

Speech to Runways UK Conference, 16th January, 2014

by Daniel Moylan

Boris Johnson is an elemental political force. But he is also the holder of a great political office with specific legal powers and responsibilities. My job today is to tell you how the Mayor of London sees the debate about aviation and I make a distinction between the man and the office because, for a wide range of reasons, any Mayor of London will approach the issues in much the same way.

Immediately there will be those who retort that this is going to be all about London. But the fact is that the UK's aviation capacity crisis is a London phenomenon and, whatever the solution, if it doesn't work for London, it isn't going to work for the rest of the country. Indeed this is implicitly acknowledged throughout the Interim Report of the Airports Commission.

The Mayor has strategic responsibility for the development of the capital. He is legally required to produce a London Plan setting out how the capital is going to develop over the coming decades; he is responsible for all major planning applications; he delivers and invests in the transport system; he has duties in relation to economic development and air quality. And he is of course the elected advocate of the interests of Londoners, now and, because of his planning responsibilities, in coming generations. He presides over a city in which the population has grown by 330,000 since 2008 and where it is forecast to reach 8.7 million by 2016 and 10 million by 2030. He is responsible for planning for the homes and jobs those people will need and for securing for them an environment that meets the standards we expect in a civilised city and the no doubt higher environmental standards we will require with growing prosperity. And the Mayor works as hard as he can to secure that prosperity for the future, encouraging investment in the capital and welcoming foreign firms that want to set up here.

And of course those interested in aviation should never forget that without Boris battling for the topic to be moved up the political agenda, especially after the 2010 election, we would probably still be sitting with a "better not bigger" policy of relative inaction.

And it was because of his battle that the Airports Commission was set up. He was not consulted about a decision of such vital significance to the capital and he reacted

angrily to the announcement (and especially to the changes in Cabinet personnel that accompanied it) because he feared that the Commission was being used not only as a means of deferring a decision (which is palpably true) but as a way of securing the worst possible outcome for the capital, that is an additional runway at Heathrow, which will inevitably be followed by a fourth, as the evidence in the Commission's Interim Report makes clear, even if the formal conclusion at this stage leaves the question open.

Nonetheless, he resolved to work with the Commission and, by contrast to many politicians, he was not in the nimby business of merely rubbishing other people's ideas but instead put several deliverable alternatives on the table. But he became increasingly puzzled by the approach taken by the Commission and was profoundly unsettled by the Commission's Interim Report when it was released just before Christmas.

To understand why it is necessary to go back to his statutory duties and leadership responsibilities. The Mayor supports new aviation capacity primarily because of the economic and social benefits it brings. But these benefits cannot be outweighed by the harm such expansion will do, a harm acknowledged by all in the form of noise and air pollution and surface transport congestion; and the benefits will not be realised unless they fit into a coherent spatial development of the capital, for which he is responsible, more challenging now than when the subject of aviation was last considered because of the clear evidence of population growth, such that Planners have to anticipate a dynamic and changing city rather than respond to a static one. There is room for new housing in and to the east of the capital, but of course there are insufficient employment opportunities there: hence the chronic relative poverty of east-enders; while west London's economy is one of the most vibrant in Europe.

In that light, to provide homes, work and an attractive environment for a population of 10 million by 2030, there could be few more effective interventions than relocating our major airport to the eastern side of the capital, releasing land on the Heathrow site for homes for 200,000 people. A well-functioning hub airport, with a very small noise footprint, capable of operating at all hours and with the potential for growth would be a powerful stimulus to economic activity. By contrast to ramming yet more demand into Heathrow it would bring tremendous regeneration benefits to the eastern side of the capital. And the new roads and rail that would serve the airport would open up large swathes of the estuary that are currently remote from economic activity, by contrast to Heathrow expansion, which would simply add yet more demand to an inadequate rail service (by international airport standards) and the most crowded part of the national motorway network. The brute fact is that this is

not all about aviation: new runways will only work, for business, for the capital and for the country, if they are part of a larger plan for providing housing and jobs for rising numbers of Londoners, ideally located in the right places.

But in the Aviation Commission's Interim Report there is scant evidence that these considerations are understood as fundamental to an infrastructure decision of this significance. It is true that the Commission acknowledges that the Mayor's approach "would deliver the most significant noise reduction of any of the options considered at this stage, effectively solving the problem of airport noise", and could deliver a scale of benefits "greater than for any of the other options" considered. But there is no application of the same criteria to the other options. Nor is there even a sense of the Mayor's role. They have treated the Mayor with personal courtesy but essentially at arm's length, on the same basis as the promoters of expansion at existing airports: despite being told that the Mayor occupies a very different position, they have continued to deal with his office as if it were on a par with a private company motivated by commercial interests. This is absurd. And this has been re-enforced by another step taken by the Commission: it was sensible to invite anyone with a good idea to work it up for submission – knowing what other people think is a powerful stimulus to one's own thoughts – but the Commission, without much clarity of explanation, allowed this process to turn from one that informed their studies into a sort of BAFTA Awards, one in which non-commercially-backed submissions were clearly at a disadvantage. The weakness of this process has been exacerbated by the fact that at no point prior to the awards ceremony in December did the Commission say what objectives the proposals were expected to fulfil. Instead they used a sift process taken from what transport engineers do when they are assessing options for, say, increasing a motorway's capacity. But in the latter case one does at least know at the outset what capacity one is trying to achieve. The decision-making to date, by contrast, has had a touch of Simon Cowell about it, with conclusions in some cases startlingly adrift from the numerical and other evidence in the Interim Report. It is time, in my view, for the Commission seriously to engage with the Mayor, with his legal responsibilities and with his outstanding transport experts.

At the heart of this is the Commission's debatable approach to its own remit. This states that it is to recommend "options for maintaining the UK's status as an international hub for aviation" and yet the Commission is making a terrible meal about the question what a hub is and whether we actually need one. The industry – and most passengers – entirely understand what a hub airport is and the Mayor fully supports that model for the additional connectivity it provides. And indeed the Commission's Interim Report contains fulsome evidence that we need a well-functioning hub airport with adequate capacity. Yet the Commission has seen fit to include as one of its favoured options a new runway at Gatwick that would diminish hub capacity not maintain it. A great deal is made of the recent growth of low cost

carriers. But leaving aside to what extent one would erect a national strategy for the next half-century on the basis of the current (and itself developing) business model of Ryanair or easyJet, let me just say that, because the low cost carriers have a different operating model from so-called legacy airlines does not mean they need a separate airport. LCCs need facilities for quick turnarounds at acceptable landing charges. These can be designed into a new airport and the LCC passengers can then, even in small numbers, add to the demand that makes other, more marginal routes viable.

The Commission has also seriously underestimated the surface access costs of delivering significant expansion at Heathrow. In fact the scale of increase in passenger and staff journeys at a four-runway Heathrow has been shown by TfL to require a new dedicated rail line into a number of London termini and a significant expansion of motorway capacity. Little of this is recognised or costed in by the Commission. Yet if Heathrow expansion makes road and rail travel hopelessly congested in west London, it will, to put it mildly, not yield significant economic or social benefits. And indeed, on costings, the matter is even worse. The Commission has added a large percentage of risk and contingency to all submissions, which is why they come up with a huge figure for a new airport, but, before doing so, they actually cut Heathrow's own cost estimates, uniquely amongst winning submissions. Why did they do this? Whatever the reason, a grossly unfair advantage has been given to Heathrow by the combination of these steps.

The Airports Commission seems on the evidence to date to see its task as finding a solution that satisfies as far as may be the competing and sometimes incompatible private interests of a range of aviation players, a sort of Rubik's Cube of self-motivated interests. For example, a four-runway hub at Stansted has been dropped for flimsy reasons and the suspicion is that this is because its owner went cool on the idea. But where is the voice of the public interest in this? With the Government and the official Opposition deliberately opting out of the debate for now, only the Mayor is left articulating that. So it was with a very heavy heart that he read the comment of the Commission chairman reported by the BBC that, in regard to its studies of an estuary airport in the next six months, he is not sure the Mayor has "got a lot more information to give us". Well, I have to say, the Mayor does have more to add.

Of course, the Mayor's vision for London is a bold one, though no bolder than is required by the challenges he and his successors face in ensuring that London has the infrastructure to produce millions of new jobs and tens of thousands of new homes. But it is not an unprecedented boldness. Other cities have relocated their main airport, normally with huge economic success. Where are the studies of that? Can the

Commission rise above the besetting lures of parochialism so characteristic of the English and undertake some studies of international comparisons? We are told by some that relocating Heathrow would decimate the west London economy. The Commission's own study (by Leigh Fisher, released over the holidays) gives the lie to that. But is anyone asking the question whether it did so, not theoretically, but in fact, in Munich, Hong Kong or Denver, to take but a few? Indeed, I can help the Commission to some extent because I have obtained an eight-foot long wall chart from the Mayor of Denver's office containing a huge Gant-chart showing all the steps you need to take to move an airport to the other side of the city. We must not imagine we are re-inventing the wheel.

The Commission's Interim Report bafflingly states, in the face of the evidence it has itself assembled, that "the UK does not face an immediate capacity crisis" and that a single extra runway in the southeast will be sufficient by 2030. This is of course very much Heathrow's corporate business plan but the Mayor does not agree. What the evidence in the Interim Report shows is that, if we had a magic wand, we would have a three-runway hub airport today and a four-runway hub by 2030. We do not have a magic wand, so we need to be planning now for that four-runway hub by 2030. In the meantime the Commission itself says that "capacity constraints at Heathrow are preventing London achieving the level of connectivity in these [emerging] markets that might be expected given the comparative strength of its Origin and Domestic market".

So let us conclude with costs. On Heathrow's own figures (which as I say, have been quietly slashed by the Commission), the cost of delivering a four-runway hub on their site is comparable to that of building a new airport in a location to the east of London. They say it would take them as long to build one runway as our consultants estimate would be needed to build a whole new airport. And the construction risk at Heathrow would be higher: ask any engineer whether she would prefer to build a new piece of infrastructure undisturbed behind a perimeter fence or on an operating airfield and over the busiest part of the UK motorway system.

And when the true costs of surface access infrastructure added in, the cost to the public purse is very much the same.

With the Commission itself agreeing that the Mayor's proposal would deliver a scale of benefits "greater than for any of the other options", that option should not be languishing in some sort of intellectual limbo. And it is important even for the Commission to give it a new lease of life, since the final point to make is that, if

Gatwick is an answer to the wrong question, Heathrow expansion is not any answer at all, for the proven political reason that it is too toxic for any Government to deliver. To delete the option of a new airport from the process would mean there was only one solution left that satisfied the Commission's remit: a new runway at Heathrow followed by a fourth. That is not a bargaining position that any Government will accept or a prescription that any Government will deliver.

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