



Deputy Leader of the Council

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Dear Sir Howard,

R.E. Response to the open consultation on the Inner Thames Estuary Airport Feasibility Studies

Thank you for giving us the opportunity to respond to your work in relation to the Inner Thames Estuary Airport Feasibility Studies. Please note that this is a joint response from the London Borough of Hounslow and the London Borough of Ealing.

We note with interest the coverage and conclusions of the recent studies issued by the Airports Commission in July 2014, addressing the socio-economic impacts of the closure of Heathrow Airport.

This issue is covered to varying degrees in:

- Study 2 - Operational feasibility and attitudes to moving to a new airport, Leigh Fisher
- Study 3 – Review of evidence on socio-economic impacts, PWC

We note with interest that Study 2 undertook some 25 telephone interviews (paragraph 10-1) with:

‘international airlines (including full service carriers and low cost carriers), London airports, airport businesses, the cargo business community, Chambers of Commerce, Local Enterprise Partnerships, and businesses themselves’.

We assume the number of interviews with catalytic companies was constrained due to time considerations. However, we note the authors conclusions were similar to those derived from our own work (previously submitted) which:

*'demonstrated the importance of Heathrow as 'a necessary but not sufficient factor' in catalytic type companies being located in close proximity to an international hub airport such as Heathrow. This expression denotes that although the connectivity offered by Heathrow is a necessary factor when local international companies are considering where to be located, it is not the only factor that ultimately informs their decision-making process.'*¹

Our research showed that the scale of catalytic employment facilitated by Heathrow far exceeds employment generated by the direct operations at the airport.

We are concerned that Study 3 – a review of existing literature and research – does not draw upon first hand concerns expressed by catalytic companies located close to Heathrow provided within our own work as well as other similar studies. Furthermore, it also does not seem to take into account the Leigh Fisher conclusions.

This is an issue for our boroughs as our research has demonstrated

- the severe employment consequences of local job losses that will arise not only from direct/indirect/induced employment

and

- there is a greater scale of job loss from the relocation of catalytic employment from our boroughs.

We fully understand that the relocation of Heathrow may be broadly neutral in relation to the UK economy. However, as the relocation of large elements of catalytic employment carries such attendant risks, as identified by Leigh Fisher, our own research and other reports, we are surprised that this first order economic risk is not highlighted more emphatically within the Study 3 report PWC.

Page 5 of Study 3 states that; *'Any movement of catalytic activity would have significant local impacts on both the destination and the origin this activity, but it may not be desirable at a national level'*. This is clearly accurate from our local perspective, but fails to signify to policy makers the inherent destabilising impacts to many multinational companies with significant presences in the Heathrow area and the Thames Valley.

We contend that the evidence is present and that any review of the socio-economic impacts should have highlighted these consequences of Heathrow closure.

We hope you find these comments constructive and useful. Should you have any queries on the content of this response please do not hesitate to contact me.

Yours sincerely



Councillor Amrit Mann
Deputy Leader of the Council

¹ Based upon over thirty face-to-face interviews with catalytic companies (aggregate employment of some 25,000) located in Ealing, Hounslow and Slough undertaken in late 2013/early 2014.