



House of Commons  
Transport Committee

---

# **Airport expansion in the South East**

---

**Third Report of Session 2015–16**





House of Commons  
Transport Committee

---

# Airport expansion in the South East

---

**Third Report of Session 2015–16**

*Report, together with formal minutes  
relating to the report*

*Ordered by the House of Commons to be printed  
18 April 2016*

## Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its associated public bodies.

### Current membership

[Mrs Louise Ellman MP](#) (*Labour (Co-op), Liverpool, Riverside*) (Chair)

[Robert Flello MP](#) (*Labour, Stoke-on-Trent South*)

[Mary Glindon MP](#) (*Labour, North Tyneside*)

[Karl McCartney MP](#) (*Conservative, Lincoln*)

[Stewart Malcolm McDonald MP](#) (*Scottish National Party, Glasgow South*)

[Mark Menzies MP](#) (*Conservative, Fylde*)

[Huw Merriman MP](#) (*Conservative, Bexhill and Battle*)

[Will Quince MP](#) (*Conservative, Colchester*)

[Iain Stewart MP](#) (*Conservative, Milton Keynes South*)

[Graham Stringer MP](#) (*Labour, Blackley and Broughton*)

[Martin Vickers MP](#) (*Conservative, Cleethorpes*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/transcom](http://www.parliament.uk/transcom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Gordon Clarke (Committee Clerk), Gail Bartlett (Second Clerk), Adrian Hitchins (Committee Specialist), James Clarke (Committee Specialist), Andrew Haylen (Committee Specialist), Daniel Moeller (Senior Committee Assistant), Michelle Owens (Committee Assistant) and Estelle Currie (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk of the Transport Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 3266; the Committee's email address is [transcom@parliament.uk](mailto:transcom@parliament.uk).

# Contents

---

<b>1</b>	<b>Airport expansion</b>	<b>3</b>
	A decision delayed	3
	The work already done	5
	Work of the Transport Select Committee in the last Parliament	5
	The Airports Commission	5
	The Environmental Audit Committee	8
	Further delay	9
	The reaction to delay	11
	Further work	13
	Revised timeline for decision and construction	15
<b>2</b>	<b>Conclusion</b>	<b>17</b>
	<b>Conclusions and recommendations</b>	<b>18</b>
	<b>Formal Minutes</b>	<b>21</b>
	<b>Witnesses</b>	<b>22</b>
	<b>List of Reports from the Committee during the current Parliament</b>	<b>23</b>



# 1 Airport expansion

---

## A decision delayed

1. The UK’s hub airport is of great importance to all the regions of the UK. It plays a unique role in connecting the country to the rest of the world—a role that could not be adequately fulfilled by a non-hub airport. This report is about the need to make a decision that fulfils that need.

2. Expansion in the South East has been on the agenda since the early 1990s. In 2003 the then Labour Government indicated support for expansion at Heathrow in its Air Transport White Paper<sup>1</sup> before consulting on expansion at Heathrow in 2007. The 2003 White Paper stated that the Government supported a third runway at Heathrow but after a second runway had been built at Stansted, probably in the period 2015–2020.<sup>2</sup> In 2009 it announced that its three conditions<sup>3</sup> for supporting a third runway and sixth terminal at Heathrow had been met.<sup>4</sup> In the run up to the 2010 general election BAA withdrew its planning applications for a second runway at Stansted and a third runway at Heathrow. Expansion at Gatwick is not possible until at least 2019 under a 1979 agreement between BAA, the then owner of Gatwick Airport, and West Sussex County Council. The agreement was made in return for permission to upgrade the taxiway running parallel to the airport’s existing runway. Subsequent agreements have confirmed that the 1979 agreement remains in force and the airport continues to operate with a single runway.

3. In September 2012 the Coalition Government set up the Airports Commission to make recommendations on airport capacity in the South East.<sup>5</sup> In May 2013 our predecessors set out their reasons for supporting expansion at Heathrow.<sup>6</sup> In December 2013 the Airports Commission’s interim report shortlisted three options<sup>7</sup> for expansion at Heathrow and Gatwick.<sup>8</sup> In July 2015 the Airports Commission produced its final report and concluded that extra capacity was needed at airports in the South East, with one additional runway needed by 2030 and another by 2050. The Commission concluded that a new third runway to the north west of the current Heathrow site was the best of the three shortlisted options; all three options were found to be viable.<sup>9</sup>

4. Following publication of the Commission’s final report in July 2015 the Prime Minister, in reply to a Question from the Rt Hon. Harriet Harman MP, said

“I think that there is a lot of common ground across almost all parts of the House that there is the need for additional airport capacity in the south-east of England, not least to maintain this country’s competitiveness, but it is important that we now study this very detailed report. I am very clear about

---

1 Department for Transport, [The Future of Air Transport](#), December 2003

2 Department for Transport, [The Future of Air Transport](#), December 2003, page 14

3 These were a commitment not to increase the size of the area significantly affected by aircraft noise, confidence that the UK’s European obligations with respect to air quality could be met; and public transport improvements to the airport.

4 Department for Transport, [Decision on adding capacity at Heathrow airport](#), January 2009

5 Department for Transport, Press release: [Airports Commission membership](#), November 2012

6 Transport Select Committee, First Report of Session 2013-14, [Aviation Strategy](#), HC 78

7 These were a new runway south of the existing runway at Gatwick, a new runway northwest of the existing airport at Heathrow and extension of the existing northern runway to the west at Heathrow.

8 Airports Commission, [Interim report](#), December 2013

9 Airports Commission, [Final report](#), July 2015

the legal position; if we say anything now before studying the report, we could actually endanger whatever decision is made. The guarantee that I can give the right hon. and learned Lady is that a decision will be made by the end of the year”.<sup>10</sup>

Shortly after the Prime Minister had spoken the Secretary of State for Transport made an oral statement in which he outlined the Government’s initial response saying:

“There are a number of things that we must do now in order to make progress. First, we must study the substantial and innovative evidence base that the Commission has produced. Secondly, we must decide on the best way of achieving planning consents quickly and fairly if expansion is to go ahead. Thirdly, we will come back to Parliament in the autumn to provide a clear direction on the Government’s plans”.<sup>11</sup>

He went on to stress the importance of the aviation sector, the reasoned and evidence-based nature of the report and the need for the Government to act.<sup>12</sup> In response to a question from the Chair of our Committee following the statement he said, “I have outlined the way in which the Government will come to their decision. On such a big issue, coming back to the House by the autumn constitutes a swift decision”.<sup>13</sup> It was not until December that the Government announced a final decision on location could not be made until further work was done on noise, pollution and compensation.<sup>14</sup>

5. In December 2015 the Economic Affairs (Airports) Cabinet sub-committee, chaired by the Prime Minister, met and agreed to accept the Airport Commission’s case for expansion in the South East and its shortlist of options. The Secretary of State for Transport, Patrick McLoughlin MP, said that the case for expansion was “clear”.<sup>15</sup> The sub-committee also agreed that a package of further work was needed before a decision could be taken on location. It intended that the work would “conclude over the summer” so that the timetable for delivering additional capacity by 2030 could be met.<sup>16</sup>

6. The Secretary of State gave evidence to us on 8 February but his answers to our questions provided little insight into the Government’s thinking. In this Report we set out the areas where we believe the Government needs to provide more information on the process it is following to reach a decision.

---

10 HC Deb, 1 July 2015: [Column 1473](#) [Commons Chamber]

11 HC Deb, 1 July 2015: [Column 1484](#) [Commons Chamber]

12 HC Deb, 1 July 2015: [Column 1484](#) [Commons Chamber]

13 HC Deb, 1 July 2015: [Column 1484](#) [Commons Chamber]

14 Department for Transport press release, [Government confirms support for airport expansion in the south-east](#), 10 December 2015

15 Department for Transport press release, [Government confirms support for airport expansion in the south-east](#), 10 December 2015

16 Department for Transport press release, [Government confirms support for airport expansion in the south-east](#), 10 December 2015

## The work already done

### *Work of the Transport Select Committee in the last Parliament*

7. In the last Parliament our predecessors reported on the Department's aviation strategy.<sup>17</sup> Based on independent research commissioned by the Committee on the economic viability of a new hub airport,<sup>18</sup> the Committee rejected calls for a new hub airport east of London and urged expansion at Heathrow. The Committee found that Heathrow, the UK's only international hub airport, had been short of capacity for a decade, was already operating at full capacity and needed a third runway. The Committee recognised the importance of maintaining London's status as an international aviation hub and the benefit to the UK economy of good international connectivity. The Committee's report also:

- recognised the need for expansion in the context of growing demand for air travel;
- found that expanding capacity at other existing airports would not, on its own, provide a long-term solution to the UK's hub airport capacity problem;
- encouraged Gatwick's owner to develop a robust business case for their vision of a second runway; and
- rejected the notion of linking existing airports by high-speed rail to form a split-hub (e.g. 'Heathwick').<sup>19</sup>

### *The Airports Commission*

8. The Airports Commission was set up to examine the scale and timing of any requirement for additional hub airport capacity and identify and evaluate how the need for additional capacity should be met. For two and a half years it reviewed evidence and consulted widely.<sup>20</sup> Although final costs have yet to be published, it is thought that over this period it spent less than three-quarters of its £20 million budget.<sup>21</sup> Its analysis was based on a significant amount of technical material and it convened an expert advisory panel to help it access, interpret and understand the scientific, economic and technical issues relating to the Commission's work, and to make judgements about its relevance, potential and application.<sup>22</sup> The Commission's consultation on increasing the UK's long-term aviation capacity and the Commission's three short-listed options received over 70,000 responses, from individuals, public authorities, trade associations, companies, NGOs and campaigning organisations.<sup>23</sup>

9. In its final report, the Airports Commission recommended that:

“[...] a new northwest runway at Heathrow Airport, combined with a significant package of measures to address its environmental and community impacts,

---

17 Transport Select Committee, First Report of Session 2013-14, [Aviation Strategy](#), HC 78

18 Transport Select Committee, First Report of Session 2013-14, [Aviation Strategy](#), HC 78, Annex B, Oxera Consulting Ltd

19 Transport Select Committee, First Report of Session 2013-14, [Aviation Strategy](#), HC 78

20 Airports Commission press notice, "[Airports Commission releases final report](#)", 1 July 2015

21 [HL Deb, 7 September 2015, c1216](#)

22 Airports Commission, [Final Report](#), July 2015, p 14

23 Airports Commission, [Consideration of Consultation Responses](#), July 2015

presents the strongest case and offers the greatest strategic and economic benefits – providing around 40 new destinations from the airport and more than 70,000 new jobs by 2050”.<sup>24</sup>

It said that the package of accompanying measures should include:

- a ban on all scheduled night flights in the period from 11.30pm to 6.00am;
- an agreement not to build a fourth runway at Heathrow;
- a legally binding ‘noise envelope’ to limit the level of noise created by the airport;
- a new aviation noise levy to fund an expanded programme of mitigation, including noise insulation for homes, schools and other community facilities;
- a legal commitment on air quality that new capacity would only be released when it was clear that compliance with EU limits would not be delayed;
- a Community Engagement Board, under an independent chair, with ‘real influence’ over spending on mitigation and compensation and over the airport’s operations;
- an independent aviation noise authority, with a statutory right to be consulted on flightpaths and other operating procedures at all UK airports; and
- provision of training opportunities and apprenticeships for local people, so that nearby communities benefit from the jobs and economic opportunities.

10. The Airports Commission was clear that expanded airport capacity is crucial for the UK’s long-term prosperity and that capacity constraints at Heathrow could diminish the UK’s competitiveness as a hub airport. Heathrow has 70% of the UK’s scheduled long-haul flights compared to 11% at Gatwick.<sup>25</sup> The Commission felt Gatwick was better able to increase capacity for short-haul intra-European routes, with smaller economic benefits and that Heathrow was best placed to provide urgently-needed long haul destinations to new markets. Heathrow is also the country’s largest air freight hub.

11. Launching the Commission’s final report Sir Howard Davies said

“At the end of this extensive work programme our conclusions are clear and unanimous: the best answer is to expand Heathrow’s capacity through a new northwest runway. Heathrow is best-placed to provide the type of capacity which is most urgently required: long haul destinations to new markets. It provides the greatest benefits for business passengers, freight operators and the broader economy”.<sup>26</sup>

12. The Commission identified that domestic connectivity suffers as a result of capacity limitations at Heathrow and claimed that its preferred option could generate:

- up to £147 billion in GDP impacts over 60 years;
- over 70,000 new jobs by 2050; and

---

24 Airports Commission press notice, “[Airports Commission releases final report](#)”, 1 July 2015

25 Airports Commission, [Final Report](#), July 2015, p 14

26 Airports Commission, [Final Report](#) and [press release](#), July 2015

- new regular daily services from the airport to around 40 new destinations, including 10-12 new long-haul routes.<sup>27</sup>

Gatwick Airport have argued that the Commission underplayed the significant environmental challenges of air quality and noise at Heathrow.<sup>28</sup>

13. Analysis undertaken in 2014 by KPMG/Let Britain Fly showed that cities across the world are collectively planning to build more than 50 new runways with capacity to serve one billion additional passenger journeys by 2036.<sup>29</sup> The proportion of this growth that the UK can attract depends on the availability of additional airport capacity. For many years Heathrow has operated with two runways at or near full capacity. Paris, Frankfurt and Schiphol have benefited from having between four and six runways each. The growth of large hubs in the Middle and Far East and North America has threatened the UK's position as an international aviation hub. Passenger numbers at Heathrow are growing but many airports have 4–5 times this growth and some have double-digit growth.<sup>30</sup> Although Dubai is the sixth busiest airport in the world in overall passenger traffic, in 2014 it became the world's busiest in terms of international passenger traffic ahead of Heathrow.<sup>31</sup> The massive new 3rd airport for Istanbul – Istanbul Grand Airport (IGA) – will be big enough to take 150 million passengers per year when it opens in 2017.<sup>32</sup> With 3 runways built in the first phase, it will have six runways and four terminals when completed. The construction of a second runway is to go ahead at Dublin Airport in order to meet rising passenger demand; the 3.1km runway will be completed by 2020. IAG, owners of Aer Lingus and British Airways, sees Dublin as a potential hub airport with connections to the UK, Europe and beyond.<sup>33</sup>

14. The UK's connectivity with the world's emerging markets is a major concern. The Confederation of British Industry (CBI) has estimated that a new daily service to one of the key growth markets could generate up to £128 million of additional trade.<sup>34</sup> London has fewer connections to the BRIC economies<sup>35</sup> than Dubai. Frankfurt has double the number of destinations to emerging markets in Brazil. Paris has 50% more flights to China.<sup>36</sup> While London is well connected with Hong Kong, it is poorly connected to China's manufacturing heartland. The CBI has said that if additional airport capacity is not operational until 2030, the UK could lose as much as £5 billion per year in lost trade to the BRIC economies alone.<sup>37</sup>

---

27 Airports Commission, [Final Report](#) and [press release](#), July 2015

28 "[UK risks airport expansion being grounded once again after 'flawed' Airports Commission report](#)", Gatwick Airport press release, 14 July 2015

29 "[World airports plan for one billion more journeys a year](#)", KPMG/Let Britain Fly press release, 27 January 2015

30 See, for example, "[Dubai threatens Britain's supremacy with \\$32bn mega-hub airport](#)", *The Telegraph*, 8 September 2014; "[Abu Dhabi airport expects 10% passenger growth this year as Midfield Terminal nears completion](#)", *The National*, 8 March 2016

31 "[ACI releases 2014 World Airport Traffic Report](#)", ACI press release, 31 August 2015

32 "[Istanbul with its massive 3rd airport expected to soon take hub business away from Heathrow](#)", AirportWatch press release, 21 February 2016

33 "[Second runway to be built at Dublin airport](#)", *The Guardian*, 7 April 2016

34 CBI, [Trading places: Unlocking export opportunities through better air links to new markets](#), March 2013

35 Brazil, Russia, India and China

36 Let Britain Fly, '[Facts & Figures](#)', accessed 9 March 2016

37 "[Prime Minister branded 'gutless' for delaying Heathrow decision until the summer](#)", *The Telegraph*, 11 December 2015

### *The Environmental Audit Committee*

15. The Environmental Audit Committee reviewed the findings of the Airports Commission in their First Report of Session 2015–16, the Airports Commission Report: Carbon Emissions, Air Quality and Noise.<sup>38</sup> They said that if the Government decided to go ahead with the Commission’s recommended option of expansion at Heathrow, ministers would need a high degree of certainty that their policies could deliver the mitigations required. They called on the Government to set out “clear and binding responsibilities and milestones to ensure environmental standards are enforced and measures can be implemented, monitored and evaluated in a timely way” before making its final decision. On carbon emissions, they said there was a gap between the Commission’s theoretical approach and the current policy environment. They also called for the Commission’s findings to be re-examined in light of the Government’s finalised air quality strategy. In doing so they recognised the importance of modal shift, a topic we covered in our report on surface access to airports. The Environmental Audit Committee supported the Commission’s proposals on limiting noise from aviation and the creation of an Independent Aviation Noise Authority and a Community Engagement Board. In December the Secretary of State cited the recommendations of the Environmental Audit Committee as one of the factors the Government had taken into account in its decision to delay a final decision on location.<sup>39</sup>

16. More recently the Independent Transport Commission has concluded that environmental and sustainability concerns are not insurmountable and should not stop the UK from realising the benefits of greater international connectivity.<sup>40</sup>

17. In essence the work of the Airports Commission and our predecessors show that expansion at Heathrow has the greatest economic benefit but at the highest financial and environmental cost. In very simple terms, choosing expansion at Heathrow or Gatwick is a choice between high gain at higher cost or low gain at lower cost. This is remarkably similar to the conclusions reached in 1993 by the Runway Capacity to Serve the South East working group (RUCATSE) (established in 1990), which concluded that: “Heathrow would afford the greatest benefits to the air transport industry and passengers, but it would also give rise to the greatest scale of dis-benefits in terms of noise impact on people, land use and property demolition”.<sup>41</sup> The Government response to the RUCATSE response is also hauntingly familiar. On 2 February 1995 the Secretary of State for Transport, Dr Brian Mawhinney, said:

“The Government have concluded that RUCATSE’s analysis shows a strong case for additional runway capacity in the south-east; but that more work is needed to inform decisions on any proposals which operators may bring forward for that additional capacity (...) I am clear that BAA should not consider the options studied in RUCATSE for a third runway at Heathrow or for a second runway at Gatwick”.<sup>42</sup>

38 Environmental Audit Committee, [The Airports Commission Report: Carbon Emissions, Air Quality and Noise](#), First Report of Session 2015–16, HC 389

39 [HC deb 14 December 2014, cc1306](#)

40 Independent Transport Commission, [The sustainability of UK aviation](#), March 2016

41 Department of Transport, [Runway capacity to Service the South East: a report by the Working Group](#), July 1993, para 26

42 [HC Deb, 2 February 1995, cc859-60W](#)

18. The arguments for and against expansion have changed little in a quarter of a century. Indecision by Government has remained constant over much of the same period. Few now disagree that additional airport capacity is needed in the South East if the UK is to remain economically competitive. The creation of the Airports Commission briefly held out the hope that an evidence-based decision would end years of political dithering, but the Government has largely squandered this opportunity by delaying its decision and calling for further work.

19. We have reviewed the findings of our predecessors in light of the Government postponing its decision on airport expansion; we have seen no new compelling evidence that would change the balance of the arguments and we endorse their conclusions and recommendations. Expansion at Heathrow offers the greatest economic benefit and would do more to improve connectivity internationally and within the UK. We recognise that local residents and environmental campaigners have raised legitimate concerns; these deserve serious consideration. We do not under-estimate the scale of the challenge but we believe that the noise and environmental effects can be managed as part of the pre-construction phase after a decision has been made on location, as can the challenge of improving surface access and devising suitable schemes for compensation for residents in affected communities. It is vital that a decision is taken. *We recommend that the Government take a decision on location at the earliest possible opportunity. We would prefer that decision to be for the construction of a third runway at Heathrow, together with the package of accompanying measures recommended by the Airports Commission.*

## Further delay

20. At the time he launched the Airports Commission's final report, Sir Howard Davies said:

“The Commission urges [the Government] not to prolong [its review of the Commission's analysis] ... and to move as quickly as it can to a decision. Further delay will be increasingly costly and will be seen, nationally and internationally, as a sign that the UK is unwilling or unable to take the steps needed to maintain its position as a well-connected, open trading economy in the twenty-first century”.<sup>43</sup>

21. After the Airports Commission reported in July 2015 the Prime Minister and the Secretary of State for Transport promised a decision by December 2015. In December the Secretary of State announced a further delay to accommodate additional work on environmental impacts and the “best possible” mitigation measures.<sup>44</sup> He has denied that the further delay has anything to do with London's mayoral election.<sup>45</sup> He has said in the media and in response to our questions that there may be delays due to the consequences of the VW emissions scandal and the outcome of the EU referendum. This raises questions

43 Airports Commission, [Final Report](#) and [press release](#), July 2015

44 Department for Transport press release, [Government confirms support for airport expansion in the south-east](#), 10 December 2015

45 Q5

about whether the crucial decision on location will be taken “by the summer” as the Secretary of State promised in his statement to the House on 14 December or has been postponed until “at least” the summer of 2016 as he said when he appeared before us.<sup>46</sup>

22. The Secretary of State told us that some decisions had been taken in December and that it was only the decision on location that was not taken.<sup>47</sup> But later in his evidence he appeared to question exactly how much of the Airports Commission’s final report had been accepted, saying:

“We have not done work in the sense that we have not yet said which recommendations of Sir Howard’s on [an independent aviation noise authority] we are going to go along with. That work has not yet been done, but obviously we are working on it as a recommendation, so that when the Cabinet committee meets again to take this work further forward we can decide if that is going to be part of the Government’s proposals”.<sup>48</sup>

23. Later still he seemed to suggest he accepted the economic case presented by the Airports Commission, saying:

“I accept the report, but we have to take a number of other factors into account as well. If you are looking at the GDP impact over a 60-year model, Heathrow Airport Ltd is £147 billion, Heathrow Hub is £131 billion and Gatwick is £89 billion. Gatwick would argue that those figures do not reflect a true representation of what actually happens, but, overall, I accept what the Commission is saying unless it can be proven to me that the Commission has somehow got its figures wrong. At this stage that has not happened”.<sup>49</sup>

**24. The crucial decision on location was widely expected. The other “decisions” amount to nothing more than an acceptance of the Airports Commission’s findings on the need for expansion and the viability of all three shortlisted options. These decisions serve only to confirm what was already known. The Government could have made clear its acceptance of the findings much earlier; it did not need six months to do so.**

**25. The absence of a decision on location creates uncertainty. This is exacerbated by the lack of clarity the Government has created about exactly when a decision will be taken. A decision on location is not the end of a process; it is the start of one. We accept that the package of measures to mitigate environmental impacts needs careful consideration and further work. We do not accept that all of this needs to be done before a decision is taken on location. In fact a decision on location would give more focus and impetus to this work. In the absence of a decision on location any “progress” is illusory. Real progress cannot be made without a decision on location. The detailed and evidence-based work of the Airports Commission on environmental issues provides an ideal starting point for any further work on environmental issues to be undertaken in parallel with the other pre-construction work.**

---

46 Q2

47 Q2

48 Q11

49 Q56

26. *The Secretary of State should make clear which parts of the Commission's findings he has accepted, what he has rejected and on what findings further evidence is required before he can take a decision. The Secretary of State must set out a clear timetable for the decision, making clear what additional work has been commissioned, when it will be completed, when the Economic Affairs (Airports) Cabinet sub-committee will consider its recommendation to Cabinet, and when the Cabinet will take a decision on location. The Department should publish this information by the end of April 2016.*

### **The reaction to delay**

27. The delay announced in December 2015 has been welcomed by those opposed to airport expansion and by supporters of expansion at Gatwick. Boris Johnson MP, the current Mayor of London, vocal opponent of expansion at Heathrow and promotor of an estuarial airport, said that it made sense to take a fresh look at the competing proposals. He told Channel 4 News that the Heathrow option was weak and needed to be looked at again.<sup>50</sup> He also said:

“It might look like terminal indecision. A lot of people will see this as just more fudge-erama to push a decision beyond the Mayoral elections [next year]”.<sup>51</sup>

28. Stewart Wingate, Chief Executive of Gatwick Airport, seized the chance to push the case for Gatwick saying:

“We are glad that the Government recognises that more work on environmental impact needs to be done. Air quality, for example, is a public health priority and obviously the legal safeguards around it cannot be wished away. Even Heathrow's most vocal supporters must now realise a third runway at Heathrow will never take off as the environmental hurdles are just too high. If they want Britain to have the benefits of expansion and competition they should now look to Gatwick.”<sup>52</sup>

The Secretary of State went to great lengths to stress that expansion at Gatwick was still an option.<sup>53</sup>

29. The Aviation Environment Federation (AEF), an NGO campaigning on the environmental impact of aviation, said a decision in support of expansion was premature without knowing whether environmental issues could be addressed. Cait Hewitt, AEF Deputy Director, said:

“The Government has had to admit that there are huge environmental hurdles in the way of Heathrow expansion. The Airports Commission hasn't presented a convincing case on either air pollution or climate change problems, both of which would be made worse by expansion. The challenges of addressing the environmental impacts of a new runway at either Heathrow or Gatwick are

50 AirportWatch, [Comments by Boris Johnson and Zac Goldsmith on government runway statement](#), 10 December 2015

51 AirportWatch, [Comments by Boris Johnson and Zac Goldsmith on government runway statement](#), 10 December 2015

52 Gatwick Airport, Press release, [The clear choice now facing Britain: growth with Gatwick or inertia at Heathrow](#), 10 December 2015

53 Q58

no less significant than they were when the Coalition Government ruled out expansion for environmental reasons in 2010. The current Government should do the same.”<sup>54</sup>

Friends of the Earth campaigner Oliver Hayes said: “It’s no surprise that David Cameron has choked on the Heathrow decision. It’s an inconvenient truth, but experts are clear you can’t build a new runway and tackle London’s toxic air pollution at the same time.”<sup>55</sup> HACAN, the Heathrow Association for the Control of Aircraft Noise, commented on the delay saying:

“This delay shows once again just how difficult it will be to build a third runway at Heathrow. The last Labour Government tried and failed. And now this Government has run into real obstacles. Heathrow would require almost 1,000 homes to be demolished and part of the M25 to be moved and put in a tunnel. It would mean a quarter of a million more planes flying over the city with the biggest aircraft noise problem in Europe and could cause air pollution to exceed the EU legal limits. Many of these problems won’t go away however long the final decision is delayed”.<sup>56</sup>

30. The reaction of Lord Adonis, chairman of the National Infrastructure Commission, was lukewarm: he supported the delay, saying it was right that environmental issues were looked at properly, but made clear that any delay beyond summer 2016 would be damaging.<sup>57</sup>

31. Heathrow Airport said it was confident that that expansion could be delivered within environmental limits.<sup>58</sup> Gavin Hayes, Director of Let Britain Fly said:

“Having already spent three years and millions of pounds of tax-payer money looking at the issue in a Commission, including extensive analysis on the economic and environmental impact, this further delay is unacceptable.

Such indecision risks undermining our economic competitiveness and our global competitors will be rubbing their hands in glee. And the message this sends out to investors is quite frankly a disaster”.<sup>59</sup>

32. The reaction from business and industry groups to the Government’s indecision was a chorus of disapproval. John Longworth, Director General of the British Chambers of Commerce, said

“Businesses will see this as a gutless move by a government that promised a clear decision on a new runway by the end of the year. Business will question whether ministers are delaying critical upgrades to our national infrastructure for legitimate reasons, or to satisfy short-term political interests.”<sup>60</sup>

54 Aviation Environment Federation, Press release, [Government delays runway decision, AEF reaction](#), 10 December 2015

55 Friends of the Earth, press release, [Heathrow decision postponed](#), 10 December 2015

56 HACAN, Press release, [Government postpones decision on new runway for at least 6 months](#), 10 December 2015

57 National Infrastructure Commission, Press release, [Government’s statement on airport capacity - comment from Lord Adonis](#), 11 December 2015

58 Heathrow Airport, [Heathrow to work with Government to deliver expanded hub airport within environmental limits](#), 10 December 2015

59 Let Britain Fly, [Business angered by latest government delay on new runway](#), 10 December 2015

60 British Chambers of Commerce, press release, [BCC: ‘Gutless’ runway delay bad for business](#), 11 December 2015

Carolyn Fairbairn, CBI Director-General, said

“Delaying this decision on an issue of critical importance to the future prosperity of the UK is deeply disappointing. [...] It is of course essential that environmental conditions are met. But the Airports Commission spent three years analysing impartial evidence, at a cost of £20m, and the National Infrastructure Commission was set up just two months ago to take an evidence-based approach to our needs. We cannot fall into the habit of simply commissioning new evidence, instead of the Government taking the tough decisions needed at the end of the process.”<sup>61</sup>

Simon Walker, Director-General, Institute of Directors said

“... this is [a] difficult choice, which is the reason the government set up the Airports Commission to make a recommendation balancing economic needs, environmental concerns and the impact on local residents. We have to ask now, what was the point of the Commission if the Government still fails to act? [...] At this stage, IoD members care much more about a decision being made, than whether the new runway is built at Heathrow or Gatwick.”<sup>62</sup>

**33. By delaying this decision the Government has created uncertainty that could have an effect on business confidence and its willingness to make long-term investments in the UK. Not only will this have a cost to the UK economy in terms of missed opportunities, but it is a gift to Heathrow’s and the UK’s international competitors. The cost of this delay is measured ultimately in lost growth and jobs. It is not just businesses that are affected; residents near Heathrow and Gatwick expectantly awaiting a decision are held in limbo. And people up and down the UK who could benefit from improved international and domestic connectivity are forced to wait.**

### Further work

34. The Department took six months to review the final report of the Airports Commission before announcing in December that it needed to do further work. The fact that further work was needed was included in the 10 December press notice issued by the Department,<sup>63</sup> the Secretary of State’s Statement to the House in December<sup>64</sup> and the evidence he gave us on 8 February.<sup>65</sup>

35. On 8 February the Secretary of State said “Part of the work that I commissioned the Department to do is to look at some of the mitigation factors that may have to be taken into account should we decide on a different recommendation from what the commission actually recommended as far as location is concerned.”<sup>66</sup> When pressed for more detail he said:

61 CBI, Press release, [CBI comments on further aviation capacity delay](#), 10 December 2015

62 Institute of Directors, Press release, [Business leaders “tearing their hair out” at latest airport expansion delay](#), 11 December 2015

63 Department for Transport press release, [Government confirms support for airport expansion in the south-east](#), 10 December 2015

64 [HC deb 14 December 2014, cc1306](#)

65 Oral evidence, Airport expansion in the South East, [HC 784](#), 8 February 2016

66 Q5

“We are testing the commission’s work on air quality further against the Government’s new air quality plan, as recommended by the EAC. This is in addition to work to test compliance and to build confidence that expansion can take place within legal limits. We are also doing further work on air quality, which is only one element of the wider package of further work. We are doing more work on carbon to address concerns about sustainability, particularly during construction. We are dealing with the concerns about noise to get the best outcome for residents. We want to make sure that communities get the best possible mitigation deals. We are carrying out extra assurance to assess the runway’s potential, both locally and nationally, so that it can deliver more jobs, growth and apprenticeships. We are starting work on the building blocks of an NPS – a national policy statement – to ensure that we are prepared for the next stage of the planning process. We are doing due diligence on plans for surface access to airports by talking both to the promoters and the key delivery bodies”.<sup>67</sup>

He denied that the decision on location would be made solely on environmental considerations.<sup>68</sup>

36. When the Secretary of State and his officials appeared before the Committee on 12 October to discuss the Volkswagen emissions scandal, the Committee was told that its impact on total NOx emissions would be minimal.<sup>69</sup> On 25 January 2016 Oliver Schmidt, a Volkswagen engineer, told us that the fix applied by Volkswagen to remove the “defeat device” did not change the level of emissions of nitrous oxides.<sup>70</sup> Sir Howard Davies, chair of the Airports Commission, speaking to the Environmental Audit Committee, said that the Commission had used real emissions and not test emission data.<sup>71</sup> This evidence seems to undermine the Secretary of State’s use of the Volkswagen emissions scandal as a reason for doing more work on some of the environmental issues raised by the Airports Commission before a final decision on location.

37. We have concluded earlier in this Report that a clear timetable is needed. But it is also important that we know what work is being done and to what end. This is not clear from the statements made by the Department and the Secretary of State. **The apparent need for further work has again delayed the crucial decision on location. On balance, we believe it likely, indeed probable, that the Secretary of State and the Department have thought through their approach and that it has a sound basis. We are not, however, persuaded that the Government has made a case publicly for delaying the decision. We are also not convinced that this work must be done before the Government can take a decision on location. *As well as making clear the timetable for further work and taking a decision, the Department must also make much clearer than it has to date what work is being done and why. The Government needs to be more open and transparent or the perception that this is yet another attempt to “kick the can down the road” cannot be adequately challenged.***

---

67 Q60

68 Qq4 & 12

69 Oral evidence: Volkswagen Group emissions violations, [HC 495](#) 12 October 2015, Q107

70 Oral evidence: Volkswagen Group emissions violations, [HC 495](#), Monday 25 January 2016, Qq154-8, Q190, Q251

71 Environmental Audit Committee, oral evidence, The Airports Commission Report, [HC 389](#), 4 November 2015, Q179

## Revised timeline for decision and construction

38. In his December 2015 statement the Secretary of State said that: “the mechanism for delivering planning consents for airport expansion will be a national policy statement (NPS) for airports, following which a scheme promoter would need to apply for a development consent order”.<sup>72</sup> In his evidence to us the Secretary of State set out in more detail the steps and timeline from summer 2016. These were:

- a decision by the Government on the preferred location (following a recommendation from the Economic Affairs (Airports) sub-committee of the Cabinet);<sup>73</sup>
- a draft national policy statement published for consultation and laid in Parliament (to be published a minimum of four weeks after the announcement on the runway location to avoid the legal risk of pre-determination);
- up to 16 weeks’ public consultation (no decision taken yet on the length of the public consultation);
- Select Committee scrutiny of the draft NPS (12 weeks immediately following the public consultation);
- final NPS is laid followed by debate and a vote to approve it within 21 sitting days (if the final NPS were not approved the Secretary of State could make changes and lay a new NPS on which a vote to approve would take place 21 sitting days later);
- the developer then submits a development consent order to the planning inspectorate;
- planning inquiry and examination (six months);
- the planning inspector submits his report to the Secretary of State (within three months);
- the Secretary of State considers the report and announces a decision (within 3 months); and
- Any Judicial Reviews would follow within a six-week period (but could also occur at any point if the correct process was not followed).<sup>74</sup>

39. The Secretary of State told us that the Planning Act 2008 had already been used to speed up the planning process for other nationally significant infrastructure projects.<sup>75</sup> He was confident that there was plenty of time to complete the process before the additional capacity needed to be available in 2030.<sup>76</sup>

**40. A decision by Government on location is the beginning, not the end, of a process. The Government is right to have chosen to proceed by a national policy statement on airports and a development consent order rather than a hybrid bill procedure. The certainty over the timetable for a decision that this process will give is welcome and**

---

<sup>72</sup> DfT press notice, “[Government confirms support for airport expansion in the south-east](#)”, 10 December 2015 for more info on DCOs, see [National Infrastructure Planning guidance](#) [accessed 19 April 2016]

<sup>73</sup> Q26

<sup>74</sup> Q62

<sup>75</sup> Q14

<sup>76</sup> Q14

**it will afford those affected by the development a chance to make their case. It will be important for the Government to be clear about not only the consent needed to build a new runway and its associated infrastructure but also where separate transport and works orders might be needed for improvements to surface access. Certainty over the timetable for the process is useful but only becomes truly meaningful once a decision on location is taken. *We urge the Government to take a decision on airport expansion without further delay.***

## 2 Conclusion

---

41. Decisions on airport expansion in the South East have been delayed time and time again. This should not continue. The case for expansion has been made and accepted repeatedly but no Government has yet been able to reach a decision on expansion that has had any prospect of changing the status quo. The opportunity provided by the detailed evidence-based work of the Airports Commission has been lost. The Secretary of State needs now to have the courage to take a difficult, and for some people unpopular, decision. By doing so he will break a log-jam and allow new opportunities to flow into the UK economy. Nationally significant transport infrastructure projects cannot be seen in total isolation from each other; we will get more return on the investments being made in HS2, railway enhancements and investments in roads if we can connect the people and business that will benefit from the investments with domestic, European and other international markets.

# Conclusions and recommendations

---

## The work already done

1. The arguments for and against expansion have changed little in a quarter of a century. Indecision by Government has remained constant over much of the same period. Few now disagree that additional airport capacity is needed in the South East if the UK is to remain economically competitive. The creation of the Airports Commission briefly held out the hope that an evidence-based decision would end years of political dithering, but the Government has largely squandered this opportunity by delaying its decision and calling for further work. (Paragraph 18)
2. We have reviewed the findings of our predecessors in light of the Government postponing its decision on airport expansion; we have seen no new compelling evidence that would change the balance of the arguments and we endorse their conclusions and recommendations. Expansion at Heathrow offers the greatest economic benefit and would do more to improve connectivity internationally and within the UK. We recognise that local residents and environmental campaigners have raised legitimate concerns; these deserve serious consideration. We do not under-estimate the scale of the challenge but we believe that the noise and environmental effects can be managed as part of the pre-construction phase after a decision has been made on location, as can the challenge of improving surface access and devising suitable schemes for compensation for residents in affected communities. It is vital that a decision is taken. (Paragraph 19)
3. We recommend that the Government take a decision on location at the earliest possible opportunity. We would prefer that decision to be for the construction of a third runway at Heathrow, together with the package of accompanying measures recommended by the Airports Commission. (Paragraph 19)

## Further delay

4. The crucial decision on location was widely expected. The other “decisions” amount to nothing more than an acceptance of the Airports Commission’s findings on the need for expansion and the viability of all three shortlisted options. These decisions serve only to confirm what was already known. The Government could have made clear its acceptance of the findings much earlier; it did not need six months to do so. (Paragraph 24)
5. The absence of a decision on location creates uncertainty. This is exacerbated by the lack of clarity the Government has created about exactly when a decision will be taken. A decision on location is not the end of a process; it is the start of one. We accept that the package of measures to mitigate environmental impacts needs careful consideration and further work. We do not accept that all of this needs to be done before a decision is taken on location. In fact a decision on location would give more focus and impetus to this work. In the absence of a decision on location any “progress” is illusory. Real progress cannot be made without a decision on location. The detailed and evidence-based work of the Airports Commission

on environmental issues provides an ideal starting point for any further work on environmental issues to be undertaken in parallel with the other pre-construction work. (Paragraph 25)

6. The Secretary of State should make clear which parts of the Commission's findings he has accepted, what he has rejected and on what findings further evidence is required before he can take a decision. The Secretary of State must set out a clear timetable for the decision, making clear what additional work has been commissioned, when it will be completed, when the Economic Affairs (Airports) Cabinet sub-committee will consider its recommendation to Cabinet, and when the Cabinet will take a decision on location. The Department should publish this information by the end of April 2016. (Paragraph 26)
7. By delaying this decision the Government has created uncertainty that could have an effect on business confidence and its willingness to make long-term investments in the UK. Not only will this have a cost to the UK economy in terms of missed opportunities, but it is a gift to Heathrow's and the UK's international competitors. The cost of this delay is measured ultimately in lost growth and jobs. It is not just businesses that are affected; residents near Heathrow and Gatwick expectantly awaiting a decision are held in limbo. And people up and down the UK who could benefit from improved international and domestic connectivity are forced to wait. (Paragraph 33)

### Further work

8. The apparent need for further work has again delayed the crucial decision on location. On balance, we believe it likely, indeed probable, that the Secretary of State and the Department have thought through their approach and that it has a sound basis. We are not, however, persuaded that the Government has made a case publicly for delaying the decision. We are also not convinced that this work must be done before the Government can take a decision on location. (Paragraph 37)
9. As well as making clear the timetable for further work and taking a decision, the Department must also make much clearer than it has to date what work is being done and why. The Government needs to be more open and transparent or the perception that this is yet another attempt to "kick the can down the road" cannot be adequately challenged. (Paragraph 37)

### Revised timeline for decision and construction

10. A decision by Government on location is the beginning, not the end, of a process. The Government is right to have chosen to proceed by a national policy statement on airports and a development consent order rather than a hybrid bill procedure. The certainty over the timetable for a decision that this process will give is welcome and it will afford those affected by the development a chance to make their case. It will be important for the Government to be clear about not only the consent needed to build a new runway and its associated infrastructure but also where

separate transport and works orders might be needed for improvements to surface access. Certainty over the timetable for the process is useful but only becomes truly meaningful once a decision on location is taken. (Paragraph 40)

11. We urge the Government to take a decision on airport expansion without further delay. (Paragraph 40)

# Formal Minutes

---

**Monday 18 April 2016**

Members present:

Mrs Louise Ellman, in the Chair

Mary Glendon

Iain Stewart

Mark Menzies

Martin Vickers

Will Quince

Draft Report (*Airport expansion in the South East*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 41 read and agreed to.

*Resolved*, That the Report be the Third Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 25 April at 4.00pm]

## Witnesses

---

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Monday 8 February 2016

*Question number*

**Rt Hon Patrick McLoughlin MP**, Secretary of State, Department for Transport, **Lucy Chadwick**, Director General of International, Security and Environment, Department for Transport, and **Caroline Low**, Director of Airport Capacity, Department for Transport

[Q1-68](#)

# List of Reports from the Committee during the current Parliament

---

All publications from the Committee are available on the [publications page](#) of the Committee's website.

## Session 2015–16

First Report	Surface transport to airports	HC 516
Second Report	Road traffic law enforcement	HC 518
First Special Report	Investing in the railway: Network Rail Response to the Committee's Seventh Report of Session 2014–15	HC 347
Second Special Report	Motoring of the future: Government Response to the Committee's Eighth Report of Session 2014–15	HC 349
Third Special Report	Smaller airports: Government Response to the Committee's Ninth Report of Session 2014–15	HC 350
Fourth Special Report	Strategic river crossings: Government Response to the Committee's Tenth Report of Session 2014–15	HC 348
Fifth Special Report	Strategic river crossings: Greater London Authority Response to the Committee's Tenth Report of Session 2014–15	HC 558