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Runway Consultation
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Dear Sir/Madam,

Draft Airports National Policy Statement: new runway capacity and infrastructure at airports in the South East of England

Introduction

In response to the Government's invitation (published 2nd February, 2017), on behalf of our membership, we offer the following response and comments from Thames Valley Chamber of Commerce on the draft [Airports National Policy Statement](#).

About the Thames Valley Chamber

Thames Valley Chamber (TVC) is one of the largest accredited Chambers within the United Kingdom, and the only accredited Chamber of Commerce for the Thames Valley region. The Chamber is a proven centre of excellence for trade and inward investment services. Representing over 4,000 companies in membership the Chamber credits a range of impressive statistics:

- 295,000 combined number of staff employed by members
- 5000+ number of active trade customers
- £2,296,142,738 – value of international trade enabled in 2016
- Average 150 new trade customers each year
- 172 countries trading with our customers
- 83 sectors represented by members and international trade customers
- No.1 region outside of London for attracting inward investment (in 2015/16)
- 65% of international companies setting up or expanding in the Thames Valley have been supported by TVCC.

Headline Comment

In broad terms the Thames Valley Chamber welcomes the Government's draft National Policy Statement (NPS) and supports the proposals for the expansion at London Heathrow (LHR) and the construction of a 3rd runway. Our reasons *include*, but are certainly not limited to, the following:

- As the UK's only hub airport, and the UK's busiest port by value, LHR is key to the UK's economy and its future economic prosperity.
- LHR is a major driver of Foreign Direct Investment into the UK. Informed estimates indicate that around 70% of foreign-owned businesses establishing in the UK locate within 60 minutes of LHR¹.
- Businesses unfavourably contrast the limits on capacity and destinations of LHR with northwest Europe hub airports. Some have indicated that, if LHR were to remain a two-runway airport, this will be a negative factor in decision making on future location.
- For London, the South East of England and the Thames Valley regions investment in LHR has a direct benefit in strengthening the UK and the UK's only truly global economy and the one that drives all others across the UK. HMG's continued 'investment in success' will not only drive our Thames Valley 'turbo-economy'. Whilst businesses in the Thames Valley, and within London, will clearly benefit, others, for example, in the devolved administrations, who will – through more direct and frequent links with LHR – also benefit.
- The UK's long-term economic prosperity is intrinsically linked with continued, sustained, levels of investment in our infrastructure and key projects like LHR's 3rd runway, along with Crossrail; Western and Southern Rail access to LHR; the 'complete' electrification of the Great Western Line; M4 'Smart' motorway and significant improvements to the A34 (T) road through Oxfordshire.
- As appropriate we would also support, rather than preclude, additional investment in other regional airports, most notably London Gatwick, alongside (rather than instead of or because of) the proposals for a 3rd runway at LHR.
- Our strong, and growing, trading performance is driven by access to global markets, notably North America and the Middle East, and the ability to use LHR as a key port of ingress/egress and for freight. The benefits of Heathrow expansion could be even clearer articulated especially in support the UK's focus, post-BREXIT and the importance of securing trade deals around the globe.
- The consistent performance of the Thames Valley region, over several years, as one of the primary destinations for inward investment is driven, in no small part, by access to LHR. Investment is not in isolation. We have evidence that investment in the Thames Valley creates a positive sum-gain, as investors have also made substantial investment elsewhere in the UK.

Responding directly, where we feel appropriate, to the consultation questions (page 39 of the document).

Question 1

- From the evidence presented and for the wider, overall, economic prosperity and benefit of both UK and Thames Valley economies we believe the need for additional airport capacity in the south east of England by 2030 is best served by the delivery of the proposed 3rd runway at LHR. LHR's status as an international hub airport is declining (most notably in comparison to its European and Middle-Eastern competitors). It is unable to increase destinations, flights or passenger numbers and is losing market share to other northern European

¹ Slough-Ealing-Hounslow Economic Impact studies (2013)

airports. This is reducing the UK's attractiveness to FDI, is a significant factor in business decision making about future locations and is constraining valuable airfreight capacity.

- That said, we would encourage HMG to ensure proposals are future proofed (beyond 2030). We want HMG to determine and commit to the delivery of proposals that can and will meet the capacity needs of the UK for a much longer-term horizon. Certainty in this regard will enable long-term financing and planning structures to be put in place.
- We understand, surging passenger and cargo demand, across the UK, and especially at the UK's hub (LHR) is expected to revise currently available statistics and re-emphasise the importance of HMG's decision to support the proposals. Results for the three months ended 31 March 2017, outlined in a recent Heathrow news release (27th/04/17) indicates "a record 17.2 million passengers travelled through the airport alongside a 7.3% increase in cargo levels".

Question 2

- For the reasons outlined above, and from the information contained within the consultation document, we acknowledge and support the significant contribution the proposed LHR North West Runway can provide in meeting the future airport capacity of the south east by 2030.
- We consider that LHR is the best option to lead the delivery of improved airport capacity, and maximum economic benefit, for both the south-east region and the UK.
- The expansion of LHR will reinforce LHR's capacity and status as an international hub airport. This will enable the increase of routes and destinations and deliver the multiple connections a hub airport generates. It will reinstate LHR's reputation with the international business community. We further support the proposed North West Runway scheme. It provides the most effective and deliverable solution. We acknowledge that there are consequences in the loss of existing communities and environmental factors and comment below on how these should be addressed.
- A key issue in the deliverability of an expanded LHR is surface access including sub-regional road congestion and environmental pollution. The consultation document suggests "plans are also being developed for improved rail access, including the *proposed* Western Rail Link to Heathrow (WRLtH) that *could link* the airport to the Great Western Main Line". This project is in fact well-advanced to GRIP 3 stage and was given prominence as a planned scheme in the report of the Davies Commission. There are a range of compelling economic, social and environment reasons – already presented/articulated to HMG, most notable by the Thames Valley Berkshire LEP - as to why WRLtH **MUST** be fully funded and delivered before the proposed 3rd runway. The original case based on a two-runway airport generated a high RoI factor. The benefit to UK plc is even greater:
 - It will bring 20% of the UK population within one interchange of LHR, provide up to a 70% reduction in journey time for the TV area, the south, southwest, south Wales and west midlands.
 - It will generate £800 million additional economic activity and 42,000 jobs in the TV alone.
 - Roads around LHR are reaching critical congestion. It will remove 113 million car km from the region's roads and reduce CO2 emissions by 5,100 tonnes per year.

The economic case has been revised in draft by Network Rail and indicates a similar or better outcome. WRLtH will be both vital in securing the economic benefits of LHR 3rd runway and in addressing the legitimate concerns of local communities, airport users and airport busi-

ness about the limitations and consequences of increased air traffic. We urge HMG to now commit to fully funding and delivering WRAtH without delay and before the 3rd runway.

- However, to future proof the UK's ability to 'compete' in the global economy, and meet much longer-term airport capacity, we would encourage HMG to commit to implementing an integrated infrastructure strategy that delivers those projects outlined in our response, including increased capacity at London Gatwick and Western and Southern Rail access to Heathrow.

Question 3

- We endorse the principles expressed in the document particularly the intent to consider the wider regional and national economic benefits. We further urge the Secretary of State to apply the same principle to the assessment of WRLtH.

Question 4

- The consultation document suggests "plans are also being developed for improved rail access, including the *proposed* Western Rail Access to Heathrow (WRLtH) that *could link* the airport to the Great Western Main Line". There are a range of compelling economic, social and environment reasons – already presented/articulated to HMG, most notable by the Thames Valley Berkshire LEP - as to why WRLtH **MUST** be fully funded and delivered before the proposed 3rd runway – 'period'. We urge HMG to now commit to fully funding and delivering WRLtH without delay and before the 3rd runway. See the detail above.

Question 5

- We endorse the mitigation measures identified. We would add the need to ensure that development at Heathrow does not add to flooding risk. Flooding of the Thames catchment has been harmful to local prosperity, dented business confidence and has been a factor in business relocation.
- We understand Heathrow has brought forward a wide range of targets to tackle carbon emissions, illegal level of local air pollution, and noise, in its plan called '[Heathrow 2.0](#)'.
- This includes proposals for the airport to use 100% renewable electricity and the aim to get 35,000 more people a day using public transport (rather than arriving by car) by 2030 and double that by 2040. We welcome the spirit in which these targets are being brought forward and the approach Heathrow has adopted with the local authorities most affected. We would ask that mitigation is introduced as early as possible and before the runway is completed where the opportunity arises to generate community confidence and avoid the costs and disruption of retrofitting, e.g. noise insulation of all new or extended educational sites.
- We encourage and support HMG to maintain the most positive and constructive dialogue with Heathrow to ensure the highest standards of environment quality and a comprehensive range of appropriate environmental mitigation measures are secured, before, during and a long-time after development.
- The long-term environmental credentials of the proposed should be the 'exemplar' the rest of the world looks up to and one we should be proud of today, tomorrow and well into the future. We understand Heathrow has commissioned world-leading concept architects to help them delivery their designs and achieve standards for the airport we can be proud of. We encourage HMG to provide the flexibility for the airport to delivery this vision.

- WRLtH will make a significant impact on air quality, carbon emissions and road congestion. We urge HMG to now commit to fully funding and delivering WRLtH without delay and before the 3rd runway.

Question 6

- Regarding the detailed planning requirements (and benefits to the local authorities) we have insufficient detail provided, in the consultation document, to make an appropriately informed comment to this question. We understand Heathrow has been active in working with the local authorities most affected to identify measures to prevent, mitigate and compensate communities and the authorities themselves for possible losses. We welcome this initiative and ask that mitigation measures are introduced as early as possible. See Q 5.
- However, what we will say is that, through the planning system, HMG should ensure we establish clear timelines (for the schemes delivery) and avoid delays as much as possible. Delays tend to significantly increase the overall project costs (and therefore reduce fund available for mitigation measures); create uncertainty within the business community (that will affect investment decisions); prolong disruption and creates unwelcome 'planning blight'. HMG should also ensure that a robust approach, i.e. one which addresses but does not stall progress, should be adopted to the co-ordination of the multiple and inter-related infrastructure projects in west London and the western Thames Valley and beyond.
- We encourage HMG to explicitly confirm that local authorities will retain 100% of locally collected business rates (rather than the more slightly ambiguous statement "should mean". In addition, we encourage HMG to consider a wider spread of these locally retained business rates to ensure it is not only those local authorities where LHR is located that benefit, but those within LHR's flight-path along the Thames Valley (see also western rail access to Heathrow).

Question 7

- See our comments outlined under Question 6. This proposal – throughout the development process and beyond - MUST meet the highest global standards of sustainability as possible.

Question 8

- No additional comments at this stage.

Question 9

- In addition to HMG's duty to ensure protected groups have an opportunity to respond to consultations we would actively encourage HMG to ensure that the business community are consulted throughout and indeed considered as one of these 'protected groups'.
- The Thames Valley Chamber is open to being a conduit to our membership and wider business community of the Thames Valley, working alongside HMG to ensure the full views of business are considered now, and in the future, as proposals and development progresses.

Yours faithfully



Paul Britton

Chief Executive