

SURREY AND SUSSEX INFRASTRUCTURE STUDIES

The impact of airport expansion

A note for County Councillors

Surrey and West Sussex County Councils have now published important forecasts of the future infrastructure needs of the two counties. They are at:

<http://www.businesswestsussex.co.uk/infrastructurestudies>

<https://www.surreycc.gov.uk/environment-housing-and-planning/development-in-surrey/surrey-future/surrey-infrastructure-study>

The two main studies look ahead to 2030 and contain few references to the impact of a new runway at Gatwick or Heathrow. Although Gatwick Airport Ltd (GAL) claim that a second runway would be open in 2025 and operating at 60% capacity by 2030, in the Surrey Infrastructure study there is no mention of Gatwick in either the Executive Summary nor in the Conclusions.

There is, however, a separate study (on the West Sussex website): 'The Post 2030 Gatwick Diamond Infrastructure Study' which looks at the impact of a second runway at Gatwick up to 2050. It predicts:

- *increased congestion on the M25, and Junctions 8 to 9 of the M23 operating close to capacity, offering little resilience to incidents by 2050;*
- *a potential western relief road for Crawley could be required;*
- *additional housing equating to a new settlement (or series of urban extensions) which would present a significant challenge for authorities who already face challenges in accommodating planned growth;*
- *the Gatwick Diamond area to have a minimum infrastructure cost of £850 million which would increase to £1.19 billion if there were a second runway. (This 40% increase would presumably fall on local authorities, not on the airport).*

But this conclusion is a serious under-estimate:

- It relates solely to on-airport employment;
- It excludes catalytic employment due to a second runway;
- It ignores induced employment.

The importance of these issues is, of course, that if the increase in employment is under-estimated, so too will be the estimate for the requirement for road and rail improvements, and for new houses, new schools etc.

Catalytic employment

According to both the Airports Commission and GAL the aim of building a second runway at Gatwick would be to create an airport as large as Heathrow is today, operating as a hub airport with long-haul services to all parts of the world, and with a freight operation at Gatwick ten times as large as today.¹ The forecasts show the airport by 2050 at full capacity, with 90 million passengers a year (40 million at present) and with 560,000 air traffic movements (260,000 at present).

It is unbelievable that the Infrastructure Study is based on an assumption that this large airport would create no catalytic employment - that no new firms are attracted to the Gatwick Diamond area, and that there is no expansion of existing firms.

- When the West Sussex County Council first debated the runway issue, on 19 July 2013, many councillors referred to the prospect of greatly enhanced commercial activity as creating larger receipts from business rates.
- The Gatwick Diamond Business Association has always been a strong advocate for the second runway on the grounds that it would bring greater prosperity to the area.
- The Gatwick Diamond Infrastructure Study itself mentions the forecast by GAL that an enlarged Gatwick would create 120,000 jobs in the UK.² It is ludicrous to base the study on an assumption that none of these extra jobs will be located in the Gatwick Diamond area.

The reason given is that '*Catalytic Growth has not been included on the basis that this will be driven by local policy decisions to support catalytic growth (or not).*'³

While it is correct that planning permissions would be required for new businesses or the expansion of existing firms, it is a very substantial error to base the Study on an assumption that no such permissions are granted.

Putting the point another way, the Gatwick Diamond Business Association would be appalled if they were told that Surrey and Sussex County Councils are working on the assumption that no planning permissions will be granted for commercial development consequent upon an enlarged Gatwick.

Indeed such an assumption would undermine the case as presented by GAL that a second runway would lead to a great increase in national and regional GDP.

Induced employment

When the additional airport workers, and the additional workers in new or expanded firms spend their money it creates extra jobs, many of them in the local area. For example, the more workers there are at or around Gatwick the more shopping will be

done in local supermarkets, and the more check-out assistants will be needed. They would all need more houses, schools, roads etc.

GAL, in their 2012 Master Plan, stated direct on-airport employment was then 21,000, and that induced employment in the South East due to the airport was 15,600.⁴ So induced employment is not unimportant. Yet the word 'induced' appears nowhere in all 48 pages of the Gatwick Diamond Infrastructure report.

Curious timing

The Gatwick Diamond Infrastructure Study is dated on its front cover as January 2016. But it was not published until September.

This must lead to the question whether publication was delayed in order to prevent the serious flaws in the Study being exposed. Was the Study covertly presented to the Department for Transport in an attempt to support the contention by GAL that comparatively little new infrastructure investment would be needed?

Why was the Study not made available in January to Members of the two County Councils?

GACC
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¹ Connecting Britain to the Future. GAL 2015. Page 18.

² Gatwick Diamond Infrastructure Study, page 12.

³ Gatwick Diamond Infrastructure Study, page 47, final bullet point.

⁴ Gatwick Master Plan July 2012, Fig. 8.2