



West London Economic Prosperity Board

21 March 2017

Title	Heathrow Airport Planning Matters
Report of	Paul Najsarek, Chief Executive (LB Ealing)
Wards	N/A
Status	Public
Urgent	No
Enclosures	Appendix 1: National Policy Statement Consultation Document Appendix 2: Summary of Consultation Questions
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Summary

At its meeting on 6 December 2016 the Board requested that officers engage with Heathrow Airports Ltd. (HAL) to ensure that the economy in West London is able to benefit from opportunities associated with the airport, both directly and through its wider economic footprint.

The Board will receive a presentation from Emma Gilthorpe, Director of Expansion at Heathrow Airports Ltd.

Recommendations

The Board is asked to:

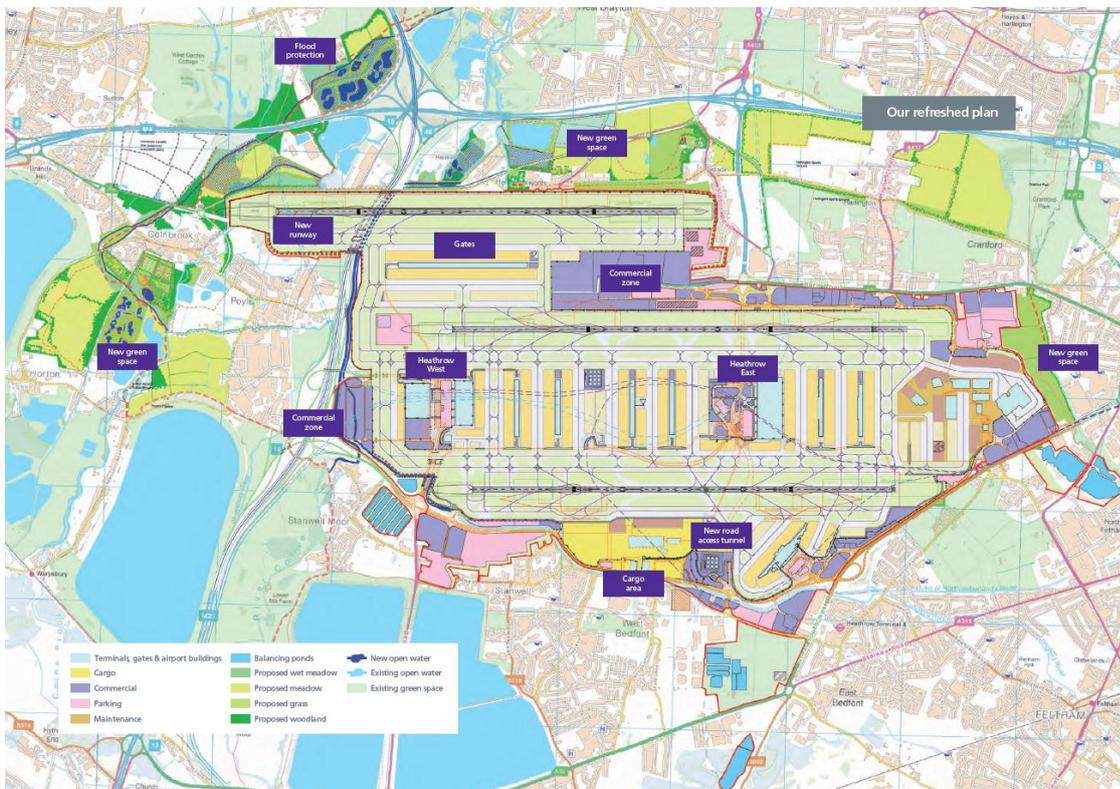
- 1. Note the presentation by Emma Gilthorpe, Director of Expansion at Heathrow Airport Ltd. (HAL) and to identify any areas of particular interest or concern that officers will use to focus future work in relation to Heathrow Airport.**
- 2. Instruct officers to develop a response to the current NPS consultation (closing 25 May) as well as future consultations relating to Heathrow expansion.**

3. Agree that the below thematic areas relating to Heathrow that are currently of shared interest:
- a. Skills and employment opportunities
 - b. Business Rates apportionment
 - c. Transport connectivity
 - d. Minimising air and noise pollution

1. BACKGROUND – HEATHROW PLANNING PROCSS

- 1.1 On 25 October 2016 the Government announced its preference for the creation of a third runway at Heathrow Airport.
- 1.2 The report of the Airport Commission (July 2015) found that expansion at Heathrow would drive an increase in employment both in and around the airport, generating an additional 77,000 jobs (direct and indirect) and 5,000 apprenticeships over the next 14 years. The number of flights would rise from 480,000 per year at the moment to up to 740,000 per year. Residents with homes subject to compulsory purchase will receive 125% of the full market value for their homes, plus stamp duty, legal fees and moving costs.

Figure 1: Government’s preferred option:



2. THE PLANNING PROCESS AND TIMELINE

2.1 There are two parallel processes at this point:

1) **National Policy Statement (NPS)**, led by DfT and published in draft on 2 February 2017: <https://www.gov.uk/government/speeches/airport-capacity-and-airspace-policy>

2) **Development Consent Order (DCO)**, led by the Heathrow Airport Ltd.

***NPS:** National Policy Statements (NPSs) set out the Government's planning policy for various types of nationally significant infrastructure. NPSs for some types of infrastructure (such as roads and power stations) are already in place, but there is not yet an NPS for new airport capacity and so one needs to be created.*

2.2 A [draft NPS for airports](#) was published for consultation by Government on 2 February 2017. The consultation runs for 16 weeks and will close on 25 May 2017. The key requirements of the Draft NPS on Heathrow Airport Ltd. Are set out in Appendix One of this report.

2.3 The Secretary of State has stated that he expects to lay a final Airports National Policy Statement before Parliament for debate and an expected vote in the House of Commons by winter 2017-18. Once in place, the final NPS will provide the planning policy that will apply to a third runway at Heathrow and set out key requirements that will need to be met.

***DCO:** The Planning Act 2008 requires Heathrow to submit an application for what is known as a Development Consent Order (DCO), which it will develop alongside the NPS.*

2.4 The Planning Act 2008 sets out the process that Heathrow Airport Ltd. must go through to make the DCO application, and for the examination and determination of the application after it is submitted. This will include two extensive public consultations:

1. **Consultation One:** Expected in Summer 2017 setting out the overall approach to development
2. **Consultation Two:** Expected in Summer 2018 putting forward HAL's preferred scheme.

2.5 The final DCO is expected to be submitted to Government in Summer 2019 and will take approximately 12 months to be decided on (Summer 2020). The decision on whether to grant the DCO will be made by the Secretary of State following an examination by the Planning Inspectorate.

2.6 Heathrow Airport has stated that the new runway could be completed by 2025. This assumes no significant delays, which seems unlikely. Ministers had previously been more cautious in their timetable, suggesting 2029 as a more realistic completion date.

3. BOROUGHS CURRENT POSITIONS AND SUGGESTED APPROACH

- 3.1 Clearly individual boroughs will have differing positions on Heathrow, however there will be a number of areas of shared interest relating to sub-regional agendas such as skills and employment, transport infrastructure and Business Rates apportionment that a collective approach to may deliver a better outcome for all West London boroughs.
- 3.2 A key planning issue (and risk) for HAL, and one that will be a critical factor for them in securing permission to commence construction from Government, will be **air quality**. Leaders and Chief Executives will want to recognise this in any coordinated or bilateral negotiations with the Airport in the future.
- 3.3 One opportunity that needs to be considered now is whether West London boroughs want to take a coordinated thematic approach to Heathrow engagement, for instance via a "*Performance Planning Agreement*" (PPA) to respond to the consultation on areas of shared interest, and alongside any bi-lateral discussions that they wish to pursue independently.
- 3.4 This could happen at the WLA level or in coordination with the Heathrow Strategic Planning Group (HSPG – see below). Either way coordination will result in greater bargaining power and weight in any negotiations with HAL, and a greater level of access to and influence with Government.

Heathrow Strategic Planning Group

- 3.5 Alongside sub-regional activity relating to Heathrow, the local authorities around Heathrow (including non-London local authorities), led by LB Hounslow, have established a "Heathrow Strategic Planning Group".
- 3.6 The SPG is working on identifying key areas of shared interest, with a view to developing a PPA.
- 3.7 The SPG have invited WLEPB member boroughs to join it in support of alignment across local government on Heathrow matters.

4. WHY THIS REPORT IS NEEDED

- 4.1 Heathrow Airport represents a major piece of infrastructure in the West London economic landscape and so it can appropriately be considered by this Board as a part of its work to encourage growth in the West London economy.

5. REASONS FOR RECOMMENDATIONS

- 5.1 To ensure that people and businesses across all boroughs represented on the WLA are able to benefit from the economic opportunities associated with Heathrow Airport including jobs, investment, supply chain and housing.

6. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 6.1 It would be possible not to engage with HAL but this would create a risk of reduced economic benefits accruing to West London boroughs.

7. POST DECISION IMPLEMENTATION

- 7.1 Officers will proceed to implementing the recommendations set out on page one of this report.

8. IMPLICATIONS OF DECISION

8.1 Corporate Priorities and Performance

- 8.1.1 The West London Vision for Growth Action Plan identifies infrastructure, inward investment, and jobs and skills as shared sub-regional priorities. These are all highly relevant to any activity relating to Heathrow Airport.

8.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 8.2.1 To date WLA work associated with the Heathrow Expansion issue has been undertaken within existing resources. No existing resources from Boroughs are sought at this point.

8.3 Social Value

- 8.3.1 N/A

8.4 Legal and Constitutional References

- 8.4.1 This work falls within the following sections of the WLEPB's Functions and Procedure Rules:

- Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.
- Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda
- Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.

8.5 Risk Management

- 8.5.1 There is a risk that not engaging with Heathrow Airport planning matters will

result in a lower level of growth across west London than would otherwise be the case. Engagement now will ensure that WLA boroughs are able to use their collective voice to benefit from growth opportunities associated with Heathrow Airport.

8.6 Equalities and Diversity

8.6.1 N/A for this item but this will be kept open to review in all future discussions relating to Heathrow Airport.

8.7 Consultation and Engagement

8.7.1 N/A no decisions affecting businesses or the public are being made under this item.

5.8 Insight

5.8.1 N/A

9. BACKGROUND PAPERS

9.1 None