Dear Airports Commission,

In response to the Commission's call for evidence to comment on the Inner Thames Estuary feasibility studies, I refer you to our London Heathrow Economic Impact Study, which was commissioned jointly by Buckinghamshire Thames Valley LEP, Enterprise M3 LEP, Oxfordshire LEP, Thames Valley Berkshire LEP and West London Business. It examines the impact on the economy of the "western wedge" of three options:

A - Do Nothing
B - Expand Heathrow
C - Create a new airport hub to the east of London and close Heathrow

We are all charged with promoting economic growth in our areas of influence, and the report gives evidence as to why we each favour the expansion of Heathrow over the creation of a new airport, and also over the 'Do Nothing' option.

The significance of internationalisation in Thames Valley Berkshire owes much to the proximity of Heathrow Airport which – although outside our boundaries – is crucially important. Most immediately, Heathrow Airport is a major employer: over 18,000 of our residents currently work at the airport (and just in terms of the scale of employment, it is worth noting that this is equivalent to almost a third of the IT services sector within TVB). Proximity to Heathrow Airport has been instrumental in relation to inward investment.

Already, we have the highest proportion of foreign-owned businesses (among 39 LEP areas) and estimates suggest that these account for a quarter of all employment and approaching a half of TVB's overall turnover. But the stock of inward investment is not simply an historic legacy. We continue to account for a significant share of inward investment into the UK: in 2012/13, for example, we claimed 56 foreign direct investment 'successes', the highest number in any LEP area (outside of London). Proximity to Heathrow Airport is therefore – in economic development terms – a substantial asset.

I therefore attach Thames Valley Berkshire LEP's position statement on the Airports Commission Interim Report.

In relation to a business case, I attach a report on a survey conducted by the LEP to businesses/corporates based in Berkshire; signed business letters and emails to the Commission and video content.

[redacted]

[redacted]

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Thames Valley Berkshire
LOCAL ENTERPRISE PARTNERSHIP

ANNUAL GENERAL MEETING OF THE FORUM - FRIDAY 21 MARCH 2014

AIRPORTS COMMISSION INTERIM REPORT - AGREED RESPONSE

[redacted]

1. Following debate and further consideration, the Forum has adopted the following response:

   a. To accept the importance of retaining the world's busiest hub airport at Heathrow and to endorse the Airports Commission's conclusion, at paragraph 33, page 13, that, "there is a clear case for at least one net additional runway in London and the South East, to come into operation by 2030."

   b. To reject the intention, set out at paragraph 45 on page 15, to, "to carry out additional analysis in respect of the Isle of Grain option in the first half of 2014." This is because (paragraph 44, page 15) "an Estuary airport would require the closure of Heathrow for commercial reasons" and we have considered the detailed conclusions of two separate economic impact reports which set out the devastating impact this would have on the Thames Valley economy.

   c. To deplore the further uncertainty about the future of Heathrow created by this "additional analysis", and also by the further consideration of Gatwick as a suitable site for an additional runway.

   d. To reiterate the findings of the London Heathrow Economic Impact Study which identified the extent of the very severe economic impacts for the local economies that would result from airport closure; and that even the "do-nothing" option of maintaining Heathrow's two runways would result in a steady decline in local employment and prosperity.

   e. To recognise the significant economic and employment benefits to the Thames Valley economy, and beyond of, Heathrow and Gatwick airports, and to put our support behind the option of an expanded Heathrow.

   f. To support the call by the Airports Commission to implement immediate measures to improve the public transport surface access arrangements: in particular

      i. The earliest possible achievement of the Western Rail Access to Heathrow scheme
      ii. The development of plans for a new Southern Rail Access
      iii. The inclusion of the Heathrow Spur in plans for HS2 if it is approved
      iv. The inclusion of light rail, guided bus and coach services improvements to accompany expansion recommendations
      v. Upgrading of the Reading to Gatwick line

g. To urge the Airports Commission to review the need for Government intervention and regulation in the competitive market for airport provision, the allocation of landing slots and the improvement in environmental and noise impacts of aviation activity.

h. To urge the Airports Commission to recognise the serious impact that airport and aviation operations have on local communities. To urge the Airports Commission to ensure that all reasonably practicable mitigation measures are imposed as a condition of expansion, or as a condition of interim changes which make better use of existing capacity.

2. In summary the Thames Valley Berkshire Local Enterprise Partnership is fully supportive of Heathrow expansion, for sound economic reasons, but is equally clear on the need for further improvements to mitigate the impact of the airport operations on residents under the flight path.

London Heathrow Survey
Results

Survey Closed:

28/05/2014

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About this Report

This report contains the findings of the recent London Heathrow Survey, entitled "*The importance of Heathrow Airport to businesses within Thames Valley Berkshire*", carried out by Thames Valley Berkshire Local Enterprise Partnership in conjunction with Content Guru. The results were collected and processed by Content Guru's **storm** communications platform.

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Introduction

What is the Local Enterprise Partnership?

Thames Valley Berkshire Local Enterprise Partnership (LEP) is a business-led partnership that is tasked with spearheading economic growth. Our work is overseen by a Forum (Board) consisting of business leaders, senior local politicians, high level officials from our higher and further education institutions, and senior representatives from our voluntary/community sector.

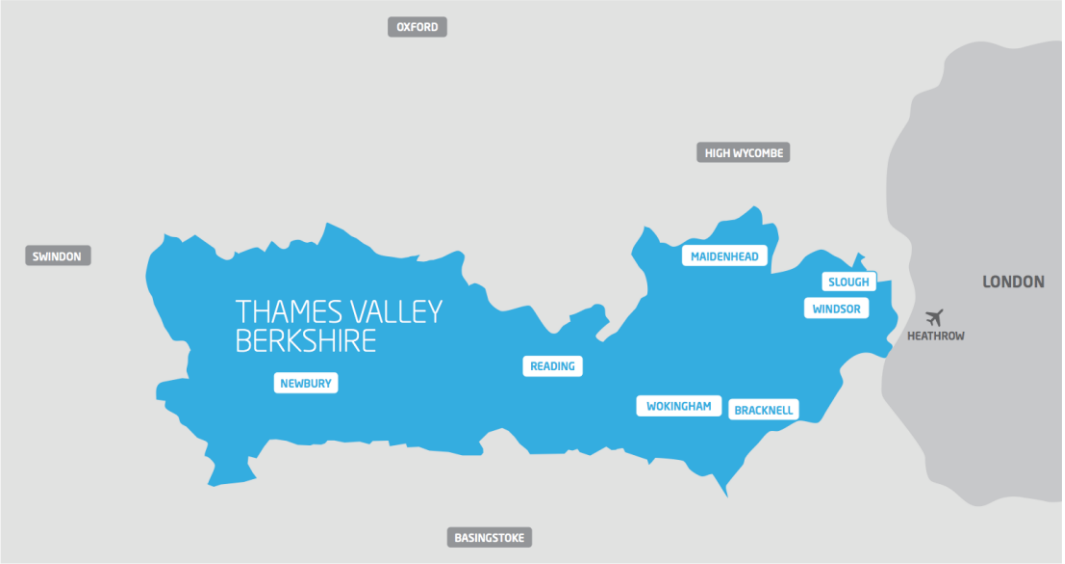
We believe whole-heartedly in the strength of our economy today. We have an outstanding business community and within Thames Valley Berkshire we have some of the UK's most competitive - and internationally focused - businesses. We also believe that we have tremendous prospects for future growth. But we are acutely aware of the risk of complacency, not least given the speed with which our international competitors are catching up. We need to invest in Thames Valley Berkshire to ensure that - alongside London - Thames Valley Berkshire continues to be the UK's most competitive and genuinely "pro-business" location.

The Survey

The Airports Commission has issued a call for evidence to inform feasibility work linked to an "Inner Thames Estuary Airport". As part of this, it wants to understand more about "business and industry attitudes" in the context of any decision to "move operations to a new hub airport".

The survey has been designed to gather information about corporate attitudes around the importance of Heathrow Airport to businesses within Thames Valley Berkshire, with participants representing a range of local businesses from across the Thames Valley Berkshire region.

Results were collected and processed by Content Guru's **storm** communications platform through its ASK surveying module, and the findings have been condensed into the following report.



Summary

Responses to the survey generally considered London Heathrow airport to play a critically important role within the Thames Valley Berkshire's economy, and that the relocation of the UK's business hub airport to the Thames Estuary would have notable ramifications for the region's economic health. With the region considered to be "Europe's Tech Valley" and the "second biggest economic power house for the UK economy outside of London", it was also believed that these consequences would have a significant impact on the UK's wider economy.

Over a third of participants identified the proximity of their represented businesses to Heathrow to be 'very important', with a further quarter considering the airport's location to be 'useful'. **56%** responded that proximity to the airport was a factor in their firms' decisions to invest in the Thames Valley Berkshire region.

A **fifth** of respondents considered it very likely that they would relocate their business to another location in the UK if the airport were to close, with **almost half** of the remaining participants considering relocation possible. **44%** believed that their businesses would possibly relocate to a location outside of the UK in the event of Heathrow's closure.

In the event of a decision to expand Heathrow's new connections capacity, Europe was ranked as the most interesting area of the global economy for participants, accruing a weighted ranking of **24%**. USA followed with **18%**, with Asia and the Middle East following on **16%** and **15%** respectively.

Furthermore, **just under half** of respondents considered the current uncertainty surrounding the future of Heathrow Airport to have a slight or significant impact on their firms' investment decisions within Thames Valley Berkshire.

In conclusion, an overwhelming **92%** of participants considered London Heathrow to be strongly linked to the economic health of the Thames Valley Berkshire, and the **same proportion** also considered that a relocation of the business hub airport to the Thames Estuary would be harmful for the region's economy (with the potential to damage it "beyond repair"), with sentiments that "[the] relocation would damage UK PLC, not just the Thames Valley" also notable.

Several respondents concurred that, instead of relocating the airport, the large existing investments already in Heathrow ("millions… spent on T5 and T2") should be capitalised on ("expansion is essential to keep up with other international hubs"). Other responses concluded that a relocation would be detrimental to the "76,000" currently employed at Heathrow, and that a relocation to the Thames Estuary would be an "unpredictable" move with consequences for the "attractiveness" of the area for international business.

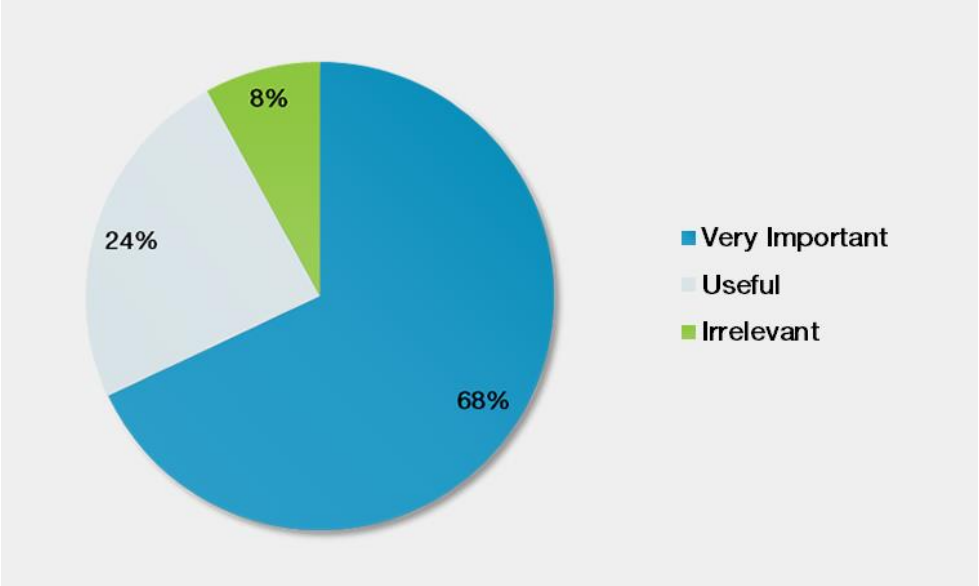
Participants were drawn from both SME-sized businesses and large enterprises throughout the region.

Survey Findings

Question 1

How important is proximity to Heathrow Airport for your firm?

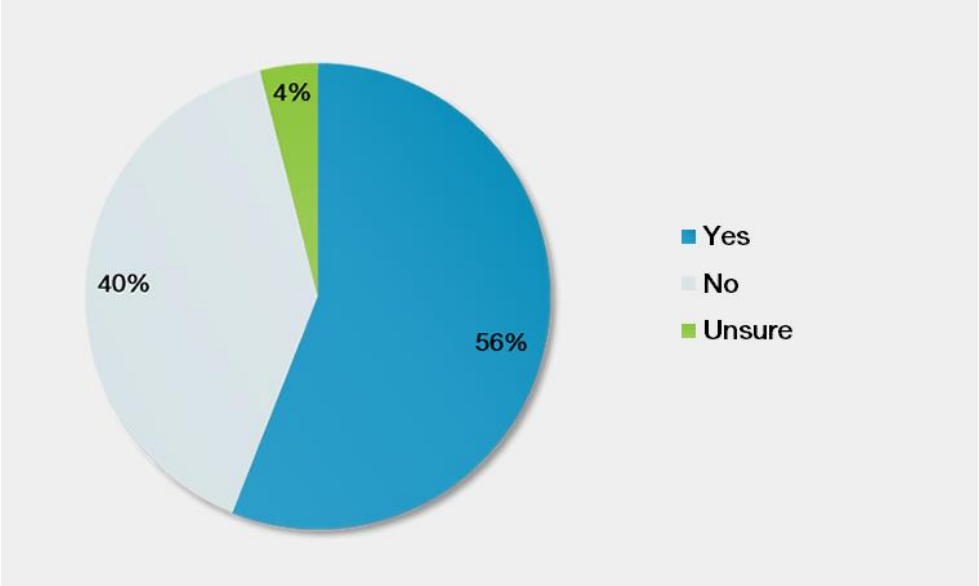
Results



Question 2

Was proximity to Heathrow Airport a factor in your firm's decision to invest in TVB?

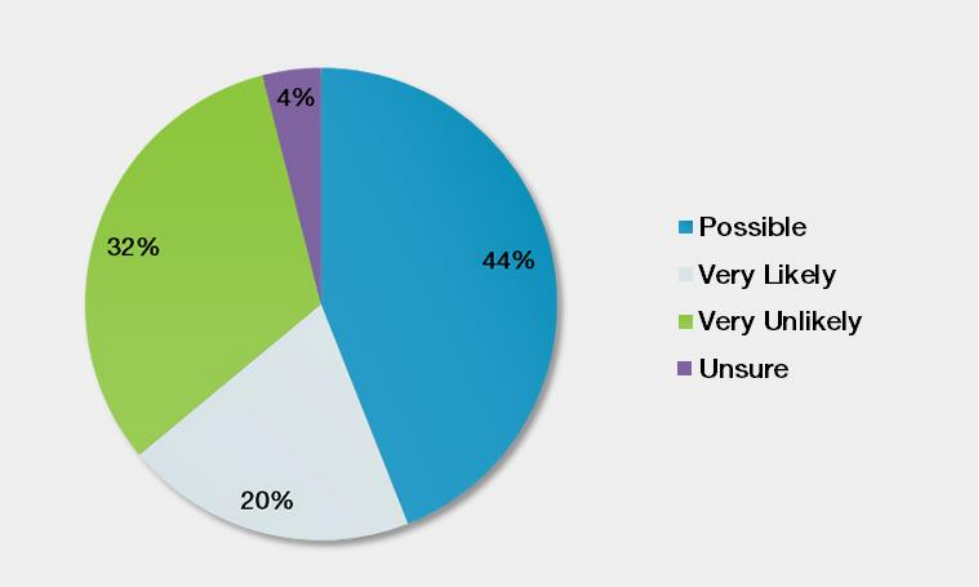
Results



Question 3a

If Heathrow Airport was to close, how likely is it that your firm would eventually move its activities away from Thames Valley Berkshire to a location <u>elsewhere in the UK</u>?

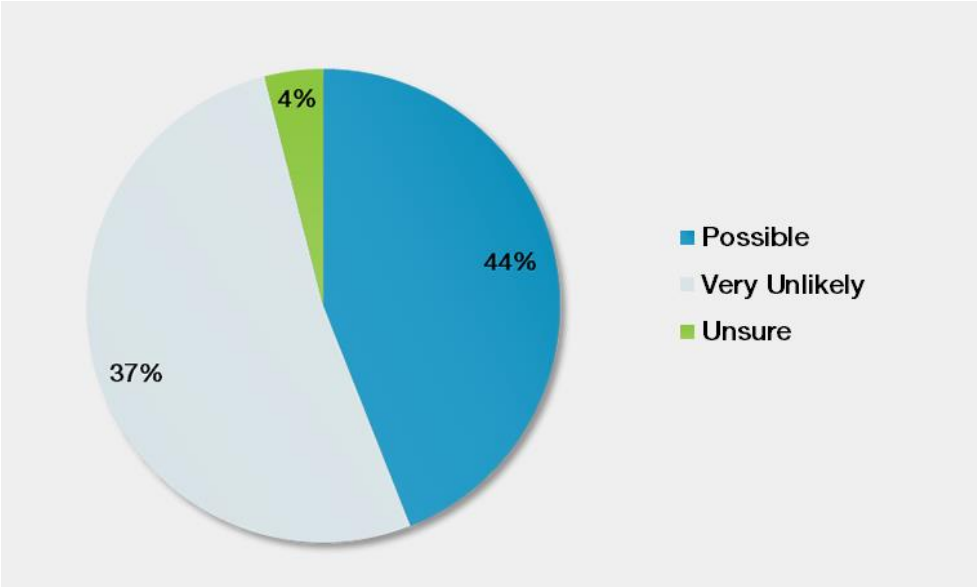
Results



Question 3b

If Heathrow Airport was to close, how likely is it that your firm would eventually move its activities away from Thames Valley Berkshire to a location <u>outside the UK</u>?

Results



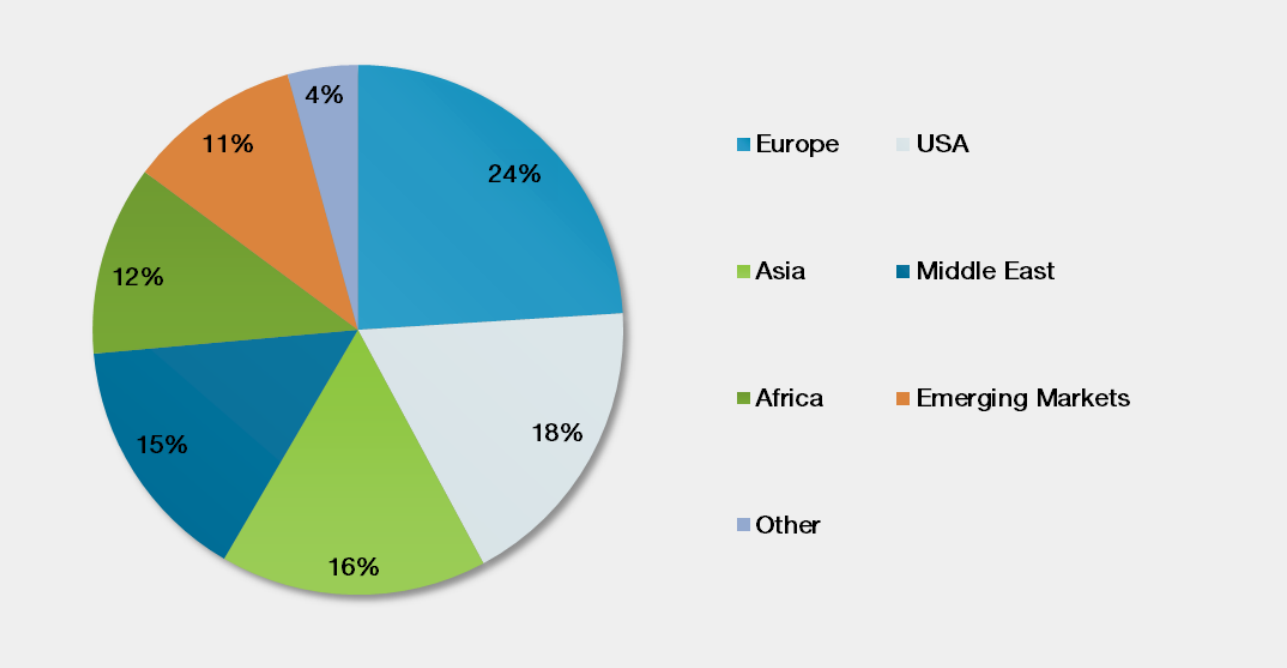
Question 4

If a decision is made to expand Heathrow's new connections capacity, to which parts of the global economy would most interest your company?

Please rank the answers accordingly.

- Europe
- USA
- Middle East
- Africa
- Asia
- Emerging Markets e.g. BRIC, MINT
- Other (please specify)

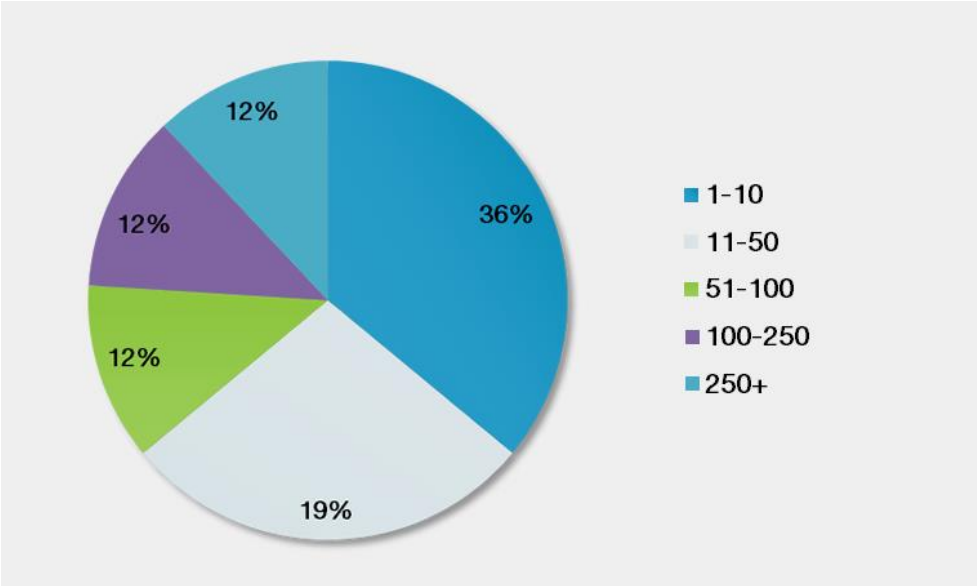
Results



Question 5

Approximately how many people does your firm currently employ in TVB?

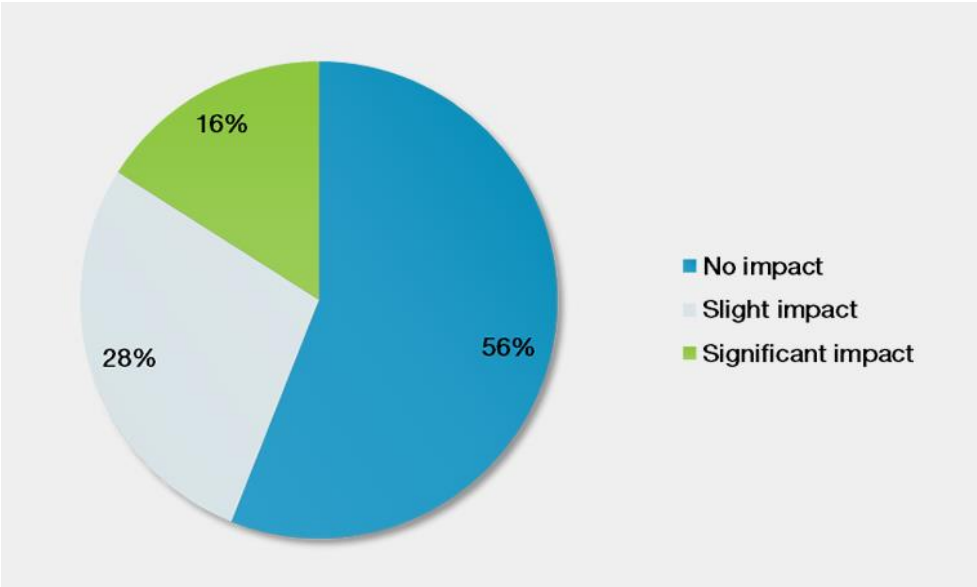
Results



Question 6

To what extent is the <u>current uncertainty</u> surrounding the future of Heathrow Airport influencing your firm's investment decisions within Thames Valley Berkshire?

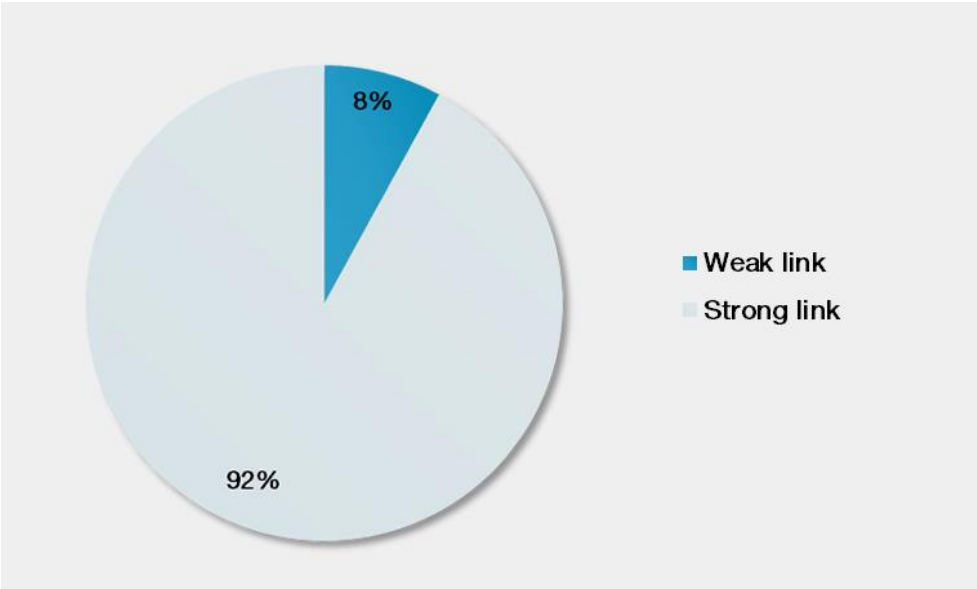
Results



Question 7

More generally, to what extent do you think the current economic health of Thames Valley Berkshire is linked (directly or indirectly) to Heathrow Airport?

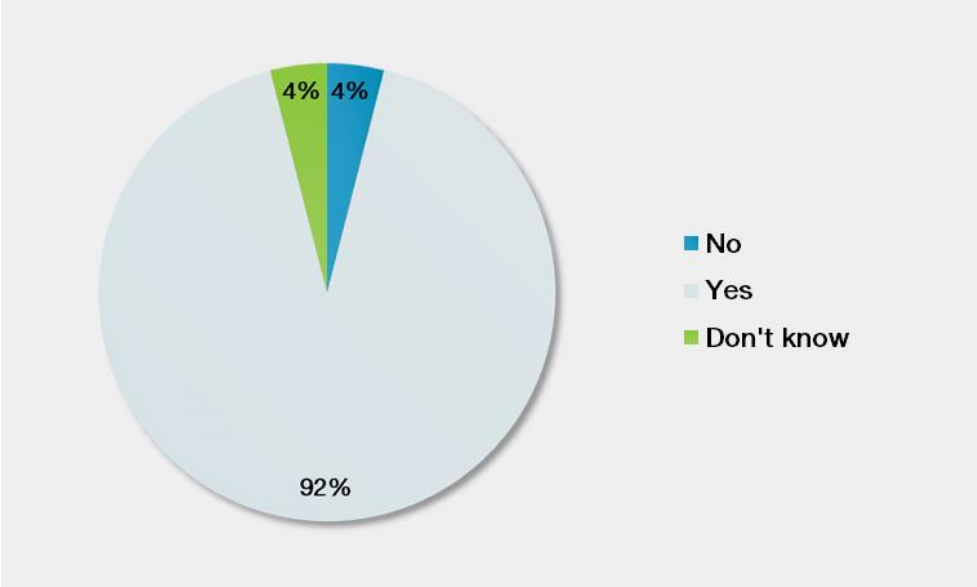
Results



Question 8

Looking ahead, do you think that the relocation of the hub airport to the east of London would be harmful for Thames Valley Berkshire's future growth prospect?

Results



Question 9

Do you have any other comments that you'd like to make surrounding the possibility of airport relocation and the consequences, either for your business or for Thames Valley Berkshire more general?

Selected Comments
"Heathrow airport is without a doubt part of the engine which drives wealth generation and employment in the Thames Valley region. So much so that I am of the view that expansion is essential to keep up with other international hubs which are taking away business from the UK. Relocating all this infrastructure to East London would have a significant economic and subsequently social impact on the region losing some of its attractiveness to businesses and entrepreneurs."
"I think relocation would damage UK PLC not just the Thames Valley."
"To suggest the closure of LHR is simply ridiculous given that millions has been spent on T5 and T2. LHR is where we and our customers want to travel to and from not some inaccessible location to the East of London. To ask the 76,000 people employed at Heathrow to relocate is a political non-starter."
"Heathrow has made such massive investments that it would be ludicrous to move away from it."
"I frankly consider the notion of a Thames Estuary Airport as a successor to, or replacement for, Heathrow to be misguided in the extreme. It seems to me that it would require a massive infrastructure redesign at a time when we urgently need to invest what resources we can afford in both the capacity and modernity of our existing infrastructure, ignoring the real needs of the community and business. It would appear to be driven more by political posturing than any rational thinking."
"The location of the airport doesn't matter if you can get there quickly. If I could get to a new airport in roughly the time I can get to Heathrow (45 minutes) then no problem. Ideally a fast train link would exist with good access points at place like Theale (rather than Reading which is largely inaccessible), Maidenhead etc."
"An unpredictable relocation of a transport hub to the other side of London affecting the attractiveness of the area for any international businessman who travels reasonably frequently. Value of property as will as the demand for many businesses may change significantly as Heathrow declines as both an airport to support London and a transit hub."
"The Thames Valley is the second biggest economic power house for the UK economy outside of London. And many of its businesses are in growth sectors e.g. IT and high tech. Downgrading or closing Heathrow would seriously damage both the short term prospects in the area (through immediate job losses) and the longer term prospects (through significantly reduced investment and inward investment). Why any government would want to preside over despoiling such an economic jewel is, frankly, a mystery!"

"Such a move would result in major international businesses relocating outside of the UK - you cannot move from one UK location to another without significant inconvenience and disruption and firms would find it easier and safer to migrate to an existing hub in Europe. That loss of business would affect professional firms in the area and all of the supporting infrastructure and business that support those major firms. Employment would be seriously diminished as a result."

"Closing Heathrow would be harmful to the health of Europe's Tech Valley, a powerhouse of the UK economy. We should consider whether Heathrow can be more focused as a business airport with non-business routes moved to other airports.

Advantages: **1.** Free up flight slots into Heathrow. **2.** Remove need for extra runway. **3.** Continue rapid access to main business airport to/from London. **4.** Spread activity (holiday travel) to other airports, maintaining competition."

"Our business was here well before Heathrow, and would never relocate as we are only ever going to trade here. Access to Heathrow ensures easy access for international visitors which would not be the case if it closed."

"Movement away from LHR would have a detrimental effect on -☐**1.** Inward investment of business into Thames Valley - There are many multi nationals located along the M4 corridor precisely because of the access that LHR gives to the world☐**2.** The local economy beyond multi nationals that has grown up to support their presence. Everything from agencies, manufacturing companies, technology specialists to private car hire firms☐ **3.** The economies beyond TV to the west / north west that also rely on LHR"

"An airport in the Thames Estuary is a stupid idea.

In 1974 I visited The Hydraulics Research Station in Wallingford and viewed their large Thames Estuary model which had been originally constructed to consider building an estuary airport on the Maplin mudflats. It was a bad idea then but now 40 years a similar idea is being peddled.

It would mean poor road/rail connections to it from all the rest of the UK."

"Whilst not quite so vital to the legal sector in terms of ability to conduct work, the proximity of the airport is certainly a valuable sales tool. More importantly it is recognised that there are many businesses in the Thames Valley that do rely on it; not least those within the technology and R & D sectors. Relocating the airport could damage the local economy beyond repair. If anything it should be further developed to enhance the valuable contribution that it makes to the area."

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Airports Commission
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Dear Sir or Madam,

London Heathrow Airport is the reason we are here

As the national debate about the future of air capacity in the South East of England continues – a critically important national and international issue - so does the debate about the economic future of Thames Valley Berkshire.

In response to the latest call for evidence from the Airports Commission, which aims to inform feasibility work on an inner Thames Estuary airport proposal, I want to re-enforce the message of how vital air links are from Thames Valley Berkshire to UK businesses operating in a global economy. Losing Heathrow Airport as the single hub airport would lead to these businesses reassessing their presence in Thames Valley Berkshire and thus the UK.

Heathrow has been constrained for too long; extra capacity needs to become a reality.

However, I must stress that any proposals for expansion will need to be accompanied by a full range of mitigation measures that acknowledge and respond to the impact Heathrow causes in respect of noise, pollution and local congestion. I am optimistic that advances in technology will bring the capability for quieter flying and lower pollution, but there is a continuing need to control and enforce against the inappropriate use of older, noisier planes.

Please register my support for the future of London Heathrow Airport as the UK's hub airport.

[redacted]

Field Seymour Parkes LLP

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