

# AUDIO\_ISH2\_SESSION1\_27092023

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## SUMMARY KEYWORDS

airport, luton, forecast, aviation, question, case, applicant, runway, policy, demand, authorities, airlines, taxiways, passengers, examining, application, people, reason, aircraft, modeling

00:05

Good morning, everybody. Before I begin, can I confirm that I can be seen and heard clearly, obviously other people in the room can see me I'm talking about the people online. If anyone has a problem, can they just raise their hand?

00:19

No. Can I just confirm with Miss Evans that the live streaming of his friend has commenced? Has Thank you.

00:26

I just want to start off by saying that there's no fire tests planned for today. So shouldn't alarm sound it is an emergency event, and we will need to vacate the building. Emergency exits are located immediately behind me in the corners of the room and you can also exit through the main doors that you entered through. The fire assembly point is in the main carpark. If anyone would need assistance in the event of needing to evacuate the building. Can you please let the case team who are sat just to the side of the room? No. So the time is now 930. And this issue specific hearing in relation to the London Luton Airport project expansion project is now open. At today's issue specific hearing we will be considering the need for the proposed development, socio economic matters, greenhouse gases and climate change. My name is Joe Downing. I am a planning inspector and a chartered town planner. And I've been appointed by the Secretary of State to be the lead member of a panel of inspectors examining this application.

01:27

Today I will be going through the management of event and introductions and my colleagues will be taking notes of any actions. And now I'd like to ask the colleagues who in the room to introduce themselves. So I'm going to go from my left.

01:40

Good morning. My name is Sarah Holmes and this plan inspector and a chartered civil engineer.

01:46

So my name is Beth Davis. I'm a planning inspector and a chartered geologist.

01:52

Good morning. My name is Andrew Robinson. I'm a planning inspector and a charter town planner.

01:58

Along with Dr. Richard Hunt, we together form the examining authority. I can confirm that all members of examining authority have made a formal declaration of interests and that there are no known conflicts of interest with regard to as examining this application. Together, there are two more colleagues in the planning Inspectorate with us today. For those of you who are present in the room, you have probably already spoken to or heard from Sean Evans, who is the case manager for this project. And was Evans is accompanied by reveal Bernie our case officer. But those of you have joined us virtually, then you will have spoken to our other case officer Jennifer Savage. Together, they are the case team for this project. If you have any questions regarding the application process in general, I would ask that you please email these to the case team or have a chat with them in a break? Who would be happy to help.

02:46

So before we consider the items on the agenda today, I just need to deal with a few housekeeping matters. I'll try to get through these as quickly as possible. Could everyone attending please make sure that your phone is switched off or turned to silent? toilet facilities, including disabled facilities can be found in the lobby. As far as I'm aware, there's no request to be made for any special measures or arrangements to enable participation in this meeting. But if anyone needs any special message or arrangements, could you please speak to the case team?

03:17

For the purposes of identification, and for the benefit of those who may listen to the digital recording later, I would ask that at every point at which you speak you please give your name and if you're representing an organization or individual whom it is you represent. For those attending virtually, can I repeat the question made an arrangement conference that in order to minimize background noise, you also make sure that all audible notifications are turned off, and that you stay muted with your camera turned off unless you are speaking as this is a blended event it has been structured in such a way that questions or points that you may wish to raise can be done so at the relevant point in the proceedings. When we get to those points I ask.

04:00

If you want to speak you switch your camera on and either use the raise a hand function in MS teams or ask to speak at the appropriate time.

04:09

Please be aware there may sometimes be a delay before we can acknowledge that you wish to speak but that your patients while waiting to be heard is appreciated. Can I also remind people that the chat function on teams will not work so please do not try to use this to ask any questions or to post any comments. Massage will explain what to do if you lose your connection. And we are able to adjourn for a short period if there are any more significant connection problems. Do we have any members of the press in attendance?

04:42

We will adjourn for a short break is a convenient point in the agenda. Ideally no more than every 90 minutes or so if for medical or other reasons. Anyone requires a break specific time again. Could you please let the case team know and we can if possible adjust the program to meet your needs. So can I ask are there any comments or questions regarding the

05:00

General Management of today's event either in the room

05:05

or online. Mr. Phillips, you've got your hand up.

05:11

I'm sorry to say but I'm getting a lot of feedback. I'm getting

05:16

you getting echo, let me just talk to

05:19

you.

05:22

That's something that production centers can sort out.

05:30

Okay, we're looking into that for you, Mr. Phillips, hopefully it can get resolved.

05:36

And just to let people know there is a digital recording being made at this hearing. This will be made available on the project page in the national infrastructure website. If you're taking part in the hearing, it is important that you understand that your comments will be recorded, and that the digital recording will be published and retained, usually for a period of five years from the Secretary of State's decision. As such, the planning inspectorate is subject to General Data Protection Regulation, it is very unlikely that the examining authority will ask you to put sensitive personal information, such as email addresses and economic financial, cultural or health related matters into the public domain. Indeed, we would actively encourage you not to do that. However, if for some reason you feel that it's necessary for you to refer to sensitive personal information, we would encourage you to speak to our case team in the first instance, we would then explore with you whether the information can be provided in a written format, which could then be appropriately redacted before being published. Does anyone intend to film or record this event?

06:36

No.

06:40

Please bear in mind that the only official record of the proceedings is the digital recording that we placed on the project page of the website, tweets, blogs, and similar communications arising out of this meeting will not be accepted as evidence in examination of this application.

06:56

So I'm going to move on to the purpose of holding this meeting. Today's issue specific hearing is being held at the request of examining authority who wish to explore a number of matters already inspected, need socio economic matters, greenhouse gases and climate change. I'd like to take this opportunity to remind you that the examination is a dominantly written process. In addition, today's hearing, you'll have seen from examination timetable, there are opportunities for the examining authority to ask written questions, and to hold further meetings hearings if needed. The purpose of this examination is for the examining authority to examine the information submitted both by the applicant and also by interested parties, after persons and effects affected persons. As a result, I'd like to reassure you that we are familiar with the documents that you sent in. So in answering a question you do not need to repeat at length, something that has already been submitted. If you want to refer to information already submitted submitted, we will be very grateful if you could please use the appropriate examination Library Reference. Furthermore, because I please ask that the first time you use an abbreviation or an acronym, that you give the full title, as there will be people here today or listening to the digital recording, who may not be as familiar with the application or the documents as you are.

08:10

Whilst we accept that the majority of the discussions will be undertaken by those parties that have requested to speak this is a public examination. And therefore, if there is a point that you want to make, please feel free to raise your hand. And if you are attending virtually switch on your camera at the relevant time that you wish to contribute.

08:27

Today's hearing will be a structured discussion which myself Mr. Robinson and Miss Davies will lead based on the agenda that has already been published. The purpose of this discussion is for us to ask questions to seek clarification on the matters listed in the agenda. With the aim of ensuring that we'd have all the information that we need.

08:47

To make our report to the Secretary of State. The questions that we are going to ask today will be focused on those areas where we need further information or where we think the issues would benefit from examination orally. Therefore, I'd like to take the opportunity to reassure you that whilst we may not be asking a specific question or covering a particular topic that you were expecting, it is not necessarily the case that we believe that this matter has been fully addressed. It merely indicates that we consider that we have the information that we need on this topic or that we are proposing to examine it at a later hearing or through further written questions. Finally, I just want to take the opportunity to manage people's expectations about what will be happening today. I am aware that there was a recent planning inquiry held consider the proposed increase in passenger cap from 18 to 19

million passengers per annum, and that many people who presented evidence to that inquiry have also made submissions to this examination. However, this was held under the rules and procedures for such an application under the Town and Country Planning Act 1990. And unlike planning inquiry where a lot of evidence is presented orally and is subject to cross examination, and national infrastructure regime, as I've already mentioned, is a predominantly written process, with most evidence and questions being asked

10:00

soaked in writing. As I've just outlined, the purpose of the hearings this week is to enable us to ask questions to gather the evidence that we need to enable us to make report to the Secretary of State. As a result at these hearings, you will not be asked to present evidence nor is there the opportunity to orally ask questions, or cross examine other parties about their evidence. It is about us asking questions based on the evidence so far. It is also important that the exam to remember to emphasize that the examining examination is a six month process, and as a result, not all evidence will have been submitted nor will all questions have been asked or answered.

10:41

Rule 14 Two of the examination procedure rules requires the start of the hearing the examining authority shall identify matters to be considered at the hearing. The agenda of these hearings was placed on the inspectors website on the 19th of September 2023, and can be found in the examination library at reference EV seven dash 001 which sets out the matters to be considered to aid brevity I do not propose to repeat that repeat them orally. Now. Please note that today's agenda is for guidance only. We may add other issues or consideration as we progress, we will seek to allocate sufficient time to each issue to allow for proper consideration. Should the consideration of issues take longer than anticipated, it may be necessary to prioritize, prioritize matters and defer others to written questions. As I've mentioned, because this is a blended event, we will adjourn short breaks that being in points, and those attending virtually you can stay logged into teams throughout the break. But please ensure you switch off your cameras and mute your microphones. If you do lose connection, use the same link that you used to log in this morning and the case team will endeavor to reconnect to you as soon as possible. For those people watching the live stream, we will have to stop the live stream in order to give us clear recording files. As a result at that point recommence the meeting and restart the live stream you will need to refresh your browser page to view the restarted stream. We will remind you of these arrangements again, should we need to adjourn.

12:13

Finally, it's important that we get the right answers to the questions that my colleagues and I are going to ask. At this stage. It's worth reiterating that this is predominantly written process. Therefore you cannot answer the question that is being asked or require time to get the information requested. Rather than giving a restricted or potentially incorrect answer, please indicate that you need to respond in writing. We can either then defer the response to an action point to be submitted at deadline three, which is the fifth of October 2023, auto written question or to a later hearing.

12:47

So before we move on to deal with the items detailed in the agenda, are there any questions at this stage about the procedural side of the dais hearings?

12:57

In the room

12:59

online?

13:01

So I'm not going to move to the to the introduction of participants.

13:08

I'm not going to ask, I've been provided the case who will provide me with a list of those interested in other parties who have expressed to wish to be heard today.

13:17

I'm not going to ask those of you who are participating in today's hearing to introduce yourselves to the examining authority and the people who are watching the livestream event and who are in the room. When I say your name, please introduce yourself including how you'd like to be referred to, for example, Dr. Mrs. Mas, Mr, etc. And if you're representing someone who isn't, who it is that you represent, if you're attending virtually, then please switch on your camera and microphone and when I call your name. So I'm going to start off with asking the applicant to introduce themselves so if I can ask the applicant to introduce themselves.

13:52

This Good morning Madam, my name is Miss Rebecca clutton CLU, TT e n. I'm off Council instructed by Mr. Henderson, Mr. Tom Henderson, who's a Partner and solicitor at BDB Pitmans, who are legal advisors to the applicant Luton rising.

14:14

I'm going to introduce just a few of the speakers for this morning for items two and three on the agenda. To my left, I'm joined by Miss Louise Kahn,

14:25

co N g d o n

14:28

misconducts, the managing partner for your KVL nation and is the project lead in relation to need.

14:34

I then to her left have Mr. Kiran Hyams hy A M S. Mr. Himes is a socio economist and town planner with Arup. And he's going to be assisting on the employment and training strategy today. And then finally,

14:52

I have Mr. Anthony Aldridge who is now sorry has now moved over here. He was there before Mr. Aldridge is the DCE

15:00

To lead for the applicant. I'll introduce other parties who are going to assist later on in the proceedings.

15:08

Thank you very much and welcome. If I could now turn to Luton Borough Council.

15:15

Morning, Michael fry of counsel for Luton Borough Council. I'm supported by a number of officers but I propose to introduce them to the examination at the time of if they are called on. Madam at this stage, may I indicate that for the Ishs today, Luton Borough Council consider itself one of the five host authorities so Ms. Ross, who sits to my rights we'll be speaking I hope on behalf first and then if there are any specific points for Luton, I will back them up at the time.

15:46

Thank you. Thank you if I could ask the representatives for the joint host authorities to introduce themselves.

15:54

Hello, I'm Fiona Ross acting are the five host authorities. That is

16:01

Hartfordshire county council and decorum Borough Council and North hearts council as well as Wigan Borough Council and central Bedfordshire Council. I will also have a number of officers and subject matter experts who are sitting behind me but I will call upon them if and when required.

16:21

Thank you. You're welcome. If I can now turn to Buckinghamshire Council

16:33

Good morning. My name is Mark Westman Smith.

16:37

I'm a barrister and I'm instructed by Buckinghamshire Council.

16:42

And I also have a number of officers and subject experts who I'll introduce if and when are they required.

16:54

Thank you and welcome. At the next council I have is central Bedfordshire Council.

17:03

I'm representing Central eperture counties. Okay, there was a bit of uncertainty and information I have on that. Thank you.

17:10

I'm now going to ask introduce interested persons to introduce themselves. So I'm going to start with those people in the room. If I can ask

17:21

Mr. lamborn to start

17:24

thinking about him Andrew lamborn speaking for ladka in a community group

17:33

and then I have

17:36

I'm afraid I don't know which Friends of the Earth I've got three representatives potentially attending today. So if the person from friends of the ortholite introduce themselves

17:48

sorry, David Oakley Hill from Luton friends

17:51

and enrolls Cambridge Friends of the Earth.

17:56

And Andy wholesome, from North arts and Stevenage Friends of the Earth. I think my camera's disabled.

18:03

It's alright, I'm going to come to the purple online in a minute. I'm just dealing with the people in the room. So if you just bear with me, okay, don't worry.

18:11

And then I can see we have representative from the new economic foundation. Track to introduce Ah, yes, good morning, New Economics Foundation independent, charitable Think Tank. I'm Alex Chapman, Senior Economist, referred to by the applicant as Dr. Chapman.

18:29

Before I go to people online, is there anyone else in the room who I've missed?



18:36

No. Now going to go to the people on line. And I'm going to ask

18:44

them to introduce themselves. So I'm going to go through the list of people I have. And then if I haven't mentioned your name, again, at the end, if you can switch your camera on, we can then deal with you. So I have

18:57

I have Mr. Phillips from the Harper society.

19:04

Good morning.

19:06

My name is Jeff Phillips.

19:11

Thank you, Mr. Phillips.

19:15

I have two potential people from friends of yours. I've got Mr. Rolls.

19:23

Hello, yes. Can Be Friends of the Earth representative.

19:27

Thank you. And I also have a Mr. Andy Hoffman.

19:35

Yes, my name is Andy wholesome. I'm representing North arts and Stevenage Friends of the Earth.

19:41

Thank you.

19:43

Do I have a Mr. Roger Thompson online?

19:48

Yes. Good morning. My name is Roger Thompson, and I'm a local resident representing my family, predominantly. Thank you. So that's all the people that I

20:00

I have on my list online. Is there anyone online who was proposing to speak this morning that I've missed?

20:09

No.

20:13

So, I'm now going to pass over to Mr. Robinson, who will lead us through item to the agenda.

20:20

Thank you, Miss Dolan. Before beginning this item, I'd like to begin by stating that under the Planning Act 2008. Any representations that raise material about the merits of policy set out in a national policy statement, are not relevant to consider. As such, it would help proceedings that when addressing subject matters on policy, to refrain from making comings, comments, disputing the merits of any policy. What we are interested in hearing is your views and how the application of policy is important and relevant to this application.

20:54

Turning to the first sub item on this agenda, which is national policy and publications relating to aviation. Firstly, in order to set the scene, I am going to ask the applicant to spend around five minutes summarizing its position on the need for the development, but just having regard to National Aviation policy and other publications, please.

21:17

Alright, just before you do that, I believe I may have missed somebody somebody had a hand up I've just had a message through. I think it's your moment.

21:26

Hates Hewitson.

21:30

do apologize if I've missed you. Sorry. I'd like to introduce yourself. Hello, good morning. Yes, I may or may not speak this morning. But I thought it best to introduce myself while I have the opportunity. So I'm Kate Q it I'm policy director at the aviation environment Federation, which is a not for profit organization. And we are here in advice. Representing ladder can we act we're acting in an advisory capacity on climate change matters to learn to come.

21:59

Thank you very much. And I do apologize for missing you earlier. So sorry, thank you. Sorry to interrupt.

22:06

This button if you'd like to Yes, to continue, please. Thank you. So I'm going to pass over for this summary to ms Contin.

22:21

Good morning, sir. Louise Condon for the applicant.

22:25

I'd like to address two key themes of aviation policy, highlighting the key publications, I'm going to start with what I consider to be a consistent overarching theme of policy, which is the economic importance of air transport, and in a lot of airports in supporting wider economic growth. And I'm then going to talk about a second key and perhaps more recent emerging theme on the compatibility of aviation growth with climate change targets. So I'll break up my statements. And on that basis, I'm going to start well, first of all, by saying that the policy position up to when we submitted the application is set out in full in section three of the need case, which is as one to five. I'm going to do a little bit later on with one or two updates that have happened since the application was submitted.

23:17

I'm going to start in 2013 with the aviation policy framework, which was a completely new refreshed policy framework aimed to provide a long term strategy. And I would draw your attention particularly to paragraph five in the executive summary of that document, which sets out the key principle, which I think is overarching in this whole application, which is the concept of striking a balance between economic benefits and environmental costs.

23:45

What that means is there are circumstances where the economic benefits to development outweigh the harms, and the applicant considers very much that is the case in respect to this application.

23:57

That same theme of balancing benefits and costs also underpins the aviation national policy statement as of 2018, which is often referred to as the ANPS. That addresses principally the need for a third runway at Heathrow, and so it's not directly applicable to this application. But importantly, the MPs confirmed that it was policy for all of the other airports to seek to make best use of their existing runways.

24:26

And concurrently with the publication of the ANPS there was a separate policy document beyond the horizon making best use of existing runways often known as the MBU policy, and probably hear it referred to as that throughout

24:40

the Dallas policies. Certainly the NBU is the overarching policy context within which the application is made.

24:48

But importantly, the ANPS also said something very important about carbon I'll come back to carbon later, but just to sort of pick up the ANPS in chronological order, a power of five eight to two. It said that carbon

25:00

is not a reason for refusal, carbon emission from aircraft are not a reason for refusal, unless the effects are so significant as to place meeting the National Carbon targets in jeopardy. And I'll come back to that, again a little bit in a moment

25:15

following the ANPS, and I'm going on to logically because there's kind of a hierarchy hierarchy of how policy bills, the government issued aviation 2050, which was green paper consultation document, outlining a potential sort of long term strategy for aviation. And whilst it had been expected that that would lead fairly shortly afterwards, it was December 2018, when they published that there was an expectation that there will be a long term policy set in place. Not not far after that, but then the pandemic happened.

25:46

But nonetheless, as was made clear, I think in the management decision, aviation 2050 contains some indications of long term policy direction that are still relevant and valid today. So that again, had a clear focus on the reasons why government supports aviation growth, because of the wider economic benefits of aviation growth. Again, recurrent themes Sorry to keep repeating myself, but it's an overarching theme in all of these policy documents.

26:14

Following the pandemic, the government produced flight paths to the future in May 2022. That was specifically set out as a 10 year recovery plan for the sector. Again, it was heavily focused on the reasons why aviation growth is important in the context of Brexit, and economic recovery from the pandemic. And I'd refer you particularly to the forward which sets out that context very well.

26:37

It links to build back better it links to leveling up, and I'm sure we'll come back to those later on this morning. And it clearly, and we don't dispute this or downplay its importance, the need radiation to have regard to managing and mitigating its environmental impacts such as carbon and noise. So you know, the applicant recognize that it's not carte blanche. But it's this whole concept of balancing benefits versus as costs

27:02

and importance in the flight pattern in the future, I want to highlight because I think it's relevant to some of the representations we've seen is that flight past, the future isn't simply about what we call sort of conventional economic benefit metrics. It's about consumer benefits, and the right of people to fly. And I think this was emphasized particularly in the response that the Prime Minister gave to a parliamentary question or question from Lacey Cooper, MP on the 13th of September, where she specifically raised this application, and asked whether or not the government was going to take action to restrict flying

because of the carbon implications. And the prime minister gave a very clear answer, then no, but there was a right for people to be able to go on holiday. And he reiterated that again, in his speech last week, when he was asked about the whole speech change in re emphasizing the commitment to the carbon targets 2050. But deferring or making clear what actions the government was trying to achieve that he can he reiterated it that flying at an affordable price is an important part of government policy. And that's relevant here, particularly when we talk about the low cost market. And I'm sure I'll come back to that later this morning. So consumer benefits have to be considered alongside economic benefits when you're looking at the balance between the environmental implications and the benefits of development.

28:23

That, again, was made clear in a more recent policy document than we referred to in the application, although it is covered in rep 1012, which is the overarching aviation noise policy, which again made clear that the social and health impacts have to be balanced against both economic and consumer benefits.

28:44

I'm going to turn now quickly to climate change, you'll be relieved to know not to be so long. Yeah, I think it might be worth actually for climate change, just parking that one maybe until decided to later on this morning, because there is I'll let you briefly say what you want to say. But I am conscious that we've got an agenda item on climate change. So I don't want to spend too much time on that. I will let you

29:09

respond to the applicant.

29:11

I appreciate the sessions that afternoon, I was just going to do the policy points. The government has a clear position on how aviation can meet its obligations with respect to climate change, which is the jet zero strategy of July 2022. But also, it was re emphasized in the jet 01 year one year on report of July 2023.

29:32

Ultimately, the government has mechanisms in place to ensure that targets are met through the UK emissions trading scheme, which covers the vast majority of flights at Luton, both now and in the future. And through corsia. The jet zero strategy confirmed at para 357. The policies on airport expansion the ANPS and the NBU remain fully applicable. And I would just add that a coda to that the modeling underpinning both of those statements allow

30:00

progressed have loosened up to 32 NPPA.

30:03

As a potential development, not not as a committed to the applicant, it was clear that having regard to policy, the benefits of the benefits of the proposed development outweigh the environmental harms,

that the development is in accordance with policy. I was going to offer to turn to your supplementary question about climate change, but I'll leave it until you want to come back to it, sir.

30:24

Yeah, thank you.

30:27

First question I have is in your

30:30

planning statements, and also in the case as well, at times it does refer to the fight past or the future is representing the most recent statement of government aviation policy. My understanding is, is that it's actually, as you said, there, it's a 10 year recovery strategies. But that is policy, can you can you just clarify that that document isn't policy, although it is stated at times in your planning statement that it is? I think, my view and I'm not a lawyer, but in my view, I will consider it policy. I would consider it a policy statement. I differentiate it from aviation 2050, which was a consultation document. But if you look at the Manston decision, the government said there were aspects of regulation 2015 that were policy. And I didn't like better the future would be considered a policy statement, or better 10 year policy statement, rather than a long term policy statement to 2050, which is why I also refer back to the APA. And I don't see a fundamental change in the overall draft policy over the time period. I think there are subtle nuances. Like there's more emphasis on consumer benefit now than there was perhaps 10 years ago. But I don't I see just the continuum rather than as

31:42

different steps and changes.

31:46

Thank you. And you refer to the aviation 2050 consultation document. So that was from a few years ago? What status does that have at the minute, so did that inform

31:57

the flight part of the future document and jet strategy that came out? After that consultation document was published? I think you'd informed that because it was the understanding within the industry, that having produced that overarching consultation document green paper, the government were going to produce a series of topics, specific strategies. And the one they always said they were going to produce first was the carbon one. So the jet zero strategy is part of a family of policy documents that spin out from aviation 2050, they made clear in flight pasture to future that at the time that was published, aviation 50 was the reference point for noise policy. And then they subsequently in March this year, produced the overarching aviation noise policy. So I think you have to kind of stitch all these things together, that they all have a status unless they've been overtaken by a more specific strategy.

32:55

Okay, thank you. Thank you very much for that.

32:58

I've got a couple of questions on this particular agenda item that I am going to go around the room for people's opinions. So the first one really, and it relates to what making best use says a paragraph 1.29 of the government's beyond the horizon, which is the future of UK aviation making best use of existing runways or MBU, as you abbreviated it before. It provides a policy statement that the government is supportive of airports beyond Heathrow making best use of their existing runways. For the proposed development in this case actually includes construction, new taxiways and rapid exit taxiways at the end of each of the existing runway in phases two a and two B in order to effectively increase the capacity of the existing runway. So the question that we have is, to what extent does the policy framework in making best use and actually also paragraph 1.42 of the airport's National Policy Statement, which refers to the findings of the airports commission on the need for more intensive use of existing infrastructure include support for this additional infrastructure?

34:10

Please come due to the applicant.

34:12

I've always been clear that that the making best use policy is about allowing airports to develop the additional infrastructure that they need to ensure that a runway can be better used. I think making best use I've always understood it, and indeed, I've had conversations with the department about this over the years, is it a mixture of the demand balance and the capacity balance? So making best use is taking a runway and saying how do I make best use of it? How do I make best use of it in terms of using it efficiently, which may require additional taxiways in this case needs additional aprons and even additional terminals. But it doesn't require you know, we're not proposing a new runway. We're proposing how we can make best use of it. Best views is also a term that I think

35:00

is related to demand. And I remember a conversation I had with someone from the department that day the document came out about how to interpret some of it. And he was clear that making best views was enabling airports to meet local demand in a competitive way. So if there's local demand around Luton, it should be met at Luton, it has local demand around Gatwick it should be met at Gatwick. And this links back to that consumer benefit piece, that it's about making sure that people have convenient and sustainable access to our transport. But I don't see making best use of a runway or making best use of existing infrastructure as being confined to literally what's on the ground on the day, not least because you go back to the airports commission, they were charged with looking about the need for another runway in the southeast. That was their brief. Do we need another runway? Don't we didn't know the runway and their comments really about infrastructure? We're in the context of that original part of their commission.

35:58

Okay, thank you for that response. I'm going to turn that question now to Luton Borough Councils and Mr. Frey, or even miss Ross as part of the host authorities if there's anything that you want to add to that question.

36:11

I think that may be one that we take away by camping in Christmas is aviation specialists by the authorities?

36:27

Good morning. Good morning. My name is Chris Smith, aviation adviser to the host authorities the five host authorities.

36:35

With a surname blacksmith I tend to use the my prefix and Dr. Smith to give me some differentiation in terms of the policy framework, and specifically, I think there's very much difference between what the advice I would give to my clients and the advice that misconduct is giving to her clients. In terms of the making best use

37:00

the if you go through the documentation, there seems to be poor combinations of the words existing runway capacity. In some places it's returned referred to as runway capacity. Other places it's referred to as existing capacity

37:18

and the other combination is

37:24

existing and generally existing capacity. There are three different combinations of those words which can have different interpretations.

37:34

As I say we wouldn't have particular problems with NBU covering the taxiways as well. Okay, thank you for that.

37:45

The Buckinghamshire council want to add to this question

37:54

Thank you Mark Westerman and Smith for Buckingham. So Council No, we don't we don't need to add to this point. We agree with the analysis that making best use can accommodate age, taxiways, etc to support use of the existing runway.

38:14

Thank you. The only person I'll bring in at this point is Mr. Lamborn for landing camps, I noticed that your written representation made some comments about making best use and that you didn't consider that making best use represents significant development to make maximum possible use of every airport runway. Is there anything you want to expand on that at this at this time? Thanks. So Andrew Lambo for that again. Now, I think that that summarizes our position that best is a word that needs to be



looked at carefully in this context. And in particular, in relation to all of the other policy weight, which goes towards balancing development against arms. Thank you.

39:05

Thank you, I will just very quickly ask if there's anybody else who wants to respond to this question in the room?

39:12

And is there anybody online?

39:16

No, thank you. So I'll move on to the next question, which is so yes, sorry.

39:21

For the applicant, just before you do, can I just go back to your question about making best use and apply the future? Forgive me and whether that was a policy document? Yes. And if the app can just refer the examining authority to the recent Secretary of State decision in the Manston DCO, where that document was expressly identified as representing government policy, intersection of the decision entitled aviation policy and the relevant paragraphs that will assist you off 55 and 63.

39:59

M

40:00

Should I say something? Yes, thank you just introduce yourself, please David Oakley Hill Friends of the Earth and loosen.

40:07

Just to point out that in our submission, we listed

40:12

what we call the balance of harm.

40:15

And I refer you to consult that, which was we listed, what we consider the benefits

40:25

and, and the harms that the expansion would cause and the harms considerably outweighed the other.

40:33

Okay, thank you for that. And the next question, I have a seat that flight path for the future contains a 10 point plan for the future of UK aviation, where point three in particular is to support growth in airport capacity where it is justified, ensuring that capacity is used in a way that delivers for the UK. Whilst stated as a strategic framework for aviation over the next 10 years in the foreword.

40:59

Does this represent a shift in the position in making best use of existing runways? And how should this be taken into account when assessing need? I'll start with the applicant please

41:13

start to think how best to answer the question. It's

41:17

I don't think it isn't shifting policy. I think it

41:22

ultimately

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it's about

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make sure that when you're considering an application to make best better use of a runway at an airport or or or the existing infrastructure or potential infrastructure to an airport that you take into account the nature of the benefits it will deliver

41:47

and moving across socio economic partners agenda. Ultimately that links across to why Luton Luton is an area in need of leveling up. London the southeast is an area which is important economically and needs good connectivity to support a lot of the businesses and industries in the wider catchment area of Luton, making sure that people who are in the catchment area of Luton can fly conveniently,

42:15

from an airport near them and are not forced to use an airport much further away are all parts of delivery benefit? Though I don't see it as being a change in policy, I see it as being yet another re expression of the test that you should apply. How did this making best use of this runway? support those other economic agendas?

42:43

Okay, thank you for that. The reason for the question really is do we have to actually think of this more in the round when we're considering the neat case of actually the capacity within this runway, the airports within the southeast, and how this relates to the development is really what was what sort of looking at him.

43:05

I mean, that was one of the points that you'd put on your agenda. I mean, I think it's important here that what the government wants is a competitive education system. It wants airlines and airports competing to deliver the best for the country.

43:19

And what it very definitely doesn't mean is that you fill up each airport in turn, a lot of people talk about the London airport system as if London was a single market. But the London airport system was a number of different airports with different geographic catchment areas. Yes, they might overlap in the middle of London, but they all serve different markets. And each one therefore needs to be looked at in its own local context, rather than as being entirely interchangeable. If you constrain one airport, as our modelling, examines in more detail, you resulting some traffic, being priced out deciding not to travel, it's just doing convenient, and other people having to travel for more distant airports at an additional cost and inconvenience. And that ultimately has an economic cost to the country, which is why use the benefits are an important part of the way you evaluate and consider

44:15

the overall benefit package of an airport so you know,

44:20

there's a lot of clues here, perhaps not always as explicitly stated as you would like as the direction of policy.

44:31

Okay.

44:33

Thanks very much for that. I will just turn to the local councils now.

44:39

Is there anything you want to add to this to this? Hi, Fiona Ross for the host authorities. And I'll invite Chris here Dr. Smith to

44:49

say thank you, Chris Smith representing host authorities. In general, I don't think the most recent thing is revolutionary.

44:59

I

45:00

A think that it is a different articulation of the basic underlying government philosophy that naturally arising passenger demand should be satisfied. I do take

45:13

have a slightly different view on the London market being different from different airports as someone that lives in the southeast.

45:23

I have a very,

45:25

I have friends, colleagues, neighbors, who would regard whilst I live somewhere between Heathrow and Gatwick, who would regard all the airports possibly the standard as being available. And then it is a matter of choice as to which airport offers the best frequency, comfort, timing, price, destination to meet their travel needs at that time. So I think that there is more of a coalescence.

46:00

I'm not convinced that

46:03

pricing often around is a huge effect.

46:09

And thank you for your response to that and the booking share council wanted to bond Marquesas with a Buckingham castle. No, I don't need to add. Thank you.

46:18

Okay, I'll just finally see if anybody else wants to make any comments on this question before move on. Mr. Lamborn. Thanks, sir underline bond ladder can on the particular issue of whether this particular application is justified because obviously, policy requires every case to be looked at on its own merits.

46:38

We draw attention again to the fact that we're already currently only partway through a development of the ensemble of infrastructure at the airport. And one of those development aspects relates to a taxiway feeding the eastern end of the runway, which would expedite westerly departures which are the majority of the departures. So we still haven't seen the benefit and or impact of that work. And secondly, we're only partway through the project, which was justified on economic grounds, among others, to deliver 18 million passengers and balancing mitigations as we have said, so we refer you to those comments. So I think our view on this at first blush, if you like is that this application isn't justified in relation to having clearly shown

47:39

that project curiam which has still five years to run.

47:44

No longer fits the bill. I think that's that's a key point that that project in itself had economic benefits to deliver, and mitigations to deliver per policy. And we haven't seen a justification of why that no longer applies. Thank you.

48:03

Thank you for that. Mr.

48:07

Tucker.

48:09

Yes, go on. Miss Davis has a question. She'd like to ask a question to this con good.

48:15

I've heard you say two things. So one is that government policy requires us to maximize airspace in the southeast for various reasons, including people being able to go on holiday cheaply. And that that's the government's sort of established that. I've also heard you say that policy requires development to be where the local demand is.

48:38

Can both of those things be true?

48:44

I think

48:46

he's gone to the applicants, I tend to forget that. I think,

48:51

yes, in that, what

48:55

I'm looking across reachable related things that are gonna come on to the demand focus. There's one thing looking at what's the base of demand in an area. And there's another stage of looking at how that demand is best served. So I think at one level, it's about saying, what's a reasonable level of demand that should be met and can be met. And that, in essence, is what the government did in the jet zero strategy and the modeling they did for that, which is to say, what level of demand do we think there would be driven by economic factors? What level of demand and we think it's possible to accommodate within meeting our get zero targets?

49:32

You then say well, okay, in a an allocation model, which we've used, how's that demand best met how's the optimum allocation of demand across airports? And if airports are constrained, you end up with sub optimal allocations of demand. So I'm looping across to one of the later points on the agenda, apologies, but that's kind of why we do holistic need case because all of these things do interlink.

50:00

So what we've done is looked at what's the optimum balance? And what's the role of Luton within that competitive system. And our forecast reflects that optimization, which takes the underlying demand and government's position on the right of someone to have a holiday, as well as to have an inbound tourist

or a business traveler, and takes that and says, Okay, how's that best served? What's the brand location? And if there isn't another runway, or if he's no hits constraint?

50:28

It the modeling, we'll look at how much of that might choose to use an alternative airport, how much it might cease to fly. And that's quite an important part of the whole process and looking at what's the need for the development and making sure that the development is policy compliant?

50:44

Thank you.

50:46

And I comment?

50:49

Yes, just very briefly, yes, if you wouldn't mind. And if you could just introduce yourself, please. Thank you, David Oakley Hill are losing Friends of the Earth. I think we've just heard that demand. Management is good for the national economy, something along those lines. And can I just point out there's a huge disparity between what spent by visitors to UK and the UK residents spending abroad, which costs the UK economy billions every year, overseas residents spent 3 billion in the UK and August 22. and UK residents spent 8.1 billion while overseas in August 22.

51:32

Okay, thank you, we might touch upon that a bit more in the next session for socio economics. So I'm now going to move on to the forecasts and assumptions. This is really questions for the applicant.

51:46

There's a lot of technical information within section six of the need case. And I would like the applicant to spend a very brief period of just a few minutes really just briefly explaining how the stated future demand forecasts have been arranged. And really what I would, I'd like to hear is if you could explain how the underlying data and the modeling has been implied to inform the the forecast because that's really the important thing that I just said, that's really what I want you to focus on in not one.

52:18

Thank you, sir. Luis Condon for the Applicant, if I can just dispel one thing I haven't said demand management is good for the economy. I said competition, and allowing an optimal allocation of passengers is good for the economy, and good for consumers. Just to clarify the point for benefit friends.

52:34

I'll try to get you very quickly through what she says quite a complicated set of information. Yes, we set out the methodology and the lead case. And we set out the assumptions in Appendix B of the need case, which is a pp 214.

52:49

What we've used is what we consider to be a best practice methodology, which is to first forecast the overall level of demand, as I said a few moments ago, and then assess the airport share. The methodology is the same in concept as the methodology that the Department of Transport use when they're doing their airport specific forecasts, and indeed, was used by the airports Commission.

53:12

The approach has been tested other public inquiries, most notably the Bristol airport inquiry in 2021, and accepted there and also notably accepted by the highway national highways in their relevant representation 1076.

53:27

And I believe, subject to what Dr. Smith has to say that the methodology is broadly accepted by the host authorities.

53:36

I'm gonna deal first of all with a forecast of underlying demand, because that's step one of the process. And we've deliberately considered a range of possible outcomes because we recognize there are market uncertainties.

53:49

We've done that taking into account higher and lower rates of economic growth, higher and lower cost of travel, including cost of carbon.

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The carbon costs that we've used are the same as used by the government in their jet zero modeling.

54:06

Which trend from the current traded carbon price

54:10

largely by 2032, the best long term appraisal values, respect versus business enterprise and industrial strategy department of no longer exists, but but they produce numbers in September 2021.

54:29

Therefore, those carbon values include not simply the cost of an airline by the carbon per bit, but the expectation that those costs will rise to cover or incentivize mitigation or abatement. So to the extent that are higher costs of sustainable aviation fuels, or costs of abating carbon, the reason we use those best appraisal values is because they internalize those costs. And make sure when we're modeling the level of demand, we've taken into

55:00

count the future level of costs that the industry will have to bear to decarbonize or remove.

55:08

So the cost of air travel is assumed in our modeling as we're deities modeling to rise. The economic assumptions are taken from the office for Budget Responsibility, the UK, and other sources such as the International Monetary Fund and OECD. And the forecasts that we used at the time we produce the assessment forecasts for the DCO with the values that existed as of March 2022. Now we know lots of people have been raising questions about hospitals during crises,

55:39

Brexit, everything else, in terms of are they still the most valid? I think it's important to point out that although the government injects 01 year on, did comment that they'd reduced their demand forecasts, they'd reduced the their demand forecasts based on economic projections as at November last year,

56:01

which were lower than those that we had used, although, as we come into the need case, not materially. So.

56:09

However, the more recent OVR forecast for the UK economy of March 23, are actually slightly higher over the medium term than the ones we used in our modeling.

56:22

We deal with this in rep. 2042. So I think we've we're confident we can be that our underlying market demand forecasts are robust.

56:33

Yeah, that's, that's fine. Because I've got some questions that I want to move on. Is there anything you can do to sum up very quickly? Because we've got? Yeah, I mean, I was going to go on and explain the allocation modeling part. I didn't want to deal with that later. Do you? I think I think it might be best to. I think that's enough for the time being. Okay, questions. So I'm going to move on to do so some of the questions might come on to that.

56:58

Just very quickly, the first question I have is on your modeling.

57:03

Is it your aviation zone model? And you said, it's based on Department for Transport Biggers, and you've mentioned, the data set. So you've got that, but effectively is the model that you've used? From your creations on? Model?

57:19

Yes, it's our own model. My colleague, Mr. Brass here, second on my left, can deal with very, very specific questions you have. But yes, it's our own proprietary model. But it follows the same principles to the DFT model. And indeed, in forecasting underlying demand, we use the same demand elasticities, which for the lay people in the audience, is the rate of growth of air travel relative to the rate of growth



of other variables. We use the Department of transports recently we calibrated elasticities from March 2022, as reflecting the most reasonable basis for the way in which travel demand will respond to economic indicators.

58:00

Thank you, I'm reading the review that was undertaken by Chris Smith aviation consulting limited, and in particular, in paragraph 3.24 of that review. It states that the hybrid not have not been derived through precise mathematical calculation but have been developed judgmentally. And this mental intervention nullifies any close examination of forecasts evolution. So my question is, in that regard, how can the examining authority properly examined the suitability and reliability of the outcome of those forecasts?

58:34

I think that's leaping ahead to the allocation. And indeed, the later stage where we actually constrain growth under illusion, and I think we're in a very complicated situation at the moment in the UK. So we've got the underlying demand, where we've got a range of of forecasts coming out of Monte Carlo, randomized simulation modeling. So we have a range of demand forecasts, and we've closed the central 50 percentile most likely demand forecast, we then have the complexities of considering what might come on stream in terms of capacity at other airports. And although we've said that airports compete, which they do, we need to feed that competitive dynamic into the allocation model to work out what Luton shares, and what we couldn't have reassessment is multiple permutations of assessing every possible combination of another runway at Heathrow, another runway at Gatwick, what's the timing of those? You know, are they both going to happen at the same time or they're going to have there were just too many permutations. So in order to develop assessment cases,

59:40

we took a hybrid as we set out clearly in an E case to say, what's a reasonable case for assessment and the reasonable case for assessment was based on one more runway coming forward, but we didn't want to say it's going to be Heathrow or it's going to be Gatwick. Then we took a hybrid and I don't agree it nullifies all the modeling because

1:00:00

You have to have an underpinning modeling of the market, you have to have an underpinning modelling that understands the effect of those potential other runway developments on the market for Luton, but where we did intervene manually and say, Okay, what's an assessment line is to say we'll split the difference between the Heathrow and Gatwick reo, because we don't know which of those is going to come forward if either.

1:00:26

Okay, so, so briefly, but in terms of the question of what how can we properly examine suitability and reliability of that, really, we're in a position where we have to take your model at face value.

1:00:39

We're asking you to take the modeling at face value in terms of is the case where another runway at Gatwick is correctly modeled is the case where there's another runway at Heathrow correctly modeled? Those come out explicitly out of the detailed modeling?

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The only thing where a judgment has been made is to basically say, for the purposes of assessment, we're going to split the difference.

1:01:07

But I appreciate that a model is a model.

1:01:11

They're very technical things. We're happy to answer as many questions as we can on that, we did confront this risk of inquiry, and we're happy to provide further notes that would help you Yeah, it's probably the case that we will ask some more questions at first written questions. We don't want to get into sort of the technical bit debate today. So so the dial, that's that sort of sets the scene quite nicely for that. Thank you. So moving on to my next question. You've you've mentioned the data. And you've mentioned actually, and I've read your response to the abs to Chris Smith aviation consulting, limited

1:01:45

review, I've read that and I noticed in table 2.1, that the GDP in 2023 is actually minus naught point 2%. In comparison to that in the knee case, which is at 1.8%. So if this trend was actually to continue, and actually the forecasts are the next few years are actually the GDP doesn't,

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is actually an A minus or just below that. What how is this going to affect the forecasting figures? Because this is a data that you put in right at the beginning as that so if GDP doesn't actually

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rise as what you've expected? What how is that going to affect your forecasting figures?

1:02:28

A couple of points on that. The first one is, yes, GDP in 2023 is projected to be lower, and the most recent forecast than we had assumed. But equally, if you look at the underlying demand forecast for this year, and the level of throughput that the airport is likely to be at, notwithstanding that GDP hasn't perhaps recovered as quickly. The airport is still achieving the sort of throughput this year that we would expect. So in a way, 2023 would be a rebasing with the forecast and saying, Okay, what does 2023 look like? Where do you grow thereafter? And so I put more weight on the GDP projections for 24 onwards, because we know what 23 looks like. We don't know what exactly decimal point accurate, but we've got a pretty good indication now sitting here in September, about what the year end 2023 will look like across the UK airports and at Luton specifically, and we're on track there. Notwithstanding the shortfall in GDP, we're on track. But you're right. If GDP doesn't grow, as we'd expected, there will be lower focus. If GDP grows more quickly, there will be higher forecasts. And you've only got to look at the track record of UK aviation forecast, see how demand forecasts move around depending on

whether they're forecasting a recession, but they tend to undershoot or forecast in a boom when they tend to overshoot. That's precisely the reason we did faster and slower growth cases, to make sure that we gave you a range of outcomes rather than nailing our colors to a single most likely case, and also made sure that we considered the environmental implications of faster or slower growth. So you weren't sort of tied to one, one view of the world.

1:04:11

Thank you. But obviously, the slower growth that you've put into your model is obviously the GDP that was in March 2022. And so that GDP that you've put into your model and is reflective for the slower Central and faster case, it's the same figure, no worries come to the applicant. If you're looking at Appendix B to the new case, a pp 214. We actually considered much slower economic growth in the slower growth case and higher economic growth that the march 22 figures are the datum for the figures, but we equally had faster and slower growth, economic growth cases at that point. The only point I was making is if you take that central gross March 2324 onwards is actually slightly faster in the short to medium term than what we assumed back into March 2022. I'm not saying we will automatically rebound

1:05:00

As the forecasts because a bit like we said in relation to the November numbers, it was not so significant as to require us to modify the forecasts particularly given, we've got a forecast range. Similarly, the fact we're higher may mean our forecast is slightly conservative, but we're not suggesting to you that we would want to revise them based on current economic indicators.

1:05:22

Okay, thank you. I've got a couple of queries on the long haul flights. And firstly,

1:05:29

can you explain how the figures in tables 6.4 have been arrived at? This is 6.4 in the need case, and

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it basically shows the

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what the numbers need to be in order to make

1:05:51

sorry, flights viable, basically, in a range of forecasts? Can you just explain to me how those figures have been calculated.

1:05:59

That basically calculated by looking at seat capacity, the aircraft on the left hand column,

1:06:08

a weekly frequency and what an accept load factor would be and what that would mean in terms of the number of passengers who would need to have, who would want to fly from Luton to make it likely that that service would operate. So it's really just to give some background because one of the problems that an allocation model has is if an airport doesn't have long haul, an allocation model, we'll assume it not going to get long. It was a recurrent problem with the airport's Commissioner modeling. You'll have seen lots of comments at the time from people like Stansted and Gatwick saying

1:06:41

that the the airports commission modeling DFT model didn't adequately reflect long haul. So that's the reason why when you have an airport that hasn't got much long haul today, you have to almost consider the potential offline, and then say, what's that potential, we still looked at the same underlying demand base. But we've tested the likelihood of those routes being viable, by reference to this underpinning, I mean, bearing in mind as well that those long haul routes don't start to occur in the forecast till after 2037. So we're talking long term growth, just on the figures, and I've done some calculations to do please correct me if I'm wrong, but taking the 180 seats, for example, which is three times weekly, year round, and it needs 48,000 passengers, but my calculation is that that would only be 28,000 seats, if you did underneath 80 multiplied by three multiplied by 52. And then if you added the 85% load factor on that would be 23,860. ACS is a have I calculated that role?

1:07:48

Do is Congress for the Applicant my colleagues behind me who did this table? So you have to obviously allow for return flights and salaries for return flights as well? Okay.

1:08:06

They'll be slightly less if it was returned flights. You were to add those is just slightly out. But could you just check the accuracy of the figures in that table going forward? Yeah, we can check the accuracy sir. Louise come to be the applicant. It they will have been rounded. Because these things aren't decimal point accurate calculations, it's to give you an idea of an order of magnitude of the level of demand you would have to have for a service to be viable or sustainable. Okay, that's great. Thank you.

1:08:39

Okay, so the paragraph 6.328 of the Nikkei, since is still on the long haul flights. It explains the analysis to identify routes that might come forward in the future. And over time, it is reasonable to assume such services may develop, given the uncertainties how much weight can the XA give to the figures quoted in terms of long haul flights, given the uncertainty that that actually is there.

1:09:08

To East London for the applicant. I think I would always say when you look at a route specific forecast for any airport, there's a degree of uncertainty. But I think in terms of the overall likelihood and the total quantity of long haul flying that we've got in the forecast, we would say that's robust whether these are the precise destinations that come forward. An example I always use is not a long haul one but the example I will use about why you have to be careful on route by route forecasting. Back in back in the 1990s. You'd never forecast a route to watch from anywhere in the UK. But when Ryanair put on a flight to watch in the early noughties, all of a sudden there were lots of passengers going to watch in

Poland. So you have to be a little bit careful about Ruth's pursuit forecasting. That the over the longer term, but we're confident that the overall level of long haul demand is likely to arise at Newton, notwithstanding the runway length limitations

1:10:00

because when you get to an airport of scale of 30 million broaching pledged 2 million, that creates a different paradigm in terms of the airline's response to it, and how likely they are to operate long haul services. Another reason why we included the long haul services in the mix is also to make sure that we didn't understate the environmental impacts, that we felt it was prudent to make an allowance for long haul flying, and some wide bodied aircraft in order not not to, you know, be accused of having having understated the potential noise implications, or carbon implication.

1:10:33

Okay, thank you. And in terms of just more for background information, really, what long haul flights have previously been at Luton? And if there was any reasons for not growing due to capacity constraints? Or was it really to the, you know, was it due to the past restraints on the existing airfield which you've mentioned in your new cases, that particular issue at the moment? Or is it was it down to the lack of demand

1:11:00

with condoms for the applicant? I think there are a number of things. I mean, the London system has been historically so dominated by Heathrow, and airlines can earn so much more money out of Heathrow that there's a tendency for them to prioritize putting their long haul flights there.

1:11:18

The attempts that were made to operate long haul from Luton, a decade or so ago, were largely to the eastern seaboard of the USA. And they were innovative business class only type products, which generally haven't succeeded, they failed at Stansted as well. That doesn't mean that there aren't, there isn't scope for, you know, we said leisure or leisure type long haul service to develop. And also, there's a clear tendency for airports as they grow, to obtain service to the Middle East hubs. Now, a service to the Middle East hub weather, when we put a Dubai in the model, mainly to make sure we've got a larger aircraft in the model for environmental assessment purposes, it might be a route to Istanbul, which wouldn't be treated as long haul. But that's the Middle East hub to provide that level of service and it might well be operated by wide bodied aircraft. Equally, you know, to have in the past been long haul charter flights to places like Cancun or Orlando after balloon, it's not black and white, you know, you're not going to have British Airways flying, you know, three times daily schedule service to New York. That's not what we're saying. But you may well have a to e operating a quasar charter to New York, in the same way that you know, to end thomascook operator services from other airports.

1:12:42

Thank you for that. My next question is really about

1:12:47

load factors and how that's increased at the airport. Your nikkei's mix, shows how the passenger per train movement has increased over the last number of years, particularly from on average 138 passengers per aircraft into 220 2012 265 in 2019.

1:13:10

Given the changes in fleet over the coming year, such as the a 319, with an average of 156 seats being phased out and the 320 meal with an average of around 184 seats with a 92% load factor. Could the increase in passengers for air traffic movement onto larger aircraft coming too much to the market mean that less plates than the 209,410 are actually needed? In?

1:13:42

Responding to the accurate and I'll answer the question now in headline terms, if you really want to probe the detail, my colleague, Mr. Connolly is sitting behind me.

1:13:52

The aircraft size transmission from 3192232 through Long's is ongoing at the moment. So we've taken into account the increase in aircraft size, there's no separate question about the load factor in those aircraft. And one of the paradoxes slightly that you get is when an airline introduces, say, a larger aircraft in a three to one on a route, it may well be operating at a lower load factor than it was previously because the demand hasn't caught up with the upgrading of the aircraft. So there are lots of complexities in it when you're actually looking at that.

1:14:25

It's possible that if airlines decide to pack evermore seats onto an aircraft, that you could end up with the same volume of passengers with slightly fewer aircraft movements. But in terms of its application, that would mean that we've been conservative and assessing the effects related to aircraft movements, we will still need the terminal capacity and the main bulk of this development in it to be able to handle the passenger demand. So if you like that there might be an element of conservatism in our forecast. But we don't believe that is the case. We believe that

1:15:00

We robustly assess the load factors and undersides of aircraft that would operate. Okay. Yeah, thanks. And the reason really for that

1:15:09

question really is because in your planning statement, it's for the project curiam. It's the data that the there was predicted to be 157,000 movements for 17 point 8 million passengers, but actually the total number of aircrafts reach a peak of 141,000. So that was really the reason for the question is obviously, it didn't materialize in that planning application. I'm really trying to sort of work out what what are the chances of a similar thing happening in this particular application? Do we it's kind of reactive Applicant. Yes, I was actually going to mention that curiam point, in response to his Lambos point about the taxiway, the fact that there are slightly fewer movements, delivering the 18 million is one of the reasons why the applicant hasn't whether the existing airport operator hasn't felt it necessary to build that last piece of taxiway infrastructure, because it wasn't actually needed, given the slightly lower movement

rate. So in the fact that but it actually hasn't been built, it wasn't needed to get to 18 NPPA. But no, you're you're right, to make that point. And I think,

1:16:13

airlines activities, they go in cycles, and we've had a cycle of upgrading aircraft, we've had a cycle of increasing load factors, I think, in a way that wasn't anticipated. In 2012, when the application was put together,

1:16:31

we've now got load factors, on average, at Luton and across the market as a whole, that are significantly higher. So it was part of the upgrade, you can see it capacity, which I think was predicted. But it was also that growth in load factor. We're reaching a point where that load factor is, is getting too close to a ceiling. Because let's take somebody go on holiday, somebody goes on holiday in the middle of August. And the flight is chockablock going out of Luton.

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And they come back at the end of August, time to go back to school. And that flight is chock a block coming back. But that's like going out at the end of August. Not so many people want to go on it. So it's very defeated the people who say you can get 100% no practice, you can't, because there are always those acing symmetries in demand. And so in looking at the load factors that we're going to have on the fleet mix we're going to have in future, and I think that's gonna come up a bit more this afternoon. The

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the load factor that we're seeing at the moment, or seeing in 2019, pre pandemic, is close to a practical ceiling of what the airlines can commercially operate out. When you take that asymmetry of demand. When you take the fact that there are winter months when there are lower loads. And there are some months when flights may well be at 100%, you have to look around.

1:17:51

Okay, thank you for that.

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One final question for you on this particular one. And really, it's the new cases presented, forecast using a range of quantitative data. But really one general question I have is what level of interest has been shown by the existing airlines and indeed any new airlines to deliver the proposed growth and deliver new routes? And if there is, do you have any evidence to demonstrate that?

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I think it's always a challenge of planning inquiries, and I've done a number of them over the years, if you've looked at my CV.

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Airlines are always very reluctant to come forward and give you any sort of commitment at the time of an inquiry. And I'm going back on 30 years of doing planning inquiries to do with airports. Airlines are

very canny commercial animals, and they like to keep their cars close to their chest by and large. But you have got one very specific expression of interest before you in this inquiry. I apologize. I can't remember the representation number off the top of my head. I should have made a note of it. But we did write in a relevant rep. And we'll find you the number, sir. That you had that one. They are the largest airline operator at Luton today and they have very definitely expressed their interest in expanding at Luton.

1:19:09

Okay, thank you. Thank you.

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Rebecca Clinton for the applicant. It's a yes 133.

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That's their additional submission.

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That's how it's listed in the examination because it late.

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But I can assure you that other airlines that we've been talking to, you know, Ryanair, in particular, are keen to grow at Luton, but we don't have documentary evidence of that. Getting here today, we don't

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thank you for your time on that. Very, very useful. I'm going to turn out I've got questions to a Christmas aviation consultancy on your review.

1:19:55

Your report state citizen initial review, does that mean this is only a third

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As report or is there further analysis to follow?

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It means that there will be nothing new that will be responsive in the future. It was termed as initial review, as I started writing it, and it stated continue to have that title. I wouldn't read too much into it, it was just the first report to to this client. And in fact, it was intended for the client.

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So at this stage, you don't intend to actually, unless then, if circumstances change throughout the course of this examination at the moment that that report is, is to be seen as sort of final draft, if you like. Yes, it's Christmas as the host authorities. Yes, it's

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it is my report for the start of this inquiry, as and when there is more information need to respond. Obviously, I'll update and go into more detail but by and large that that covers the territory.

1:21:02

And just to confirm, the conclusions in your report is based on the corp planning case, with a further runway, either Heathrow or Gatwick which you think it's more likely to be Gatwick, although that's obviously subject to

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any consent that could be called coming on that

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is your report is based on the core planning case, it doesn't make any sort of judgments on the faster or the slower growth, you're you've just focused on the core planning case in in your view is that it's more likely to reach the 32 million passengers per annum in the late 2014, early 2015 as the core case

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that that's a big question. So

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yeah, it's

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the nice, perhaps if I can just give you an overview to set the background. In terms of the approach adopted by the client, I think it's reasonable.

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There are two fundamental differences, which we have,

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which I have.

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One is the nature of the

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the assumptions, which I believe are on the optimistic side. And the second one is the issue of the runway capacity is that Heathrow and Gatwick which we haven't really got to as yet.

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And the problem is that

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the conclusion is swamped by those assumptions about Heathrow and Gatwick runways.

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I have,

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I would agree that there will be one runway.

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And in my view, that was more far more likely to be Gatwick and Heathrow for those reasons.

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And

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and I have focused on those issues in terms of the

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concentration on the call. That's the reason and I only started working on this project in July. So it's partly a matter of trying to get something done in the time available. And it is also quite difficult to go into more detail because there is this

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inability to follow through some of the calculations. And I was actually quite surprised this morning when Miss Condon said that the the capacity, the runway capacity in the core demand course was the split the difference between Heathrow and Gatwick because when we had a conference call is quite specifically said there was no arithmetic link

1:24:02

between the it was a judgment call, which is why we will divert and to be told now that it's was actually splitting the difference, which I kind of assumed was being sensible. But so it wasn't. I'm sorry. I would rework my my statement. So yes, could you take that away? And actually we can put it as an Action Point is to make sure that you actually comment on that in your submissions on in your post submission hearing on that. And then obviously it will then allow the applicant to respond to that point. I think that would be quite useful for us if you can do that. Certainly so

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so that's one of the background why focused on it. Partly time partly the fact that doesn't make that much difference. If the the overwhelming no runway in the southeast at Heathrow or Gatwick. You need it soon as you

1:25:00

count two runways, you don't need it. Does that help?

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Yeah. That's, that's fine. Thank you very much.

1:25:12

So, I'm gonna ask you a similar question what I asked the applicant before and it's basically on your

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comment in paragraph 3.24, that the

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judgmental approach has been taken. So in your view, how much? How come the examining authority again, properly examining the suitability and right reliability of the outcome of forecasts with that judgmental approach in your view?

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Sorry, Christmas, the host authorities, I think it's very difficult. I'm struggling to find a way of handling it myself.

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And I've had close on 50 years of this sort of experience. And it is difficult to to get a handle on it.

1:26:03

I'm still trying to reflect the response to my report, and haven't got to that stage of it yet. Hopefully, I will do in the next few days.

1:26:14

Okay, thank you for that. May I ask whether I will have a response, either today or in writing to respond some of the things that this conundrum has said?

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It tends to be yes, you'll get you will all have the opportunity to put in post submission hearings. And then you'll have to after the after the next deadline. So I think that will be post submission.

1:26:37

Hearing statements will be deadline three, and then at deadline for you will have the comments to the opportunity to comment on other people's statements that have been made. Thank you. Obviously, there are some things I disagree with. Okay, thanks.

1:26:54

I've only got one final question. And this is just to the council's actually on this particular point, now that you've had sight of dot Smith report, and it's particularly for more the host authorities rather than Luton Borough Council, does this result in any changes to your position regarding the development? Or do you need a bit more time to actually confirm and update your previous submissions on this, and I'll start with

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with the highest authorities person that I'll come to Buckinghamshire Council. Thank you. If we could take that point away, please.

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Mark Westmoreland Smith for Buckinghamshire Council. I'll reserve my position and come back in writing. But I can say that as of now, no, it doesn't

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change our position. We don't take an issue on the need for the development as a whole. But we can confirm that in writing. Oh, it'd be great. Thank you.

1:27:53

Okay, and I'm now going to move on to actually just really on the strategic economic case for the day. Yes. Mr. Iamborn.

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Sorry. So just before you do move on, I wonder if I could quickly reflect on what we've heard, because you've asked a very large number of questions, and we've had some enlightening responses.

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My reflection will be this.

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And tomorrow was confidence words, this would create a paradigm change. And I think what's singular about this application is that it's akin to building a new runway, but in fact, it's building a new terminal in order to deliver a step change in capacity. It's not a gradual, organic evolution of the airport, it is a step change in the infrastructure capability. And with that go a large number of things, including significant cost, we would argue significant risk in light of future unknowns. And we've already talked about the difficulties of longer term forecasting. And a step change in impacts all around and I won't go into the detail of those, but I think

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we're, it emphasizes, again, that all this development to be

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properly agreed and authorized and supported.

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It would have to demonstrate that that step change is necessary. Versus for example, continuing the organic growth of the airport and its infrastructure capabilities, which could deliver on I think I mentioned a figure of 21 and a half million passengers yesterday.

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It's the step change which is, which is a singular aspect of how the decision on this needs to be addressed.

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certain needs to be weighed, because that has to be very carefully assessed. In light of the

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the knowns, the unknowns, the benefits and the harms. Thank you.

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Thank you for those comments. I'm only going to be conscious of the time we've been going for an hour and a half now. So I'm only going to ask one question on the strategic economic case for the development and it really centers on the Oxford Cambridge arc.

1:30:29

And this question really is to the applicant first and then I'll I'll some of the parties for their views. The need case says that London Luton Airport is the only major airport than the Ark and a growing London Luton Airport will be central to achieving the aspirations through its ability to facilitate trade, investment and tourism. However, given the close proximity to other airports to the ark, how will the airport be central to achieve in the aspirations of the ark?

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New Islam for the applicant, I think that sort of cherry picking a bit that is part of an overall contextual piece about all of the ways in which the airport would contribute strategically, economically, it's not the only strategic economic argument. The strategic economic arguments are founded much more broadly, in air transport as a key economic driver, the social value of London Luton Airport, the need for additional jobs and economic growth in an area that needs leveling up. And improving connectivity to an area like the ark. It is a fact that the airport is the only airport actually located within the ark. But I think some of the representations I've seen, have taken that comment and cherry picked it slightly out of context. And there are of course, a number of representations, including from the host authorities that acknowledge the economic benefits and economic importance, potentially of growth, so long as the environmental impacts are mitigated. And again, we can submit it deadlines realistic those representations just to highlight to you again, where they are.

1:32:07

Yeah, we can. I can see this this sort of the wider strategic

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points that have been raised. It really is more just focusing on on the Oxford Cambridge arc and why that's been singled out. Really. I take your point, I'm going to move on to ask the question to the councillors. I didn't see any reference to this in any of your submissions. So could I ask knottingly Luton Borough Council what their views would be on the ark and then I'll turn to the host authorities, which is more where this area is.

1:32:41

Like prior to Luton Borough Council, so we don't have any specific comments, but we'll take it away and we do we will respond in writing. Okay, thank you and to the host authorities. Opposition, please Am I speaking for the host authorities, I will also take that away and come back to you in writing.

1:33:02

Okay, I'll just finally go to Buckinghamshire Council beforehand to miss darling.

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Thank you. So my question was with for Buckingham reserve council. So we don't have any specific comments to make in relation to the ark. Thank you.

1:33:18

It's just a question for the applicant, having looked at some of the Oxford Ark documentation submitted, published by government, and I just did a very brief word search on it. But I couldn't find any mention of Luton Airport being anything in any of those documents to emphasize the need for underneath airport to deliver the Oxford Cambridge arc. There was more of an emphasis on the East West railway link

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which comes with the acronym. I take that point, as I say, I'm trying to characterize the fact that we mentioned the Oxford Cambridge arc in the need case as a piece of contextual background for a lot of other things, a lot of other reasons why there are economic aspirations for the area. You know, we're not majoring our case on the contribution to the Oxford Cambridge arc is just one of a number of strategic economic factors that are worth your consideration, I would submit.

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Thank you. I'm just going to ask if there's anybody else in the room who wants to make any comments on that particular question.

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And whether there's anybody online who wants to make any comments on that

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okay, the time is five past 11 And I'm conscious that we've got a few more things to get through on the agenda today. So I'm going to take this opportunity now to to call a break and in proceedings

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and we will return at 20 past 11 Thank you