

Airtrack

**Thames Valley Chamber of Commerce
Transport Group**

14th September 2010

Kerry Bangle, BAA

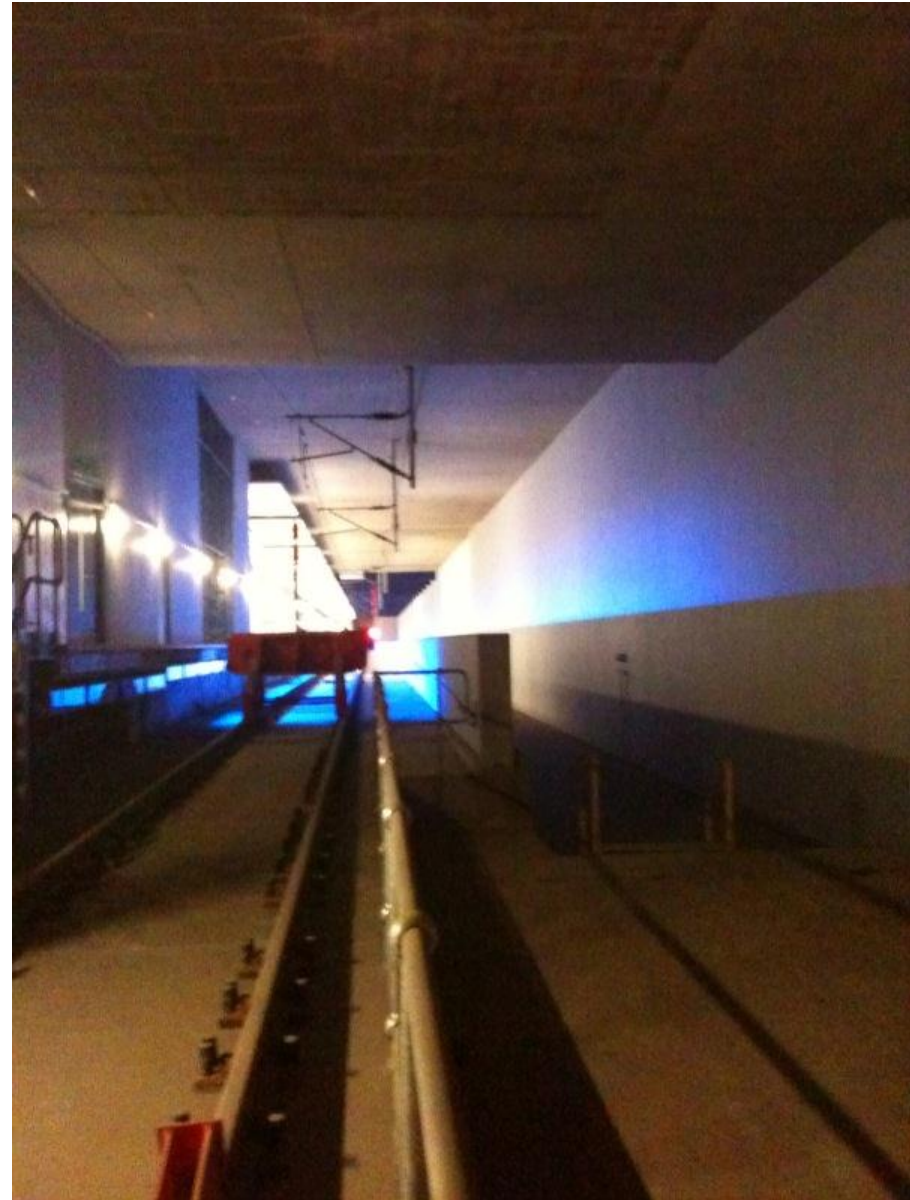
What?

- Concept since the 1960s; various incarnations
- In 2000 AirTrack Forum established
- In 2006 HAL took forward Forum's route & service pattern
- HAL funding £90m for development & promotion
- In essence, Airtrack connects LHR to SWML
- Mix of new & existing infrastructure
- Services Heathrow T5 to Waterloo, Reading and Guildford
- 2 trains per hour; services additional to existing
- Project cost c.£670m (inc. trains, risk, depot)
- Requires a Transport & Works Act Order
- Public Inquiry on hold due to uncertainty of Govt funding

Active safeguarding at Terminal 5 – lift shafts

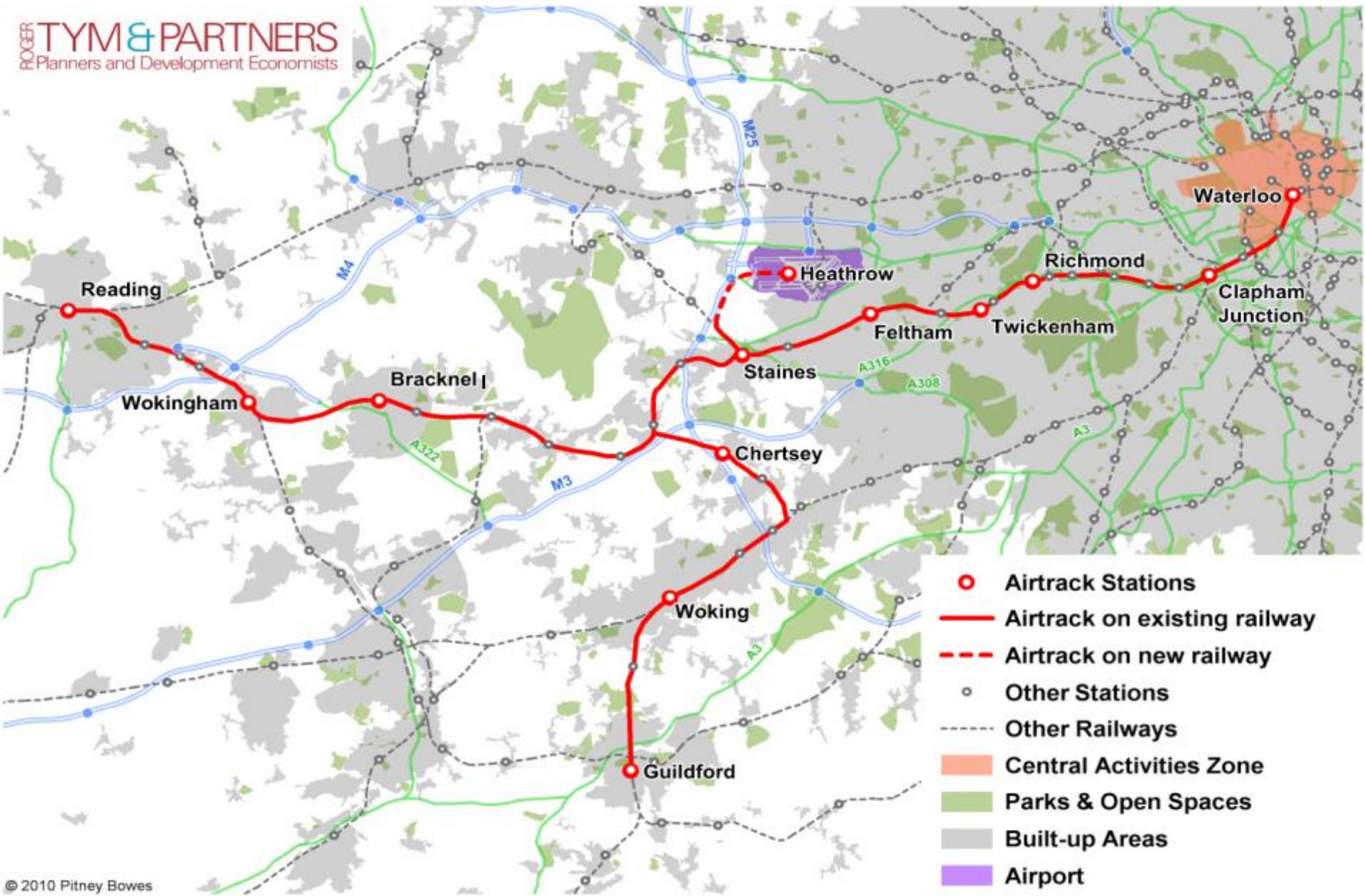


Safeguarding under Terminal 5 – future platforms



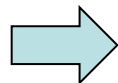
Route network

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Why?

- Not 3rd runway dependent
- Provide much needed access to south and west of airport
- Airport's commitment to public transport
- 13m passengers per annum; 11m **non-airport**
- Appraised against DfT / Treasury criteria
 - Performs well, 2.2:1 benefit cost ratio
 - >3:1 if include wider economic benefits
- What does that mean though?
 - Commissioned study to look at spatial effects of Airtrack
 - Desk top study
 - Consultations with biz, LA's, orgs etc.



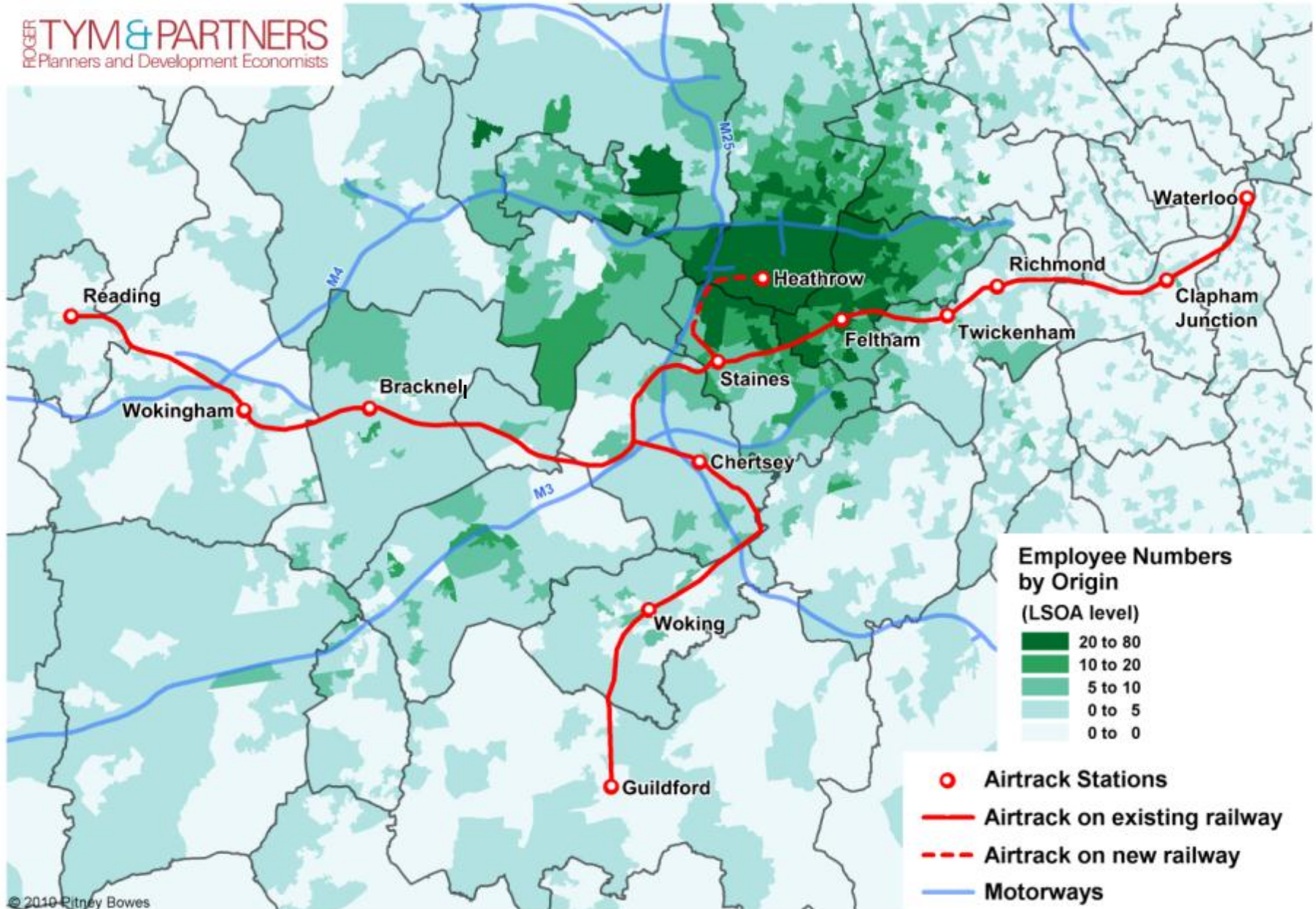
Present initial results

Setting the scene - Heathrow

- 297 businesses and 76,642 direct employees: large number of jobs, very diverse employees, different skill types and levels
- Heathrow is a central factor in the competitiveness of the economic clusters in West London, the Thames Valley and Surrey
(Deloitte report – Heathrow Phenomenon)
- “Heathrow is currently one of the most difficult national airports in Europe to reach by rail.”
- The “inaccessibility [to Heathrow] by rail contributes to congestion and pollution on the M25, M3 and M4 motorways as potential passengers see no alternative but to drive to the airport. Alternatively passengers use regional airports to connect to long haul destinations via European hubs. This is to the detriment of the UK economy.”
- Survey of 100 large companies in Surrey: just over 75% reported that the close access to an international airport was either essential or very useful; Heathrow was overwhelmingly the preferred choice.

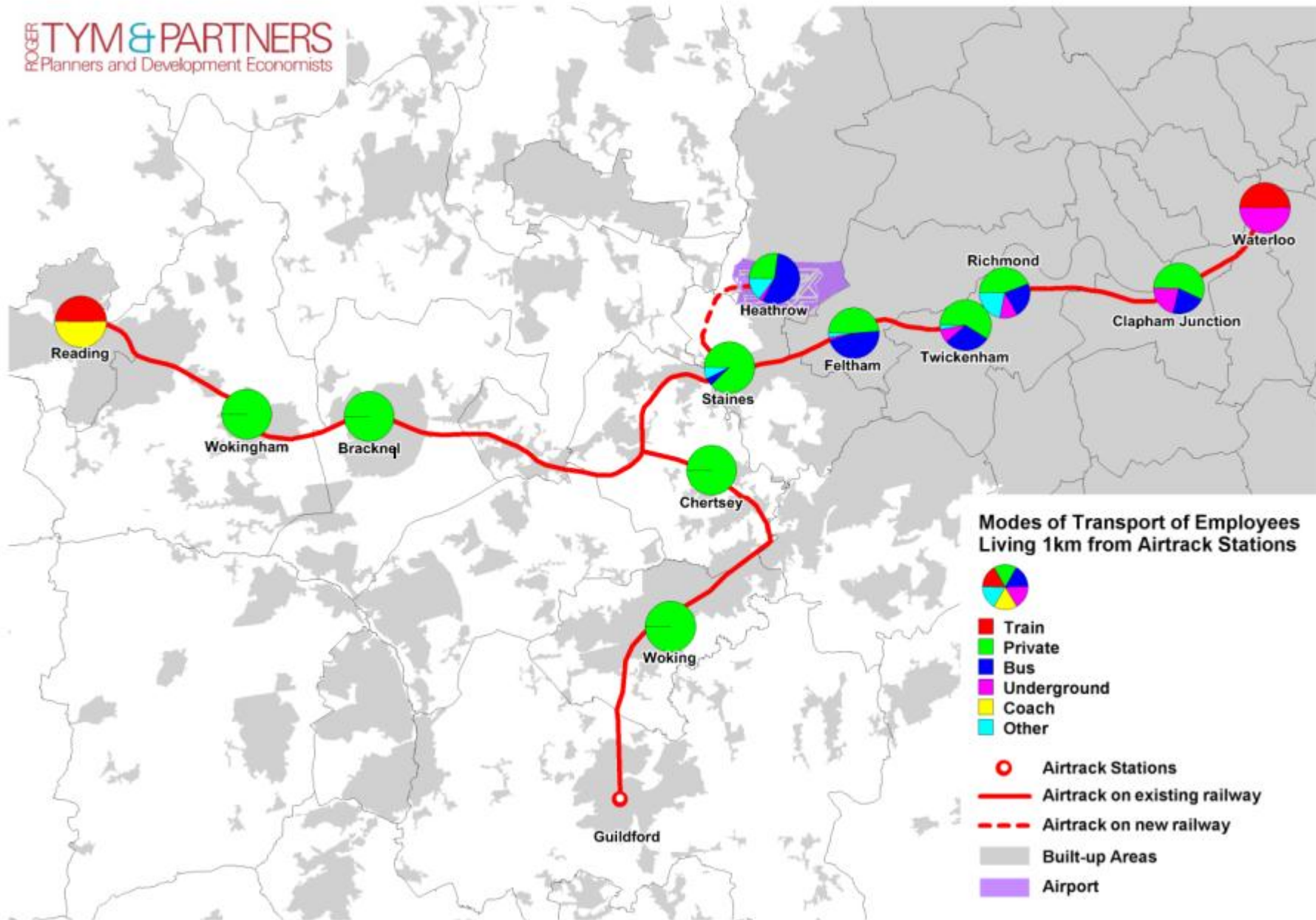
Heathrow employees' area of residence

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Heathrow employees' travel patterns

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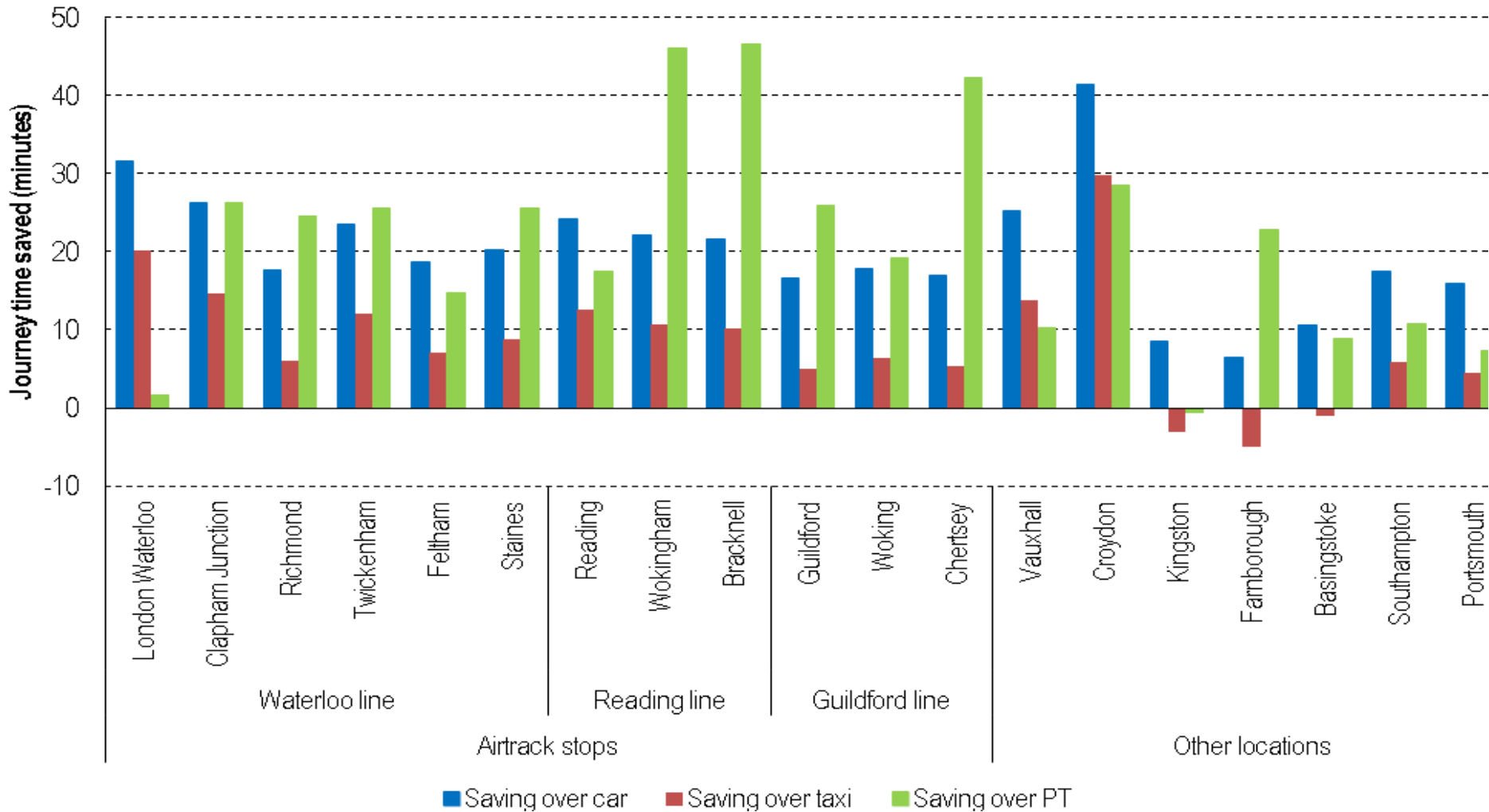
Setting the scene – Potential impacts of Airtrack

- Lots of literature. Govt spent over a decade researching how transport impacts economy
- Difficult to prove definitively but some cases clear cut e.g. Jubilee Line
- Impacts will be largely driven by size of journey time savings
- Areas of potential impact:
 - Labour mobility: new pool of diverse labour, cheaper ‘costs’
 - Widens the catchment of Heathrow: 75% pax within 1 train change
 - Creates new rail linkages and provides extra capacity
 - Good connections generally enhance an area’s attractiveness
 - Could have an impact on development / regeneration. But other factors also relevant:
 - market conditions
 - development and planning controls
 - site availability
- Knowledge-based industries and high tech sectors more dependent on air transport than other industries
- Impacts greatest near the stations

Journey Times

| Location | Heathrow to.... | Average (Minutes) |
|----------------|------------------|-------------------|
| Airtrack stops | Bracknell | 0:22 |
| | Chertsey | 0:18 |
| | Clapham Junction | 0:34 |
| | Feltham | 0:14 |
| | Guildford | 0:40 |
| | London Waterloo | 0:43 |
| | Reading | 0:37 |
| | Richmond | 0:24 |
| | Staines | 0:07 |
| | Twickenham | 0:20 |
| | Woking | 0:28 |
| | Wokingham | 0:28 |

Journey time saved by Airtrack over other modes (includes allowance for access to T5 itself)



Passengers from Bracknell, Wokingham and Chertsey will save most time: over 40 minutes

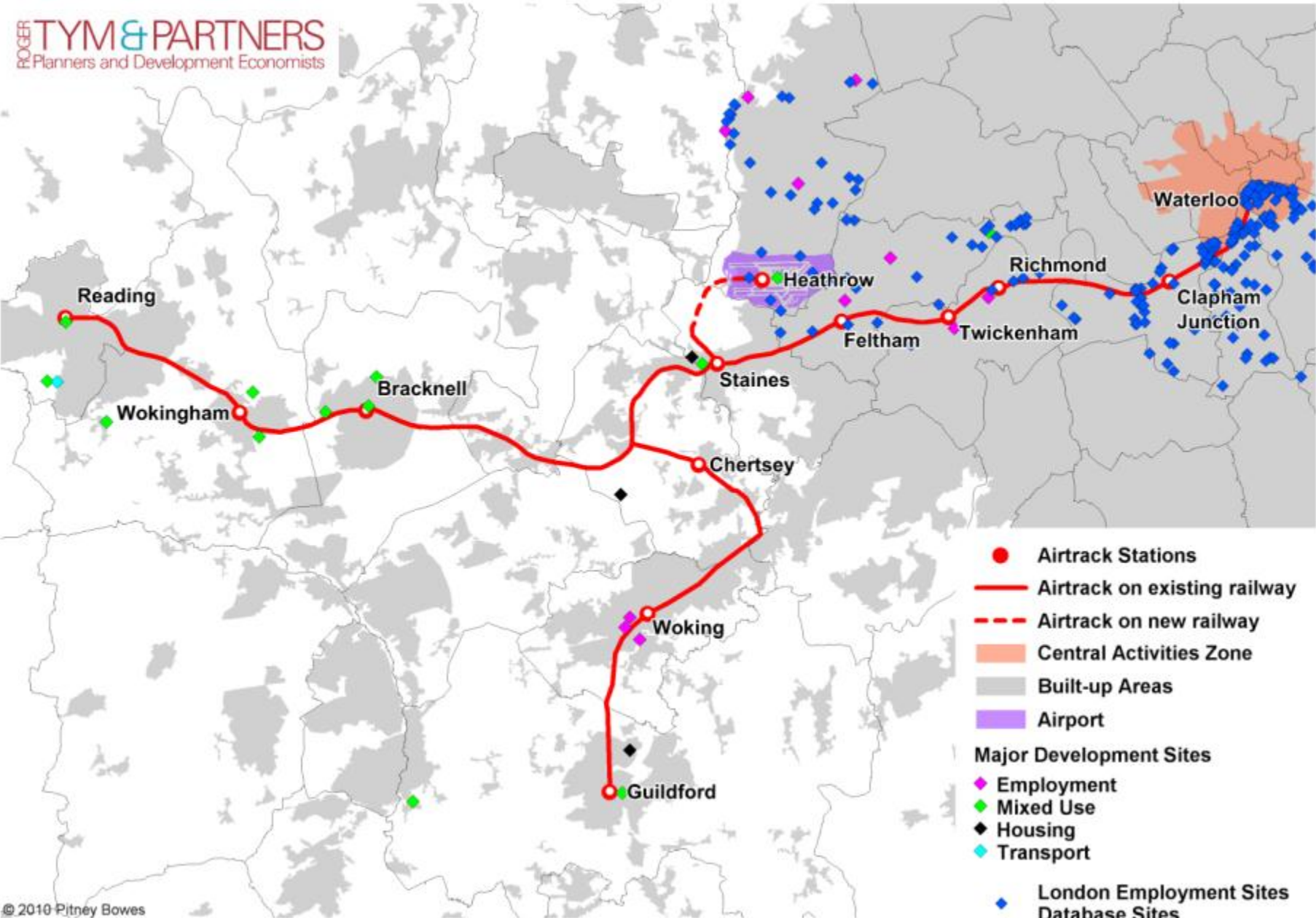


Setting the scene – The Thames Valley

- Highly developed economically; high density, high value employment
- Two of the station stops, Reading and Bracknell, have ambitious town centre redevelopment plans
- Sites and development have proved difficult to get off the ground especially in Bracknell. Airtrack will provide a positive boost to these development proposals
- The close proximity of new housing combined with the Airtrack scheme may attract Heathrow workers to locate to these town centres
- Many of the international firms currently located in the sub-region are based at business parks

Location of development sites

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Bracknell Forest

- c.18,400 jobs in 829 businesses within a 1km radius of the station (29% of all jobs in the borough)
- Large office stock in general and a high proportion of jobs in knowledge based employment (35% compared with 21% regionally).
- The Heathrow employment survey shows that 1,270 residents of the borough work at Heathrow

Development opportunities:

- Bracknell Town Centre – Mixed use proposals for up to 270,000 sq m of office space
- Land at Amen Corner - mixed use devt inc. 750 dwellings
- Whitegrove & Quelm Park - mixed use devt inc 2,200 dwellings

Good conditions for Airtrack

Reading

- 43,200 jobs and 2,400 businesses within a 1km radius of the station (44% of all jobs). High job density in the station area
- <300 people worked at Heathrow in 2009
- High concentration of knowledge-based employment (34%)
- Large number of international occupiers some located in the town centre and some in the surrounding business parks

Development opportunities:

- City Centre Redevelopment - mixed use schemes and new public space
- Reading Station Area - surrounding area inaccessible / under utilised. Council has identified the station as a focus of a major multi modal transport interchange

Excellent conditions for Airtrack

Wokingham

- c. 940 businesses and 2,900 jobs within a 1km radius of the station (4% of the total jobs in the borough)
- Some relatively large and significant out of centre employment locations
- 30% of all the jobs in knowledge based sectors (21% regionally)
- 830 residents of the borough work at Heathrow

Development Opportunities:

- Arborfield Garrison mixed use devt inc. 3,500 dwellings
- South of the M4 mixed use devt inc. 2,500 dwellings
- N Wokingham mixed use devt, 1,500 dwellings inc. station interchange.
- Direct impacts less likely but may influence future dev pattern

Good conditions for Airtrack

Consultation responses

Airtrack is likely to have an impact on business investment. In particular, the creation of a reliable service from Reading would be the greatest benefit. Currently...the executive coach ... gets caught up in rush hour congestion.

Public transport links to Heathrow are a constraint on some existing businesses and may be putting off inward investors, who need reliable connection to the airport, as well.

Many of the places along these rail routes are surprisingly poorly connected...reflects poorly on their success in securing inward investment. Examples include Wokingham.

Generally, the Airtrack project is likely to have a positive effect. Currently, all rail routes go straight into and out of London. This will help to improve radial routes which could assist the Thames Valley. It may also help to improve linkages between Heathrow and Gatwick, which would impact positively on the property market. Also, currently the Paddington route is very congested.

Impacts of Airtrack – Labour market

- Airtrack will improve connectivity, reliability and reduce journey times to Heathrow + enhance the scope and quality of infrastructure: identified important business location factor
- Heathrow employment survey shows the vast majority of workers resident within a 1 km radius of Staines, Chertsey, Woking, Bracknell and Wokingham travel to Heathrow by car modes
- Expect that the journey time savings will encourage employees to change mode of travel, but also increase labour supply
- Airtrack may open new labour markets, but:
 - not certain that businesses and workers will capitalise on this
 - necessary to put in place the correct systems /mechanisms e.g. public policy

Impacts of Airtrack – Business benefits

- Accessibility: to Heathrow international hub; new labour markets
- Greater reliability: the Airtrack services will be timetabled and not subject to road congestion
- Reliability has an effect on the efficiency of production input and existing businesses operations
- Greater convenience: the consultations with businesses indicated that the convenience of travel is of ultimate importance for businesses and business travellers. Along the Airtrack route the direct linkages to Heathrow will increase the convenience of travel

Expect existing businesses along route to benefit from Airtrack

Impacts of Airtrack – Development

- Could unlock development sites, in conjunction with other factors
- Enhance image of places e.g. in marketing material
- ‘Paddington effect’ post Heathrow Express?
- Accessibility could increase value of property

Impacts of Airtrack – Job creation

Construction jobs :

- 474 full time construction jobs will be created; 119 are expected to be taken by local residents
- 30 additional jobs created due to indirect and multiplier effects.

Operation jobs:

- 60 people will be employed in a range of technical and administrative roles at Feltham depot;
- 70 train drivers for Airtrack trains; and 4 additional staff for expanded facilities at existing stations.
- Total 134 operational jobs; 50% could be taken by local residents
- 34 indirect and induced jobs will also be created

Conclusions

- New employment opportunities
- Airtrack will encourage the supply and mobility of labour
- Airtrack will reduce road and on-train congestion
- By increasing accessibility Airtrack is expected to have some positive impacts on the image of places
- Airtrack has a significant marketing value e.g. LA's & property agents can use the benefits of access to Heathrow to market and promote development sites
- The general public are not aware of the Airtrack project; significant value in marketing the project to raise awareness