

## Heathrow Expansion

The London Assembly's response to BAA's consultation on the interim Master Plan for Heathrow Airport

October 2005





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## Chair's Foreword



### **Tony Arbour**

Chairman, London Assembly Planning & Spatial Development Committee

The London Assembly charged the Planning and Spatial Development Committee with formulating its response to the BAA's consultation on the interim Master Plan for Heathrow Airport. My committee, in conjunction with the Assembly's Environment Committee, have deliberated over the Master Plan over the summer and are now in a position to present our findings.

In reaching our conclusions, the Planning Committee held an evidentiary session where local residents, the London Borough of Hillingdon, representatives of the Mayor and the BAA themselves put the case for and against expansion of Heathrow Airport. The issues discussed were wide ranging – from the importance of “hubbing” to Heathrow's international status to the potential impact of the loss of homes and the plans for increasing public transport access to the airport. I would like to take this opportunity to thank those individuals and groups who gave so generously of their time in helping the Committee assess the case for and against expansion at Heathrow.

The Environment Committee also considered the interim Master Plan – focusing particularly on issues of air quality and noise. As the interim Master Plan makes no secret of, the Plan is very much an aspirational document which is not able to set a clear, defined plan of action for expanding Heathrow whilst meeting “stringent” environmental conditions.

The BAA are waiting on government studies into air quality, surface access and noise impacts to assess the viability of expansion proposals – studies which will consider options for militating against potential negative environmental impacts. Thus the Environment Committee did not consider it appropriate to change its position on a proposed expansion of Heathrow from the one reached when it has previously looked into the future of aviation and air quality and noise issues in West London.

And it is this information gap that has made the process of formulating a response to this particular round of consultation somewhat difficult. There is very little new information contained within the Master Plan. It is for this reason that the conclusions reached may sound remarkably similar to those reached a couple of years ago when the Government sought views on the future of aviation in the South East. Essentially, we have been asked to repeat ourselves.

Concerns remain over the ability to meet air quality targets, to secure greater public transport access to the airport and to limit the impact of the airport on the quality of life for local communities. The Assembly maintains an open mind and looks forward to a more comprehensive case being put for expansion. Until it receives such a case however, it remains to be persuaded.

## **London Assembly's position statement**

The BAA has made its argument; the White Paper issued and the interim Master Plan detailed. The case has been understood and ultimately, our position remains largely unchanged from that which was taken in 2003. **In the absence of any evidence of how the potentially negative environmental impacts will be dealt with, the London Assembly cannot support proposals for a third runway and sixth terminal at Heathrow.**

### **Air quality**

The Assembly reiterates that action is required that takes full account of the true environmental cost of aviation. It is projected that the aviation industry will play an increasingly significant role in the amount of carbon and other harmful emissions produced nationally and locally between now and 2030. The construction of a third runway and sixth terminal at Heathrow may only serve to increase the level of harmful, greenhouse emissions and will make the job of delivering a cleaner environment that much harder.

The Assembly cannot therefore see how a sixth terminal would negate the 'totally unacceptable...severe and widespread impacts on the environment'<sup>1</sup> predicted by the BAA itself in 1999 of a third runway at Heathrow at the Planning Inquiry for a fifth terminal at Heathrow. The Assembly considers the change in the BAA's position, prompted by the Government's demand that the BAA draw up plans for a third runway and sixth terminal at Heathrow, to be awkward at best<sup>2</sup>.

The Assembly was made aware in 2003 that Heathrow and the M4 corridor were failing to meet the Mayor's objectives under the Air Quality Strategy. It highlighted that further measures were required to tackle the predicted exceedence area around Heathrow, including improved public transport links. The Assembly has received no evidence on which it could reasonably change this view.

### **Noise**

The Assembly's view in 2003 was that 'of the five London airports<sup>3</sup>..., Heathrow most directly affected the noise environment of the Capital'. The Assembly, again, has received no evidence on which it could reasonably change this view.

### **Public transport links**

The Assembly notes that Heathrow is still falling some way short of its 40 per cent sustainable transport target for surface access to the airport – a target in itself that the Assembly considers as too low. Significantly increasing capacity at Heathrow is only going to increase the likelihood that these targets will not be met and that the absolute number of cars accessing the airport will, irrespective of a third runway, increase significantly. The Assembly therefore questions whether percentage targets, rather than absolute numbers, are an appropriate way of measuring the true impact increased passenger numbers would have on air quality and local communities.

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<sup>1</sup> The Heathrow Terminal Five and Associated Public Enquiries, November 2000

<sup>2</sup> See Transcript, Appendix A, Page 17

<sup>3</sup> Luton, Stansted, Gatwick, London City and Heathrow

It is unlikely there will be a public transport target based on absolute numbers of private vehicles accessing Heathrow. In the absence of such a target, the Assembly does not feel there should even be consideration of a third runway and sixth terminal at Heathrow until

- Heathrow is able to provide for its existing capacity by achieving its current target of 40 per cent of all passengers accessing Heathrow on public transport.
- there is a fixed date by when BAA Heathrow will commit to a 50 per cent surface access target ahead of 2015-20.
- there is a commitment to support a review of the pricing structure of the Heathrow Express.

### **Housing targets**

The Assembly also notes with concern the loss of 700 homes safeguarded by BAA Heathrow for a third runway and sixth terminal and notes that the loss of this number would be contrary to draft Mayoral housing targets for the London Borough of Hillingdon<sup>4</sup>. The London Borough of Hillingdon has yet to consider replacing these 700 homes –which would represent an unprecedented loss of housing stock for the borough.

The Assembly does note the moves that BAA Heathrow is making to maintain service within its existing limits<sup>5</sup> – but should also add that Members remain opposed to night flights and a mixed mode usage for Heathrow's two existing runways.

The Assembly considers that the timing of the consultation – although rendered compulsory by the government white paper – is ill advised as a proper assessment of the proposals for a third runway and sixth terminal can not be adequately judged until government feasibility studies into air quality, noise quality and surface access have been carried out and properly analysed.

The Assembly eagerly awaits the results of this research, as well as the opportunity to respond to more detailed proposals for a third runway and sixth terminal more thoroughly in a full Master Plan that is expected in 2006, providing such proposals meet the bullet-pointed criteria above.

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<sup>4</sup> The West London Sub Regional Development Framework (June 2005) outlines that LB Hillingdon will need to allow the development an additional 425 homes per annum for the next decade to meet regional housing targets. (See [http://www.london.gov.uk/mayor/planning/srdf/docs/west\\_srdf\\_all.pdf](http://www.london.gov.uk/mayor/planning/srdf/docs/west_srdf_all.pdf) )

<sup>5</sup> Existing Limits – that is two runways, five terminals and no more than 480,000 air traffic movements (ATMs) a year.

# 1. Introduction

## Background

- 1.1 The government white paper *The Future of Air Transport* concluded that a master plan should be produced within twelve months and updated in some detail well ahead of 2015. A more detailed master plan will be consulted on in 2006 once government studies into air quality, surface access and noise, which are currently under way, have been completed. In addition, the land boundary mapped out for safeguarding for a possible expansion is not yet definitive.
- 1.2 The interim Master Plan therefore represents nothing that is new. It is essentially a collation exercise of information already made public in the last few years either through Terminal 5 deliberations or the Government's consultation on the future of air transport in the UK.
- 1.3 The interim Master Plan is therefore acting almost as a prompt to longer-term debate and consultation on the impact that a sixth terminal and third runway would have, especially locally.

## Developing Heathrow up to 2015

- 1.4 The interim Master Plan outlines how Heathrow plans to expand within current limits just beyond 2015. BAA Heathrow anticipates that passenger numbers will grow from just over 60 million passengers per annum (mppa) now to 87 mppa by 2015 and 90–95 mppa thereafter. This will be achieved on the back of:
- a limit of 480,000 flights a year
  - a cap of 42,000 car parking spaces
  - the introduction of Terminal 5
  - the introduction of the A380
  - a maximisation of the slot use from airlines

## Development beyond 2015

- 1.5 The BAA's interim Master Plan puts the economic case for further expansion beyond that which is to be completed by 2015. Expansion, it is argued, is needed for the following reasons:
- to respond to growth in passenger air travel – expected to rise regionally from 117 million in 2000 to 300 million in 2030
  - to maintain Heathrow's status as a primary European hub – in the face of stiff competition from Frankfurt, Paris and Amsterdam, whose capacities measured by air traffic movements (ATM) already significantly exceed Heathrow's if not their actual passenger numbers.
- 1.6 This further expansion does include a significant additional use of land – for the new runway and new terminal as well the replacement of some supporting buildings that would be required. The interim master plan stresses that any application is 'still several years' away but by making public at this early stage tentative land boundaries for such development, the BAA is safeguarding the potential for future economic growth. Use of this additional land would see up to 700 houses lost.
- 1.7 The BAA stresses it plans to develop Heathrow responsibly and that expansion will only be considered if stringent air quality and noise conditions are met. Currently

the BAA and the Government are seeking to establish the criteria by which these conditions are judged. These include:

- a review of surface access strategies and targets
- a government review of forecasting air quality methodology
- establishing new preferential noise routes for a third runway

### **Passenger growth and rising competition**

- 1.8 In 2003 some 200 million passengers passed through UK airports. This represents on average just under one return trip per year per UK resident. Just under 60 million of these passed through Heathrow. It is estimated that by 2030 there could be 400-600 million passengers a year. This would mean that on average each UK resident would complete two return trips a year. The Government's white paper on aviation stressed that its aim was to devise a strategy that would enable the UK to meet this demand.

### **Meeting demand: the case for Heathrow's 3<sup>rd</sup> runway**

- 1.9 Meeting this demand, rather than managing it, is a priority for government because of the importance of the aviation industry to the economy. For example, the white paper highlighted that:
- one third of visible exports travel by air – this makes up 8 per cent of national income
  - 16-17 million of the UK's 25 million foreign visitors fly to the UK supporting a tourism industry that directly supports two million jobs
  - the aviation industry directly supports 200,000 jobs – indirectly up to three times as many
  - UK airport operators and UK based carriers are 'leaders in their fields' hence the fact that 20 per cent of all international passengers in the world are on flights to or from the UK
- 1.10 Heathrow is argued to be absolutely central to this success. It is the busiest international airport in the world and the Government regards it as the only viable location for an international hub in the South East. Alone Heathrow directly supports 68,400 jobs on site with a further 145,000 jobs across the UK linked to the airport. The Planning Inspectorate concluded in its deliberations over Terminal 5 that Heathrow contributed 0.9 per cent of the UK's GDP – significantly more than any other single site in the UK.<sup>6</sup>
- 1.11 The Government admits that demand for Heathrow is extremely strong and always likely to be far in excess of its capacity. Its importance in particular to business traffic and its need to compete with hub airports in other financial centres such as Paris, Frankfurt and Amsterdam led the Government to conclude that additional capacity at Heathrow would generate the largest net economic benefit of any new runway option (estimated to be over £6 billion).
- 1.12 It is this economic benefit that proved key for the Government especially when set against the rising capacities of other EU hub airports. By 2010, Frankfurt, Amsterdam Schiphol, and Charles de Gaulle airports will have significantly more capacity than Heathrow. Heathrow will be able to facilitate 480,000 Air Transport Movements (ATMs) a year; Amsterdam Schiphol 600,000; Charles de Gaulle 710,000 and Frankfurt 710,000. The conclusion reached by the Government and

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<sup>6</sup> The Heathrow Terminal Five and Associated Public Inquiries, November 2000, para 9.2.16

supported by BAA Heathrow’s interim Master Plan is that to see off this threat to Heathrow’s status a third runway and sixth terminal needs to be built.

**Questioning the value of hub status**

- 1.13 According to evidence provided to and accepted by the Committee by HACAN ClearSkies a campaign group forged initially to oppose Terminal 5, the interim Master Plan fails to evaluate properly the actual value of hub status to the UK economy and is misleading in only comparing individual airport capacity rather than city-wide airport capacity.
- 1.14 Transit passengers currently account for 35 per cent of all Heathrow’s passengers – a significant increase from the 9 per cent figure from 1992. However, the argument that supports Heathrow’s ability to serve as an international hub is not straightforward. For example Gatwick serves more destinations (over 200) and yet it has far fewer interchange passengers than Heathrow.
- 1.15 The BAA attributes its leading hub status to the frequency of flights to major destinations rather than the actual number of destinations that Heathrow offers. For example, the number of flights that go to New York, Chicago, Los Angeles, Hong Kong and Dubai from Heathrow is more than Charles de Gaulle, Frankfurt and Amsterdam put together. The link therefore between say Heathrow’s hub status and the decision of international business to locate here, specifically because of Heathrow’s status, is a complex one.
- 1.16 Easyjet put to the London Assembly’s Transport Committee - when it compiled its response to the government’s consultation on the future of aviation in 2003 - that ‘hub status was essentially the inefficient by-product of the 747-era of aviation’<sup>7</sup>. It has also been argued that the case for hub/transit traffic has been overstated, especially when much of the new demand has been for point-to-point flying as provided by Easyjet and Ryan Air.

	1995 (mppa)	2004 (mppa)	Increase
London	82.8	128.6	45.8%
Paris	55.1	73.4	18.3%
Frankfurt	38.2	51.1	12.9%
Amsterdam	25.4	42.5	17.1%

- 1.17 HACAN also point out that a comparison with other individual airports is misleading. Comparing London with Amsterdam, Paris and Frankfurt (see above) rather than Heathrow with Charles de Gaulle, Schiphol and Frankfurt reveals that the number of passengers using London’s airports is significantly larger than the other three major cities and the gap is increasing at a significant rate (see below). Heathrow’s status as a hub airport may be threatened. However, London’s role as a primary destination across the aviation industry would appear to be under little or no threat at all.

**Surface access strategy**

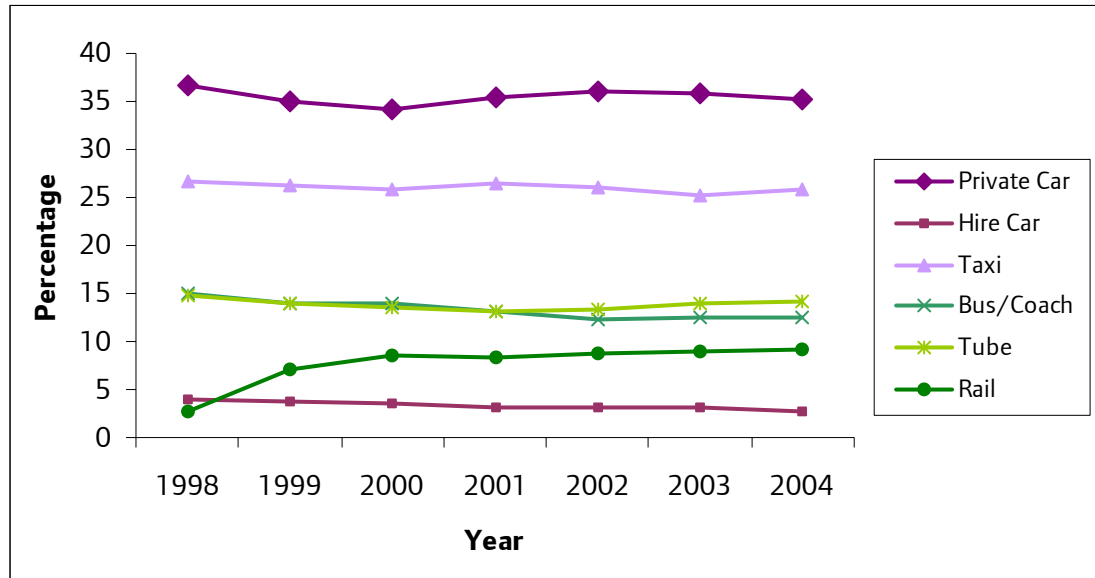
**Meeting current surface access targets**

- 1.18 The BAA’s target for sustainable surface access to Heathrow is that 40 per cent of all passengers requiring surface access to Heathrow will use coach, bus or rail. This has been the target of the BAA since 1996. Since 1998, the proportion of

<sup>7</sup> London Assembly Transport Committee, 5 June 2003

passengers accessing Heathrow via a sustainable means has hovered between 34 and 36 per cent, rising from a figure of 32.5% in 1998. The BAA has maintained this 40 per cent target until 2007 with a stated aspiration to increase the target to 50 per cent in the future.

### Heathrow Surface Access Mode 1998-2004



% share	1998	1999	2000	2001	2002	2003	2004
Private Car	36.6	35	34.2	35.5	36	35.9	35.2
Hire Car	4	3.7	3.6	3.2	3.2	3.1	2.8
Taxi	26.7	26.2	25.9	26.5	26.1	25.3	25.8
Bus/Coach	15	13.9	13.9	13.1	12.3	12.6	12.4
Tube	14.8	13.9	13.6	13.1	13.3	14	14.2
Rail	2.7	7.1	8.5	8.4	8.8	8.9	9.2
<b>Public Transport total</b>	<b>32.5</b>	<b>34.9</b>	<b>36.0</b>	<b>34.6</b>	<b>34.4</b>	<b>35.5</b>	<b>35.8</b>

- 1.19 A dramatic increase in the number of passengers accessing Heathrow on rail (via the new Heathrow Express) between 1998 and 2004 has not been offset by a proportional drop in the number of cars accessing Heathrow (including taxis and car hire). Levels of private car and taxi use remain in the mid-30s per cent and mid 20s per cent respectively.
- 1.20 The principal forum for communicating plans and progress on Heathrow’s Surface Access Strategy is the Heathrow Transport Area Forum, which has now been in existence for ten years. BAA Heathrow accepts that 40 per cent was always going to be a ‘challenging target’ but has sought to achieve its 40 per cent target through a number of measures including – the Heathrow Express, the car parking levy, M4 spur bus lane, support for various bus routes and car sharing initiatives among its workforce.
- 1.21 Heathrow stresses that its failure to meet its 40 per cent target is being addressed and accepts that ‘only outstanding, cost effective solutions [will] create a significant increase’ that would allow it to meet or exceed its target. Principal issues that are hampering progress are, according to the BAA, the uncertainty over

the future proportions of foreign travel and the long-term difficulties in securing and implementing rail solutions.

- 1.22 Heathrow's surface access strategy also includes a strategy for its 68,400 staff. Targets for staff based schemes over the next few years include reducing single occupancy car use by 1% a year from 2004 until 2008. Currently only 4.3 per cent of staff are car passengers. 72.1 per cent of staff drive a car to work. A one per cent reduction in single occupancy car use over four years would amount to a reduction of 2736 cars – potentially reducing the number of cars being driven into Heathrow by an even greater number.
- 1.23 Since 1992 the number of staff using a bus to get to Heathrow has doubled from 6 per cent to 12 per cent and BAA Heathrow has stressed that it regards the expansion of bus routes as where the greatest short-term gain can be made for both staff and passengers in achieving surface access targets. BAA Heathrow is reviewing what circumstances would bring about the achievement of the 40 per cent target.

**Surface access: The future**

- 1.24 Whilst BAA talks of the 'challenging targets' it has set itself and the 'scale of the challenge' ahead, others including both the Mayor and LB Hillingdon feel that the current targets are not ambitious enough.

<b>Scenarios</b>	<b>Passenger Demand (mppa<sup>8</sup>)</b>	<b>Surface Access Demand (mppa)</b>
2001/02	63.0	40.7
2030 – Maximum runway use within existing limits	90-95	65.6
2030 – With additional runway and terminal	116	85

- 1.25 Even without a third runway, absolute numbers requiring surface access to Heathrow will increase dramatically over the next 20 years (see above table<sup>9</sup>). In 2001/02, around 27 mppa used cars and taxis to access Heathrow. By 2015-20, this figure will be around 40 mppa, assuming a 40 per cent sustainable surface access target has been achieved.
- 1.26 A third runway and sixth terminal will increase the absolute number of cars and taxis accessing Heathrow even further. Based on government projections that assume a 40 per cent target is reached by 2030, a Heathrow with a third terminal will see demand for car and taxi access to the airport increase to 50.95 mppa – effectively doubling levels of traffic that currently access Heathrow on already 'severely congested' roads<sup>10</sup>.

**Air quality**

- 1.27 The European Union (EU) has introduced legally binding targets (air quality limit values) for national governments to reduce air pollution to levels at which no or minimal effects on human health are likely to occur. In response, the UK

<sup>8</sup> Million passengers per annum

<sup>9</sup> Table obtained from the Mayor's Response to the Consultation Document 'The Future Development of Air Transport in the United Kingdom: South East' see Page 58

<sup>10</sup> As above, see Page 60, paragraph 5.12

Government has introduced revised national air quality objectives for nine main air pollutants. The Mayor has a statutory duty to achieve seven of these objectives in London.

1.28 The targets, which will be enforced from 2010 are as follows:

**NO<sub>2</sub> emissions**

- A one hour mean limit value of 200ug per cubic metre, not to be exceeded more than 18 times per year
- An annual mean of 40ug per cubic metre

**PM10 emissions (implemented on 1 January 2005)**

- PM10 limit values are a 24 hour mean of 50ug per cubic metre, not to be exceeded more than 35 times per year
- An annual mean of 40ug per cubic metre

**Stage 2 PM10 emissions targets (which apply from 1 January 2010)**

- PM10 limit values are a 24 hour mean of 50ug per cubic metre, not to be exceeded more than 35 times a year
- An annual mean of 40ug per cubic metre

1.29 The Mayor's Air Quality Strategy highlighted that the area around Heathrow will exceed EU nitrogen dioxide targets and is not expected to meet EU set 2010 deadlines. BAA points out that there are a number of contributors to NO<sub>2</sub> in the area, including the nearby M4 and M25 motorways and that to meet 2010 targets action is required from government and other statutory agencies.

**Noise**

1.30 The impact of aircraft noise around Heathrow fans out across large chunks of West London and the Thames Valley from the airport's immediate vicinity (where measurements are 72dBA) to areas such as Clapham and beyond Windsor where the noise measurement is 54dBA. The key measurement by which the future viability of a third runway and sixth terminal will be judged is 57dBA. Areas around Heathrow currently affected by such readings stretch from Barnes to the east, central Windsor to the West and Richmond to the south.

1.31 The Government is currently studying the potential impact of increasing capacity at Heathrow within its current limits as well as testing air quality, surface access and air noise strategies for a third runway. These studies will be tested to ensure the following targets are met:

- levels of nitrogen dioxide could be contained within the 2010 limit
- there is no net increase in the total area of the 57dBA noise contour compared with the summer of 2002, a contour area of 127km<sup>2</sup>
- improvements to public transport access (especially rail) together with other measures (for example road user charging) to help reduce the future pressure on the road network surrounding Heathrow can be achieved.

**Regional context - housing targets**

1.32 In a recent Mayor's Question Time, the Mayor responded to a question from Richard Barnes AM<sup>11</sup> which stated that the loss of 700 homes would be in breach of policy 3A.12 in the London Plan – 'UDP policies should prevent the loss of

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<sup>11</sup> Question 1172/2005

housing, including affordable housing, without its planned replacement at existing or higher densities.’

- 1.33 The BAA interim Master Plan reveals that at least 700 homes would be lost should a third runway and sixth terminal be built. The boundaries for the safeguarded land which includes the 700 homes is not definitive and so the 700 figure is not yet final and could rise further. Indeed the 700 figure is already an increase on the 260 that the government initially consulted on<sup>12</sup>.
- 1.34 The 700 homes affected would mean that the village of Sipson would be entirely destroyed to make way for the third terminal. Although only a few homes in neighbouring Harmondsworth are within the safeguarded boundaries, the bulk of Harmondsworth will suffer from environmental and noise blight with the runway expected to run just north of Harmondsworth and a large chunk of the safeguarded area adjoining a residential road.

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<sup>12</sup> See LB Hillingdon’s evidence - Appendix B

## **2. The London Assembly's response to the BAA's consultation on the future of Heathrow Airport**

### **Do you agree with the analysis of Heathrow's current and future importance set out in Chapter 2? If not, please explain why.**

In addition, to the position that the BAA outlined in Chapter 2 on the importance of Heathrow, the Planning Committee welcomed the explanation that the BAA gave outlining the importance of 'hubbing' not just to Heathrow, but to the wider London economy as well.

Mike Forster, the Business Strategy Director for Heathrow BAA, stated that 'hubbing' was very important for the three main alliances which are now beginning to operate at Heathrow<sup>13</sup>. Mr Forster stated that to 'keep the density and variety of routes [these alliances] need ..., you need to have short-haul feeding long-haul...in a short connect time. You will not be able to do that if you fly in one side of London and offer somebody a three or four-hour transit time across London. What will happen is that journey will transfer to one of our competitors.' The Assembly was also informed that the amount of transit or hub passengers has direct correlation to 67,500 that work at Heathrow – ie, roughly 35% of all jobs at Heathrow are linked to hub status.

Although the Assembly appreciates that the interim Master Plan is specifically focused on development at Heathrow, it does feel that a wider context might have been usefully applied to the subject of considering competition from Europe. For example, the Assembly was interested to note that when comparisons are made between a city's capacity and individual airports' capacity, the trends in competing demand are startlingly different.

The Assembly does not doubt that Paris Charles de Gaulle Airport will by 2010 have significantly higher capacity than Heathrow Airport and that this will pose a threat to the 'hubbing' operations that the BAA detailed to the Committee. Charles de Gaulle, Frankfurt and Amsterdam Schiphol, indisputably, are catching up with Heathrow in terms of demand and will exceed Heathrow in terms of capacity.

However, on figures provided to the Committee by HACAN ClearSkies, it is clear that London's overall aviation capacity as well as growth in demand far outstrips these other main European cities (see Appendix C). The Assembly wishes to see a much more thorough examination of these competing trends and analyses and a more sophisticated argument as to how they interact to be outlined in the final Master Plan to be issued for consultation in 2006.

### **Do you agree with the analysis of the statutory and regulatory context set out in Chapter 3? If not, please explain why.**

The statutory and regulatory context set out in Chapter 3 should have made explicit reference to updated Mayoral housing targets, which have recently been revised.

The Mayor's draft West London Sub Regional Development Framework (SRDF), which supports the overall London Plan, published in June 2005 and sets out revised housing

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<sup>13</sup> BA and the oneworld; the Star Alliance; and, the SkyTeam alliance.

targets for LB Hillingdon. Over the next ten years LB Hillingdon will need to seek to develop 425 new homes annually over the next decade. A loss of 700 homes would represent a further 70 homes a year – roughly 16 per cent more than the current Mayoral target. LB Hillingdon has informed the Planning & Spatial Development Committee that it has have yet to consider the re-provision of housing for these 700 homes.

The SRDF also notes that in West London, even without the Heathrow expansion, ‘more people and workers will mean more health services, more schools, expanded further and higher education, more utility services and growing demand for leisure, sport and cultural activities...’ leading to even greater pressure for land. Heathrow’s expansion will fuel greater growth and actually significantly reduce the amount of land available to sustain that growth.

### **Do you have any comments on our expectations for future traffic growth in Chapter 5?**

The London Assembly noted the evidence submitted to the Committee from HACAN ClearSkies which suggested that expectations for future air traffic levels, as set out in the government white paper, may not have considered sufficiently the impact of oil prices on future demand (the white paper assuming that the price of air travel would continue to fall at about one per cent per annum).

The London Assembly would welcome a revised set of figures that would reflect the likely continued rise in oil prices and the likely impact that this would have on demand for aviation across the whole South East.

### **Do you agree with the analysis of the environmental impacts and mitigation strategy for Heathrow within its existing limits as set out in Chapter 7?**

#### **Are there any aspects of the air quality and air noise strategy which you specifically disagree with? If so, please give your reasons.**

The current consultation represents a significant departure from the views expressed by BAA during the initial inquiries on the fifth terminal at Heathrow. The report written by Roy Vandermeer QC following the Heathrow Terminal Five and Associated Public Inquiries (November 2000) confirmed that he agreed ‘...with BAA that a third main runway at Heathrow would have such severe and widespread impacts on the environment as to be totally unacceptable.’<sup>14</sup>

In addition, the Assembly wishes to re-iterate some of the key issues that have come out of previous discussions on responses.

#### **Key points:**

- Action is required to limit, and over time reduce the environmental impacts of aviation.

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<sup>14</sup> Paragraph 18, The Heathrow Terminal Five and Associated Public Inquiries – Report of Roy Vandermeer QC to the Secretary of State for the Environment, Transport and the Regions

- Account should be taken of the full environmental cost of aviation and for there to be a practical framework for sustainable aviation.
- Recognition needs to be given to the impact of aircraft and airports on air quality, and that aircraft emissions include carbon dioxide, nitrogen dioxides and water, which all have a significant impact on the greenhouse effect.
- Aviation should be included within governmental CO2 reduction targets.
- Account should be taken of noise quality and the impact of increased air traffic in terms of noise to both the environment and the local communities.
- Aviation industry stakeholders should be encouraged to report on environmental performance.
- Mitigating measures need to be taken to reduce surface traffic around Heathrow airport.

In response to the Mayor's Draft Noise Strategy (October 2002), the Environment Committee made the following recommendations, which are still relevant today:

- The Committee supported the Mayor regarding the possibility of banning night flights, and was, in the meantime against any increase in the number of night flights.
- The Committee supported the Mayor in his work with Boroughs to seek to impose strict conditions on residential development to minimise exposure to noise for residents.
- The Mayor and Assembly should consider the impact the various options for airport expansion in southeast England would have on noise levels in London. This should include the improvement of aircraft design, the angle of approach of aircraft, the easterly and westerly direction of flights and the location of aircraft being stacked in the sky before landing.
- The Committee urged the Mayor to support the European Community's Directive 2002/30/EC regarding aviation noise management and to lobby the Department for Transport and British Aviation Authority to implement the provisions in the Directive.

The Committee's view then, was that of the five London airports, Luton, Stansted, Gatwick, London City and Heathrow, Heathrow most directly affected the noise environment of the Capital.<sup>15</sup> The Committee also noted that Policy 38 sets out the Mayor's intentions to urge the decision makers, ranging from the Government to local authorities in their planning roles, to work to minimise the impact of aviation in London and to work with boroughs to impose strict conditions on residential developments to minimise exposure to noise for residents.

The Committee also referred to the poor level of air quality around Heathrow in its response to the Mayor's Draft Air Quality Strategy (May 2001). It identified Heathrow and the M4 corridor as failing to meet the Mayor's objectives under the Strategy, and

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<sup>15</sup> Para 4.3, Scrutiny of the Mayor's Draft Noise Strategy, October 2002

highlighted that further measures were required to tackle the predicted exceedence area around Heathrow, including improved public transport links.<sup>16</sup>

**Do you agree with the analysis of the surface access strategy for Heathrow within existing limits set out in Chapter 8?**

**Are there any aspects which you specifically disagree with? If so, please give your reasons?**

**Do you agree with our position on the Crossrail and Airtrack rail schemes in respect of their relative importance to the airport and to the wider region? If not, please explain why.**

The Assembly is disappointed to note that the 40 per cent sustainable transport target set by BAA has yet to be reached - and seems to have bottomed out at around 35 per cent since 1999.

It is appreciated that the failure to meet this target is not down necessarily to the performance of the BAA. The failure to secure and implement long term rail solutions has unquestionably hampered the BAA's ability to achieve its target.

Considering the failure to reach this 40 per cent or to set a date by which this target will move to, and reach, 50 per cent, the Committee is interested to note that the BAA's support for Crossrail remains lukewarm - particularly as it may be able to provide a simple east-west entry point across all of London and to communities and parts of London that are currently without convenient access to Heathrow.

Whilst the Committee supports proposals for Airtrack, there is more that should be considered for access to Heathrow from across all of south London. The Assembly does however appreciate that the wide variety of journey sources makes provision for rail solutions difficult - ie, there is too little demand, spread across too many areas to make certain solutions viable. The Assembly would particularly welcome more information in the forthcoming master plan to detail the source of many passengers' journeys.

The Assembly also noted the evidence from the London Transport Users' Committee (LTUC) which drew particular attention to the pricing structure of the Heathrow Express. The Assembly supports LTUC's view that the pricing structure (and ultimately its franchise agreement) should be reviewed so as to be better integrated into the wide Transport for London network.

The London Assembly has not provided answers to the following questions as it is not in a position to comment specifically on the questions raised.

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<sup>16</sup> Note of the Committee's previous considerations on air and noise quality issues have been from the following documents:

- Report of the Director of Secretariat to the Environment Committee, dated 26 June 2003
- Report of the Scrutiny Co-ordinator to the Environment Committee, dated 1 April 2003
- Minutes of the Environment Committee, dated, 19 November 2002
- Minutes of the Environment Committee, dated 13 February 2001
- Scrutiny of the Mayor's Draft Noise Strategy, October 2002
- Scrutiny of the Mayor's Draft Air Quality Strategy May 2001

- **Do you agree with the plan's overall structure and general level of detail? If not, please explain.**
- **Does Chapter 4 provide a sufficient description of Heathrow's current operation and facilities? If not, in what respects do you suggest it should be elaborated?**
- **Do you agree with our aim for Heathrow as set out in Chapter 6?**

The Assembly's overall position is laid out in the text of this document.

- **Does our development strategy and associated land use plan for Heathrow within its existing limits in Chapter 6 properly reflect Government policy for ensuring Heathrow's hub status is maintained? If not, please explain why.**
- **Do you have any comments on our safeguarding strategy for additional runway capacity set out in Chapter 9?**
- **Are there any locations where you think that our interim land boundary for a third runway might be altered from that depicted on Drawing 4?**

The Assembly's overall position on proposals for a third runway and sixth terminal is laid out in the text of this document.

- **Do you agree with our priorities for further work over the course of the coming year as set out in paragraph in 10.8 below? If not, please explain why.**

In addition to the points made above, the Assembly wishes to make the point that climate change and factors affecting it should be a consideration in discussions concerning the future of air transport. It is understood that this issue was ruled out of consideration during the previous inquiry. Nonetheless, the Assembly takes the view that understanding the causes and effects of climate change has moved on since that time; and that public policy should respond to that increased understanding by ensuring that climate change is considered a relevant factor in planning decisions.

## Appendix A

### Transcript of Planning & Spatial Development Committee Draft Interim Master Plan for Heathrow Airport, 7 September 2005

#### *Transcript of Item 6 – Consultation on Draft Interim Master Plan for Heathrow Airport*

**Tony Arbour (Chair):** We now come on to Item 6, which deals with the consultation on the Heathrow Airport interim Master Plan. The reason we have asked our visitors to come along is to help us make those representations on the master plan. I am proposing to run this part of the meeting simply for an hour. I have no doubt that we will be meeting again over the next year or so to discuss what has arisen as a result of the consultation on the master plan, so I am sure we shall see you again. We have timed today's meeting to ensure that the GLA does get informed consultation on this, which is why we have asked you to attend this afternoon.

As far as the questions are concerned, I would initially like a few questions just to British Airports Authority (BAA) because this is the first opportunity for some of you – for example, I do not know if John Stewart has had the opportunity to see BAA face to face on this document yet. Have you?

**John Stewart (Chair, HACAN ClearSkies):** Not so far.

**Tony Arbour (Chair):** We think there are a couple of outline things which will certainly be useful to us, as well as to you, which we currently do not know and will help us very much with this.

Can I please exclude from the discussion this afternoon the question of pollution, air quality and noise because the GLA Environment Committee has already discussed them. We have a paper here, which were the representations from the Environment Committee, on that. If we could please exclude those matters from our discussion this afternoon. I should ask if you would please introduce yourselves.

**Rufus Barnes (Director, LTUC):** I am Rufus Barnes, Director of the London Transport Users' Committee (LTUC). We are the statutory body appointed to represent the interests of the users of transport in and around London. I should say that our interest in this is limited to the surface transport to and from the airport. We do not believe the issue of the size of the airport so far as aeroplanes are concerned is an issue that is properly within the remit of LTUC, but we do believe that whatever the size of the airport, the issue of surface access to and from is vital.

**Geraldine Nicholson (Chair, NoTRAG):** I am Geraldine Nicholson, Chair of the No Third Runway Action Group (NoTRAG). We are the residents' group set up to oppose the third runway at Heathrow.

**John Stewart (Chair, HACAN ClearSkies):** I am John Stewart; I chair the Heathrow Association for the Control of Aircraft Noise (HACAN) ClearSkies, which represents the residents under the Heathrow flight paths.

**Tim Jurdon (Aviation Manager, LB Hillingdon):** I am Tim Jurdon, manager of the aviation team for the London Borough of Hillingdon, which is within the planning department, so I deal with planning matters related to Heathrow.

**Stuart Condie (Planning and Surface Access Director, Heathrow BAA):** I am Stuart Condie, BAA's planning and surface access director.

**Mike Forster (Business Strategy Director, Heathrow BAA):** I am Mike Forster, the strategy director at Heathrow Airport. It is out of my department that the Master Plan is issued.

**Tony Arbour (Chair):** If I can kick off, these questions are just for BAA. We are concerned about the genesis of the proposal for a third runway, particularly as at the Terminal 5 (T5) inquiry, you specifically said that you did not want a third runway. We are therefore wondering why this proposal has come forward. Is it at the behest of Government? Is there really a need? Tell us about that, please.

**Mike Forster (Heathrow BAA):** I think it is important to put the context of those comments, which were back in the days of the Terminal 5 inquiry. The first thing to say is that Terminal 5 is about reducing the maximum capacity of the two runways and against the limits set by the inquiry document, which is 480,000 movements, segregated runway, alternating style. That is what Terminal 5 is for. In the context of Terminal 5, there is no need for a third runway.

The second thing to say is that the runway being discussed at the time was a 4,000m runway, a full-length runway.

The third part is that this current debate was started as a result of the white paper, which came forward to address how we manage capacity within the south-east system and made some suggestions that that ought to be managed through a runway at Stansted, followed by a runway at Heathrow, and was very explicit about the conditions under which that would be possible. What we have done in addressing the third runway, in as far as we have done within the master plan document, is actually to respond to the government proposal of what would be the implications of introducing a third runway; what would be the resulting impact at the environmental level. Those are issues we are studying through now with a view to supporting their review of the White Paper at the end of next year.

**Tony Arbour (Chair):** Does that mean that you really do not want one and that you are only doing this at the behest of Government?

**Mike Forster (Heathrow BAA):** What that means is that in terms of managing the demand for capacity, we think a third runway at Heathrow makes a great deal of sense. However, in terms of leading the debate around whether we want more capacity in the south-east system, that debate is being led by the Government.

**Tony Arbour (Chair):** I see. Would the BAA have proposed of its own volition a third runway?

**Mike Forster (Heathrow BAA):** I do not think we would actually have had the leave to do that.

**Tony Arbour (Chair):** Thank you for that. The second overriding thing where we can set this in context relates to competition from other airports, particularly on the Continent.

We wonder why it is that London is not looked at in terms of its capacity relating to all of London's airports, including Stansted, Luton and Gatwick. On that basis, it certainly it looks as though European competitors are very tiny indeed. Why, therefore, to have a competitive advantage is it necessary to have expansion at Heathrow?

**Mike Forster (Heathrow BAA):** It is a very fair question, and it actually relates to the way the aviation industry works. If I can call it 'hubbing' as a way of going about the business, hubbing is very important in terms of driving the level of demand that comes through for British Airways (BA) or the three main alliances which are now starting to work: BA and the oneworld; the Star Alliance; and, to a less extent for us, the SkyTeam alliance.

To manage to work through a hub and to keep the density and variety of routes they need to do that, you need to have short-haul feeding long-haul, and you need to be able to do that in a short connect time. You will not be able to do that if you fly in one side of London and offer somebody a three or four-hour transit time across London. What will happen is that journey will transfer to one of our competitors.

In fact, we take this so seriously that if you have read through the master plan you will find a lot of the work that we have outlined is not to do with the third runway, but how we address this problem in the short term. Part of the work we are doing and part of the opportunity Terminal 5 offers us is to co-locate the alliances – Oneworld on the west, Star on the east and SkyTeam to the south – to help them develop their businesses. We are quite clear that if we start to restrict the ability to transfer, that hubbing will go elsewhere. With it will go the range of routes that are offered, and you will see the London system start to lose fairly heavily to either the KLM/Air France combo at Schiphol and Charles de Gaulle, or to Frankfurt.

**Stuart Condie (Heathrow BAA):** To add to that, the Government in the White Paper said categorically that Heathrow is the only airport in the United Kingdom (UK) that could fulfil this hub concept.

**Tony Arbour (Chair):** What you are then saying is that without that expansion, you could not carry out the hubbing that you think is necessary?

**Mike Forster (Heathrow BAA):** What we can see already happening with a 480,000 cap is that we can handle a certain amount of growth, and then what will happen is that airlines will have to make a choice, and they will have to make a choice between a long-haul route, which is a high-yield route for them, or a short-haul route, which is a feeder route. Now, obviously at the moment we have 90 airlines working through and the alliances are just forming, so, actually the way the behaviour works is emerging. If you have been watching British Airways, you will see that they have been reducing their short-haul routes in favour of long-haul because they are restricted on the slots they can use. That trend will continue.

**Tony Arbour (Chair):** The final scene-setting question for you is this: the Government predicts an extra 25 million passengers. How do they justify that? Is that their figure? Is that your figure? Where did it come from?

**Mike Forster (Heathrow BAA):** We have figures which vary slightly from the Government's; the Government has figures; the various airlines and associations have their own figures. They all broadly predict a similar scale of increase.

**Tony Arbour (Chair):** Do you believe that is a robust figure?

**Mike Forster (Heathrow BAA):** Whether it is in its entirety in the future – we would all need to be able to see into the future – what is clear is if it is the right figure, then it is a very good thing to have had the debate now as to how we would cope with it, rather than wait for it to hit us and then think, ‘What do we do about it now?’ In terms of whether it is fulfilled or not is a separate issue. I think the debate is: if it is the right figure, then how would we prepare for it?

**Tony Arbour (Chair):** Thank you very much. Let me swiftly ask my colleagues before opening it up to everybody whether or not there is a question they would like to ask to which only BAA would have the information to provide an answer.

**Sally Hamwee (AM):** Thank you, Chairman. The work that you and the Government – I believe it is you and the Government, but it may be just the Government – are doing to establish the criteria for meeting the conditions which, I think, to use your word, would allow you to develop responsibly the, as I understand it, three working parties on surface access, air quality and noise – the Chairman has explained we are not looking at the latter, but this is still scene setting just so that we can understand what work is going on in the background and who is involved in it.

**Mike Forster (Heathrow BAA):** I will explain the methodology and how far we have got. The process we need to do is first of all understand what we call the concept of operation. We are doing that for both a three-runway system and a mixed-mode system, which is a change of the use on the current runways. Essentially, if you think about a three-runway system, how would you use a short runway and two long runways; what are the capacity variations; but, more particularly, what does that mean for movement in the air space? We are doing that with National Air Traffic Services (NATS); they are the people doing that work for us because they have to model the whole of the London system; they need to look at the impact over all the various area trends around where would people stack; what would be the waiting times; what would be the routes that would work? The first thing for them to do is to advise us what are the modes of operation which are sensible and deliver the capacity gains that seem to provide the best mix of the different options.

The second job, then, is to do some layout work on the ground. If the runways will be used in this particular mode of operation, where would you have planes parking; what would be the taxi routes; and, therefore, where would be the need for facilities to support that? Once you define the facilities, then you need to understand how you would get surface access to them because capacity is defined from the time somebody is on their way to the airport, how they get on the plane, and also how they run through the sky.

Once we have all those in place, we can then understand what the impacts are in terms of air quality, particularly in the vicinity of Heathrow and along the flight path, and noise. Then we can understand what mitigations are available to see if – and it is an ‘if’ – if the limits set can be met and what would be needed to meet them.

That is the methodology which we are pursuing. We intend to finish by the end of March. There is a proposed consultation by the Department for Transport (DfT) on mixed-mode and the Terminal 6, or a satellite, in the second quarter of next year, which will allow them to review the White Paper at the end of next year.

**Sally Hamwee (AM):** Is this work that you are leading with NATS alongside Government, or is Government leading it with you?

**Mike Forster (Heathrow BAA):** The project is a Government project called the Project for the Sustainable Development of Heathrow (PSDH), and we are leading some of the technical work that fuels that. Again, we are using people like NATS to provide the technical work to us. The project is being led by the DfT.

**Sally Hamwee (AM):** Thank you.

**Richard Barnes (AM):** If I go back to the fifth-terminal inquiry and what BAA said about not needing a third runway, the interpretation of BAA's evidence about not needing a third runway by the local people meant that BAA did not need a third runway, not that they did not need a third runway to serve the Terminal 5. Why did BAA do nothing to correct that broad interpretation by the local people?

**Mike Forster (Heathrow BAA):** By which you mean...?

**Richard Barnes (AM):** You have explained today that you said we did not need a third runway at the Terminal 5 inquiry because we did not need one for the fifth terminal. You gave the impression that at the back of your mind BAA were thinking, 'If you ask another question, then we might well say, "Yes, we do need a third runway."'

**Mike Forster (Heathrow BAA):** I think the issue is if the White Paper had come forward and said, 'Actually, the answer is Stansted and Gatwick', or 'It is Luton and Stansted', that work would be going on at Stansted and Luton, if that had been the answer going through. I think it is quite difficult to separate what was said in that context as opposed to responding to the White Paper.

**Richard Barnes (AM):** The other thing I wanted to pursue is hubbing. Is that for the convenience of the airlines or the passenger?

**Mike Forster (Heathrow BAA):** In a way, both. The airline is going to attract passengers because they provide the connecting routes through. Hubbing is a mixture of originating and departing traffic, which is the traffic that comes on into London, and the transferring traffic. What the transfers contribute to that – so, the people who come in to fly somewhere else – is to support the breadth of routes and to support the overall operation. By having a high level of transfers, they can actually support the broader range of routes.

The reason why these alliances are forming is actually that by offering connected journeys – so, if you are in one destination and you start searching for connected journeys – it will take you through the minimum connect times, as they are called, to say what flight you take on next to get to your end destination. An ability to offer a suite of routes through an alliance that can take you from your origin to your destination through probably a range of choices, which is what people are getting now – you can search on the net; you can find two or three different routes; and the person who can offer the best route gets the business. It is for the passenger, but it is also for the airline industry.

**Richard Barnes (AM):** That is funny because I flew to the United States earlier this year and sat next to Norwegians who had come from Oslo to London and on to America because it was cheaper to do it that way. This summer I flew down to Malaga and sat next to French people who had flown from Paris to London to go to Malaga because that

was also cheaper. The driver for the passenger seems to be cost, not necessarily transfer time.

**Mike Forster (Heathrow BAA):** We have a market which has a number of segments in it and, clearly, the low-cost operators and the cost-driven model is one which has been extremely successful right across the airports.

**Tony Arbour (Chair):** I think that Londoners, particularly those who are directly affected by the airport, ask themselves how does this system benefit them. It appears to be entirely related to the internal market relating to the airlines and does not bring in, so far as one can tell, if the object of the exercise, as you have said, is that they spend the shortest possible time at the airport before making a transfer, it is not going to do very much for London's economy. It may have a substantial environmental impact on the people who live close by. On a cost-benefit basis, it is hard to know how London benefits.

**Mike Forster (Heathrow BAA):** Let me answer those ones. The transferring passenger requires the same level of airport service as any other passenger. The transfer journey through the arriving sequence to the departure sequence actually commands the same level of support as somebody doing an arrivals journey or a departure journey. It is a different journey, but it requires the same level. In terms of 68,000 jobs which are directly around Heathrow, they are proportional to the transfer route. They have a plus and a minus, particularly to London, and that is if they are coming through, they may not be giving quite so much to London, but they are also not using the surface access systems. The amount of traffic generated in the environment is therefore less.

There is an interesting piece which we are starting to see happen now as the 480,000 cap comes in, and that is that we are seeing regional routes from within the UK being cut – I think British Airways has cut six within the last five or six years – in favour of long haul. If we keep it restricted, we will see some of the regional flights to Heathrow being cut. What that will then do is, first of all, the benefit of flying into those destinations via Heathrow will go; and, secondly, we will start seeing those groups transferring out of European hubs. In terms of the job relationship and the local benefit to the economy within the environment of west London, the 68,000 is directly proportional to the percentage. It is to the overall passengers, not the origin and destination (O&D).

**Richard Barnes (AM):** It is a bottom-line decision that the airlines make. British Airways makes its financial decisions on the basis of profitability, not whether it is sustaining 68,700 jobs at Heathrow.

**Mike Forster (Heathrow BAA):** What I am saying is if you took the transfers out, the number of passengers you lost through transfer would feed through into the jobs.

**Richard Barnes (AM):** Is there not a queue for people to get landing spots at Heathrow?

**Mike Forster (Heathrow BAA):** At the moment, yes, but if the demand grows and other people put in an offer, you will see the traffic move through Charles de Gaulle or Schiphol.

**Tony Arbour (Chair):** I am sure that aspect of how it affects, if you like, London plc is something which we will want to return to, that sort of economic impact.

**Murad Qureshi (AM):** Just going back to this figure of 25-million passenger growth, I am wondering about how it is broken down. To what extent do you expect that to be business travel or holidaymakers? I think there are some interesting patterns happening there, but I am not sure you have revealed them to us so far. I am not clear what assumptions you have made in that market for travel.

**Mike Forster (Heathrow BAA):** For the travel market, we have assumed that the business/leisure quota will stay more or less the same. We do not expect that Heathrow will ever operate a sensible low-cost model. We are not seeing the low-cost element as being something that will come into the Heathrow environment, but in terms of the business/leisure split, we expect that to be the same.

**Murad Qureshi (AM):** What is that split at the moment?

**Mike Forster (Heathrow BAA):** It is about 40% business, 60% leisure.

**Murad Qureshi (AM):** It is just that there is an economic analysis of the fact that you can derive utility after the second and third holiday on the airlines, but you are probably not quite keen to make the fourth or fifth trip. I think these figures may be making those assumptions: that us as Brits going on holiday would actually continue in that pattern. I am not personally convinced that just going by air travel is the best way to have the further holidays we may increasingly demand of our lifestyles. How far have you gone into that, if at all?

**Mike Forster (Heathrow BAA):** In terms of the detail of how the forecasts are working, I am not really in a position... I am not disguising anything; I do not have the knowledge to answer. Certainly in the debates we are having, if you restrict it to the view around the people who currently live in the UK and how often they might want to fly, we would be forgetting the growing markets outside Europe, in particular, but actually in the expanded Europe and then looking further east, where there are large numbers of people who will start to fly, who do not currently fly, and who want to come visit the UK. Whether it is all outbound tourists, I think we might find that a lot of that leisure might be inbound tourists as opposed to outbound.

**Murad Qureshi (AM):** Coming to business travel, there are trends there: televideoing and things like this where it would make those journeys quite unnecessary. Do you envisage an impact there or not?

**Mike Forster (Heathrow BAA):** As far as I am aware, those have been built into the forecasts.

**Murad Qureshi (AM):** Two other aspects. You talk about passengers. Have you made similar projections about cargo movements? How much cargo does go through Heathrow, if much at all?

**Mike Forster (Heathrow BAA):** I would need to look it up. I think we are primarily a passenger airport, and certainly in terms of the preference over aircraft movements in a restricted environment, that preference is very strongly given to passengers.

**Murad Qureshi (AM):** The final thing, on the figures: long-haul flights. To me, it does not always make sense that they come from Heathrow, if you look at particular constituencies in London. For example, if someone from Peckham wanted to go to Lagos, would it not be better if they had the option of that flight from Gatwick, which saves

them the movement across? Those are the kinds of things I do not know to what extent British Airways and the airlines, in conjunction with BAA, look at that. I do think it has surface road implications, certainly.

**Mike Forster (Heathrow BAA):** Undoubtedly true, but if you talk to the airlines, the ability to drive a sustainable route is their ability to feed the plane. Therefore, it is about getting people who are originating quickly to the plane, but it is also about picking up the transfer and, also, where did that plane go previously in terms of their scheduling. People do not run a plane backwards and forwards, just doing rotations like that. They run extremely complex schedules, and therefore to be able to fit in a Lagos flight like that, you may be fitting in a schedule which that one aircraft does a whole different range of destinations, of which that is one return route.

The scheduling aspect, I am afraid, tends to drive the hubbing approach, which allows them to run their assets efficiently. An airline's asset is their plane; every minute it is on the ground, it is an asset that is not earning. It all builds. Your logic is absolutely clear until you come round and look at it from a scheduling point of view, and then you can see the way they are trying to make their system work. You may say that is favouring the airline, but it is actually about providing a cost-effective ticket price in an open market. If they are not able to do that, they will not be able to fill the plane in the first place.

**Tony Arbour (Chair):** Thank you very much. I am sure the rest of you have been champing at the bit, but I very much hope that has helped set the thing in context; it certainly has for us as far as that is concerned. I wonder if our guests over there have anything they want to say about what they have heard, particularly in relation to what we have just heard about the forecasts for growth, whether they are in fact realistic, and whether or not it is necessary for there to be expansion at Heathrow.

**John Stewart (Chair, HACAN ClearSkies):** I think we would question the forecasts. Forecasts BAA have used in the master plan tie in with the White Paper. The Aviation White Paper assumed that oil prices would more or less stay as they were when the White Paper was written. That is clearly not happening, and therefore that will have an effect on demand, both throughout the UK and in London.

The other assumption that was made in the White Paper was that the price of air travel would continue to fall by about 1% – just over 1% per year. Now, even if you exclude the oil prices, that is also unlikely to happen over the next 25-30 years because the European Union in particular is now talking about things like emissions trading or emissions charges.

We would actually question whether the figures in the master plan regarding the future projections of use are accurate. We think they are really probably seriously overestimated. In the light of these new things that have emerged, it would be useful for BAA, I think, to revise their projections.

**Tony Arbour (Chair):** Alex Bax, you are the GLA's advisor on these matters. Do you think the forecasts in the consultation document are robust?

**Alex Bax (Senior Policy Advisor, Planning and Development, GLA):** I have to say to start off with, we have not yet completed an analysis of these figures and we will be reporting to the Mayor shortly for him to respond to this document. I think those two points certainly are very well made. The forecasts as I understand it are now beginning – the South East of England Regional Assembly's (SEERA) forecasts are now quite old, and there have been a number of events recently which seem to be changing the basis for

those forecasts. We have not done a detailed analysis of that as yet, but it is something we will look at.

I think from a city-planning point of view, those matters of international air-travel passenger forecasts are not for us, really; they are for national Government. Therefore, whatever follows the White Paper to deal with more than we do. We will be led by the DfT and Government assessment of those, but I think we would want to make sure they have been looked at again, both by BAA and by national Government, to make sure the national forecasts and how they apportion between airports are right before then coming to consider the London position.

**Tony Arbour (Chair):** Does that mean you are taking a sceptical look at what is being proposed?

**Alex Bax (GLA):** Yes.

**Tony Arbour (Chair):** On how the prospects for growth at Heathrow are going to affect housing, we note that there is a forecast that Hillingdon will lose approximately 700 houses. We have looked at your diagrams and, on the face of it, there are going to be large numbers of people in Harmondsworth who are going to live really very close indeed to your new capacity. We wonder whether or not, in fact, the estimate of 700 dwellings is not really very substantially adrift.

I angle this to BAA: we cannot think that you have not thought what the level of compensation is likely to be to people who are going to be affected by the proposals in the consultation document. We wonder, from those of you who are concerned, how accurate the 700 figure is. Let us ask Mr Jurdon, because I am sure you have been leant on by your residents on this very considerably.

**Tim Jurdon (Aviation Manager, LB Hillingdon):** Part of the difficulty we have is that we will need to ask BAA this question because the figure is not a Hillingdon figure at all; it is a BAA figure. I think from the local authority's perspective, what concerns us is that, at the White Paper stage, we were looking at 260 dwellings being affected in the original proposals. To be fair to BAA, they came out partway through the consultation process and said, 'We think the plans for this third runway are wrong, and we will need a larger area to incorporate potentially a sixth terminal, and that may involve up to 700 houses being demolished'. That came out partway through the consultation process, and I am not sure whether all those considering the third runway proposal at the time were fully clear that, actually, 700 dwellings potentially were going to go, or could go. The 260 figure was the official one, and I think a lot of people are now coming to realise that that figure has gone up quite substantially and has not been subject to the full public consultation that the original White Paper proposals went through. Obviously, it is a major cause for concern. It is not so much the numerical element; it is the fact that we are losing a whole community – this is Sipson Village, effectively; the balance makes up the additional 700 dwellings. It is going to have an almost impossible to imagine impact.

**Tony Arbour (Chair):** The 700 relates to actual physical loss, does it not? Demolition?

**Tim Jurdon (LB Hillingdon):** It does.

**Mike Forster (Heathrow BAA):** May I put 700 in context just to show how it has been originated? What we did in the master plan was simply to take the outline that had been published as part of the White Paper, plus the four alternate notional layouts of terminal

capacity that would be needed, laid them over on top of each other, and then drew a line around the lot. The reason for doing that was that we had published blight schemes, now, and noise schemes because we were conscious there had been plans in the public domain in different generations – the original White Paper, and then with our response – which had been covered by a published document, and therefore to manage the flight scheme we have simply put a line around that. What the final curtilage of any future capacity would be, I think in the master plan we have said we are reasonably confident that we have demonstrated the maximum, but we have not done the work yet. How that would work through, it would be wrong to speculate.

**Richard Barnes (AM):** There are really three levels of housing and people's lives that are being affected: those where there will be 700-750 buildings demolished; there will be those whose life will be made utterly intolerable because the next-door neighbour's has been demolished, or the one at the bottom of the garden has been demolished, but their house has not. What figure falls in that category, and the figure I have heard, is some 2,500. There will be those whose life will be affected by pollution. The red, amber and green, if you like, to put a pictorial qualification on it. That figure, I have heard, is 34,000. Which figures are right? You must have looked at them somehow.

**Mike Forster (Heathrow BAA):** I am sure the answer is dependent on who you ask.

**Richard Barnes (AM):** I am asking you.

**Mike Forster (Heathrow BAA):** We have two schemes running at the moment: the noise and the blight schemes relative to the third runway. The first is those who are within, I think, drawing four in the master plan, which is those 700. That is a transferable bond which we have offered to those people to provide some certainty linked back to 2002 house prices. That bond is redeemable when we go into planning permission, if we go into planning permission.

The second is the noise scheme, which sets a noise boundary. Any house that falls within that scheme gets a transferable bond which is redeemable if and when construction starts. We have set those two limits; we believe the air quality is well covered within the limits that have been set. If those contours grow, we will honour any property that sits within that contour.

**Richard Barnes (AM):** If it shrinks?

**Mike Forster (Heathrow BAA):** We will honour what we have done to date.

**Richard Barnes (AM):** How many fit in that contour?

**Mike Forster (Heathrow BAA):** I think it is 4,000.

**Stuart Condie (Heathrow BAA):** This is within the 66 LEQ. I think we need to get back to you on that beyond that.

**Alex Bax (Planning and Development, GLA):** There is another housing point which we, I think, from a strategic housing point of view, would want to make. Added to your three categories, there is a group of people who are in housing need who, in terms of meeting the Mayor's housing targets, both for west London and for Hillingdon in particular, taking out 700 homes would be very contrary to current mayoral plan policy. Taking them out and not replacing them, if not adding more – you need to fully replace

700 homes, and Hillingdon has a housing target to meet of new homes in addition to that stock, which these current proposals do not address, so both of those – there are some further people, if you like, who are affected by effectively taking a load of housing out of the stock. That is another concern from the Mayor's point of view.

**Richard Barnes (AM):** My main concern is my constituents at the moment, not those who might be.

**Alex Bax (GLA):** This is a further test which we will certainly be looking at to see whether there are any proposals from BAA to deal with that question.

**Tony Arbour (Chair):** It is right, is it not, Mr Jurdon, that this will blow a hole in your housing target?

**Tim Jurdon (LB Hillingdon):** Absolutely. You cannot do anything else. I do not think we have ever had this number of houses going in one fell swoop, as it were. I do not know that any borough has, in terms of a single development, a project of this type. It is unprecedented.

**Valerie Shawcross (Deputy Chair):** I am terribly sorry I was late; I was at another meeting about Crystal Palace Park. I think we have met before on the Environment Committee some years ago talking about airport issues. There was some interesting discussion then, if I can just pick it up. If you forgive me for ranting, I think given that we have just had the first global catastrophe in the climate change era and that we are watching desertification happening in Africa and in Spain, I think the whole population of the world, not just London, have concerns now about the impact of the air industry.

**Tony Arbour (Chair):** We have ruled out the matters which were discussed by the Environment Committee last week.

**Valerie Shawcross (Deputy Chair):** Not last week. One of the issues that was mentioned at the Environment Committee a couple of years ago was whether or not there could be better management and organisation of air traffic in London. There was an argument put forward then that Heathrow's significance was that there was a critical mass, the business hub, and that you needed a certain level of air traffic in and out in order to provide an adequate world-size business hub. There was questioning about why, therefore, is point-to-point tourist traffic allowed into Heathrow, and why is there not a hierarchy or ration system or organisation of air traffic that would allow a focus, perhaps, on business growth for Heathrow and put other growth elsewhere, if indeed other growth is needed? That issue has just been ruled out of order.

Is the master plan set in the context of any analysis of how air traffic and different categories of air traffic are organised, or not organised, in London and in and around the south-east?

**Mike Forster (Heathrow BAA):** This relates to some of the debate we have been having. I think it has to do with the economic proposition of the way aviation is arranged currently. It is not to say that you could not completely unbundle it and restructure it differently, but in terms of the economics of the airline industry, it is driven by a mix of economy seats and business seats. To be able to keep a route network running, breadth of destinations that would support it, in the current structure you need that mix to offer the best possible prices to passengers.

**Valerie Shawcross (Deputy Chair):** I appreciate that you are having to plan within the current legal and planning framework –

**Mike Forster (Heathrow BAA):** The master plan is responding to that structure.

**Valerie Shawcross (Deputy Chair):** Could you foresee a situation where, if the Government took more active – for want of a better word – ‘state control’ of management of air space and airport capacity, that you could better rationalise airport use in the south-east?

**Mike Forster (Heathrow BAA):** If you were happy for the main European hubbing to move away from the UK, because this is a global business; they are working through a whole range of different destinations. If the structure and economics of the routes are going to work better for them elsewhere in Europe, then that traffic will go there and leave a segregated O&D business, which you have talked about. That would be a radically different proposition for air traffic in the UK, for London and for UK plc, and with ramifications well outside the issues they are talking about in the master plan.

**Stuart Condie (Heathrow BAA):** The Government can by decree constrain demand if it wants to, but in the example you have given, I stand to be corrected, but I think a lot of overseas visitors visiting the UK want to go to London. Pushing them off somewhere else is, I would have thought, would have fairly detrimental effects to a very sizable part of London’s economy.

**Valerie Shawcross (Deputy Chair):** We are talking possibly about Gatwick, though, or Luton or, indeed, Stansted.

**Stuart Condie (Heathrow BAA):** They are all constrained. They are all supply constrained at the end of the day.

**Valerie Shawcross (Deputy Chair):** Forgive me if someone has asked this one already, but talking about the economic benefits of air traffic or airports, what benefit does the passenger who just changes planes at Heathrow and never leaves –

**Tony Arbour (Chair):** We have just had that one.

**Valerie Shawcross (Deputy Chair):** Was there a good answer?

**Tony Arbour (Chair):** I do not know how happy we were.

**Valerie Shawcross (Deputy Chair):** Let us move on to my parochial issue, which is south London. We have just been looking at the route utilisation strategy review in Network Rail of surface railways in London. The only route they have been looking at in south London, as usual, there is absolutely nothing for south London’s access to Heathrow. Now, economic development in London has been very stilted towards the Heathrow area and has been very unbalanced. In what way would growth in Heathrow benefit the large areas of central and south London that, at the moment, have far better access to Gatwick than they do to Heathrow?

**Tony Arbour (Chair):** We will ask you, Rufus (Barnes), but that initially has gone to BAA. Have you got an answer for that, or do you think Mr Barnes will be able to tell us infinitely more?

**Rufus Barnes (LTUC):** I cannot tell you, but I would like to support the concerns of Valerie Shawcross.

**Stuart Condie (BAA):** I will try to answer what is quite a broad question. A lot of the economic benefit of Heathrow's growth is around the support of service industries in London. Aviation is pretty critical to both tourism, which you have talked about already, and the financial services sector. These are two big employers in London. I do not know exactly where that employment falls and how much of it falls in south London, but clearly it is a big support to the London economy as a whole.

We have been working – and it is hinted at in the master plan – looking at improving access to Heathrow from the South West via a project called Airtrack.

**Valerie Shawcross (Deputy Chair):** I noticed that, and there is nothing about the south-east at all – Bromley, Lewisham, Croydon, Lambeth, Southwark have very, very, very poor access to Heathrow at the moment. Nobody is talking about improving access to Heathrow, so there is a sense in which further overheating of the economy of north-west London and increased congestion brings many dis-benefits to north-west London and brings no benefits, as far as I can see – I have yet to find a business that has a strong link to Heathrow in my area – to the south-east quadrant of London. Benefits in Gatwick have far more impact in south London. Is that something with which you could agree as a general description?

**Stuart Condie (Heathrow BAA):** I do not think I am well qualified to comment on that.

**Valerie Shawcross (Deputy Chair):** It is interesting that it is not in the debate as to why Heathrow as opposed to elsewhere, if one part of the GLA's function is to link economic development and transport development, etc.

**Mike Forster (Business Strategy Director, Heathrow BAA):** Anything that helps us get more heavy rail access to Heathrow, and certainly the Airtrack routes, which Stuart (Condie) just mentioned, which would go down to Staines, has potential to link back to Waterloo and pick up south-west train routes, so obviously it is providing some sort of link, but it does not really get into the south-east. I think that is fair.

**Valerie Shawcross (Deputy Chair):** Thank you.

**Sally Hamwee (AM):** We have moved on to surface access, and it follows from Valerie Shawcross's question. I suppose this will be for BAA and for LTUC. I have seen the figures about the modes of access, and the change is relatively small over five or six years. Is there information about the point of origin? If there is information, does LTUC consider it is adequate information?

**Stuart Condie (Heathrow BAA):** Yes, I think there is information about point of origin. It is not in this document but, yes, there is.

**Sally Hamwee (AM):** It seems to me that it is necessary to know that. There is obviously a bit of 'chicken and egg' about it, as far as BAA are concerned, but back to the access of, say – and I am not particularly plugging it – the development of the Airtrack development, then that allows more passengers to come, but I am interested in knowing who uses what modes at the moment.

**Rufus Barnes (LTUC):** I think LTUC's view in relation to Heathrow and surface access has always been that BAA has concentrated on the London-Heathrow access. From that point of view, the rail provision has been quite good, although, as I have indicated in a supplementary paper to you, our concern has been that the fare structure does not make it an integrated part of the public transport network. That, I think, goes back to the original decision relating to Heathrow Express railway, where the government of the day made it clear that it was going to be a commercial service rather than an integrated part of the network.

We do think that one of the real problems that Heathrow faces, that except for London, it is difficult to identify a concentration of demand which perhaps justifies the level of investment that they have put in in relation to the central London-Heathrow access. However, we do believe that the Airtrack proposals are absolutely vital if Heathrow is going to succeed in attracting more of its obvious hinterland to the south of the airport into using public transport.

Once a rail link to the south is open, because of the inter-working of the railways, it would be possible to provide a lot of alternative services but, again, frequency of service is what makes a service attractive, and if you do not have a concentration of demand from the sorts of places Valerie Shawcross has just been referring to, would it actually result in a financially viable service? Certainly we would be expecting to see Airtrack go back into Waterloo, and therefore provide a better and easier connection of rail services into other parts of south London via places such as Clapham Junction and, of course, open up down to Woking and beyond. It is a real problem.

The other option, I suppose, that has not been referred to is if Crossrail is developed, then there will be the Crossrail service, which would cross and go to south-east London further over than your constituency, but through across the Thames at Woolwich and into the Thamesmead area around there. There is a demand, and we would certainly wish to see, if Heathrow is expanded any further, a condition imposed that Airtrack were to be part of that surface transport access provision.

**Sally Hamwee (AM):** I was wondering, Chairman, whether our response to the consultation ought to be seeking any further information about the sort of things I have just raised. If LTUC wants to think about that and perhaps come back to us, I would be grateful.

**Rufus Barnes (LTUC):** All the data we have had in the past, Chairman, has indeed shown it is a scattering of demand, which is so difficult to meet by rail because of the cost of providing new rail services.

**Sally Hamwee (AM):** Yes, of course, as I said it is a bit 'chicken and egg' because Crossrail serving the south-east of London might take traffic which would naturally otherwise go to Gatwick or Stansted.

**Tony Arbour (Chair):** One of the things which concerns us is the suggestion that the new expanded Heathrow, were it to come about, 50% of passengers would arrive through some form of public transport. Currently, you are not even able to accommodate for 40% of a much smaller number of passengers. We really want to know how that is going to work. Not being successful so far, what confidence can we have that you will be successful in the future? Perhaps that is not in your hands, but, nevertheless, we would have hoped that you would have achieved your existing targets. Is that one of those unanswerables?

**Mike Forster (Heathrow BAA):** All we are doing at the moment as part of supporting the process outlined is doing a lot of modelling of the routes around Heathrow to understand what are the density of passengers, staff, local transport and regional transport, and quite how that can be impacted to deliver primarily the air quality, but obviously the modal shift is going to be key in achieving that.

**Tony Arbour (Chair):** I have a note in my brief which says that I ought to seek clarity from you regarding Transport for London's (TfL) concern over the fact that you overestimated the capacity of the Underground to serve Heathrow. Were you guilty of that? Are you guilty of that?

**Stuart Condie (Heathrow BAA):** I am not familiar with that point.

**Tony Arbour (Chair):** Are there any other burning matters?

**John Stewart (HACAN ClearSkies):** Briefly, if I may return to the hubbing point because, as it says on the paper I have here, we are not really convinced about this. We have heard today about Heathrow serving many more routes and destinations because of the hubbing and because of the transfer of passengers. The figures, in my opinion, do not bear that out because in the early 1990s, when there were only 9% transfer passengers, Heathrow served 200 destinations. Today, when transfer passengers are around 35%, it only serves 184 destinations, so it is fewer. In fact, Gatwick, which has very few transfer passengers, now serves more destinations than Heathrow.

I have two points to add to that. One is that I think BAA have underestimated the growing desire by passengers, which some of the questions brought out about point to point, people actually do not want to go from Edinburgh to Prague via Heathrow. Increasingly, we know there is demand in the regions – not only in the UK, but throughout Europe – for those point to point to happen. I think that is one thing that has been underestimated.

The other thing that has been underestimated regarding hubbing, I think, in the master plan, is an assumption that the other great hubs – Charles de Gaulle, Frankfurt and Schiphol – will continue to grow forever and a day. I think that is a false assumption; I am not sure there is really hard evidence to back that up. There has been growth until now, but there is a limit to the growth at each of these airports, and certainly around Charles de Gaulle there is a protest group that would put HACAN to shame so strong is their opposition to further expansion.

**Stuart Condie (Heathrow BAA):** What we can be sure of is that there are far more runways existing at the moment at these overseas hubs, and there are –

**John Stewart (HACAN ClearSkies):** Right now, but I am talking about in the future. Of course, right now.

**Stuart Condie (Heathrow BAA):** There are plans at Frankfurt to build more. The issues that you talked about, a lot of these issues on passenger preference have already been taken into account in the forecasts. Of course, if you are in Oslo and you want to go to Atlanta, everyone wants to have a direct flight. Either you want to go there via Heathrow, or you do not go at all.

**Richard Barnes (AM):** It is cheaper via Heathrow.

**Stuart Condie (Heathrow BAA):** That is not really the point. Often there is no other alternative but to go via a hub of some description.

**Sally Hamwee (AM):** When I saw these figures that HACAN produced, I wondered whether there was an increasing division into the business market and the holiday market, with the holiday market going to Gatwick. We have heard from Mr Forster at the beginning, possibly before Valerie (Shawcross) arrived, about the alliances and west, south and east. Can you comment on that?

**Mike Forster (Heathrow BAA):** I think it is good to get these figures out and get it debated. The important thing is to recognise different elements of the market. There are probably three groupings that you could distinguish that have quite different characteristics. One is the low-cost point to point that is unashamedly point to point, and even if you try to transfer, you actually transfer through two point-to-point activities; you have to collect all your bags and start again as if you lived there. There is the charter traffic, which drives lots of different destinations, but infrequently. There is then the scheduled traffic.

When I was making comments around the sustainability of networks, it is around scheduled traffic. The split of leisure versus business is to do with keeping a scheduled operation running as opposed to charter operations, which are running a whole of different destinations, but it might be doing it once a week. That is not a scheduled operation; that is a charter operation. Radically different business model; radically different drivers. The comments I was making, and I apologise if I did not make it clear, was a reference around scheduled aircraft operating that kind of issue rather than the traffic that has been growing at Gatwick; there is scheduled traffic, but they are actually operating a mix of all three. They have low-cost point to point; they have charter; and they have scheduled traffic. It is a different type of market.

**Sally Hamwee (AM):** BAA's business model for Heathrow, then, is the scheduled?

**Mike Forster (Heathrow BAA):** Yes, and that is what the airlines are telling us.

**Tony Arbour (Chair):** Thank you very much for that. We need to bring this part of the business of the Committee to an end but, as I said at the beginning, I have no doubt we shall all meet again to discuss this when it has progressed further. Thank you so much for coming, and thank you for all your help. Thank you very much.

## **Appendix B**

### **Summary of LB Hillingdon's Position**

We are opposed to the principle of the third runway due to its massively damaging impacts that are far in excess of those of Terminal 5. It is almost certainly 'London's most damaging single development ever.'

It is hoped that the Mayor will continue to voice his opposition to this proposal that will ruin the noise climate for tens of thousands of London residents.

SEERA, in their response to the Master Plan confirm that they are opposed to the third runway in principle and have carried out a recent study which concludes that the likely impacts would be even worse than originally envisaged in the Aviation White Paper.

The consultation on the third runway (SERAS) stated that 260 dwellings would be demolished but now the number has gone up to 700 without any public consultation - that will follow next year.

Unfortunately it will be well into next year before new safeguarding maps are issued for the third runway. Until then we do not know which areas outside the airfield boundary on Drawing 4 will have safeguarding height limitations placed on them.

The majority of the area affected by the layout plan for the new runway is Green Belt so there is limited impact on future housing provision that could reasonably be expected to have been provided within this area. The main housing issue is the loss of the 700 existing dwellings and its implications at a strategic level. The Council has not considered the issue of reprovision of this housing stock.

In respect of the main part of the Master Plan - 'Within Existing Limits' most of the development is considered acceptable in principle and is contained within the environmental conditions imposed by the T5 consent eg 480,000ATM limit, 42,000 car park cap, 147km<sup>2</sup> noise contour etc. Proposed physical development is all within the airport boundary.

However, the latest forecast are for 90-95mppa which is higher than previously and requires greater effort from the airport operator on a range of issues such as air quality, noise, community impacts, and particularly surface access for which there are no major infrastructure commitments.

There is clearly a crunch point on the horizon because LBH will find it politically impossible to condone the third runway as may other strategic bodies. This will place them in opposition to Govt policy. That is nothing new for LB Hillingdon as historically major decisions to expand Heathrow have been taken by Secretaries of State following planning inquiries which Hillingdon has opposed.

## London Borough of Hillingdon's draft response

1.	Do you agree with the plan's overall structure and general level of detail? If not, please explain why.	The level of detail in a document of this type is accepted. However, it is not possible to respond to all detailed issues without considering further background information. The level of detail in respect of the Project for the Sustainable Development of Heathrow is unsatisfactory given its significance.
2.	Do you agree with the analysis of Heathrow's current and future importance set out in Chapter 2? If not, please explain why.	The Council does not accept the conclusions of the analysis in Chapter 2 eg reference is made to the percentage of GDP provided by foreign tourists but no reference is made to the far higher percentage lost to overseas by British tourists. The conclusions at paragraphs 2.25 and 2.26 that Heathrow should be expanded beyond the 480,000 ATM limit to compete with European airports is not accepted. Such logic would justify a 4 <sup>th</sup> runway if European airports continue expanding.
3.	Do you agree with the analysis of the statutory and regulatory context set out in Chapter 3? If not, please explain why.	Appropriate factual information.
4.	Does Chapter 4 provide a sufficient description of Heathrow's current operation and facilities? If not, in what respects do you suggest it should be elaborated?	Appropriate overview.
5.	Do you have any comments on our expectations for future traffic growth as set out in Chapter 5?	It would be useful to see the background information supporting the forecasts together with sensitivity testing for different scenarios.
6.	Do you agree with our aim for Heathrow as set out in Chapter 6? Does our development strategy and associated land use plan for Heathrow within its existing limits in Chapter 6 properly reflect Government policy for ensuring Heathrow's hub status is maintained? If not, please explain why.	The Council agrees that the existing T5 limits are generally appropriate to set the environmental capacity of the airport and limit its adverse impacts.
7.	Do you agree with the analysis of the environmental impacts and mitigation strategy for Heathrow within its existing	Much of this section is purely factual and detailed responses have been previously made by the Council to specific issues such as: <ul style="list-style-type: none"> <li>• The lack of targets within the Air Quality</li> </ul>

	<p>limits as set out in Chapter 7?          Are there any aspects of our air quality and air noise strategy which you specifically disagree with? If so, please give your reasons?</p>	<p>Strategy, and</p> <ul style="list-style-type: none"> <li>The limited extent of the Heathrow noise mitigation schemes proposed in response to the Aviation White Paper's requirements.</li> </ul>
8.	<p>Do you agree with the analysis of the surface access strategy for Heathrow within existing limits set out in Chapter 8?          Are there any aspects which you specifically disagree with? If so, please give your reasons?          Do you agree with our position on the Crossrail and Airtrack rail schemes in respect of their relative importance to the airport and to the wider region? If not, please explain why.</p>	<p>The Council has significant concerns about the surface access strategy for Heathrow. Fundamentally a major step change in attitude towards public transport infrastructure is required to offer an alternative to the car for passengers and staff and to make realistic progress to reach the 50% goal of public transport use by passengers.          The 40% target has been consistently missed and public transport usage levels are little changed year on year.          BAA's position on Crossrail is luke warm despite the schemes wider strategic benefits.          A commitment should be given to support implementation of Airtrack as soon as possible, not as a condition of any go-ahead for the third runway.</p>
9.	<p>Do you have any comments on our safeguarding strategy for additional runway capacity set out in Chapter 9?          Are there any locations where you think that our interim land boundary for a third runway might be altered from that depicted on Drawing 4?</p>	<p>The safeguarding strategy does not provide certainty for developers that may be considering investing in the area. The safeguarding plans, when published, should be publicised to local stakeholders in the main areas affected to make them aware of the safeguarding limits.          The area to the west of the airport should be deleted from Drawing 4 as there is no longer any justification to retain it.</p>
10.	<p>Do you agree with our priorities for further work over the course of the coming year as set out in paragraph 10.8 below? If not, please explain why.</p>	<p>The reviews of the existing air quality and noise strategies and surface access targets are welcomed. The reviews need to distinguish between what is required for 'within existing limits' as well as the third runway scenario.          Work should be carried out by BAA to specifically assess the airport's impact on its surrounding communities and how mitigation measures might respond.</p>

## Appendix C

### Summary of HACAN ClearSkies Position

#### Do you agree with the plan’s overall structure and general level of detail?

HACAN ClearSkies has real difficulty with any Master Plan for Heathrow that even contemplates further growth at the airport. It is the size of the present airport – and particularly the number of aircraft using it – that is causing unacceptable noise and air pollution problems right now.

But we do think this Master Plan is particularly muddled. This is perhaps less down to BAA, the airport operator required to produce the Plan, and much more to the Government which has placed the third runway and sixth terminal in limbo. To further muddy the waters, the Government has not made up its mind on whether to proceed on mixed-mode operations. As a result, this Master Plan veers uneasily between the current situation and future plans and proposals.

#### Do you agree with the analysis of Heathrow’s current and future importance set out in Chapter 2?

This chapter is poor. In place of rigorous economic analysis, it contains a partial – and over-rosy – picture of Heathrow’s current and future importance to the economy:

- It is packed with figures on the alleged contribution of Heathrow to the economy, but is weak on showing how these figures have been arrived at.
- It expresses concern that Heathrow may fall behind the other airports in other key European cities, but in comparing Heathrow with Frankfurt, Schipol and Paris, it is not comparing like with like. The correct procedure should be to compare *all* London’s airports with the *all* the airports serving the other cities. When this is done, a very different picture emerges. The figures show that London’s airports (Heathrow, Gatwick, Stansted, Luton and London City) are not only way ahead of their rivals, but that over the past decade they have increased that lead.

	1995 (passengers by million)	2004 (passengers by million)	Increase
London’s Airports	82.8 million passengers	128.6 million passengers	45.8%
Paris’s Airports	55.1 million passengers	73.4 million passengers	18.3%
Frankfurt	38.2 million passengers	51.1 million passengers	12.9%
Amsterdam	25.4 million passengers	42.5 million passengers	17.1%

- It is muddled on the value of transfer and transit passengers, i.e. passengers passing through the airport. They amount to 35% of passengers, up from 9% in 1992. These passengers contribute little directly to the UK economy (although they contribute to the profits of the airport and the airlines). And there seems to be no connection between the number of transfer/ transit passengers and the number of destinations an airport serves. Heathrow serves fewer destinations today (184) than it did in the early 1990s (over 200). And Gatwick, which has few interchange passengers, now serves more destinations than Heathrow. Yet the Master Plan regards them essential to Heathrow’s survival as a ‘hub’ airport. It seems to base its argument on the fact that transfer/transit passengers enable Heathrow to provide frequent flights to key destinations and thus make London a popular place for business to locate to. But no real evidence is produced to back this up.

- It does not spell out the full picture on tourism when it simply states ‘Heathrow is the gateway to the UK with some 9 million foreign visitors using the airport every year.’ Research published by Friends of the Earth, *Why airport expansion is bad for regional economies* (2005), spells out the true position. It found that in 2004 there was a UK deficit in aviation tourism of £15,250,000. Although London was the only region in surplus (by £436,000), it does take some gloss off BAA’s claim that the expenditure of the tourists who come in via Heathrow ‘is estimated to be worth about 1.5% of the country’s GDP.’

**Do you agree with the analysis of the statutory and regulatory context set out in chapter 3?**

There is a major flaw in this chapter. It fails to spell out that both the Mayor and the South East of England Regional Assembly (SEERA) have come out against the building of a third runway at Heathrow.

**Does Chapter 4 provide a sufficient description of Heathrow’s current operation and facilities?**

We believe it does.

**Do you have any comments on our expectations for future traffic growth as set out in chapter 5?**

We believe that BAA is mistaken to claim that the traffic forecasts on which the Aviation White Paper was based ‘are a sound basis for Government policy.’ The Department for Transport itself is currently re-assessing these forecasts. They were based on the assumption that the price of oil would be relatively stable – it already stands above the level assumed in the White Paper. They also assumed that air fares would continue to fall each year over the next 30 years. This is now unlikely in light of rocketing oil prices and the growing support amongst some European countries for a tax on aviation fuel or the introduction of a charge on emissions. Research published by the Aviation Environment Federation showed that if growth was closer to 2% per annum rather than 4% over the next 30 years there would be no need for any further runways in the South East (*Fly now, grieve later*, 2005). This chapter of the Master Plan does not begin to consider the implications of this for Heathrow.

**Do you agree with our aim for development of the existing airport as set out in Chapter 6?**

We have little comment to make on this chapter, except to repeat our comments given to question 2.

**Do you agree with the analysis of the environmental impacts and mitigation strategy in Chapter 7?**

**Do you have any comments on our safeguarding strategy for additional runway capacity in Chapter 9?**

We have found it more logical to comment on noise and air pollution by looking at the current and possible future scenarios together.

**Air Pollution**

We are disappointed that BAA has shied away from spelling out the pollution levels currently experienced by communities close to Heathrow. Without that, there is no

concrete starting point to assess possible future levels. Most analysts believe that current pollution levels are close to or above the EU legal limits (due to come into force in 2010). As we read the EU Directive, authorities should now be looking at ways of reducing the levels of pollution in badly-polluted areas so that they comply with limits in 2010. That *could* require BAA reducing the number of planes using the airport. That very real scenario is not even considered in this Master Plan.

Instead, the thrust of the Master Plan is all about expansion. All the evidence so far suggests that there is little chance that air pollution levels will meet the EU standards even if a 3<sup>rd</sup> runway is not open for another 20 years. BAA, in its response to the SERAS consultation, acknowledged that there would probably need to be a 40% improvement in emissions from aircraft if the EU levels were to be met. Most industry experts believe it will only be half that over the next 20 years. Even if congestion charging were to be introduced in the area – and that is a big ‘if’ – so much doubt must remain over air pollution levels that, instead of holding a Damocles sword of blight over a community until the Department for Transport and BAA think they might be safe to go ahead, the proposals for a third runway and a sixth terminal should be ruled out now.

### **Noise**

The sections on noise in both chapter 7 and chapter 9 are so disingenuous as to be misleading.

In 7.18 the Master Plan says: ‘The area of the 57 dBA Leq noise contour surrounding Heathrow, published by the DfT, has reduced from 291 square kilometres in 1990 to 129 square kilometres in 2003.’ This gives the impression that the noise climate is improving. This is not the case. The DfT’s method of measuring noise is highly contentious. It is a pity that BAA seems to be endorsing it in this Master Plan without even hinting at the widespread criticism there is of it. In summary, the criticisms of the methods are these:

- In measuring noise, the DfT measures the noise of each plane and counts the number of planes. It then averages out the noise over a 16 hour day. This includes the quiet periods. It then averages out the noise over the year (including the days when there are no planes). This averaging is not how people hear noise. This method also fails to capture the huge increase in the number of planes using the airport in recent years. It is the volume of planes, rather than the noise of individual planes, that is the main complaint of residents.
- The DfT chooses 57 decibels as its contour because that is the level, it argues, where ‘the onset of community annoyance’ begins. The World Health Organisation disagrees. It argues that the onset of moderate annoyance begins at 50 dBA Leq and serious annoyance at 55 dBA Leq. Just over 300,000 people live within the 57 contour, between 500,000 and 600,000 within the 55 contour and over a million in the 50 contour. The WHO figures correspondent much more closely to the findings of the GLA London Household Survey (2002) where between 400,000 and 500,000 people said they were seriously annoyed by aircraft noise (the GLA survey excludes areas, such as Windsor, under the flight path but outside the GLA boundary). Certainly the WHO levels and the GLA figures correspondent much more closely to people’s experiences than do the DfT figures, used by BAA in this Master Plan. The DfT figures would imply that aircraft noise is not a serious problem in places like Fulham!

Chapter 9 – 9.31 – admits that ‘a new runway would require new preferential routes and this means that new populations would be exposed to some degree of air noise’ and

‘those living close to the airport are likely to experience a worsening of the noise climate.’ But then it is content to leave it at ‘modelling undertaken as part of the Government studies will analyse the numbers affected.’ This is just not good enough in a Master Plan whose purpose is to assess the impact of Heathrow on those affected. Some assessment should have been done. At the very least, some of the figures which are already available should have been included – we know, for example, from the DfT’s SERAS studies that around 150,000 people living under the new flight path to a third runway would be affected by noise levels above 54 dBA Leq.

### **Blight and Mitigation Schemes**

Our view is that the environmental downsides of a third runway and sixth terminal – the demolition of properties, the destruction of communities, the air pollution, the noise – should rule them out. A responsible company – which BAA claims to be – would not even consider them. The blight should be lifted by ruling them out.

The whole thrust of the blight and noise mitigation schemes is unacceptable. The starting point for noise mitigation schemes should be quite different. There is a strong environmental and social case to reduce the number of flights currently using Heathrow. There is also a concern that the economy of West London has become dangerous dependent on Heathrow. Government should be working with local authorities and industry to re-balance the economy of the area by encouraging industries not dependent on Heathrow. There is no evidence to suggest that a more diversified economic base would make the area less prosperous than an economy which we are told is now dependent on an ever-expanding Heathrow competing for yet more transfer passengers in the European market. It’s within that new framework that generous mitigation schemes should be developed.

### **A final thought**

It is disappointing that BAA throughout the Master Plan fails to state where it stands on the key issues. Does it, in principal, favour the introduction of mixed mode? The construction of a sixth terminal and a third runway? The Aviation White Paper made it clear that the development of airports was ultimately the responsibility of the private sector? But, in its Master Plan, BAA seems to imply that it does not have that choice. Does it?

### **John Stewart**

Chair, HACAN ClearSkies

## Appendix D



### Surface Access Heathrow Interim Master Plan

1. In LTUC's view BAA has in the main signed up for the sorts of policies which we believe encourage the use of public transport for travel to and from Heathrow. As examples of these policies we would cite the investment to which they have committed to build the extensions to both the Heathrow Express Railway and the Underground's Piccadilly Line to Terminal 5, as well the improved central area bus station and the new direct road link to/from the M25. The new Heathrow Express Railway station at Terminal 5 has passive provision for platforms for the proposed Airtrack scheme to the south-west via Staines, but there is limited pro-active BAA input in support of this worthwhile scheme to address the needs of people wanting to get to the airport from the south.
2. The recently introduced Heathrow Connect rail link provides a stopping service between stations in west London and Heathrow meeting an obvious need both for workers and airline passengers. It is a partnership scheme between BAA and the national railways with fares for workers at the airport subsidised by BAA.
3. Within the confines of the airport one of LTUC's concerns has been the closure to land-side buses, on security grounds, of the road tunnel linking terminal 4 to the Central Terminal Area (CTA). This adds substantially to the journey time for bus passengers wanting to travel to Terminal 4 from the north of the airport and to the CTA from the south of the airport. However, since the decision was taken on grounds of security, it is not one that BAA could themselves reverse and in the present circumstances it is probably not a matter appropriate to pursue.
4. It is, however, in respect of fares more generally that LTUC and its predecessor LRPC have always had serious concerns. LTUC recognises that the then Government determined that Heathrow Express was to be a wholly commercial enterprise. This has meant that fares levels have been significantly higher than those on the Underground or the national railways for an equivalent length of journey. Travelcard is not accepted, neither until recently were national rail discount cards. The result is that Heathrow Express is not seen as a part of London's integrated public transport network. Although BAA argue that Heathrow Express is a premium service competing with taxis rather than with other modes of public transport, LTUC believes this situation is untenable in the long run and that the fares structure on Heathrow Express needs urgent revision. As a start LTUC would like to see all-zones Travelcard holders given a discount when using Heathrow Express (a similar system operates on many riverbus services operating on the Thames).

Rufus Barnes  
31.8.05

## Appendix E – Orders and Translations

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