Peter White-20038959/RR-1199

Further observations on the DCO application by Luton Rising.

I have grave concerns as to the financing of the acquisition of the land required for this DCO, in particular Wigmore Valley Park (WVP). Currently the applicant, Luton Rising (LR) only licenses this land from the owner Luton Borough Council.

How will LR finance the actual change of arrangement from licence to ownership of WVP?

When LR purchased the agricultural land to the East of WVP, for their planned new park, it did so from airport concession fee income collected for 2014/15. This purchase resulted in LR only paying a dividend that year of £1.25 million for LBC public services. This was of course all done with LBC approval.

Is LR planning to take the same funding route for the licensing/ownership of WVP?
This could mean another drastic reduction in dividends paid for a single year/over a number of years, therefore increasing pressure LBC to maintain funding for essential services?

As WVP is currently only licenced to LR, is it permissible under English and Welsh Planning Law, to permit construction on the site, without it actually being purchased outright?
I believe that it is a requirement of LBC Planning Regulations that any licenced land should be returned to its original state at the end of that licence?
How can WVP be returned to parkland with an airport on it?

The disposal by sale, or licence, of WVP should be advertised so other interested parties can bid. What those other bidders are prepared to offer, and the offer from LR, will not be made public, as LBC will class it as commercially sensitive.

How will the public be advised of the licence/sale price of WVP, before the deal is secured?

Will all potential external bidders for WVP be afforded the same licensing option as the applicant LR?

I attended my quarterly local "Let's Meet" Ward meeting for East Luton held on the 19th October 2023, where the CEO of LR spoke on the DCO. In reply to a question of how Phase 1 will be financed, he stated the preferred option would be to go to LBC to seek loans through them from the Public Works Loans Board, as they are at much less interest rates than the commercial markets, and then to go to those commercial markets as Option 2, if LBC refuse that request.
LBC also prefer this option as it adds a premium interest rate to loans, and therefore can spin the notion that such a deal is therefore the best option for local service budgets.

This implies to me that the finance options listed in the DCO have been altered. The preferred option in the DCO was that the airport operator would fund it. The original Concession Agreement from 1998 clearly states that the operator would fund all developments, to protect LBC/LR from the financial risks.
The second option in the DCO is for a joint venture between that operator and LR, the third solely for LR to fund the development.
With these options in mind, I would therefore hope to find full disclosure as to why the first two options have been scoped out, in the updated financial responses requested of LR by the ExA?

As borrowing via LBC appears to now be the preferred option, it shows to me that any licence/sale of WVP will be for the lowest possible peppercorn amount, to protect LR reserves?

Any other bidders for the licence of WVP will have to make a market valuation. LR will have an advantage however, as the Councillors who sit on their Board, will now what external offers have been made, and can then bid accordingly.

How can that be judged a fair bidding contest?

It is the duty of any Local Authority to get best price for any public land it disposes of, I have doubts that this will be achieved in this instance?

I would also question whether allowing LBC to sell public land to its own company could open up a worrying precedent going forward in English and Welsh Planning Law?

Most Local Authorities have house building arms, could passing this application lead to those Authorities being able to sell public open space to themselves at far less than market value?

When a Local Authority uses the powers in Section 123(1) of the Local Government Act 1972 to dispose of land, Section 123(2A) requires the authority to advertise the intended disposal in the local press, and to consider any objections that are made before taking a decision to proceed. The Authority should give genuine consideration to all objections and be able to demonstrate that it has considered those objections with an open mind to avoid the possibility of a legal challenge.

How can LBC consider objections to the sale of WVP with an open mind, when their only policy is to develop that site, as the only one suitable for airport expansion?
As you are well aware, the Board of LR are all serving Councillors, predominantly from the controlling Labour Group. Whilst they could not vote in Full Council on the sale of WVP, that fact is irrelevant as their votes would not be required to pass the vote, and Party Policy will prevail?

I bring these points to the ExA, as I believe that it shows that the the finance required to deliver this DCO, and the way it is intended to be achieved, severely outbalance any potential future financial gains to the town of Luton. The outlay will be cold hard cash, which will need to be repaid, whilst the financial benefits are purely speculative. They are based on forecast demands actually arising, and the interest repayment rates on the loans required staying within the current levels, and construction costs being stable, none of which is guaranteed.
If a commercial entity undertook such developments, they would include definitive trigger points to see if the rewards continue to outweigh the risks?

As further evidence of the financial failings of LR, I would point the ExA to the direct air-rail transit link-DART, recently built by LR.
The project started out with a cost of £225 Million, which rose to £313 Million by completion.
There was then a write down on DART of £180 Million after entry into service for unspecified reasons within LR filed accounts.
I suggest this clearly shows that approving this application under the same finance guidelines, puts at risk the financial viability of not just LR, but of LBC and the town of Luton itself, should not the decision on this application hold that fact above all else?

Airport operator's attitude to air quality monitoring.

I appreciate that the airport operator, London Luton Airport Operations Ltd, is not the applicant, but they potentially will be if the DCO is granted, and they undertake Green Controlled Growth.

In October 2023 they replaced the 1970's lamp posts along Percival Way. This post is opposite Hanger 61, the building in the background is Halcyon House. This post held an air quality monitor, which was approximately eight foot from the ground. As you can see from this picture, it is now considerably further up the post.

I bring this to the ExA's attention, to show that despite all the assurances on air quality monitoring within the GCG aspects of the DCO, the simplest of tasks in checking that current monitors are in the required positions, seems to have been ignored?


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