues at Heathrow and Gatwick in the short to medium term before new runways at those airports could be delivered.

Regional airports also have a role, as demonstrated by the available capacity at Southend Airport (see Table 3). Significant private sector investment has already taken place at Southend Airport to extend the runway, build a new passenger terminal and extension to the new terminal, along with a new control tower, road access improvements and a new railway station so that the airport can handle up to two million passengers per year. Development of a new Lower Thames Crossing to the east of Gravesend will expand Southend Airport's catchment area, including improved access from Kent, and will further enhance the airport's prospects. Similarly, at Lydd Airport in Kent, private investment is forthcoming to extend the runway and build a new passenger terminal capable of accommodating up to 500,000 passengers per year for which planning approval by the Secretary of State has been granted.

Following its closure as a commercial airport in May 2014, a financially viable and sustainable future must be found for Manston. This should include use of the site for

aviation related services and other businesses that can bring jobs and economic growth to East Kent.

Differential charging of APD at regional airports, as explained in Chapter 2, will also help to make new routes from regional airports more attractive, therefore encourage growth at regional airports and free up capacity at the congested London airports.

3.5 Expansion of existing London airports

In the longer term, adding new runways at existing airports will provide enough capacity to meet demand whilst providing opportunities for competition between airports. The Airports Commission's analysis suggests that one net additional runway in the South East is needed by 2030, and a likely demand case for a second additional runway by 2050¹⁸. The decision on where to add capacity needs to ensure that each market segment is addressed, i.e. low cost and network carriers, and should not only benefit hub airlines. A range of connectivity needs must be provided, i.e. short haul and long haul to existing and emerging market destinations.

Building on the success of existing airports will enhance the UK's status as Europe's most important aviation hub; without the risk of this being lost while a new hub airport is being built and no investment takes place at existing airports given that they would be closed or significantly downsized. This solution can also be delivered in a much shorter timescale than building an entirely new hub airport.

3.6 Economic benefits

Expanding existing airports will bring economic benefits to London, the South East and the whole of the UK. Benefits will also be spread to regional economies with growth at regional airports. This will help the Government's objective to re-balance the economy both geographically and towards the private sector.

Jobs will be created directly and indirectly at each airport. Induced and catalytic jobs will be created through agglomeration as businesses locate near to the airports. This approach builds on the existing success of airport development in the South East, such as the agglomeration of businesses around Heathrow and Gatwick, rather than risk losing them if a new hub airport was built elsewhere.

¹⁸ Airports Commission, Interim Report, December 2013

Passengers have a choice as to which airport they use and competition between the airports, as they are in separate ownership, should result in a competitive industry. This will be beneficial to the UK economy rather than all aviation activity being based at a single new hub airport. The cost of building a new runway at either Heathrow or Gatwick is far less than for building a new four runway airport, therefore will result in lower fare increases for passengers as airport charges to recoup the investment will be lower. The Airports Commission estimates that in order to repay the debt required to finance an Estuary airport, aircraft landing charges would need to be around three times the Heathrow level set by the CAA¹⁹.

Overall the national economy will benefit as London will continue to be the best connected city in Europe and one of the best connected in the world. The London multi-airport system will be able to compete with the hub airports at Amsterdam, Paris and Frankfurt. It is also essential that the UK has a level playing field with Europe in regards to Air Passenger Duty (APD) as explained in Chapter 2. Therefore action is also needed to correct this competitive disadvantage to ensure that UK airports are able to compete with their European rivals.

3.7 Cost implications

A second runway at Gatwick could be delivered for around £5 billion - £9 billion or a third runway at Heathrow for between £14bn and £18bn. These investments would be financed by the private sector with public subsidy to support the required surface access improvements.

Investment at regional airports, where significant capacity exists already, is minimal in comparison as the runways already exist. Terminal improvements may be needed but these would come online incrementally as the airports grow.

Development of existing airports and the required surface access infrastructure is of far lower cost, more deliverable and more reliant on private sector rather than public sector funding, compared to a new hub airport in the Thames Estuary. The costs of a new hub airport are discussed in Chapter 4.

3.8 Surface access – an integrated air-rail transport system

Key to proposals to expand existing airports is improved surface access by rail. Investment is needed in existing infrastructure and alterations to service patterns in combination with planned new infrastructure, e.g. HS2 and CrossRail, to provide good connectivity to airports

¹⁹ Airports Commission, Interim Report, December 2013

to create an integrated air-rail transport system. This will improve journey times from major business and population centres for users of aviation services and enhances existing transport corridors.

Although rail improvements will help to facilitate sustainable surface access to airports, and help to mitigate the effects of increased road congestion from access traffic as the airports grow; improvements to road access will also be needed. As with the rail investment, improvements to the highway network, both strategic and local, will also provide significant wider economic benefits to regional and national economies, in addition to directly enhancing accessibility to the South East's airports.

3.9 Noise and environmental impacts

There will be additional greenhouse gas emissions, air quality and noise issues for new runways at all airports, therefore it is essential that the proposed airport expansions are only permitted with appropriate restraints, adequate mitigation measures and substantial compensation.

The proposed expansion of existing airports does far less environmental damage than constructing a new hub airport with new surface access infrastructure in the Thames Estuary, which would impact on many designated sites of local, national, European and international significance. These impacts are explained in Chapter 4.

However, although KCC is generally supportive of growth in aviation, it must not come at the expense of people's health and wellbeing. Therefore steps must be taken to safeguard against pollution from aviation, including noise. KCC urges that there are improvements to the noise environment around all airports.

KCC welcomes technological advances in aircraft design that reduce noise and expects the aviation industry to continue the trend of manufacturing quieter aircraft. KCC supports the implementation of noise mitigation measures including rotating respite, where appropriate, and following consultation with the communities affected. Further investigation by the aviation industry is needed into noise abating operational procedures, for example, increasing the angle of descent so that the area affected by arrivals noise is reduced with aircraft at higher altitudes on approach.

Continuous over flight of arriving aircraft into Gatwick causes significant detrimental impact for residents of West Kent and impacts on the tranquillity of the countryside, including Areas of Outstanding Natural Beauty (AONB); where the CAA discourages over flight, if

practical, below 7,000ft²⁰. KCC urges that aircraft avoid flying over the major tourist attractions that are of significant national heritage value in West Kent.

Night flights at Gatwick are also very frequent due to a lower quota set by the DfT compared to Heathrow, and sleep disturbance has detrimental effects on the health of people living under flight paths. KCC has made the case to Government for a reduction in night flights at Gatwick so that the number of permitted night movements is more comparable with the quota set by the DfT for Heathrow. KCC is against night flights that disturb residents; however, KCC recognises the economic arguments for allowing limited night flights in the shoulder periods, particularly long haul flights from emerging economies, which bring economic benefits to the UK. KCC's views on noise have been submitted to the Airports Commission in response to the discussion paper on aviation noise (September 2013)²¹.

Expansion of capacity with additional runways will lead to an increase in air traffic movements and that will inevitably mean that more people will be affected by noise, or the same people who are affected now, will be subjected to more noise or more frequent noise. It is therefore imperative that measures are taken to minimise and mitigate this impact. Where this is not possible, compensation should be given to those affected and this must be applicable to noise impacts generated by both arriving and departing aircraft and not limited to the 57 dB LA_{eq} noise contour. Noise must be measured in a way that takes account of how people experience noise, rather than the current system of 'average' noise contours measured by the LA_{eq} metric.

KCC supports the principle of establishing an independent aircraft noise authority as recommended by the Airports Commission in its interim report in December 2013. The body should provide expert and impartial advice about the noise impacts of aviation and facilitate the delivery of future improvements to airspace operations²².

Although KCC supports the Government policy to limit and, where possible reduce the number of people in the UK significantly affected by aircraft noise²³, this should not be achieved by moving the problem to other parts of the South East, as this would expose new populations to noise who were not previously affected. This would be the case with a new hub airport to the east of London in the Thames Estuary, which is resolutely opposed by KCC.

²⁰ DfT, Guidance to the Civil Aviation Authority on Environmental Objectives Relating to the Exercise of its Air Navigation Functions, January 2014

²¹ Airports Commission, Discussion Paper 05: Aviation Noise, Response from Kent County Council, 6 September 2013

<https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20County%20Council%20Aviation%20Noise.pdf>

²² Airports Commission, Interim Report, December 2013

²³ Aviation Policy Framework, March 2013

3.10 Benefits to people

The passenger experience in terms of choice, cost and accessibility will be improved as passengers will be able to choose which airport to use based on convenience for them, rather than having to use a new hub airport on the Isle of Grain; and through the enhanced competition that this model will create, lower fares should result.

The social impacts of airport expansion will be both positive, in terms of job creation and economic prosperity, and negative in terms of noise and health. It is vital that communities feel the benefits with adequate new community facilities, schools, hospitals etc that will be needed for the increased population that will grow around the expanded airports. This will put pressure on local housing stock and create a significant need for new development. However, this would be less than that required for a new hub airport built in an area that does not already experience these demands, such as a new airport in the Thames Estuary. The potential impacts of a new hub airport are fully explained in Chapter 4.

3.11 Operational viability

Although there would be some requirement to redesign airspace to accommodate the additional air traffic movements arising from new runways, these existing airports are already part of the UK airspace system and the London Terminal Control Area. A new airport in the Thames Estuary would require a complete re-design of UK and Northern European airspace.

Operational resilience would be enhanced with multiple airports capable of handling the traffic rather than relying on one new principal hub, therefore maintaining the UK's connectivity in the event of disruption from bad weather or other unforeseen events.

3.12 Deliverability

Gatwick Airport Ltd is likely to be able to deliver a second runway by the mid 2020s and Heathrow Airport Ltd state that they are able to deliver a third runway between 2025 and 2029²⁴. Risk of non-delivery is low as both airport operators are keen to expand their businesses.

²⁴ Gatwick Airport Ltd: Airports Commission: Proposals for providing Additional Runway Capacity in the Longer Term, Gatwick Airport Ltd response, Airports Commission: London Gatwick 008, 19 July 2013; and Heathrow Airport Ltd: Airports Commission: Long-term hub capacity options, Heathrow Airport Ltd response, 17 July 2013.

Regional airports e.g. Lydd and Southend are already in a position to accommodate extra passengers and could take flights that are currently using congested airports; therefore easing capacity constraints in the short and medium term while new runway capacity at the main London airports is developed over the longer term.

The majority of the surface access improvements for rail schemes are already planned and funded, therefore negating the risk of non-delivery. The further improvements that are needed can also be justified on the benefits that they will bring for rail passengers, or road users, and their wider economic impacts in addition to supporting growth at existing airports; providing the backbone of the UK's transport infrastructure.

3.13 Summary

Expanding the existing main London airports, better utilisation of regional airports and improved surface access by rail, is a solution which is far more deliverable, affordable, less environmentally damaging and more economically beneficial than building a new hub airport in the Thames Estuary, and will satisfy the UK's long term aviation needs.

KCC advocates the following approach to providing the UK's aviation connectivity needs:

- Immediate action to keep UK airports competitive with European airports in terms of Air Passenger Duty (APD). This currently has a negative impact on the UK's global connectivity and is therefore damaging UK business and tourism; especially to long haul and emerging economies as the UK loses out to its European competitors.
- Expansion of existing London airports, as this provides an affordable and mainly privately financed solution which can be delivered within the required timescale, i.e. by 2030 when the Airports Commission recommends that one net additional runway in the South East is needed. Heathrow and Gatwick airports have both put forward credible options for expansion which have been shortlisted for appraisal by the Airports Commission.
- Better utilisation of regional airport capacity in the South East, such as at Southend and Lydd Airport in Kent, for point to point flights, complementing the main London airports that provide 'hub' operations.
- Improved rail connectivity to airports to create an integrated air-rail transport system for London and the South East that facilitates sustainable surface access to the growing airports; and provides the potential for better integration of the London/South East multi-airport system.
- A National Policy Statement (NPS) needs to be created by Government following the work of the Airports Commission to give policy support for existing airport expansion (as outlined above) and also preventing the development of a new hub airport so that the UK can resolve the airport capacity issue within the required timescale.

- An independent noise authority should be set up by Government (as recommended by the Airports Commission) and measures taken to properly measure, minimise and mitigate the noise impacts of existing airport operations and airport expansion.

DRAFT

4 Reasons for opposing a new hub airport

4.1 The Airports Commission's Interim Report (December 2013)

In December 2013 the Airports Commission, chaired by Sir Howard Davies, released its Interim Report which did not shortlist any options for a new airport in the Thames Estuary as a solution to the long term additional aviation capacity needs of the UK. However, at the same time, it did not rule out an inner Thames Estuary Airport situated on the Isle of Grain, stating that there was not sufficient conclusive evidence to either shortlist or discard it as an option. Therefore, the Commission is conducting further feasibility work for an airport on the Isle of Grain and will make a decision as to whether to add this option to the shortlist by September 2014. If shortlisted, the Isle of Grain airport proposal will then be appraised and undergo a national public consultation before the Commission publishes its final report and recommendation to Government in summer 2015.

Kent County Council's position remains, in that it does not consider the development of a new hub airport on the Isle of Grain, or anywhere within the wider Thames Estuary, a viable solution and resolutely opposes any such development.

4.2 Affordability and deliverability

Of key concern is the cost of a new hub airport and the likelihood of raising the investment required for its development. For similar proposals for the development of an airport on the Isle of Grain there are wide discrepancies between the cost estimates, which questions their legitimacy. Both Foster & Partners and Transport for London (TfL) propose a four runway hub airport on the Isle of Grain, however their estimated costs differ by over £23bn (£24bn compared to £47.3bn respectively).

The accuracy of even the higher cost figure estimated by TfL is debatable. The Parsons Brinckerhoff study for the South East Local Enterprise Partnership²⁵ stated that the upper limit of the £40bn-£70bn range of estimated costs being discussed for an Estuary hub airport in May 2012 was a conservative figure. The study also reminded us that large UK infrastructure projects, much less technically complex than this, have suffered considerable cost overruns. The Airports Commission agrees with these higher costs estimates as its own

²⁵ Parsons Brinckerhoff, Airport Study for the South East Local Enterprise Partnership: Research Study – Greater South East Airport Capacity, May 2012

analysis suggests that the overall cost could be as high as £82-112 billion, including surface access costs and allowances for risk and optimum bias²⁶.

Aside from issues of whether the estimates are accurate, is the question of affordability, as the airport development assumes that private investment will be forthcoming, which is by no means guaranteed. Recent analysis by Oxera for the Transport Select Committee suggests that a new hub airport would not be commercially viable, representing 'a risky investment project', and that substantial public support/subsidy in the range of £10-30bn would be needed²⁷.

In contrast, alternatives to an Estuary airport are more affordable and require less public investment. A second runway at Gatwick is estimated to cost between £5 billion and £9 billion, depending on the runway option selected. According to Gatwick Airport Ltd, initial estimates indicate that a new runway and airport facilities could be funded privately, has a viable business case and the airport would share with Government a proportion of the cost of improved rail and road infrastructure²⁸. Heathrow Airport Ltd state that the cost of a third runway and associated terminal and apron infrastructure is between £14bn and £18bn, depending on the runway option selected, and estimate that £4-6bn might be more appropriately funded by Government²⁹.

Capacity issues need to be addressed now if London is to retain its premier position as a global aviation hub. Improvements in operational procedures and lifting of restrictions will provide some extra capacity but will not ensure that the UK remains competitive with other major European airports in the longer term. However a new hub airport would not enable that competitiveness either. Estimates for delivery of a new hub airport range between 7 and 16 years but this is for construction alone. Before this, the proposals will have to overcome a number of planning obstacles, as well as raising the aforementioned capital. It is therefore reasonable to estimate that a new hub airport would take at least 20 years to be delivered, by this time the UK will have lost too much ground to our European competitors. A more immediate solution is presented by Gatwick or Heathrow, where an additional runway at either airport could realistically be opened as early as 2025/26, providing that the Government accepts the recommendation of the Airports Commission in 2015 and swiftly adopts a National Policy Statement (NPS) in 2015/16 leading to a Development Consent Order in 2018/19³⁰.

²⁶ Airports Commission, Interim Report, December 2013

²⁷ Oxera, Would a new hub airport be commercially viable? A report prepared for the Transport Committee, January 2013

²⁸ Gatwick Airport Ltd: Airports Commission: Proposals for providing Additional Runway Capacity in the Longer Term, Gatwick Airport Ltd response, Airports Commission: London Gatwick 008, 19 July 2013

²⁹ Heathrow Airport Ltd: Airports Commission: Long-term hub capacity options, Heathrow Airport Ltd response, 17 July 2013.

³⁰ Gatwick Airport Ltd: Airports Commission: Proposals for providing Additional Runway Capacity in the Longer Term, Gatwick Airport Ltd response, Airports Commission: London Gatwick 008, 19 July 2013; and Heathrow

Considering cost, affordability, deliverability and timescales, a new hub airport in the Estuary would appear to be too big a risk on which to stake the future of the UK economy.

4.3 Impact on community, housing, employment and deprivation

4.3.1 Impact on local community and development land availability

An airport development on the Isle of Grain would require a significant land take and the removal of whole communities. There has not been such a sweeping demolition since the Second World War.

The population of the Peninsular ward (see Figure 1), which largely mirrors the footprint of the Isle of Grain airport, is 12,882³¹; the majority of which would be displaced or, at a minimum, significantly affected by the proposed hub airport. In addition, the population of the Strood Rural ward (see Figure 2) has the potential to be significantly affected by an airport on the Isle of Grain – some 13,463 people. Many of those displaced by the development would need to be re-homed within the Medway area.



Maps reproduced by permission of Ordnance Survey on behalf of HMSO. © Crown copyright and database right 2009. All rights reserved. Ordnance Survey Licence number ONS GD727183

Figure 1 - Peninsular Ward



Maps reproduced by permission of Ordnance Survey on behalf of HMSO. © Crown copyright and database right 2009. All rights reserved. Ordnance Survey Licence number ONS GD727183

Figure 2 - Strood Rural Ward

In December 2013 there were 11,142 people claiming unemployment benefit within the North Kent region (Dartford, Gravesham, Medway and Swale) and a further 16,001

Airport Ltd: Airports Commission: Long-term hub capacity options, Heathrow Airport Ltd response, 17 July 2013.

³¹ Based on the mid-2007 population estimates, Office for National Statistics, 2009

throughout the rest of Kent³². If the job creation figures, upwards of 100,000, associated with a new hub airport in the Estuary are correct, this will place further pressure on the housing stock within the Medway and wider North Kent area. Whilst unemployment varies over time, there will clearly be a large proportion of airport staff looking to move into the area from elsewhere in order to fill the posts that cannot be filled by the small size of the available indigenous labour market; some will commute, but this in itself places a strain on the rail and road infrastructure. The significant housing levels needed to cope with the influx of workers for the airport, are not available.

Medway and North Kent were part of the Thames Gateway Growth Area and the now revoked South East Plan (subsequently modified by Local Plans) identified a housing requirement of 52,410 dwellings in North Kent between 2011 and 2031. The South East Local Enterprise Partnership (SELEP) Strategic Economic Plan (SEP)³³ states that Thames Gateway Kent has the capacity to accommodate 24,000 homes by 2021. In the Thames Gateway South Essex, the SEP identifies an additional 14,427 homes in the A13 Corridor (Thurrock to Canvey Island) and a further 34,105 homes along the A127 Corridor (Basildon to Southend) by 2021. This forecast housing requirement has been predicted on existing pressures (with long term demand already exceeding supply) and does not take into account the significant housing pressure that a new airport would impose.

In addition to the economic growth locations identified within the former Thames Gateway Delivery Plan, there are now a number of new economic drivers placing further pressure on land availability in the Thames Gateway, including the development of a third Thames Crossing and the major development of a world-class leisure facility on the Swanscombe Peninsula. The announcement by the Government in March 2014 for a new 'Garden City' at Ebbsfleet, initially with 15,000 new homes, is to help meet housing demand in the South East from background growth without even considering the housing pressure arising from a national hub airport in the area. Scope for the significant development that an airport would generate is therefore likely to be more constrained than the headline brownfield land availability figures suggest.

It is therefore not appropriate to view the Thames Gateway area as a blank sheet of development land that could accommodate a new hub airport and the associated infrastructure and housing it would require.

4.3.2 Unemployment and deprivation

³² Kent County Council: Unemployment in Kent, Research & Evaluation Statistical Bulletin, January 2014 (source data: NOMIS Claimant Count)

³³ South East LEP: Growth Deal and Strategic Economic Plan, March 2014

Proponents of an airport in the Thames Estuary claim it brings much needed job opportunities and benefit to the area. As we have already seen, these job opportunities will actually place increased pressure on an already creaking infrastructure. Furthermore, unemployment and deprivation within North Kent is already being addressed locally.

As of December 2013, 5,204 people were claiming unemployment benefit in the Medway area, 5,938 in North Kent (Dartford, Gravesham and Swale) and a further 16,001 throughout the rest of Kent³⁴. Although there is an issue with unemployment in North Kent, and particularly Medway, Job Seekers Allowance (JSA) claimant counts are falling; and developments at Ebbsfleet Valley, Eastern Quarry and Bluewater are predicted to see the creation of 58,000 jobs, with the proposed Paramount Park on Swanscombe Peninsular creating an additional 27,000 jobs.

The Government's Index of Multiple Deprivation (2010) shows that none of the North Kent districts (Swale, Medway, Gravesham and Dartford) are in the top quarter of the most deprived in England, with Dartford less deprived than the national average.

This is not to dismiss that North Kent does contain some very deprived communities when measured at the Local Super Output Area (LSOA) level, i.e. neighbourhood level. However whilst there are some 51 LSOAs in North Kent that are in the 20% most deprived nationally, these account for only 13.9% of the LSOAs in North Kent. Therefore, although there are pockets of significant deprivation, the overall concentration of deprivation is actually better than the national average. It is also wrong to assume that the airport would improve this deprivation. Hounslow contains 12 LSOAs in the 20% most deprived nationally despite being on Heathrow's doorstep, a higher proportion of the borough than is the case in Dartford.

4.4 Transport infrastructure resilience

The transport infrastructure that is currently in place is wholly inadequate for both passengers and staff travelling to an airport in the Thames Estuary. Poor transport links into the most extreme south eastern corner of the UK, and the extensive investment that would be required to address this, is one of the many good reasons why North Kent is not a suitable location for a national hub airport. The Airports Commission's own analysis concludes that an Isle of Grain airport would be 33 miles from central London (compared to 15 for Heathrow and 25 for Gatwick) and its easterly location makes it less convenient for the majority of UK travellers. Even with significant surface transport enhancements

³⁴ Kent County Council: Unemployment in Kent, Research & Evaluation Statistical Bulletin, August 2013 (source data: NOMIS Claimant Count)

(estimated to cost £24 billion before any adjustment for risk and optimism bias), the population likely to be living within 45, 60 and 120 minutes travel of the airport would be lower than Heathrow and only broadly similar to Gatwick³⁵.

The Commission also state that securing planning permission for and delivering surface transport investment on the scale to support an airport opening date prior to 2030 (the timeframe for needing additional runway capacity) would be extremely challenging, particularly given the overlap with the construction period for High Speed Two (HS2)³⁶.

4.4.1 Road infrastructure

In terms of road transport, the A2 currently has capacity issues at key junctions that need to be significantly upgraded to cope with the planned growth in the Thames Gateway, without the additional traffic generated by an airport. Pinch points at Ebbsfleet junction and Bluewater/Bean junction need to be improved to provide access to the aforementioned new homes and jobs in the area. The A2 is not motorway standard and has many local access junctions. Within the M25 boundary, access to and from central London via the A2 is limited to a two lane dual carriageway for most of the route.

Passengers and staff commuting by road from the wider South East catchment would likely travel around London on the M25, the capacity of which is already reached in many sections. The southern section of the M25 is being upgraded as a managed motorway with permanent hard shoulder running between junctions 5 and 7 in order to alleviate the congestion that already exists. Less than 60% of journeys on this section of the M25 are 'on time' according to the latest DfT statistics³⁷.

Access to Kent from north of the Thames is severely restricted due to the strategic bottleneck of the Dartford Crossing and this is a key inhibitor of commuting from Essex and Thurrock into Kent. The 2013 DfT consultation on corridor options for a New Lower Thames Crossing identified that a new crossing is needed now in order to deal with current and forecast traffic growth, and did not assume traffic demand from a new nationally significant hub airport. The existing crossing operates above its design capacity for an average five days in every seven and the average delay for 50% of vehicle journeys is in excess of 9 minutes. The DfT forecasts traffic growth of 41% by 2035³⁸, which on top of existing congestion levels demonstrates the need for extra capacity before traffic growth associated with a new airport is even considered. Therefore a new Lower Thames Crossing is needed now to

³⁵ Airports Commission, Interim Report, December 2013

³⁶ Airports Commission, Interim Report, December 2013

³⁷ DfT, Reliability of journeys on Highways Agency's motorway and 'A' road network, England: April to June 2013, Department for Transport Statistical Release, 8 August 2013.

³⁸ DfT, Road Traffic Forecasts, 2011

alleviate current and forecast traffic growth and would not be sufficient to deal with the additional capacity associated with a Thames Estuary airport located on the Isle of Grain.

4.4.2 Rail infrastructure

In terms of rail access to a new airport for staff and passengers, firstly it is questionable whether all passengers would be able to use rail services to access the airport given that passenger services on the rail network do not operate 24 hours a day. Such services would be required by those needing to arrive at the airport for early flights or needing onward transport after landing late at night; and airport staff working shift patterns around the clock.

With the exception of domestic services on High Speed One (HS1) with Ebbsfleet 17 minutes from St Pancras, Gravesend 23 minutes and Rochester 37 minutes, rail services from central London are slow – for example, Gravesend is 57 minutes and Rochester 73 minutes from Charing Cross. The estimated journey time from Central London (Bond Street) to Abbey Wood using Crossrail is 25 minutes; with Abbey Wood to the Isle of Grain a further 30 miles, journey times from Central London on an extended CrossRail would be far in excess of an hour. The journey from West London would be even longer. Therefore travel by mainline rail services to an Estuary airport would have unattractive journey time for both passengers and staff. This is similarly the case for staff wishing to commute from the Heathrow area to their relocated site of employment.

Dependence on the high speed rail line to meet the public transport demands of an Estuary airport is a mistake as there are capacity restrictions which make it inadequate for serving a new hub airport. Basic calculations of the rail demand from a new hub airport demonstrate that there is insufficient passenger capacity on HS1. Demand will exceed capacity by 78% just from air passengers using HS1 to travel to the airport before existing or future commuting passengers have been taken into account.

Considering all the limitations of the current HS1 infrastructure, at least a doubling of the capacity of HS1 is required; that being four tracking of the line and a doubling of the platform capacity at St Pancras or use of a new London terminus station. It is also important to note that a high speed rail service is not a metro and will never be able to achieve a metro frequency of a train every 2 and a half minutes (24 trains per hour).

Many of the Thames Estuary airport proposals are predicated on a high proportion of passengers and staff accessing the airport by rail, with mode share of around 60%. This is unrealistic given a comparison with other European hub airports. Schiphol has a high public transport mode share given the airport's excellent rail connectivity to the Dutch and trans-

European rail network and a journey time to the centre of Amsterdam of around only 15 minutes. Despite this, its share of passengers arriving at the airport by rail or bus was only 38.2% in 2012³⁹. One must therefore conclude that there would be significant increased pressure on the already inadequate road infrastructure, as the majority of passengers and staff would need to drive in order to access an airport on the Isle of Grain.

4.5 Safety and conflicts with other Estuary industries

There is significant risk associated with locating the airport in the Thames Estuary. Richard Deakin (Chief Executive Officer of National Air Traffic Services) has stated that an airport in the Thames Estuary would be in the “very worst spot” for the south-east's crowded airspace, directly conflicting with Heathrow, Gatwick, Stansted, Luton and London City flight paths (in addition to Schiphol, Amsterdam)⁴⁰. The difficulties with redesigning the whole of the south east airspace to accommodate a new airport is illustrated by Richard Deakin's statement that it would be “more cost effective to add another lane onto a motorway in the sky, (i.e. extra capacity at existing airports), than re-design the road network to accommodate, for example, an Estuary airport”⁴¹.

The Estuary airport has been assessed to have the highest risk of bird strike in the UK (twelve times higher), even with extensive management measures. This is not surprising given that around 300,000 migratory waterbirds visit the area every winter for feeding and roosting, and many thousands more pass through on migration in the autumn and spring. The RSPB believes that the size of the Estuary and the number of birds involved would make it impossible to prevent these birds from stopping in the Estuary on an annual basis. The extent of the measures necessary to reduce the risk of bird strike to acceptable levels would be highly detrimental to the Special Protection Areas (SPAs) and in conflict with the legal protection afforded to this designation for their bird populations.

An airport in the Estuary would have to contend with the weather, which is far more susceptible in this location to fog due to the local micro-climates created around coastal areas. Research carried out over a five year period by the Met Office has shown that there is three times as much fog in the Thames Estuary in comparison to Heathrow Airport.

Within the Estuary itself is the hazard of the SS Richard Montgomery, a World War II liberty ship which sank in 1944, 1km off the coast of Sheerness and is packed with approximately 1,500 tonnes of unexploded ammunitions. Various tests and examinations of the ship have

³⁹ Schiphol Group Annual Report, 2012

⁴⁰ <http://www.theguardian.com/uk/2012/apr/13/thames-hub-airport-worst-spot>

⁴¹ Transport Committee Oral Evidence, 10 December 2012, House of Commons Transport Committee: Aviation Strategy, First Report of Session 2013-14, Volume 2 – Oral and Written Evidence

suggested that if the wreck exploded it would likely result in one of the biggest non-nuclear blasts, creating a metre high tidal wave.

Further to these safety risks are conflicts with other industries operating within the Estuary. On the Isle of Grain is Thamesport, one of the UK's busiest container ports, a liquid natural gas plant and EON Grain power station. These would need to be relocated if an airport were developed on this peninsular, a considerable task; and if marked for closure would put added pressure on the UK's limited energy supplies.

The Grain Liquefied Natural Gas (LNG) plant has the capacity to supply up to 20% of the UK's gas demand and is the 8th largest terminal in the world. National Grid plans to expand the capacity of the facility by a third by 2018 as North Sea gas supplies decline. The LNG plant is also already in the process of expanding its operation with land set aside for future development as the coal power plant is closed. The facility, which has already had £1.1 billion of investment, would be expensive and take time to re-build elsewhere. It would also need to be relocated and the new site fully operational before the current site could close, otherwise there would be a shortfall in gas supply to the UK. In addition, finding a suitable deep water site with available land in the UK could be a significant challenge.

The recent development of the London Gateway Port and logistics park in South Essex provides 2,700 metres of quay and six deep water berths with an annual capacity of 3.5 million TEU (twenty foot equivalent units, i.e. a standard size container) and a 9 million square foot logistics park⁴². The London Gateway Port will create 12,000 direct jobs and generate around 20,000 indirect jobs⁴³. This is a key part of the South East LEP's economic plan, creating jobs associated with shipping, a traditional industry around the Thames Estuary. A concern would be that a new airport in the Thames Estuary has the potential to change sedimentation and estuarine processes that could negatively impact on the port's operation.

Within the Thames Estuary there are two offshore wind farms; Kentish Flats and the London Array, the world's largest offshore wind farm which is able to generate enough electricity to power nearly half a million homes a year (two thirds of the homes in Kent) and reduce CO2 emissions by 925,000 tonnes a year. Both of these wind farms could interfere with radar activity for aircraft on both take off and final approach towards the airport. Phase 2 of the London Array wind farm development will not proceed due to environmental challenges and concerns over the impact on the habitat of the Red Throated Divers that overwinter in that part of the Thames Estuary⁴⁴. This demonstrates that bird populations within this SPA

⁴² London Gateway Port: <http://www.londongateway.com/the-port/> accessed 06/05/14

⁴³ South East LEP: Growth Deal and Strategic Economic Plan, March 2014

⁴⁴ London Array to stay at 630mw <http://www.londonarray.com/2014/02/19/london-array-to-stay-at-630mw/> accessed 14/03/14

can halt this type of development and similar constraints would prevent the construction of a Thames Estuary airport.

4.6 Destruction of an internationally important wildlife haven and other national assets

4.6.1 Natural environment

The Estuary airport would be situated in an area of international environmental importance, which provides habitat for a wealth of internationally important bird species. The Thames Estuary has large areas designated as Special Protection Areas and Special Areas for Conservation and is covered by the Ramsar International Convention on Wetlands, recognising how important the Estuary is for birds. As the area falls under the EU Habitats Directive, any airport development would need to satisfy a number of tests in order to proceed, not least the need to maintain the favourable conservation status of the European Protected Species within their natural range.

Provision of successful, functioning compensation habitat and mitigation of the scale and nature that would be required by the airport development has never been achieved before; nor is it clear where this could be undertaken. Assuming compensatory measures can be provided; these measures must be in place and be shown to be functioning effectively for wildlife before the development starts. When this is considered, the delivery timescale for a new airport by 2030 is unrealistic.

The RSPB habitat creation project at Wallasea Island provides some indication of the costs and timescales involved in creating intertidal and grazing marsh habitat. This £50 million project is creating 670 hectares of wetland habitat and has a construction period of 10 years. An airport based on the Isle of Grain would result in the loss of 1,700 hectares which would need to be compensated for at a likely ratio of between 2:1 and 3:1. It is therefore clear that on the scale required to compensate for an Estuary airport, costs and construction times would be significantly higher than those for Wallasea Island.

Any airport built within the Estuary would have the potential to change the hydrological and sedimentary regimes of the Estuary. The intertidal habitats which support the internationally and nationally important bird populations of the area are dependent on the stability of these regimes and are crucial to the Thames Estuary ecosystem, whilst also contributing to the management of flood risk.

Building significant infrastructure such as a hub airport in an area particularly vulnerable to sea level rise and flooding will place immense burden for the maintenance of defences and restrict the manner in which flood management can be delivered.

The Thames Estuary is a significant nursery and spawning ground for many commercially important fish and hosts important shellfisheries. The health of these fisheries is important to the ecosystem as a whole, in addition to their economic and anthropogenic importance. Protected species such as short-snouted seahorses, common and grey seals and cetaceans are also known in the waters of the Thames Estuary. The significance of the marine environment has been recognised by the recommendation of Marine Conservation Zones (MCZ) for the Thames Estuary, Medway and Swale, the purpose of which is to protect nationally important marine wildlife, geology and geomorphology.

4.6.2 Historic environment

The Thames Estuary is extremely rich in archaeological remains from the Palaeolithic to the late 20th century, including many sites, monuments and buildings of national and international importance. The Estuary has formed an arterial route into the heart of England for 400,000 years and has been strategically important for defence, communication and trade throughout history; as a result it contains numerous historic fortifications and wrecks, alongside earlier buried landscapes and industrial activity such as pottery and explosives manufacture.

Because of its strategic position the Estuary has always been important for defence of the realm, with many nationally important sites from the Tudor period to the Cold War. These include the 19th century fortifications at Grain and Cliffe, the Royal Dockyards at Chatham and Sheerness, and the WWII Maunsell Sea Forts located in the Estuary on Red Sands and Shivering Sands. The north coasts of the Hoo peninsula and Sheppey are particularly important historically because of their key positions protecting access to the inner Thames Estuary, Medway Estuary and Swale sea channel respectively.

The Estuary's coastal marshes provide a rich record over the last half million years of human exploitation of a changing landscape as sea-levels have fallen and risen with alternating cold and warm periods. Over the last two thousand years there is important evidence for settlements and industrial activity, often those which made use of the remote location (monasteries and gunpowder manufacture) or rich resources (pottery, salt or cement manufacture).

Within the airport footprint on the Isle of Grain there are significant heritage assets, which includes but is not limited to two scheduled monuments, 15 listed buildings and 114

archaeological sites. Around the estuary there are also numerous nationally important archaeological sites which are currently not-designated and several are currently under consideration for designation.

4.7 Impact on Heathrow and on other existing airports

An Estuary hub airport would only succeed if Heathrow was closed. Redevelopment of the Heathrow site to provide housing and other commercial opportunities may go some way to addressing the loss of the 114,000 jobs⁴⁵ in west London associated with Heathrow but there will still be a significant detrimental effect in the areas and along the M4, M40 and M3 corridors should the airport be forced to close. If Heathrow did close, it is uncertain whether businesses would stay in their existing location, relocate to the vicinity of a new hub airport in the Thames Estuary or whether they would leave the UK entirely, which would have a devastating impact on the national economy.

Many operators currently at Heathrow are opposed, with nine of the ten major airlines currently based at Heathrow not wanting to move⁴⁶. Willie Walsh, Chief Executive of International Airlines Group (IAG) which owns British Airways (BA) and Iberia, has said “Why would we move? Look at how much has been invested in Heathrow, look at the location. Heathrow is a global brand. BA won’t leave so other airlines won’t leave either. The level of investment required, the capital commitment and the return that would be required would make the operating costs of the [Estuary] airport so high that nobody would want to fly there”⁴⁷.

Should Heathrow be forced to close, compensation would be required for the existing airport owners and users, estimated by the Oxera report⁴⁸ to potentially be as high as £20bn. Despite the significant cost, this has not been adequately considered by the promoters of a new hub airport and calls into question further the cost estimates associated with their proposals.

An Isle of Grain airport would also result in the closure of London City and London Southend airports due to conflicting airspace operational requirements. Both of these airports have invested significantly in their infrastructure in recent years and closure would inflict damage on regional economies.

⁴⁵ Optimal Economics, Heathrow Related Employment, 2011

⁴⁶ Survey by Medway Council, 2010

⁴⁷ The Telegraph, 18 January 2012

<http://www.telegraph.co.uk/finance/newsbysector/transport/9023843/BAs-Willie-Walsh-says-he-will-not-be-checking-in-at-Boris-Island.html>

⁴⁸ Oxera, Would a new hub airport be commercially viable? A report prepared for the Transport Committee, January 2013

4.8 Summary

Given all the above, it is clear that an Estuary airport is not a viable option. If the UK is to act quickly in order to address current issues and meet future aviation demand in order to retain its premier position as a world aviation hub, a more realistic and affordable solution needs to be delivered within the timeframe identified by the Airports Commission, i.e. by 2030. KCC does not consider that any more time should be spent considering a new airport proposal that clearly cannot proceed and re-affirms its opposition on the basis of facts and arguments presented in this chapter.

DRAFT

5 Conclusion and recommendations to Government

To conclude, Kent County Council (KCC) supports growth in UK aviation in order to improve the UK's connectivity and competitiveness, thus supporting economic growth and job creation. KCC advocates that the best solution to the UK's aviation hub needs is to utilise, improve and expand existing airports, together with improved surface access by rail.

KCC is of the belief that there is no sound evidence for a new hub airport in the Thames Estuary. There are many economic, social and environmental reasons against such a development; one of which would be the forced closure of Heathrow and the devastating impact this would have on the west of London economy. This would be harmful to the UK's global connectivity and be to the detriment of the national economy. KCC is therefore robustly opposed to a new airport in the Thames Estuary.

Kent County Council commends the following recommendations to Government:

- The need for correction of the UK's competitive disadvantage in terms of APD.
- The creation of a National Policy Statement (NPS) for airports that supports the growth of existing airports with one net additional runway added in the South East by 2030.
- The NPS should not, however, support the development of new airports.
- The NPS should support a phased approach to adding runway capacity to keep pace with demand, therefore allowing existing airports to add additional runway capacity when the need arises, most likely a second net additional runway in the South East by 2050.
- The need for better utilisation of regional airports, especially in the short and medium terms, as this will provide much needed capacity across the South East and bring significant economic benefits to regional economies.
- Investment is needed to improve surface access to airports; especially rail access and the development of an integrated air-rail transport system that will be beneficial to London and the South East's connectivity to global markets.
- An independent noise authority should be set up (as recommended by the Airports Commission) and measures taken to properly measure, minimise and mitigate the noise impacts of existing airport operations and airport expansion.
- Proposals for a new hub airport must not be progressed any further. Action is needed now and this can only be achieved by building on the UK's existing airport infrastructure.

In the interests of the national economy, action on these issues is needed now.

6 Background documents

Bold Steps for Aviation, Discussion Document, Kent County Council, May 2012 with revisions July 2012 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Bold%20Steps%20for%20Aviation%20May%202012%20revised%20July%202012.pdf>

Airports Commission, Proposals for making the best use of existing airport capacity in the short and medium term, Response by Kent County Council, 23 May 2013 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20County%20Council%20-%20submission%20on%20making%20the%20best%20use%20of%20existing%20airport%20capacity%20in%20the%20short%20to%20medium%20term.pdf>

Airports Commission, Proposal for providing additional airport capacity in the longer term, Response by Kent County Council endorsed by Medway Council, 19 July 2013 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20County%20Council%20-%20proposal%20for%20additional%20airport%20capacity%20in%20the%20longer%20term.pdf>

Kent County Council's response to long term option proposals submitted to the Airports Commission, 27 September 2013 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Comments%20on%20long%20term%20proposals%20submitted%20to%20the%20Airports%20Commission.pdf>

Airports Commission, Discussion Paper 01: Aviation Demand Forecasting, Response from Kent County Council and Medway Council, 18 March 2013 <http://www.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20and%20Medway%20Councils%20Aviation%20Demand%20Forecasting.pdf>

Airports Commission, Discussion Paper 02: Aviation Connectivity and the Economy, Response from Kent County Council, 19 April 2013 <http://www.kent.gov.uk/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20Country%20Council%20Connectivity%20and%20Economy.pdf>

Airports Commission, Discussion Paper 03: Aviation and Climate Change, Response from Kent County Council, 17 May 2013 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20County%20Council%20Aviation%20and%20Climate%20Change.pdf>

Airports Commission, Discussion Paper 04: Airport Operational Models, Response from Kent County Council, 11 July 2013 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20County%20Council%20Airport%20Operation%20Models.pdf>

Airports Commission, Discussion Paper 05: Aviation Noise, Response from Kent County Council, 6 September 2013 <https://shareweb.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20County%20Council%20Aviation%20Noise.pdf>

Airports Commission, Sifting Criteria to identify long term options for additional airport capacity, Kent County Council and Medway Council's suggested criteria <http://www.kent.gov.uk/Documents/council-and-democracy/policies-procedures-and-plans/plans/Aviation%20strategy/Kent%20and%20Medway%20Councils%20Criteria%20for%20long%20term%20options.pdf>

Airports Commission – Call for Evidence: Inner Thames Estuary Feasibility Studies – Socio-economic impacts (Study 3), Response from Kent County Council and Medway Council, 23 May 2014

Airports Commission – Call for Evidence: Inner Thames Estuary Feasibility Studies – Surface Access Impacts (Study 4), Response from Kent County Council and Medway Council, 23 May 2014