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London Luton Airport Expansion

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8.114 Applicant's Response to Deadline 4 Submissions
Appendix E - The Harpenden Society (REP4-217)

Infrastructure Planning (Examination Procedure) Rules 2010

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The Planning Act 2008

The Infrastructure Planning (Examination Procedure) Rules 2010

**London Luton Airport Expansion Development Consent
Order 202x**

**APPLICANT'S RESPONSE TO DEADLINE 4 SUBMISSIONS -
APPENDIX E - THE HARPENDEN SOCIETY [REP4-217]**

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Contents

Page

Appendix E – The Harpenden Society [REP4-217]

1

Tables

Table 1.1 Applicant's response to submission by The Harpenden Society at Deadline 4

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Table 1.1 Applicant's response to submission by The Harpenden Society at Deadline 4

I.D	Topic	Deadline 4 submission (Verbatim)	Luton Rising's Response
1	Economic case	<p>We note LR refers to Government research into the “local of impact of airports that included the concept of air intensive sectors as an indicator of the likely dependence of the economy in a local area on air transport connectivity” as a means of justifying its use of this measure.</p> <p>However, the research findings under the heading “Presence of Air Intensive Sectors in Region” (page 28) include the following:</p> <ul style="list-style-type: none"> • “the approach has not been as widely used. However, it remains a useful tool for considering context.” (page 29); • “The primary limitation to be noted in relation to this measure is that the spend data on which it is based is collated at national level. This may mean that regionally or sub-regionally individual sectors’ patterns of expenditure may be different”. (page 30); • “To maintain consistency, we have used Great Britain as the denominator comparator across all airports, including airports in Northern Ireland. Therefore, a degree of caution may be required in interpreting results”. 	<p>The Applicant notes that the comments highlighted here are simply sensible caveats placed on the original analysis based on the data available.</p> <p>The consideration of air intensive sectors is used as part of a broad spectrum of evidence that enables understanding of the local economic effects associated with airports. The report in question is a wide-ranging analysis. It does not rely on any one piece of evidence. The economic case for the Proposed Development is similar. The Need Case [AS-125] provides a broad ranging assessment of the economic case for the Proposed Development drawing on a wide range of evidence. The analysis of air intensive sectors is part of that overall whole.</p>
2	Economic case	<p>There's no attempt to assess whether in fact it is non-airport related factors that influence businesses location decisions so no-one can assess how significant this relationship is compared to others (this point is made in the research report when referring to PwC research (page 5) “broader agglomeration factors may be relevant to the clustering of activity, over and above the presence of an airport”;</p> <p>A Location Quotient of 1 is an amazingly low hurdle to jump. It just means the region has a higher concentration locally than nationally but doesn't address the intensity of location in the region (i.e. it could be that there is a much greater concentration in other regions);</p> <p>LR make no attempt either to consider, given the close proximity of the London airports, which airport is actually driving the (alleged) concentration. A proper academic research piece would have looked at the validity of the proposition compared to these and other tests to assess whether the original proposition was valid.</p>	<p>The Applicant disagrees with this comment in its entirety.</p> <p>In relation to business location decisions, it has never been suggested that London Luton Airport is the sole factor in a company's decision making. There are, of course, other factors that contribute to agglomeration. The point is that the airport contributes to an overall environment that is attractive to businesses seeking to locate and invest.</p> <p>Location quotients are a commonly used tool to consider clustering and agglomeration. The hurdle of 1 is a mathematical fact. If the location quotient is above one, then a sector shows a degree of concentration in that area. The fact that there may be other locations with greater concentrations is not relevant. The point is that London Luton Airport's catchment area shows a concentration of sectors that are reliant on air services.</p> <p>The comment that the Applicant has not considered the role of other airports is incorrect. The assessment of GVA supported by business productivity improvements does precisely that. It seeks to identify the number of business travellers using Luton Airport that are solely reliant on London Luton Airport (Appendix E3, Page 64 Need Case Appendices [APP-214]).</p>
3	Economic case	<p>We note that LR does not challenge our analysis in relation to this variable which is “that the evidence of clustering of key scientific, technology and high technology manufacturing employment around the airport is limited” but merely restates unevicenced statements about the Arc and exports (which are addressed in ExA questions so we do not intend to dwell on them here) and their belief that there are concentrations of economic sectors in the area that are demonstrably reliant on air travel and offer significant opportunities for future growth without ever demonstrating how these sectors are “demonstrably reliant” on air travel from Luton airport. We don't argue that these sectors have significant opportunities for growth but we question whether growth at Luton airport will have much impact on such growth,</p>	<p>The Applicant has addressed these issues in NE.1.5, Page 5, 8.73 Applicant's response to Written Questions - Need Case [REP4-059].</p>

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		especially given the limitations on the growth of Luton airport's non-European route network	
4	Economic Case	LR's has offered no evidence to support its claim that "there's a close match to the connectivity the airport provides in Europe for FDI". In the absence of such evidence it is reasonable to conclude there is no close match	The Applicant has addressed these issues in NE.1.7, Page 7, 8.73 Applicant's response to Written Questions - Need Case [REP4-059] .
5	Need Case	<p>LR's response to our original concern that it is inappropriate to claim the benefits of inbound tourism but ignore the cost of outbound tourism only restated information in the Need Case (i.e. Government supporting outbound tourism for its health benefits and it being inappropriate to simply look at the difference in tourist expenditure in isolation).</p> <p>Government policy does not say the costs of outbound tourism should be ignored and our position remains as set out in REP1-165.</p> <p>LR's claim that "Luton airport's growth is beneficial to tourism" by claiming inbound tourism benefits but discounting outbound tourism costs is a completely one-sided and inaccurate position.</p> <p>The tourism deficit is too significant a loss to national income to be ignored and LR should be required to assess its impact and compare it to the claimed inbound tourism benefits it claims (that figure, in any event, is an estimate and suffers from a number of calculation flaws itself).</p> <p>Without such an analysis, we do not believe any weight can be attached to the inbound tourism effects claimed by LR.</p>	The Applicant has addressed issues around outbound tourism extensively in Section 4, Page 8 8.39 Applicant's response to Written Representations - Appendix (NEF) [REP2-038] and Section 8, Page 7 8.107 Applicant's response to Deadline 3 Submissions - Appendix A New Economics Foundation [REP4-096] .
6	Economic Case	<p>LR's response offers little in the way of comfort that our concerns will be addressed through the airport's growth. They refer to the ETS, which is in fact a series of statements that represent the bare minimum level of engagement we'd expect of any employer but no strategy for improving skills and wage levels through the airport's growth to alleviate deprivation. To be of any value and therefore to have any weight attached to it, and make a meaningful impact on deprivation in Luton, it needs to be specific about what skills challenges need to be met, be they educational or practical, what needs to happen to meet those challenges, how they are going to happen and when.</p> <p>Without this, no-one can have any confidence that the current imbalance between the average wage attributable to airport jobs as a whole compared to the average wage of Luton residents will improve, which LR claim is what is going to happen. We would argue, as many other Interested Parties have argued already, that the jobs that will be filled by Luton residents will continue to imbalance and have little effect on deprivation. We invite LR to produce a granular (job by job type) analysis of the roles that airport growth will offer Luton residents to demonstrate its case.</p> <p>Our point about employment was that unemployment remains stubbornly high in Luton relative to surrounding areas despite growth at the airport, which</p>	<p>The Applicant has addressed issues around past employment growth at the airport and its impact on deprivation in Section 3, Page 8 of 8.89 Applicant's response to Issue Specific Hearing 2 Actions 5 and 6: Past Employment Estimates [REP4-075].</p> <p>The Applicant considers that the Employment and Training Strategy [APP-215] represents a robust long-term framework for securing the benefits of the Proposed Development within the Three Counties area. It must be recognised the Proposed Development is a long-term plan. It is, therefore, appropriate that it sets a framework at this stage rather than seeking to develop a highly detailed plan, which will simply need to be revised as evolving requirements become better understood in the future.</p> <p>The Employment and Training Strategy (ETS) [APP-215] outlines a series of goals and initiatives that will be implemented through the governance structure outlined within the strategy. These goals and initiatives include Initiatives 2.1,2.3 and 4.2 aimed at improving skill levels and encouraging local employment through construction and operation of the Proposed Development.</p> <p>Whilst the Employment and Training Strategy will help to serve the employment needs of the airport within the defined study area in the strategy, deprivation and unemployment are macro-economic factors which are influenced by a number of different wider considerations and cannot</p>

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		suggests that all that is happening is that airport jobs are displacing other local jobs or people are commuting from outside Luton to undertake airport jobs. Growth at the airport will see a continuance of that trend.	solely be improved by the Proposed Development. Further details within the strategy will be developed in collaboration with local partners if consent is granted.
7	Need Case	<p>LR rising has offered no explanation for the lack of GDP growth in Luton relative to the three counties and six counties during the recent rapid expansion at the airport. We referred to this point because the Oxford Economics report is prepared on a gross basis and doesn't reflect the displacement of other employment and GDP as a result of the airport and ancillary services hoovering up available land and employment and either existing businesses relocating out of Luton or new businesses failing to relocate into Luton due to the increasing environmental disbenefits of being located in a town dominated by an airport with poor and congested transport links.</p> <p>Without any assessment of this (and it's dismissed by LR in paragraph 8.3.6 of AS-125 as an abstract concept) the true economic effects of the airport cannot be properly assessed.</p> <p>We ask the ExA to require LR to produce evidence to address the issue of displacement (particularly in Luton and the three counties) and its effects on the overall economic contribution to growth at Luton airport in recent years.</p>	<p>The Applicant has addressed issues around past employment growth at the airport and its impact on deprivation in Section 3, Page 8 of 8.89 Applicant's response to Issue Specific Hearing 2 Actions 5 and 6: Past Employment Estimates [REP4-075].</p> <p>In relation to considering displacement, the Applicant's position is set out at paragraph 8.3.6 of the Need Case [AS-125].</p>
8	Noise and Vibration Economic case	<p>We noted in REP1-165 paragraph 128 that LR has effectively ignored the long term noise limits set in the 2014 planning permission.</p> <p>LR's response claimed that those limits were no longer relevant as they were "based on the benefits of ongoing noise reduction but no further growth benefit" and were not "relevant for an application for development consent. Two points arise:</p> <ul style="list-style-type: none"> • Firstly, the economic benefits will continue to accrue year on year – there are therefore ongoing economic benefits that need to be matched to the ongoing commitment to reduce noise – the economic benefits do not need to keep growing; and • Secondly, it is also worth noting the original plan was for the economic benefits to largely dovetail with reductions in the long term noise limits so the receipt of the economic benefits earlier is a windfall gain (and it hardly surprising they won't grow in the future); 	<p>It is not agreed that the Applicant has ignored the long-term noise limits.</p> <p>The long-term noise limits (in 15/00950/VARCON) have been taken into account in the noise assessment presented in Chapter 16 of the Environmental Statement [REP1-003] as the Do-Minimum scenario, without the Proposed Development, is compliant with the long-term noise limits. The comment that they are not relevant for the Proposed Development is because those limits were set for an airport with a capacity of 18 mppa.</p> <p>Having reached 18 mppa in 2019, there would be no further gain in economic benefits even as the fleet continues to transition to newer types. Indeed, as outlined in the Need Case [AS-125] the number of jobs at the Airport are likely to fall over time without the development to 32 mppa as productivity gains over time will mean the current permitted 18 mppa can be handled by fewer employees in the future. Therefore, the only way to secure further economic growth is to grow beyond the current cap.</p>
9	Planning (P19 Decision)	<p>We note in the recently determined 19 million Planning Inquiry the Inspectors made it a condition precedent that the airport operator comes up with a credible plan to reduce noise to the long term limits.</p> <p>It is also relevant that the applicant (London Luton Airport Operations Limited) in that Inquiry as well as Luton Borough Council ("LBC") agreed that the further (admittedly small) reduction in the long term noise limits was relevant to meeting the conditions in Local Policy LLP6 to achieve "further noise reduction" policy sub-section (v) and "include proposals that will, over time, result in a significant diminution and betterment of the effects of aircraft</p>	<p>The Applicant considers that the Proposed Development is fully compliant with UK aviation noise policy and local policy, as set out in Chapter 16 Noise and Vibration of the Environmental Statement [REP1-003], the Planning Statement [AS-122] and Commentary on the Overarching Aviation Noise Policy Statement (OANPS) [REP1-012].</p>

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		<p>operations on the amenity of local residents" policy sub-section (vii). Clearly, they both considered compliance with local policy for a new planning permission took the existing planning permission's noise conditions as the starting point and couldn't just be ignored.</p> <p>The policy outcome of acceptance of LR's position is that, in future, any developer would be free to take split any long term development into several stages, apply for permission for each stage separately and then take all the financial benefits of each stage's development as early as possible but fail to deliver the environmental benefits and then claim in the follow up application that the current limit is what are likely to be (as is certainly the case here) no improvement in the environmental harms (noise in this case) and so effectively end up with no environmental improvement at the end of the final stage.</p> <p>Quite apart from being completely inequitable, it cannot have been the intention of Parliament in setting out national policy or the EIA regulations to allow such an outcome when referring to the current environment. The current environment should necessarily include any future committed to benefits unmet when a further planning application is made. We urge the ExA to address this point specifically as it has major ramifications not only for this application but all future planning applications.</p>	
10	Green Controlled Growth	<p>We further note that the noise contour Limits in Green Controlled Growth ("GCG") are the Faster Growth noise contours. In order to meet Government policy requirements to achieve a balance between economic benefits and environmental harms (in this case noise) the GCG limits should be set at the Core Growth limits. It does not prevent faster growth but it incentivises the airport operator to manage noise to achieve the financial benefits of faster growth but does not penalise communities if growth is faster than represented by the Core Growth scenario. LR describe the Core Growth case as the "most likely outcome" (it's the 50% [middle] percentile in its modelling). If environmental limits are assessed at the 80% percentile it stands to reason that the environmental targets should be tightened not relaxed to reflect the additional economic benefits that will accrue</p>	<p>The Applicant considers that the issue raised regarding the alignment of noise contour Limits to the Faster Growth scenario for the purposes of GCG was answered within the Applicant's Response to Deadline 3 Submissions - Appendix H Hertfordshire County Council, Dacorum Borough Council and North Hertfordshire Council [REP4-103] pages 9-11, in response to RR-0558/RR-0297/RR-1119.</p>
11	Green Controlled Growth	<p>Transport for London in its written representations REP1-168 stated that the GCG Limits "are completely lacking in ambition, based on the core forecast with additional headroom provided in the form of a 'reasonable worst case' scenario. Such an approach is not designed to offer any environmental gain. The GCG limits should be driving environmental improvements, not providing a cushion for the proposed development to pollute greater than forecast". We agree with this statement which corresponds to our views above. LR's response to this representation (REP 1-024 page 18) stated that "This approach has been taken forward in the context of the UK government's Aviation Policy Framework1 (APF), which sets out how the aviation sector delivers economic growth and other benefits for the country, whilst acknowledging that the sector results in environmental impacts that need to be managed and balanced against these benefits." Providing a cushion does not meet this policy objective.</p>	<p>The Applicant believes its position on the ambition of limits within the GCG has been adequately outlined in the Applicant's Response to Relevant Representations Part 2D of 4 (Other Statutory Organisations [REP1-024] pages 16-18, in response to RR-1543. The Applicant stands by this position.</p>

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12	Planning	<p>To further illustrate LBC's dependence on income from the airport to balance the budget we refer the ExA to the CIPFA report² in relation to LBC's capitalisation direction which, when referring to the income from the airport, described it as "Dependence on income from London Luton Airport" and in its conclusions stated "The Council has been proactive in managing the unprecedented financial pressures that arose as a result of the loss of income from the commercial operations of its airport subsidiary and in making some hard decisions in order to realise savings [to balance the budget]". The requirement to grow those savings continues and, as was reported to the LBC Executive recently, it is becoming increasingly difficult to achieve such savings. Clearly, as other income sources are relatively inflexible (mainly Council tax and Business rates) the pressure to maximise the income from LR grows.</p> <p>We further note that LBC's draft 2022/23 statements of account include the following statement in the introduction:</p> <div data-bbox="468 865 1359 1033" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Any deterioration in LLAL finances will undoubtedly have an impact on the Council's finances. The Council's financial sustainability is closely linked to the position of LLAL, its 100% owned Airport Company and its recovery from the impact of the pandemic.</p> </div> <p>We believe these references emphasise the dependence LBC has on the income from the airport, especially as the latter emanates from LBC's Director of Finance and LR's acceptance in their response to our representations that if income from the airport reduces cuts would have to be made in discretionary services (we don't believe there is much headroom for further cuts and the recent report to the LBC Executive refers to the fact that most services are struggling to come up with acceptable measures to meet this year's budget shortfall).</p> <p>Thus, in the face of this undoubted reliance on income from the airport to fund services, our concern remains that there is no practical separation between LBC and LR and the former will not do anything that harms the ability of LR to maximise the concession fee income.</p> <p>Therefore, bearing in mind too the 19m planning inquiry Inspectors recognition of the lack of trust between LBC and the local community and the extent to which it has been repeated at this Examination already, we ask the ExA to ensure that the way in which the airport is held to account under GCG does not leave LBC as the ultimate enforcer of its terms.</p> <p>So whilst we note that planning law that recognises LBC's position as the ultimate enforcer, enforcement can be achieved by giving the ESG the power to levy fines for breaches of GCG and we ask the ExA to examine such an approach as part of the ESG's remit. The level of fines should be sufficient to discourage any breaches of the Limits.</p>	<p>The Applicant considers that the issues raised in the last paragraph of the submission enforcement role is answered within the Applicant's Response to Relevant Representations Part 2C of 4 (Non-Statutory Organisations) [REP1-023] see pages 235-237.</p> <p>The Applicant would also like to draw attention to conclusions outlined in the P19 Decision Notice regarding LBC's enforcement of previous breaches.</p> <p>The Panel considers enforcement at Paragraphs IR8.109 to IR8.114 and states that in their role as the Local Planning Authority (LPA), LBC have "<i>followed an entirely orthodox, proportionate and lawful approach of responding to the breaches</i>" and that "<i>far from there being any basis for suggesting any improper or less than exacting process of scrutiny of the Airport, the whole history has been characterised by exactly the opposite</i>".</p>