# Southend-on-Sea Borough Council

Report of Corporate Director of Enterprise, Tourism & the Environment

То

# Economic & Environmental Scrutiny Committee

On

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# The Impact of Estuary Airport Proposal Economic & Environment Scrutiny Committee Executive Councillor: Councillor Cox *A Part 1 Public Agenda Item*

## 1. Purpose of Report

- 1.1 To note the early work in identifying the key issues that Members will wish to consider when developing the formal response to the call for evidence as part of the forthcoming work of the Airports Commission
- 2. Recommendation:
- 2.2 That Members note the report and the proposed response to the Airports Commission and identify any further issues they would like to include in the Council's submission.
- 3. Background
- 3.1 On 7th September 2012, the government announced its intention to create an independent commission, chaired by Sir Howard Davies, to identify and recommend to government options for maintaining the UK's status as a global aviation hub. (see Appendix 1 for details).
- 3.2 On 13<sup>th</sup> September 2012, the Parliamentary Transport Committee (see Appendix 2 for details) published the terms of reference for a new inquiry that will examine the Government's aviation strategy and will focus on aviation capacity in the UK. A response to the Committee's call for evidence has been made and this focussed on the impacts of the proposals for various alternative Estuary Airports (see <a href="http://www.airportwatch.org.uk/?page\_id=307">http://www.airportwatch.org.uk/?page\_id=307</a> for further information).
- 3.3 Set out in this report are some of the identified impacts on Southend of an Estuary Airport. Members' views are sought on additional impacts to be included in readiness for the Commission's call for evidence and to support any

The Impact of Estuary Airport Proposal

Agenda Item No. further representations to the Transport Committee. The impacts summarised below are drawn from the earlier submission to the Transport Committee.

# 4. Estuary Airport - Impacts

# 4.1 <u>Environment and noise:</u>

- 4.1.1 The mouth of the Thames Estuary is a site listed with international and national designations and special protection areas (globally The Ramsar Convention, at a European level The Habitats Directive (Special Areas of Conservation) and Birds Directive) that the Government has committed to.
- 4.1.2 Altogether, the airport land and surrounding areas and waters include five separate Special Protection Areas for passing or over-wintering avocet, hen harriers, ringed and golden plovers, marsh harriers, little tern, dunlin and pintail, as well as hosting one of a new breed of marine sites, this one designated for its population of 6,000-8,000 red-throated divers. There is a Special Area of Conservation preserved for its species-rich estuaries, mudflats and salt meadows. Much of the area is also covered by the Ramsar international convention on wetlands, recognising how crucial the estuary is for birds travelling as far afield as Siberia, Canada and north Africa.
- 4.1.3 Each of the designations would have to be significantly changed for an airport in the Thames estuary to go ahead, whilst destroying the habitat for over 300,000 migrant birds that rely on the area for feeding and roosting during the winter.
- 4.1.4 The development of both the airport and associated infrastructure and changes to flood defences will have a significant effect on fishing. The effect on the estuary fisheries is not understood, either as a result of the completed airport or during construction. The fishery has a long tradition of providing both finfish and shellfish catches. Species such as sole, skate, bass, cod, herring and sprats are the most important species. The cockle industry is one of the largest of its kind in the UK. The majority of vessels are under 10m in length and, along with local fish merchants, are often owner occupied. Detailed analysis is required, which will no doubt conclude that there will be effects not only to the fisheries but also the financial livelihood of those involved directly and indirectly in the industry. A "fishing disturbance scheme" would be required to assess and make compensatory payments as part of a financial support package. In the case of the DP World London Gateway Port development a number of fishing businesses have been identified as being very seriously impacted on by the construction.
- 4.1.5 The Climate Change Act 2008 committed the Government to a legally binding, long-term framework to tackle carbon emissions. Any new airport at the suggested size and scale as the Thames estuary proposals will have a significant effect on the UK's carbon emissions output.
- 4.1.6 Aircraft noise disturbance remains one of the most obvious local environmental impacts associated with the proposals for an estuary airport. Controls and

operational management will give rise to capacity constraints, limiting the ability of an estuary airport to respond to demand when and where it arises.

- 4.1.7 As an example, noise disturbance was cited as the single greatest concern of respondents to the Department for Transport's 2011 scoping document on aviation policy. DfT's subsequent July 2012 consultation on a *Draft Aviation Policy Framework* restated government's policy objective as "to aim to limit and where possible reduce the number of people in the UK significantly affected by aircraft noise".
- 4.1.8 The construction and operation of a new airport will significantly affect the nature and character of the Borough. In contrast to the busy commercial parts of the town and seafront, there are many opportunities to enjoy the tranquillity that the parks and gardens in Southend offer. The estuary offers unrivalled opportunities to enjoy peace and quiet, particularly at locations such as the nature reserve of Leigh Marshes, the beaches, mudflats and at Southend Pier. This is part of the attraction that residents enjoy and it brings visitors to the Borough. There will be increased noise, visual intrusion, pollution, congestion and further demands on the services that the Borough provides due to the additional development. There is no ability to mitigate for habitat loss, which will lead to the destruction of many of the natural features, altering both the character and appearance of the Town and seafront.
- 4.1.9 Experience suggests that airports not only need to minimise exposure to noise and visual intrusion, but should do so in consultation with local residents. This will assist in securing buy-in to the process, ensuring that any remedial action or commitments actually addresses local concerns. A comprehensive management and reporting approach will demonstrate this.

# 4.2 <u>Sea level rise and tidal impacts:</u>

- 4.2.1 With global sea levels anticipated to rise and areas becoming susceptible to frequent flooding it is with great concern that we do not see significant research into the effects an estuary airport may have on low lying areas on the east coast.
- 4.2.2 For example, in respect of the "Thames Hub" proposal, produced by Foster and Partners and consultants Halcrow, the bringing together of rail freight connections between the UK's main sea ports, 150 million passengers, a tidal energy barrage and a new flood protection barrier will have enormous consequences to the tidal flows and estuarial sea levels. Although the project states that a new barrier upstream of the London Gateway port would provide effective flood protection for the capital to 2100 and beyond, the consequences further east into the wider estuary and North Sea are unknown.
- 4.2.3 Any changes to the estuary by building artificial islands will have major consequences to the land lying on both sides and impose significant and unacceptable mitigation measures to the Southend seafront, which is primarily protected by sand/shingle beaches and low lying sea defences. These are key assets to the Borough and support tourism and which currently attracts over 6 million day visitors every year. The new airport proposals, therefore, have the

potential to significantly alter the tidal flows, worsen beach erosion and increase the flood risk.

- 4.2.4 New flood defences will be required and significant modelling and testing of scenarios involving extreme events will be needed. The Environment Agency will need to consider the proposals in greater detail in terms of impact on flood management plans. The impact on Southend of having to raise sea defences and protect the tourist offer is of major concern, which is exacerbated by lack of detail in terms of the risks posed.
- 4.3 <u>Operational safety and risks:</u>
- 4.3.1 The estuary airport has been assessed to have the highest risk of bird strike in the UK (twelve times higher), even with extensive management measures.
- 4.3.2 Echoing the words from the Medway Council submission, we would reiterate the issues around the World War II liberty ship, SS Richard Montgomery:-
- 4.3.3 "In 1944 the ship sank 1km off the coast of Sheerness, and poses a significant hazard in the mouth of the Thames estuary. The ship which is packed with approximately 1,500 tonnes of unexploded ammunitions would require, what was labelled in a report by New Scientist magazine in 2004 "one of the biggest non-nuclear blasts ever and would devastate the port of Sheerness".
- 4.3.4 Engineers who have examined the ship suggest that if the wreck exploded it would likely create a metre high tidal wave. Furthermore, Government tests on the site as far back as 1970 suggested a blast would hurl a 1,000ft wide column of water, mud, metal and munitions almost 10,000ft into the air risking the lives of wildlife and many people."
- 4.3.5 A new hub airport in the Thames Estuary would be three times more likely to be affected by fog than Heathrow Airport, according to the Met Office. Research commissioned by Medway Council was carried out over a five-year period. Data was analysed from two weather stations one at Heathrow and another in Shoeburyness. Between January 2007 and December 2011 there were 762 hours of fog in the estuary compared to 247 at Heathrow.
- 4.3.6 There are also significant risk issues associated with locating the airport in the Thames Estuary. Richard Deakin (Chief Executive Officer of National Air Traffic Services) has stated that the proposed airport in the Thames Estuary would be in the 'very worst spot' for the south-east's crowded airspace, directly conflicting with Heathrow, Gatwick, Stansted, Luton and London City flight paths (in addition to Schiphol).
- 4.3.7 This is all to be taken into account within an area that has substantial shipping lanes, fisheries, a power station, the Isle of Grain gas storage facility and existing and new port terminals.

#### 4.4 Affordability and timescale:

- 4.4.1 There are suggestions that an Estuary Airport could be built within twenty years. In that time there is no doubt that other countries will have continued their rapid expansion and moved ahead of Heathrow as the leading European hub, together with the loss of Heathrow and the many of thousands of jobs that it supports.
- 4.4.2 The effect on regional airports will also be significant with uncertainty over the future affecting investment decisions (predominantly from the private sector) and planning policies and strategies.
- 4.4.3 Figures of an estimated £20bn for the proposed Foster & Partners' multi-runway Thames Hub airport on the Isle of Grain and an additional £30bn for the required infrastructure have been put forward. These figures have been questioned, particularly in light of the projected £9bn cost for only one new runway at Heathrow Airport.
- 4.4.4 The recent research study by Parsons Brinckerhoff summarises:-
  - costs ranging between £40bn and £70bn for a Thames Estuary Airport, associated infrastructure and the building of a "multitude of new railways lines" connecting the airport to London, but warns that "even the £70bn being discussed is a conservative estimate;
  - "that large UK infrastructure projects, much less technically complex than this, have suffered considerable cost overruns" - the Channel Tunnel, originally planned at £4.7bn, ultimately costing £9.5bn is only one example of that;
- 4.4.5 In addition, it is estimated that the planning for a Thames Estuary Airport would span a period of at least ten years. From a base figure of the estimated £20bn cost, adding 3 per cent construction cost inflation for that period would result in £600m annually increasing the cost of the airport to £26bn even before construction has started.
- 4.4.6 In March 2010, a survey carried out on behalf of Medway Council stated that 90 per cent of the international airlines using Heathrow were against the idea of building an airport in the estuary. Willie Walsh, chief executive of the International Airlines Group (including British Airways) has also rejected the idea and has claimed a new hub airport would only work if Heathrow were closed.
- 4.4.7 Analysts have further warned that current cost estimates fail to factor in the current amount of BAA's £12.5bn debt levels which are a result of the expansion at Heathrow Airport, should it close, together with the loss of over 100,000 jobs.
- 4.4.8 It is clear that the most of the current transport infrastructure in the south east is either already at or over capacity in attempting to accommodate existing demands. Future transport budgets seem unlikely to be able keep pace with the current planned level of growth and provide the already identified schemes needed to reduce congestion and overcrowding. Therefore, significant investment in new road and rail links must be planned alongside the Estuary Airport proposals if it was to go ahead. Ensuring fast, seamless journeys to and

from existing high speed rail links to Europe and the planned HS2 will be essential. Likewise journeys into and out of the transport systems and connections in London (eg Crossrail) must be clear of any current bottlenecks. Pinch points would need to be clearly identified and improved, especially where any new airport traffic joins or competes with the existing network.

## 4.5 <u>Economic development impacts:</u>

- 4.5.1 In January 2011, a scoping report into Estuary airport development from the London Mayor was published, which pointed out some of the economic difficulties. It stated that airlines and airports are commercial businesses operating in a competitive free market environment, not serving just London but the global travel community. These are significant issues that need to be understood.
- 4.5.2 All the major airports are owned and operated by non UK based private companies and the majority of movements into Heathrow are foreign-owned airlines. Therefore, encouraging airlines to leave Heathrow will be very challenging unless there is an overwhelming economic advantage which could be demonstrated.
- 4.5.3 State subsidy towards the development of any London airport is not an option due to UK and EU competition rules. Therefore the development of new capacity has to be affordable to the user. Given that BAA, comprising Heathrow, Gatwick and Stansted, was purchased by Ferrovial for around £10bn the difficulty of funding a new airport in the range of £20-£40bn cannot be understated. The issue of affordability is a critical issue to address. More directly relevant to Southend is the investment that the Stobart Group has made in London Southend Airport.
- 4.5.4 Since they took on the lease of Southend Airport in 2008 they have invested over £120m in the site and its surroundings. This has been multiplied many times over in the local economy through local spend and recruitment. The airport now employs nearly 2,000 jobs directly and also indirectly through the Maintenance, Repair and Overhaul cluster located at the airport and through the supply chains and associated spend. A new Hotel on the site is also developing a conference and dining offer to compliment the growing appeal of Southend's destination credentials throughout the year.
- 4.5.5 The expansion of Southend Airport has also boosted non-aviation industry with commercial agents reporting significant demand for premises in close proximity to the airport with occupiers seeking to maximise the prestige and reputation of co-location. The land to the west of the airport is planned to become a hi-tech business park and it is anticipated that the demand currently being experienced will extend to this site and see thousands of jobs created. Part of this site is earmarked for the Anglia Ruskin MedTech Campus launched in the House of Commons in May 2012 by Earl Howe.
- 4.5.6 If the Estuary Airport were to be constructed and result in the closure of London Southend Airport (LSA) these benefits would be lost, with devastating effect. Southend has an unemployment rate above the national average and below

average skills attainment levels so the loss of current and future employment opportunities would not only affect the workforce of today but also the aspirations of the workforce of tomorrow. The closure of London Southend Airport would also negatively impact on the wider aviation industry with many aviation businesses around the airport being reliant on the airport operation for their business and could trigger the relocation of these businesses to other sites – and potentially overseas losing the benefit to UK Plc. It would also risk compromising the development at the proposed airport business park through the removal of a major economic driver and attractor in south east Essex.

- 4.5.7 Southend recognises six key sectors in its economy, the largest of which is tourism. Since the introduction of Aer Lingus and easyJet flights to London Southend Airport from an ever-increasing list of European destinations, and the USA via Dublin, tourism in Southend has grown. Not only that, but the airport has supported tourism in other locations in Essex and further afield including air passengers for the Olympics given the airport's proximity to London and ease of travel to the city by train. The boost stimulated by the growth of the airport continues to be felt within the leisure-tourism industry but also for business tourists with businesses using LSA as a port of entry for overseas colleagues, customers, specialists and sales teams.
- 4.5.8 Ford now fly to Germany and Romania from London Southend Airport enabling their business to operate more effectively and thus supporting jobs along Thames Gateway South Essex. The on-site hotel provides further opportunities to secure business tourism objectives and assist the strategic development of increase average spend in the Borough.
- 4.5.9 The economic benefits lost through a closure of LSA would not be recouped by the introduction of a Thames Estuary airport. The disruption caused by the changes would risk some airport-dependent businesses relocating overseas rather than within the south east, particularly given the limited space available adjacent to the proposed Estuary Airport. Similarly, due to the dense urban population and limited land availability along Thames Gateway South Essex, the area would not be accrue the benefits of a hub airport as seen along the M4 corridor when Heathrow was built and ample space was available.

#### 5. Conclusion

5.1 Future planning of airport and other related development should be based upon as much certainty as possible given the long lead in times and scale of investment involved. Building confidence in the business community and attracting investment is a key role for local authorities who are responsible for delivering the Local Development Documents and have significant experience in bringing forward well planned and achievable airport developments and managing the environmental consequences as far as possible within existing legislation.

- 5.2 In preparing Local Plans, Local Authorities are required to have regard to the emerging Aviation Policy Framework and aviation capacity policies and strategies. It is therefore imperative that there is consistency between the long-term policy framework for aviation and the National Planning Policy Framework (NPPF). It is also imperative that NPPF is adequate for the purpose of implementing high quality planning determinations.
- 5.3 For example, airport developers must be required to meet the costs of transport improvements in a proportionate manner related to the numbers of airport-related trips compared with other trips and also consistent with other developers, and note that airports are transport operators within their own right, and not simply a commercial development. In the case of Southend Airport, an investment of £16 million in a rail station, as well as support for other transport facilities and service, should be recognised.
- 5.4 In summary, the following points are key to understanding the case for not considering an estuary airport proposal:
  - Loss of Heathrow, which would most likely be required to close with the loss of over 100,000 jobs;
  - Loss of employment in Southend either directly or indirectly related to London Southend Airport, with no evidence to suggest that this would be replaced with other opportunities
  - the proposals put forward within the SELEP Parson Brinkerhoff for both short, medium and long term solutions must be considered, including expansion at Heathrow, a system of allocating slots based upon an economic case and utilising spare capacity;
  - Lifting of artificial planning restrictions and government intervention could increase capacity for a period of between five and ten years.
  - Potential negative impact on tidal flows and potential beach erosion;
  - Concern about impact on local fishing and cockle industry communities;
  - Concern that this proposed development would have an adverse effect on the character of Southend and its surrounding communities.

# 6. Corporate Implications

# 6.1 Contribution to Council's Vision & Corporate Priorities

- 6.1.1 On the basis of the issues identified in this report the introduction of an Estuary airport could negatively impact upon our ability to deliver a prosperous Southend if the airport is affected and a clean Southend with minimal impact on the natural environment. A robust response to the Airport Commission will contribute towards safeguarding those areas which could otherwise be compromised by the proposed developments.
- 6.2 Financial Implications
- 6.2.1 There are no financial implications to responding to the Airport Commission.
- 6.3 Legal Implications
- 6.3.1 There are no legal implications to responding to the Airport Commission.
- 6.4 People Implications

- 6.4.1 Any scheme will affects the lives of all those who live, work and visit the town. The implications are yet to be determined.
- 6.5 *Property Implications*
- 6.5.1 There are no property implications to responding to the Airport Commission.
- 6.6 Consultation
- 6.6.1 Awaiting Central Government Consultation paper
- 6.7 Equalities and Diversity Implications
- 6.7.1 Nil.
- 6.8 Risk Assessment
- 6.8.1 The risks associated with the proposed development are fully detailed in the main body of the report.
- 6.9 Value for Money
- 6.9.1 Yet to be determined
- 6.10 Community Safety Implications
- 6.10.1 Nil
- 6.11 Environmental Impact
- 6.11.1 The local environment will be affected should an Estuary airport be built.

## 7. Background Papers

- 7.1 Southend-on-Sea Borough Council response to the Transport Select Committee on 'Examining the Governments Aviation Strategy' December 2012
- 7.2 Membership and terms of reference of the Airports Commission November 2012
- 7.3 Southend-on-Sea Borough Council response to the Draft aviation policy framework' October 2012

#### 8. Appendices

- 8.1 Appendix 1 The Airports Commission.
- 8.2 Appendix 2 The Parliamentary Transport Committee