

Report to	<b>Lead Member for Transport and Environment</b>
Date	<b>27 June 2005</b>
Report By	<b>Director of Transport and Environment</b>
Title of Report	<b>Gatwick Airport Outline Master Plan</b>
Purpose of Report	<b>To agree the County Council's response to this consultation by BAA Gatwick on plans for the future of Gatwick Airport.</b>

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## **RECOMMENDATIONS**

**That the County Council wishes to**

- (1) strongly support the full development of Gatwick as a single runway, two terminal airport, as set out in the draft Master Plan, subject to the renegotiation of the Sustainable Development Strategy with the Gatwick local authorities, particularly with respect to surface access;**
  - (2) maintain its support, in principle, for the safeguarding of land in the Master Plan, in order to accommodate a possible second runway at Gatwick, until such time as it becomes clearer whether such a runway will be needed.**
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### **1. Financial Appraisal**

1.1 There are no immediate direct financial implications but there could be possible longer-term financial implications for transport requirements, if the airport develops beyond a single runway. There could be significant longer-term economic implications for East Sussex.

### **2. Supporting Information**

2.1 BAA Gatwick has published the Gatwick Airport Outline Master Plan as a draft for consultation with communities around the airport and stakeholders. The Plan was published at the end of March and the consultation period extends until 30 June 2005. The Master Plan is published in response to the Government's request in the Air Transport White Paper of December 2003, which asked BAA, in common with other airport owners, to prepare master plans for their airports, setting out their development needs to 2015 and to 2030 – the time period for the White Paper. In the case of Gatwick, the Government asked that the Master Plan include proposals for a second wide-spaced runway after 2019, in case proposals for a third runway at Heathrow prove impossible to accommodate, because they would breach important environmental limits. 2019 marks the end of the 40 year legal agreement between BAA and West Sussex barring the construction of a further runway. A summary of the Master Plan is included in the attached appendix.

2.2 Master Plans are required to give fuller treatment of proposals that are likely to come forward within the time horizon of strategic and local land use and transport plans, but, for proposals for the period 2016 – 2030, to provide only indicative land use plans. For instance, runway proposals after 2020 do not need to be accompanied by an assessment of the proposal's impact on people and the natural environment. Master Plans will not have any statutory basis unless they are given due consideration in local and regional planning processes, i.e Regional Spatial Strategies and Local Development Frameworks.

2.3 In line with government guidance, the Gatwick Plan sets out in some detail at development needs as a one-runway airport to 2015 and, in far less detail, at needs to 2030 as either a one-runway or a two-runway airport.

### **3. Comments / Appraisal**

3.1 East Sussex has a strategic interest in the future development and role of Gatwick Airport on a number of counts.

3.2 The county's geographical position and related lack of strategic transport infrastructure gives the county a degree of peripherality, which creates a relative disadvantage in attracting and retaining industry and commerce. Proximity to a major centre of air transport providing scheduled air services, improves the county's strategic accessibility and is important for businesses and residents.

3.3 The airport is an important source of direct (on-airport) employment for the Sussex Coast, with nearly 15% of the on-airport labour force living in Brighton & Hove / East Sussex. The airport is also a source of indirect employment in the county, through the activities of businesses supplying Gatwick and is used by East Sussex companies to export products.

3.4 The airport provides an important transport hub for rail and coach services, which is accessible from East Sussex and which benefits the strategic accessibility of the county. However, the airport also brings a degree of congestion to the strategic road links of the A23 / M23. The county's interest is in protecting the strategic links of the A23 / M23 from congestion, hence its support for challenging public transport use targets for the airport in the Airport Transport Strategy.

3.5 The local environmental impact of the airport needs to be mitigated and the development pressures arising from increasing use of the airport need to be controlled acceptably.

### **4. Environmental Issues**

4.1 Potential issues include the impact of increased air travel and the scope for mitigation, possible air quality and air noise impacts, the impact on development and, surface access beyond Gatwick's current Sustainable Development Strategy limits.

### **5. Conclusion and Reason for Recommendation**

5.1 East Sussex, in accordance with policy in its Structure Plan, strongly supports the development of Gatwick as a single runway, two terminal airport. The Master Plan can be welcomed as setting out the means by which the airport can achieve its full potential in this form. The economic and social benefits to East Sussex of allowing further growth at the airport beyond 2019 are likely to outweigh the local environmental costs. It is therefore appropriate for the county to support the safeguarding of land in the Master Plan to enable a second runway to be built, until such time as the need for this can be established.

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Local Member: All

#### **BACKGROUND DOCUMENTS**

Gatwick Airport Outline Master Plan – Consultation Draft.

### Introduction

BAA Gatwick has published the Gatwick Airport Outline Master Plan as a draft for consultation with communities around the airport and stakeholders. The Plan was published at the end of March and the consultation period extends until 30<sup>th</sup> June 2005.

The Master Plan is published in response to the Government's request in the Air Transport White Paper of December 2003 which asked BAA, in common with other airport owners, to prepare master plans for their airports setting out their development needs to 2015 and to 2030 – the time period for the White Paper.

In the case of Gatwick the Government asked that the Master Plan include proposals for a second wide-spaced runway after 2019 in case proposals for a third runway at Heathrow prove impossible to accommodate because they would breach important environmental limits.

### Air Transport White Paper

The White Paper concluded that it was appropriate to provide up to two additional runways to meet forecast air travel demand in the South East for the next 30 years (meeting unconstrained demand would have required three runways) and set out the following sequential approach:-

- rejecting proposals for major new airport at Cliffe;
- maximising use of the existing runway capacity at the key airports across the wider South East;
- developing an additional runway at Stansted Airport;
- developing an additional (third) runway at Heathrow provided environmental thresholds were not breached;
- reserving the possibility of a second runway at Gatwick in case the Heathrow option breached environmental thresholds;
- encouraging airports in other regions and other South East airports to meet local needs.

### Airport Master Plans

The Department for Transport (DfT) has produced guidance for Airport Master Plans which makes it clear that the purpose of Airport Master Plans is to take forward, with airport-specific proposals, the strategic framework set out in the Air Transport White Paper, which provides the Government's policy on future airport requirements over the period to 2030. Master Plans will not, however, have any statutory basis unless they are given due consideration in local and regional planning processes i.e regional spatial strategies and local development frameworks.

The guidance asks for fuller treatment of proposals that are likely to come forward within the time horizon of strategic and local land use and transport plans, but, for proposals for the period 2016 – 2030, to provide only indicative land use plans. For instance, runway proposals after 2020 do not need to be accompanied by an assessment of the proposal's impact on people and the natural environment.

## **Gatwick's Draft Master Plan**

BAA claims the Gatwick Master Plan builds on the airport's Sustainable Development Strategy (SDS) published in July 2000. East Sussex is a signatory to a Memorandum of Understanding between the local authorities around Gatwick and BAA about the implementation of the Strategy. Although the Master Plan will replace the SDS, the 144 commitments in the strategy managing the impact of the airport's growth will remain in force. Because the SDS remains in force only to 2009, BAA is offering to consider extending the current S106 Agreement associated with the SDS beyond its planned expiry in 2009, and to discuss with the local authorities whether to update the commitments.

In line with government guidance, the plan looks in some detail at development needs as a one-runway airport to 2015 and, in far less detail, at needs to 2030 as either a one-runway or a two-runway airport.

### Traffic forecasts

In response to the Government's capacity priority for London's airports to maximise the use of existing runways, BAA Gatwick believe that it will be possible to achieve around 280,000 flights per year giving a passenger capacity of 45 million passengers per annum (mppa) on Gatwick's single runway. It is expected that this number of flights may be achieved a few years before 2015 but that passenger throughput will be a few million short of the maximum by 2015 because of the impact of 9/11, SARS and the consequent change in the character of air traffic at Gatwick – such as the removal of BA long-haul services and growth of low-cost airlines. (The Plan might have also mentioned the potential future effect of the opening of Terminal 5 at Heathrow on traffic at Gatwick).

### Employment forecasts

Currently about 25,000 people work at the airport, down from 30,000+ before the events of 9/11. BAA estimate the airport supports about 14,000 jobs elsewhere. On-airport employment is expected to grow to 27,300 by 2015 if air traffic grows as forecast. This is considerably less than previously thought, attributed to the change in the character of air traffic at Gatwick and significant ongoing productivity gains in the civil aviation industry. The Gatwick Airport Employment Survey of 2003 identified an 'on-airport' workforce of 23,584. Of these 3,274 (14.4%) lived in Brighton & Hove / East Sussex, a larger proportion of the airport workforce than indicated in earlier surveys.

### Outline of airport development to 2030: single runway

In common with the SDS the Master Plan seeks to accommodate Gatwick's single runway operation within the currently defined airport boundary, but with less redevelopment and replacement than previously anticipated. Once regulatory and planning constraints are accommodated, around 89% of the airport's land area will be in the same land use category in 2030 as it is in 2005. The more significant changes planned are: works to enable the Airbus A380 to use Gatwick; alterations to increase terminal capacity to 25mppa (North Terminal) and 20mppa (South Terminal); improving service through an increase in pier served stands; the possible relocation of cargo facilities to the western edge of the apron; moving aircraft maintenance facilities from south of the runway to north (mostly after 2015) in order to maximise runway capacity by eliminating cross runway movements; and using the former maintenance area south of the runway for car parking and ancillary uses (not stated in the Master Plan but it would leave the area clear for a terminal to support a second wide-spaced runway).

### Surface access

The Plan refers to the recently adopted Gatwick Airport Transport Strategy (the consultative draft of which was reported to Lead Member on 1 March 2004). The Strategy commits BAA

Gatwick to a number of targets for travel mode by staff and air passengers, including one of increasing the public transport share of travel by air passengers from 31% currently to 40%. BAA Gatwick considers this target particularly challenging especially if the quality of the Gatwick Express service is downgraded as a result of proposals in the SRA's Route Utilisation Strategy (RUS) for the Brighton Main Line (the RUS proposals were reported to Lead Member on 1 November 2004). However, the SRA's proposals would improve links from the Sussex Coast to the airport.

### Environmental impacts

Although the Master Plan anticipates the airport will be used by a third more passengers in 2015 than it is today, it suggests the environmental impacts may be no greater than they are at present (or even lessen) because of the impact of improved aircraft engine technology and the incorporation of mitigation measures in airport developments. The Plan suggests the SDS considered impacts equivalent to, or greater than, those likely to be caused by the developments now envisaged, hence the measures contained within it for dealing with issues such as ground noise, resource use and bio-diversity will deal with the impacts expected from the Master Plan. However in respect of air quality there is an area of Horley close to the airport which will require action to reduce emissions from both airport and non-airport sources. The outcome of government technical studies into emissions at Heathrow is expected to provide a methodology for dealing with air quality issues around Gatwick. In respect of air noise, BAA Gatwick is promising to commission an updated noise forecast for 2015, although it expects noise levels in 2015 to be similar to the level in 2001.

### Outline of airport development to 2030: two runways

The draft Master Plan is required to outline a proposal for a wide-spaced second runway at Gatwick at some time after 2019. At this point the Master Plan makes it clear that BAA's policy will be to take forward proposals for a third runway at Heathrow if Government studies confirm its acceptability and it is economically viable. However, if future Government policy should confirm that Gatwick is a preferred site for runway development then BAA is prepared to bring forward detailed proposals in a planning application when it is clear that they would satisfy a demand for air travel and that BAA would be able to set airport charges at level to cover the costs of development and operation as a two-runway airport.

BAA considers the process of preparing detailed plans for a Gatwick runway development and the assessment of its various impacts should not be undertaken more than five to six years before the start of construction of a runway i.e. not until 2014, as construction of a second runway is precluded before 2019 and would not come into operation before 2023 / 2024. A longer time frame would lessen the reliability of some of the assumptions and outputs including for example, the volume of other road traffic.

The option chosen in the Plan sites the second runway some 1,035 metres south of the existing runway. The Plan makes clear that the precise position of a second runway, and its mode of operation, would be subject to detailed study only if and when a planning application is being prepared. The choice of location assumes aprons and a third passenger terminal would be located between the two runways. Surface access and environmental issues have not been studied in detail at this stage. BAA Gatwick is at pains to point out that the land take is less than the indicative boundary suggested in the White Paper - taking in slightly more land to west and south, but much less to the north, benefiting the village of Charlwood in Surrey.

### **County Council response to SERAS2**

The response of the County Council's Cabinet to the proposals for more runway capacity at Gatwick as options in SERAS2 is set out below. The reason given for taking this view was as follows:

'Gatwick Airport is a vital economic asset to Sussex but, as a single runway airport, will be increasingly limited in the role it can perform if new runways are developed elsewhere. East Sussex expects the legal agreement will be adhered to but, beyond 2019, a further runway at Gatwick would enable the airport to continue to attract air services to a wide range of destinations, retaining its effectiveness as a 'gateway' to the area, and would also reverse the decline in employment otherwise expected from limiting the airport to one runway. One extra runway would be sufficient, obviating the need for the unsatisfactory northern runway option in the SERAS proposal. Whether this would be the close parallel or wide-spaced runway would need to be subject to more detailed study of the environmental impact and economic benefits. The detailed designs identified in the SERAS options are not necessarily the only ones available, as the BAA Group response has made clear. A decision in principle to accept an additional runway at Gatwick would allow time for a more thorough investigation of options.'

The full county council response said:-

*The Government's intention to provide a long term planning strategy for the aviation industry is to be welcomed. It is prudent for the Government to plan for future growth in air transport but this should be done in a way that is flexible to possible future changes in the rate of growth of air transport, including the impact of environmental charges. This favours a phased approach to runway provision. This should not, however, be used as an excuse to defer decisions on the later stages of the strategy. The options chosen should be protected for future implementation so that all other areas affected by options are released from uncertainty and so that planning policies at regional level can be adjusted to take account of the strategy.*

*The strategy adopted by the Government should provide, as far as possible, for the maximum practical use within environmental constraints of existing runway facilities, in the interests of sustainable development and the economy of existing airports.*

*As part of the overall strategy for the next 30 years, provision should be made for further runway development at Gatwick, the exact proposal to be subject to detailed studies to ensure the option with the optimum balance between the need for capacity and environmental impact is selected.*

*The County Council does not seek to overturn the legal agreement between West Sussex CC and BAA Gatwick preventing runway construction until after 2019 but, should the parties concerned or the Government seek to amend the Agreement to enable earlier development, would not raise objection.*

*Further runway development at Gatwick should take place within an agreed sustainable development strategy designed to secure the greatest environmental mitigation available from future technology and controls.*

*If runway development takes place elsewhere, the Government should be asked to take such steps as it can to maintain (and not to actively undermine efforts by BAA Gatwick and the local authorities to protect) a balanced mix of good quality air services at Gatwick capable of serving its business and residential catchment areas with a high proportion of their required air services and reducing the need for cross-London travel.*

*The County Council stresses the importance of appropriate sufficient investment in the surface transport links between south coast towns and Gatwick Airport, including capacity enhancement on the Brighton Main Line and at Gatwick Rail Station. The opportunity presented by the Central Rail Corridor to assist this capacity enhancement should be explored. If runway capacity is developed at other airports then it should be accompanied by measures to improve access from the south coast across London including the early implementation of Thameslink 2000.*

## **Issues for East Sussex from the development of a two runway airport**

### **a) Economy**

The airport is important to the East Sussex economy, as it is to that of the Sussex Coast generally, because it provides good access for local businesses to good quality air services to a wide range of destinations. It thereby reinforces the attractiveness of Sussex as a business location. There are also significant direct and indirect employment benefits. For example, the most recent on-airport employment survey, covering the period December 2002 to March 2003 and published in December 2003, shows approximately 15% of employees (c3,300 people) travelled from Brighton and Hove / East Sussex (in 1997 it was approximately 10%) and it was one of the largest private sector employers 'in' the county. It is one of few locational advantages available to East Sussex.

East Sussex residents also benefit from access to air services, whether for business, social or leisure purposes.

The Master Plan makes clear that the employment gains from growth to maximum use as a single runway airport over the period to 2015 (or beyond) would be modest. With two runways, Gatwick related jobs would rise to from 25% to 35% of the total employment within the sub-region. However, 45% of current Gatwick employees live outside the sub-region. This reduces the proportion of the sub-region's labour force accounted for by Gatwick related jobs to 14% and, if this proportion were to be maintained, to 20% with a two runway airport. Correspondingly it would mean a significant potential increase in job opportunities taken by people within the East Sussex / Brighton & Hove area. We would need to assess the likelihood of this coming about if the prospect of an additional runway became clearer.

### **b) Environmental impact**

For East Sussex, the environmental impact of the airport arises mainly from aircraft noise and air quality issues. Within East Sussex air noise impact is relatively limited. There has been a significant mitigation in noise nuisance in recent years achieved from a combination of technological change and flight management.

In terms of overall air quality more work is needed on the contribution volatile organic compounds from the airport make to ozone pollution and it would be helpful if BAA Gatwick became involved in groups such as the Sussex Air Quality Steering Group. For both air quality and CO<sub>2</sub> emissions the scale of impact and the compensation schemes needed would need to be established. The issue of CO<sub>2</sub> emissions and aviation's contribution to climate change is an important one which is largely unrelated to the location of runways, although it is related to the scale of aviation operations. Ways of ameliorating and compensating for aviation's contribution to climate change, including through emissions trading and demand management, will need to be explored and taken forward at European and global level if the economic and social costs are to be equitably distributed. These are issues which will need progress towards resolution, if current climate change advice is heeded, well before the issue of an additional runway at Gatwick arises.

The County Council, along with the other Gatwick local authorities, is a signatory to a Memorandum of Understanding which monitors the Sustainable Development Strategy which allows the airport to grow up to the current assumed capacity of a single runway airport – 40 million passengers per annum (mppa) subject to a range of measures to mitigate the environmental impact of this growth. Annual monitoring takes place of the targets set out in the airport's 'sustainable development strategy'. The Master Plan offers the chance to renegotiate this Strategy to take account of the additional capacity proposed for the single runway and the extended time period to 2015.

The Master Plan accepts that a two runway airport would have adverse environmental effects which would need to be given detailed consideration in a planning application process. The purpose of the Master Plan is to provide an early indication of the extent and broad land use of the development which may be the subject of a planning application if and when one is required.

This may leave local communities around the airport unsatisfied but is consistent with government guidance on airport master plans and on Gatwick in particular.

#### c) Development impact

Current policy in the East Sussex, Brighton and Hove Structure Plan (Policy TR44) supports the full development of Gatwick within the limits of a one runway airport - however the Structure Plan runs to 2011 and in responding to the Master Plan the County Council needs to consider the planning period up to 2030.

The County Council is now a principal authority along with Surrey, in assisting West Sussex as lead authority in developing planning policy for the Gatwick Area sub-region as part of the emerging South East Plan, which sets out strategic planning policies for the period to 2026. Development planned within the sub-region to 2016 will now easily accommodate the consequences of the more limited employment growth envisaged at Gatwick airport within that time period, although work at the airport may still prove more attractive to workers from outside the immediate area, from localities with a more limited range of employment opportunities.

The implications of a second runway are also less dramatic in terms of development pressures if the employment assumptions in the Master Plan are accepted, particularly the claim that much of any employment growth could, and would, be met by labour from outside the Gatwick sub-region. This claim will need to be examined in subsequent reviews of the sub-regional strategy if the prospect for the runway becomes more likely.

#### d) Surface Access issues

The M23 / A23 and Brighton Main railway line are key strategic links for East Sussex giving access to Gatwick Airport itself, London and the rest of the UK. Other relevant East Sussex transport routes are the A22 and A272.

Whatever development is carried out at Gatwick the county council would not want to see the performance of these routes as free-flowing strategic links affected by airport induced congestion. The County Council is therefore a firm supporter of the target in the Airport's Transport Strategy to increase the public transport share of air passenger trips to the airport from 31% currently to 40%, along with a range of measures to encourage staff to access the airport by alternatives to the car.

The passenger numbers given for a two-runway airport imply a virtual doubling of capacity which will have serious impacts on the ability of the sub-regional and local transport networks to operate efficiently unless additional capacity is provided. Both arterial transport routes serving the airport, the M23/A23 and Brighton Main Railway Line, are already operating at capacity. Alternatives would therefore need serious consideration, on-line improvements to both routes may be impracticable for a variety of reasons. The possibility of dedicated transport routes, particularly rail, would need to be researched. East-west routes, together with those giving access direct from East Sussex, would also probably be incapable of providing the capacity needed to serve the 'new' airport, and consideration would need to be given to providing an alternative to the A22, possibly via the current A272. This would compound the need for transport improvements to serve other planned development, for example housing. Measures would need to be put in place as part of a surface access strategy for the airport which ensured that a significant proportion of additional demand for travel to and from the airport was accommodated on public transport, and this would require imaginative thinking in connection with incentives for passengers and others to use public transport. The possibility of additional coach services, for example from Eastbourne to Gatwick (already proposed for investigation), would also need to be explored.

The Master Plan acknowledges that surface access issues will be a significant factor in the debate over a second runway but considers it inappropriate to carry out detailed analysis so far in advance of any likely decision to proceed with a new runway.

## **Conclusions**

East Sussex, in accordance with policy in its Structure Plan, and in common with all other local authorities in Sussex, strongly supports the full development of Gatwick Airport as a single runway, two terminal airport. The Master Plan can be welcomed as setting out the means by which this development can be achieved. The county council expects the current Sustainable Development Strategy to be renegotiated to provide a framework for environmental mitigation and improvement for this development and is willing to work with BAA Gatwick to this end as one of the signatories to the Memorandum of Understanding.

For East Sussex the economic and social benefits for employment and business growth of further runway development at Gatwick after the expiry of the legal agreement in 2019 are likely to outweigh the local environmental costs of airport development. The airport is of major importance to the strategic accessibility of East Sussex and the coastal economy because of the range and quality of air services it provides. The County Council's representation on SERAS made it clear that, in the context of new runway development in the south east, the option of further runway development at Gatwick should be considered. It would therefore be consistent for the county council to support the proposals in the Master Plan for the safeguarding of land for a possible additional runway. The county council's support for safeguarding would be subject to effective measures to compensate for blight (BAA has developed a compensation policy for this) and support for Crawley Council in implementing the safeguarding through its Local Development Framework.