

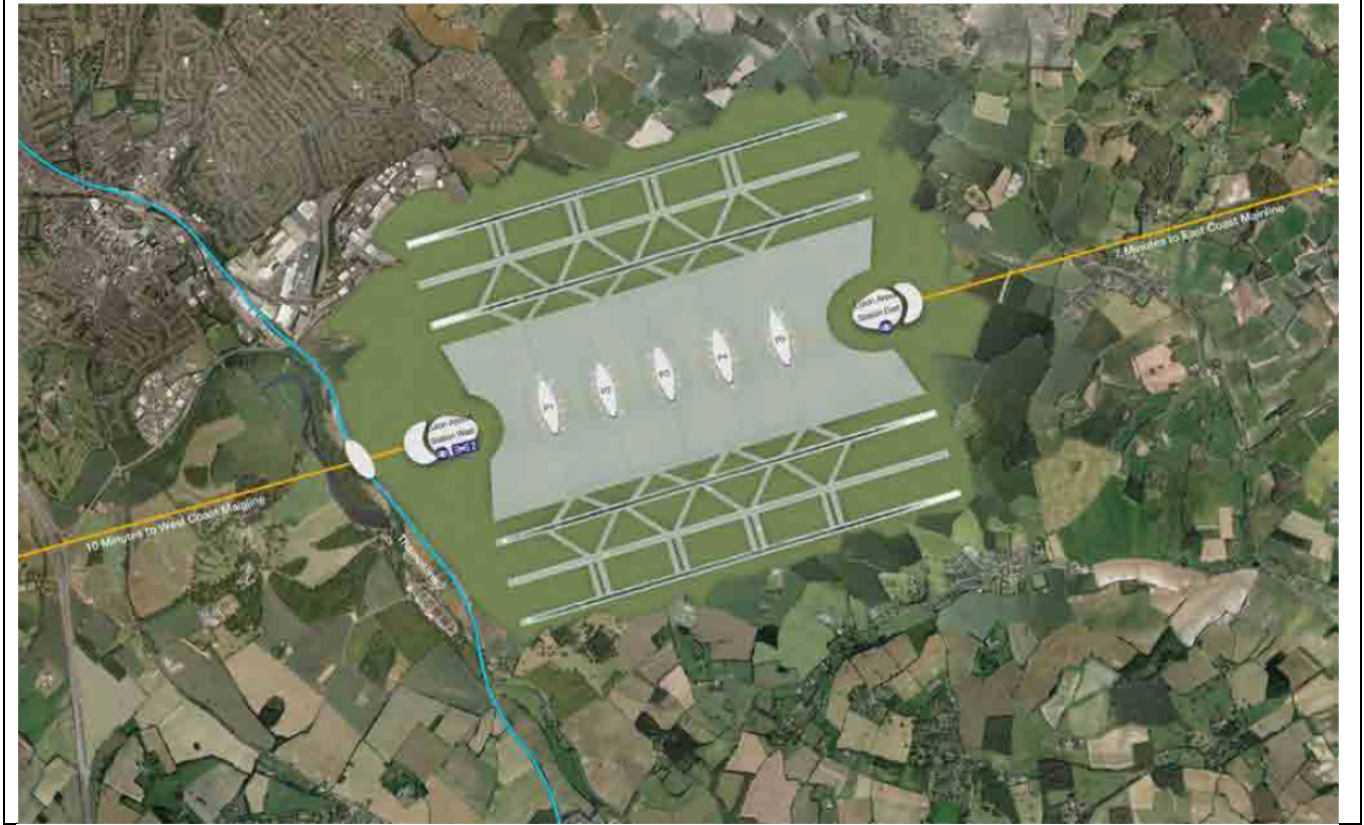
PROPOSAL TITLE:	London Luton Airport	Short Term	<input type="checkbox"/>
SUBMITTED BY:	WestonWilliamson+Partners	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

New 4 runway hub airport replacing the existing London Luton Airport extending its current site southwards and eastwards into farmland between Luton and Kimpton.

Two terminal buildings proposed serving five satellites. Runway pairs 1km apart on a 25km² site.

Proposes retaining Heathrow but results in the closure of Stansted. Heathrow assumed to operate as a point to point airport.



INITIAL ASSESSMENT COMMENT

High-level presentation of a concept for the development of Luton, rather than a detailed proposal.

Given the assumed closure of Stansted and the likelihood that Heathrow may also have to close to render the scheme commercially viable, it is not clear that the concept delivers a significant capacity benefit to the London network. It would also reduce competitive forces in the London market. The closure of Stansted and re-definition of Luton into a hub airport would reduce low cost airline capacity serving London.

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OVERVIEW

Proposal	New 4 runway hub airport replacing the existing London Luton Airport extending its site southwards and eastwards into farmland between Luton and Kimpton, 30 miles Northwest of London.		
Approach	No details provided. It is assumed that following enabling legislation an appropriate Special Purpose Vehicle would be established to construct and operate the airport and presumably manage the, State-led, closure of Stansted Airport. Opening may be 2025-2030.	Stated Capital Cost	<u>£25 bn</u>
Potential Benefits	<ul style="list-style-type: none"> Higher capacity hub could improve resilience, reducing delays and travel times for passengers and cargo, reducing airline operating and capital costs and long-run fares. Additional hub capacity could allow for growth in range of flight destinations, frequencies and airlines. Potential for enhanced connectivity internationally, and between regional UK locations and the rest of the world. Low additional population affected by noise compared with Heathrow. Reasonably well located to access the strategic highway and rail networks. 	Additional Capacity (mppa)	20
		Additional Capacity (ATM)	120,000
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> Providing additional capacity the proposal is in line with the Commission's terms of reference. 		
Economy	<ul style="list-style-type: none"> May reduce competition in the London system given closure of Stansted and possibly Heathrow. Limited additional capacity to the London system given other closures. Given its distance from Heathrow existing businesses and workforce at Heathrow would be adversely impacted unless they are able to adjust to the new opportunities presented at the redeveloped site, or relocate to the new location. 		
Surface Transport	<ul style="list-style-type: none"> Uncertain whether the existing highway network, and the rail network with proposed improvements could provide sufficient capacity to meet the demand generated. 		
Environment	<ul style="list-style-type: none"> Impacts a number of small villages with loss of agricultural land and woodland. Number of issues unaddressed including loss of agricultural land, displacement of existing industry and dwellings affected. Proposal may impact 3 Scheduled Monuments and 5 listed buildings, plus a number of listed buildings and Conservation Areas associated with surrounding villages and towns. 130 dwellings demolished. 		
People	<ul style="list-style-type: none"> Wider economic benefits stated but specific benefits for areas of unemployment and deprivation not addressed. 		
Cost	<ul style="list-style-type: none"> No material cost information provided. Uncertain therefore which elements of the full scheme, including surface transport costs, are included. Does not include any compensation payments due on closure of Stansted or, possibly, Heathrow or for offsite surface transport costs. Surface transport cost may be in the order of c £5-10 bn. 		
Operations	<ul style="list-style-type: none"> Potentially significant impact on the low cost sector given loss of appropriate capacity at Luton and Stansted without apparent low cost substitution at other London airports. Limited net capacity gain to the London system should Heathrow also be required to close. 		
Delivery	<ul style="list-style-type: none"> The undulating topography of the area, with notable changes in level, is unfavourable. No indication of support from current airport owners; submission developed independently. Unclear how a funding/financing strategy and ownership structures would work. Unstated, but assumed need for government underwriting of project risk may be necessary to attract financing. Scheme assumes Heathrow remains open, however, this may raise certain risks (e.g. re level of demand) that renders the scheme unviable. No details provided about the effects of closing Stansted. 		