

The Harpenden Society (“The Society”)

Deadline 5 responses to the Examining Authority’s (“the ExA’s”)

Written Questions

Luton Rising (“LR”) Development Consent Order (“DCO”) application

Question SE1.2 Out-commuting

- 1 In their response to this question (REP4-067) LR submitted 2 tables showing data from the 2021 census which purports to compare the level of out-commuting from Luton to the average for England, and suggested these tables demonstrated that out-commuting in higher paid jobs is greater in Luton than in England.
- 2 We do not believe the tables can be relied upon to draw this conclusion. The data is drawn from the 2021 census which of course was completed during a Covid lockdown and shows, quite understandably, a very high level (21% in Luton and 32% in England) of “works mainly from home”. The comparable figures for “works mainly from home” in the 2011 census were 7% for Luton and 11% for England (this is shown in the attached spreadsheet). Whilst a change in this percentage was expected given societal changes over the last 10 years, the Office for National Statistics advised that the 2021 census data for distance travelled would have “limited utility in measuring...travel patterns” because of the lockdown (and associated restrictions). Using the 2021 census data to measure out-commuting produces unreliable results.
- 3 The 2011 census data shows (per the attached spreadsheet) that the proportion of higher paid jobs out-commuting from Luton was not dissimilar to England (that’s the first three occupation categories and skilled trades) which we don’t find surprising – people commute long distances across the country as evidenced by the crowded road and rail networks. Interestingly, comparing Luton to the East of England in 2011 shows Luton’s out-commuting to be quite a lot less than the East of England as a whole.
- 4 In addition, as with almost all economic analyses that LR has submitted, they don’t address causation i.e. why do people out-commute in the first place and more particularly why, according to LR, do higher paid people do so? As the 2011 census data shows all occupations out-commute in Luton and England at a consistent rate (and the East but with more variability compared to Luton and England) indeed the only material (greater than 10% points) difference appears to be that Luton elementary occupations out-commute much more than elementary occupations do across England – the exact opposite of LR’s claim.
- 5 In summary, LR are using unreliable data to make a claim that has no foundation. Furthermore, because LR haven’t addressed the question of how many higher paid jobs airport expansion will bring out of the alleged 4,200 jobs that will be created in Luton no reliance can be placed on any claim that growth at the airport will change out-commuting or indeed change the number of higher paid jobs as a proportion of all jobs either in Luton or compared to England. Given the small numbers likely to be involved we expect the change to be minimal. What is clear is that growth at the airport will make it more difficult to bring demonstrably higher paid industries such as financial services, life sciences and technology jobs into Luton as there will be no land left to accommodate their needs (as well as airport related environmental factors that will deter businesses).

- 6 Separately, LR rising in their response to this question refer the ExA to Appendix 11.1 (of the Environment Statement) produced by Oxford Economics (“OE”) to show that jobs at the airport tend to be higher paid than equivalent jobs in the economy as a whole. The only reference to this in the OE report is on page 17:

2.3 WAGES PAID BY AIRPORT EMPLOYERS

The gross wage bill of London Luton Airport workers was estimated by applying sector-specific average wages for the East of England to each worker included in our employment estimate.^{21,22} On this basis it is estimated that those employed at London Luton Airport received £449 million in wages in 2019.

This suggests an average wage for London Luton Airport workers of £41,100, which is 34% above the national average of £30,700, and 27% above the average for Luton as a whole, as published by the ONS.²³

- 7 OE’s estimate is calculated by applying “sector-specific average wages for the East of England”. OE do not explain why “sector-specific” wages are a good proxy for Luton Airport workers. There is an attempt to explain how the detailed job types at Luton Airport have been mapped onto SIC codes (as the specific codes don’t exist) in Appendix 1 of OE’s report but there is no attempt to assess whether the approach is valid – it’s just assumed to be. However, it generates a very significant difference between Luton Airport workers wages compared to Luton’s other wage earners. For the estimate to be relied upon OE need to demonstrate why it is a valid relationship. The reason for the alleged higher wage for a Luton Airport worker could just as easily be (and more likely in practice) that wages generally in Luton are low compared to the regional averages in the sectors used to calculate the Luton Airport worker average. There’s no reason to think that’s not a credible answer as other economic indicators, e.g house prices are considerably lower in Luton than the surrounding area (£283k vs £405k for the East of England (£360k for Bedfordshire as a whole) – sourced from Rightmove website 14/11/2023)
- 8 Furthermore, OE then calculate, based on this estimate, that the total wage bill for people living in Bedfordshire, who work at Luton Airport, is £194 million.
- 9 However, on page 14 they claim:

On this basis we estimate that 58% of London Luton Airport employees lived in Bedfordshire (Fig. 6)—within which the airport is located. Of these, an estimated 3,100 lived in Luton Borough itself. A further 3,200 lived in other parts of Bedfordshire. The Hertfordshire districts just to the south of Luton are also home to a relatively high concentration of people working in businesses at London Luton Airport: 1,200 employees live in Dacorum, St Albans or North Hertfordshire.

- 10 Thus 6,300 Luton Airport workers live in Bedfordshire. At an average wage of £41,100 this would equate to £258.9 million of wages, yet OE’s say it’s £194 million on page 17. One of the figures isn’t right? Coincidentally, £194 million divided by 6,300 is £30,790, closer to the national average (and slightly below the figure claimed for Luton as a whole).
- 11 We do not believe that the OE analysis demonstrates that Luton airport jobs are higher paid than equivalent jobs in the economy as a whole. We doubt it given the fact that some of the £45 million force majeure payment was designed to bring airport workers wages up to the level of the living wage.

- 12 Given wages are a key component of GVA/GDP (depending on which measure you use) we question whether these latter numbers are valid.
- 13 With respect to the ExA's second question, LR have just provided a list of "forward looking" possibilities. Nothing is evidenced – indeed most of the proposals for developing other industries in Luton are being severely curtailed to provide the space for airport development and the Enterprise Zone systematically dismantled. We doubt any of the businesses referred to, many of which already exist and will provide similar services to other UK airports in any event, would see Luton as a location magnet (given the environmental constraints).
- 14 Regrettably, yet again, LR are unable to evidence the economic benefits/need it claims the airport will either generate or fulfil. We don't doubt that building and operating a second terminal will generate some additional GVA/GDP IF the demand is there (and we note that LR is hedging its bets on that by delaying T2) but what is clear, as it was for the 19 million Inquiry, the numbers being quoted are unreliable.
- 15 Furthermore, the proposed 10+ year gap between any granting of permission and the commencement of operations un Phase 2 means that any forecast economic benefits are highly uncertain and, quite reasonably, we respectfully suggest, should be heavily discounted in assessing the planning balance.

LC7607EW - Distance travelled to work by occupation

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population All usual residents aged 16 and over in employment the week before the census
 units Persons
 date 2011
 area type local authorities: district / unitary (prior to April 2015)
 area name Luton

Occupation	All categories: Distance travelled to work	Less than 10km	10km and over	Work mainly at or from home	Other	Proportion commuting 10km or more NB denominator is total less other)	Work mainly from home as % of total
All categories: Occupation	89,589	48,040	26,443	6,239	8,867	33%	7%
1. Managers, directors and senior officials	7,128	3,235	2,626	926	341	39%	
2. Professional occupations	12,093	6,013	4,398	941	741	39%	
3. Associate professional and technical occupations	8,769	3,867	3,452	845	605	42%	
4. Administrative and secretarial occupations	10,164	6,547	2,843	563	211	29%	
5. Skilled trades occupations	9,984	3,734	2,221	953	3,076	32%	
6. Caring, leisure and other service occupations	9,133	6,345	1,570	658	560	18%	
7. Sales and customer service occupations	8,150	5,682	1,924	270	274	24%	
8. Process, plant and machine operatives	9,483	4,631	2,757	521	1,574	35%	
9. Elementary occupations	14,685	7,986	4,652	562	1,485	35%	

area name England

Occupation	All categories: Distance travelled to work	Less than 10km	10km and over	Work mainly at or from home	Other	Proportion commuting 10km or more NB denominator is total less other)	Work mainly from home as % of total
All categories: Occupation	25,308,888	13,220,038	7,316,541	2,631,930	2,140,379	32%	10%
1. Managers, directors and senior officials	2,756,588	1,167,513	990,726	479,924	118,425	38%	
2. Professional occupations	4,421,602	2,027,588	1,713,809	445,612	234,593	41%	
3. Associate professional and technical occupations	3,231,394	1,363,271	1,177,328	452,610	238,185	39%	
4. Administrative and secretarial occupations	2,900,263	1,787,888	830,604	229,410	52,361	29%	
5. Skilled trades occupations	2,883,210	1,071,312	616,074	435,767	760,057	29%	
6. Caring, leisure and other service occupations	2,358,205	1,537,761	457,619	207,626	155,199	21%	
7. Sales and customer service occupations	2,126,367	1,509,664	466,844	86,053	63,806	23%	
8. Process, plant and machine operatives	1,819,676	939,396	503,036	134,845	242,399	32%	
9. Elementary occupations	2,811,583	1,815,645	560,501	160,083	275,354	22%	

area name East

Occupation	All categories: Distance travelled to work	Less than 10km	10km and over	Work mainly at or from home	Other	Proportion commuting 10km or more NB denominator is total less other)	Work mainly from home as % of total
All categories: Occupation	2,868,117	1,279,553	1,022,136	311,643	254,785	39%	11%
1. Managers, directors and senior officials	326,777	111,336	142,765	58,343	14,333	46%	
2. Professional occupations	479,017	179,469	222,093	52,935	24,520	49%	
3. Associate professional and technical occupations	367,859	120,507	171,456	51,105	24,791	50%	
4. Administrative and secretarial occupations	343,220	177,164	128,265	32,044	5,747	38%	
5. Skilled trades occupations	343,753	106,770	86,222	49,999	100,762	35%	
6. Caring, leisure and other service occupations	266,369	160,301	64,339	24,010	17,719	26%	
7. Sales and customer service occupations	225,540	151,701	59,027	8,881	5,931	27%	
8. Process, plant and machine operatives	209,731	88,423	74,185	16,302	30,821	41%	
9. Elementary occupations	305,851	183,882	73,784	18,024	30,161	27%	