



**Meeting of the Airports Commission
8th May 2015 10:00am to 15:30pm
Rm 6.02 Sanctuary Buildings**

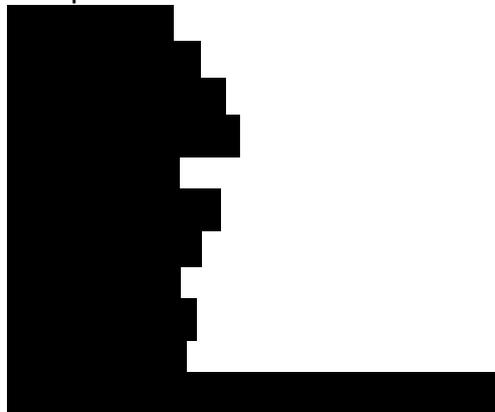
Attendees:

Commission members:

Howard Davies - Chair
John Armitt (from 10:30am)
Ricky Burdett
Vivienne Cox
Julia King

Secretariat (agenda items):

Philip Graham



1. Welcome

The Chair welcomed attendees to the meeting and asked if there were any updates to the register of interests. There were none.

2. Note of Last Meeting

The Chair invited any comments or changes to the note of last Commission meeting. The note was agreed.

3. Round up of stakeholder meetings

Since last Commission meeting on 20th April, the Chair had met Lucy Chadwick, DG ISE, Department for Transport on 30th April to discuss the Commission process to date. There had been no other meetings.

4. Overview of consultation response process and documentation

The Secretariat provided an update on progress towards reporting the findings of the autumn national consultation, including an update on the actions arising from the Commission meeting on 9th April. Additional work continues to be undertaken on selecting representative quotations, mapping consultation respondents and responding to the points raised in consultation.

The Secretariat outlined how its Consultation Response report detailed where any additional work had been carried out post-consultation in response to consultation responses. This report would form the Commission's main document to summarise consultation responses and the work carried out in response to consultation, with the Systra consultation report forming an annex.

ACTION: Secretariat to discuss with their coding contractors providing supplementary, more detailed, information to the Commission.

5. Overview of documentation provided and approach

The Secretariat provided a brief explanation of the assessment materials provided to the Commission in advance of the meeting. HD asked for a brief on the work carried out in response to the consultation responses.

In terms of strategic fit and operations, the following pieces of work had been completed post-consultation:

- Analysis of airline competition
- Estimates of the benefits of competition
- A review of the impact of aero-charges on passenger demand
- A review of any potential mechanisms that can foster certain connectivity outcomes
- A review of the criticisms of Commission's forecasts and scenarios that were submitted to the Commission as part of the consultation responses.

In terms of economics, the following pieces of work had been completed post-consultation:

- A new analysis of the wider economic impacts of airport expansion using a more conventional partial equilibrium type approach
- S-CGE modelling updates and sensitivity tests
- Further clarity over the local economic impacts of expansion with updates from consultation responses and Expert Panellists

In terms of surface access, the following pieces of work had been completed post-consultation:

- Surface access modelling of impacts on air quality
- Road freight analysis
- A study of resilience
- A study of the impact of demand management measures

In terms of the environment, the following pieces of work had been completed post-consultation:

- Analysis of the impact of changes to the Heathrow Extended Northern Runway proposal's flight paths and Single Event Level assessment of displaced thresholds on both Heathrow options
- Air quality – dispersion modelling to assess local impacts
- Further work on the carbon and air quality impacts of expansion to provide monetised assessments using the Commission's carbon traded forecasts

In terms of quality of life, the following pieces of work had been completed post-consultation:

- A compendium of previous analysis undertaken in a health impact assessment
- Further analysis of the quality of life impacts associated with leisure travel.

In terms of community, the following pieces of work had been completed post-consultation:

An equalities impact assessment paper which provided the Commission with a view of the available equalities information to inform their decision making, in line with the Public Sector Equality Duty and a suggested structure for the content of the proposed Equalities Annex.

In terms of cost and commercial, the following pieces of work had been completed post-consultation:

- Amended baseline costs
- Amended baseline aero charges and financing requirements
- Sources of equity and debt financing soft market testing
- Additional work on sensitivities and scenarios
- Supporting analysis on the approach to risk and optimism bias, de-scoping options to reduce costs, State aids assessment, and potential additional sources of finance (EIB and the UK Guarantee Scheme).

In terms of operational efficiency, the following pieces of work had been completed post-consultation:

- Work on capacity and resilience
- Aircraft ground crash risk analysis

HD summarised that the Commission had addressed all the cogent points raised and for most part these had not led to any fundamental changes to the analysis. Those areas where new or more nuanced arguments were raised had been addressed.

In relation to the Equalities Assessment, it was noted that there was nothing in the information available so far that suggested that equalities impacts would not be mitigatable through good design, operations and mitigation plans. It was agreed that if any of the schemes were to be taken forward more detailed work would need to be undertaken as designs, mitigations and operational plans develop, and it may be necessary to undertake a full EQIA

A short discussion followed on the proposed structure of the rest of the meeting and the meeting on 11 May.

The Secretariat gave an overview of the economic appraisal of costs and benefits of the 3 proposals using the carbon-traded and carbon-capped forecasts. Following discussion, the Secretariat agreed to provide further explanation on the impact of the CCC's policy recommendation to impose a carbon cap on UK aviation on the connectivity and economic benefits of expansion.

ACTION: Secretariat to provide a paper summarising the connectivity and economic benefits of each of the three schemes in a carbon-capped world.

6. Gatwick Airport Second Runway: Summary of analysis and questions for clarification

The Secretariat gave a short presentation summarising analysis carried out examining the Gatwick Airport Second Runway proposal in terms of strategic fit and operations, the environment and community, economics, cost and commercial, surface access and deliverability.

7. Gatwick Airport Second Runway: Roundtable discussion

The Commission had a discussion on key issues relating to the Gatwick Airport Second Runway proposal.

ACTION: Secretariat to find out what proportion of businesses bulk-purchase their airline seats.

ACTION: Secretariat to find out in terms of demand elasticities, at what point would a congestion charge be expected to impact on passenger demand?

ACTION: Secretariat to look into impact of runways operating in single, rather than mixed mode at Gatwick Airport in terms of ATMs, cost/benefit analysis and noise.

ACTION: Secretariat to provide information on options for aircraft to land against the wind, rather than flying into it.

8. Heathrow Airport Extended Northern Runway: Summary of analysis and questions for clarification

The Secretariat gave a short presentation summarising analysis carried out examining the Heathrow Airport Extended Northern Runway proposal in terms of strategic fit and operations, the environment and community, economics, cost and commercial, surface access and deliverability.

9. Heathrow Airport Northwest Runway: Summary of analysis and questions for clarification

The Secretariat gave a short presentation summarising analysis carried out examining the Heathrow Airport Northwest Runway proposal in terms of strategic fit and operations, the environment and community, economics, cost and commercial, surface access and deliverability.

10. Heathrow Airport Extended Northern Runway and Northwest Runway: Roundtable discussion

The Commission had a discussion on key issues relating to both the Extended Northern Runway and the Heathrow Airport Northwest Runway proposals. The discussion focussed on areas where there were differences between the two schemes and on the overall case for expansion at Heathrow.

ACTION: Secretariat to provide more disaggregated figures in terms of the costs of surface access options.

ACTION: Secretariat to provide information on the numbers of houses which would be lost through expansion which are owned by the airport operators.

ACTION: Secretariat to provide information on schools and nurseries in the Heathrow area which would be affected by expansion at Heathrow Airport.

ACTION: Secretariat to provide maps and numbers of where people who would be newly affected by aircraft noise live and where those who would be removed from noise contours live.

ACTION: Secretariat to provide a piece of analysis on the costs and benefits of each scheme, giving consideration to the inclusion of international-to-international passengers and the inclusion of producer surplus in any calculation.

11. Conclusion and next steps

The Chair gave a brief summary of the discussions held at the meeting and agreed areas for continued discussion at the next Commission meeting on Monday 11th May.

12. AoB

There was no other business.