OFH3 - LADACAN post-hearing submission

IP ref 20040757

Rather than submitting a complete transcript of our submission at Open Floor Hearing 3, we quote relevant extracts by topic below, and provide clarification and/or substantiation of points made.

Fleet evolution

LADACAN: "The Applicant has told the Panel that neo aircraft would account for 40% of flights this summer – in fact it looks more like 30%."

We have discussed this apparent disparity with the Applicant, and clarified that LADACAN and the Airport Operator in its Quarterly Reporting have quoted the number of neo aircraft as a percentage of all flights, whereas the Applicant is quoting it as a proportion of commercial flights only.

<u>LADACAN:</u> "The Boeing 737-900 now being flown by El Al is proving much louder than the cargo freighters and 737-800s by a substantial margin – a big step in the wrong direction."

Noise monitoring data for 2022/23 provided to LADACAN by the Airport Operator shows the Boeing 737-900 aircraft averaging 76.4dB LAmax at the 6.5km monitoring position on westerly departure, over twice as loud in sound energy terms as the Airbus 300-600 freighters at 72.1dB; and over four times as loud (by the same measure) as the Airbus A320neo.

We cite this as an example of the lack of control the Airport Operator has on the types flown, and the need to ensure that airlines are adequately incentivised to fly less noisy, rather than noisier, aircraft especially on long-distance routes where they will be more heavily laden with fuel.

<u>LADACAN:</u> "Despite claims of a 'mitigation hierarchy' there is no such thing. Fleet modernisation will progress at a rate which suits airlines, motivated by a reduction in fuel costs, and more seats per flight. This will happen anyway."

We quote, as just one example of airline strategy, a 2020 McKinsey report¹ on successful airlines:

"A narrow-body aircraft generates a higher capital turnover than a wide-body plane because of cost and usage. A narrow-body Boeing 737-800 is three to four times cheaper than a wide-body aircraft such as the 777-300ER. Because a narrow-body aircraft is deployed on shorter flights, it can complete five or six flights per day compared with one or two trips for wide-body aircraft.

Regardless of aircraft type, airlines that buy newer, more expensive aircraft will have to manage the large weight on their balance sheets by maximizing utilization. Ideally, new planes should be in the air for ten to 12 hours a day for narrow bodies and 14 to 15 hours a day for wide bodies.

If airport regulations permit, airlines could complement such flight activity with the potential deployment of depreciated aircraft, especially on popular routes. Airlines that do this may capture revenue peaks while lowering asset costs. As capital assets, airplanes are subject to depreciation...

One low-cost carrier, for example, separates its aircraft internally into two subfleets. The new, efficient modern fleet flies more than 12 hours, on average, every day. The older fleet, with significantly lower ownership costs, flies when there's sufficient demand at the right yields."

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¹ Report available from https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/the-six-secrets-of-profitable-airlines

Noise modelling

LADACAN: "The Application also overstates the noise benefit the A321neo by around 2dB."

We have addressed this topic in our separate response to ISH8 Action 7.

Airspace change

<u>LADACAN</u>: "The prospect of airspace modernisation by 2030 is receding rapidly: the DfT and CAA are now considering changing the whole process to use a Single Design Entity. There is still no technical solution to the problems of flight paths which cross and cause Luton's arrivals and departures to be held low. In short, this application is premature."

See Appendix 1 for a recent mailout from the CAA which summarises the issues, the complexity of the overall process, and the need for additional consultation relating to the 'Single Design Entity' proposal. LADACAN represented local communities at one of the referenced workshops. Despite the upbeat tone of the CAA letter, if the proposal goes ahead it would necessitate transferring any Airspace Change design work to a different entity, with question marks over resource and potential delay as well as whether airports (sponsors) will continue to develop designs in the hiatus period.

<u>LADACAN:</u> "Compensation by noise insulation for the worst affected people does not assist the majority who would suffer increasing noise disturbance both day and night, over a far wider area than the innermost noise contours. Noise impacts would be made intolerable by adding 70% more night flights."

ASI-111 figure 16.50 shows that the areas where the most severe perception of change caused by the proposed additional night flights would be in the outermost parts of the N60 contours, which largely impact north Dacorum. In that area, the light blue N60 contour is labelled 20, but in the DM case in ASI-110 Figure 16.48 it is labelled 10. These communities would experience a doubling of night flights with noise impacts at or over 60dB by 2039.

Comparing the other contours does not show a proportional increase of this magnitude. The N60 contours over South Luton for example show an increase from 20 to 30, ie only 1.5 times. This is not to denigrate that increased impact, but to make the point: change is what people notice, the Dacorum area would experience significant change, yet much of the affected area – and indeed the expanded lobe of the N60 "10 flights" zone – is not eligible for compensation by insulation.

It should be noted that the effects of easterly departures, which turn 180° right and track back west over north Harpenden, are not shown on the N60 contour map because overflights occur only one third of the time. But during those easterly periods, the impacts would be noticeable.

Noise Envelope Design

LADACAN's comments on the Noise Envelope Design process are captured in our post-hearing submission for ISH-8 and in REP5-071, so are not expanded here – we simply provide a transcript.

<u>LADACAN:</u> "Noise is a key concern for airport development projects, and the DfT commissioned the CAA to give guidance on the process of creating and agreeing a 'noise envelope'. Ref REP5-071.

Noise envelopes are required by policy, and are valuable because they define both the scope of impact (through limits associated with noise measurement parameters) and the controls which

ensure those limits are respected. And that's why members of the Noise Envelope Design Group engaged diligently over a prolonged period.

We, and Group members representing local authorities, were incredulous when Luton Rising dispensed with all the control parameters apart from summer noise contours, and neutered the Thresholds. This has caused a lot of additional effort.

The position is evolving during the examination as controls are restored, but this is in danger of becoming confusing: it is unclear how they will be secured. The night movements limit sits in the dDCO, the noise contour in Green Controlled Growth, others that. This is not how a noise envelope should be defined.

Given the history of increasing noise, communities are entitled to a noise envelope defined properly in accordance with the CAA's guidance, of which two aspects stand out in particular:"

<u>CAP1129:</u> "A noise envelope should address precisely the noise issues local to the airport under consideration." (p45)

<u>CAP1129:</u> "The parameters should be set based on an agreement reached between industry and local community stakeholders in line with the vision defined by the Noise Policy Statement for England (NPSE)... An appropriate balance between minimising noise impacts and maximising sustainable growth <u>must</u> be struck." (p39)

<u>LADACAN:</u> "Neither of these is optional; both require the agreement of stakeholders. A balance which sits between minimising noise and maximising growth is consistent with policy that industry can share the benefits of technical developments [only] **as noise levels fall**. ²

Regrettably, the Noise Envelope Design was <u>not</u> approached in accordance with this guidance. It does not address the specific noise issues of this airport as mentioned earlier. The magnitude of the noise envelope was <u>not</u> agreed by striking a balance – the NEDG was simply informed of the limits in its penultimate meeting. The scope of this envelope is crucial to community health, since it represents the scale of impacts.

The final noise envelope – parameters, limits and controls – has not been consulted on. This is unacceptable in the context of such a major development proposal. There is also still disagreement between the Applicant and Joint Host Authorities over the proper way to handle the noise baseline when assessing its impacts."

Funding

<u>LADACAN:</u> "We remain unclear over funding. The new statement (REP5-009) leaves us none the wiser about how phase 2 would be paid for. Hypothetical options are described but without definiteness. It appears possible that compulsory purchases may go ahead but no developer would be found to pay for Terminal 2 and associated works, particularly bearing in mind the track record."

It is of particular concern that development would encroach onto Wigmore Valley Park even in Phase 1, in order to create additional aircraft stands to service Terminal 1 on a temporary basis.³

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² Aviation Policy Framework, DfT, March 2013, para 3.3

³ Need Case AS-125 para 7.5.29 and preceding.

<u>LADACAN:</u> "Large amounts of office space currently stands empty in Luton: Green Horizons Park may prove to be superfluous, and along with it the Airport Access Road which Luton Borough Council is supposed to fund."

See Appendix 2 for a table giving examples of office space currently available to let in Luton.

Governance

LADACAN: "We also raised concerns over governance. The Chief Exec of Luton Borough Council and Shareholder Representative for Luton Rising, Robin Porter who we heard from earlier, publicly takes credit for the growth incentive scheme which led the Airport to 18 million passengers by 2019, 9 years too soon."

See Appendix 3 for substantiation from LinkedIn. This indicates that between Apr 2012 and Jun 2019 Mr Porter was 'Chief Officer' of London Luton Airport Ltd (Luton Rising), taking credit for the growth incentivisation scheme which led to LTN becoming the fastest growing major UK airport; whilst at the same time between Jan 2012 and May 2019 being the 'Deputy Chief Executive and Corporate Director – Customer and Commercial' of Luton Borough Council. It also indicates that since May 2019 Mr Porter has been 'Chief Executive of Luton Borough Council' and 'Shareholder Representative for Group Companies (including) London Luton Airport Ltd'.

These overlapping roles pertained during the rapid growth which breached planning conditions and led to the DCO Application being made, and it is very hard to see how such an overlap of key roles can possibly constitute operating on an arm's length basis or following best practice, despite claims in REP1-018 such as:

"2.1.7 LBC therefore maintains oversight of Luton Rising's business on an arm's length basis in its capacities as sole shareholder of, and lender to, Luton Rising. Given LBC's interests in Luton Rising, arrangements have been in place since the implementation of the airport transfer scheme in 1987 (described in paragraph 2.1.3) to ensure the due and proper demarcation of roles and responsibilities. These arrangements are subject to frequent review and update to ensure best practice is observed at all times."

In terms of best practice, guidance is available from the Committee for Standards in Public Life, and its 2019 report recommends:

"Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place."

Board Agendas and Minutes of Luton Rising are not published in an accessible place, even with any commercially sensitive information redated.

Greenhouse Gas Emissions

<u>LADACAN:</u> "Finally we have raised concerns over the halving of the operational carbon emissions between the consulted PEIR and the DCO application. Similar numbers of aircraft of similar types are proposed to be flown in the years to 2043. There are not equivalent 'zero emissions' aircraft available. How will the operational emissions magically reduce by such a significant amount?"

The Applicant still has not made clear what would happen if the 2% annual improvement in carbon efficiency does not occur; if Zero Emissions Flight does not emerge at the level of commercial jets which operate from Luton Airport; if SAF takeup does not occur at the rate necessary to achieve net zero.

Do Nothing remains a positive option

<u>LADACAN:</u> "We urge the Examining Authority to agree with those concerned people that the Airport must stay in balance with its context, supporting its economy rather than dominating it, without overloading local roads and rail, or further compromising health and well-being.

We remain firmly of the opinion that Luton deserves a better airport, not a bigger one: the college students would have a chance to learn more relevant and useful skills in this time of energy and climate crisis, and the charities would still benefit."

Appendix 1 – CAA mailout regarding 'Single Design Entity'

CAA Strategy & Policy Department



6 November 2023

Dear Stakeholder

Airspace Modernisation: Single Design Entity

The Department for Transport and CAA held an initial round of engagement workshops about the Single Design Entity (SDE) in September. The purpose of the workshops was to understand the challenges of achieving airspace modernisation through the current model of airspace change from the perspective of a range of different stakeholders. We listened to the issues that you have encountered and what you would consider to be a 'good' outcome if we were to introduce an SDE.

Four workshops were held, using the same materials, with LTMA airports, non-LTMA airports, air navigation service providers, airlines, communities, General Aviation, the military, new entrants and other organisations represented. The notes of these workshops are attached for your reference. The project team have found your insights valuable and have been proactively considering your thoughts when developing an SDE proposal.

We will shortly be sending invitations for our second round of engagement, scheduled for December 2023. This phase of engagement will focus on sharing ideas with stakeholders and testing the initial conclusions of the SDE policy thinking undertaken to date. Throughout, our aim is to be open and transparent and, through our engagement with stakeholders, to hear and understand all views.

Subject to Ministerial approval, we remain on track to have a recommended way forward (i.e. an implementable plan) and final draft of the formal consultation for approval by Spring 2024. While the SDE proposal is being developed, it is crucial that sponsors continue to progress their airspace change proposals to already established timelines. This project should not require work that has already been undertaken on airspace change proposals to be redone.

I would like to take this opportunity to thank you for your support so far. The project team and I look forward to continuing our open and constructive conversations to help drive this project forward.

Yours sincerely
Stuart Lindsey

Appendix 2 – Examples of office space available to let in Luton (source: Rightmove, Nov 2023)

Location	URL link	Price from	Size available	Sector	Use Class	Lease details
Great Marlings, Luton, Bedfordshire, LU2	https://www.rightmove.co.uk/properties/50262141#/?channel=COM_LET	£879 pcm £10,548 pa	1-54,564 sq. ft. (0-5,069 sq. m.)	Serviced office to lease	A2, B1, B2	Long term
Great Marlings, Luton, Bedfordshire, LU2	https://www.rightmove.co.uk/properties/68597693#/?channel=COM_LET	£169 pcm £2,028 pa £2028.00 per sq. ft.	1-54,564 sq. ft. (0-5,069 sq. m.)	Serviced office to lease	A2, B1, B2	Long term
Great Marlings, Luton, Bedfordshire, LU2	https://www.rightmove.co.uk/properties/68597393#/?channel=COM_LET	£1,879 pcm £22,548 pa £22548.00 per sq. Ft	1-54,564 sq. ft. (0-5,069 sq. m.)	Serviced office to lease	A2, B1, B2	Long term
Marlborough House, Wigmore Place, Wigmore Lane, Luton	https://www.rightmove.co.uk/properties/71010603#/?channel=COM_LET	£5,378 pcm £64,536 pa £15.00 per sq. ft.	4,302- 30,361 sq. ft. (400-2,821 sq. m.)	Offce to lease		Long term
500 Capability Green, Airport Way, Luton, Bedfordshire LU1 3LS	https://www.rightmove.co.uk/properties/70253166#/?channel=COM_LET	POA	12,640- 25,280 sq. ft. (1,174-2,349 sq. m.)			
Eaton House, Wigmore Place, Luton, East Of England, LU2	https://www.rightmove.co.uk/properties/82281037#/?channel=COM_LET	£2,691 pcm £32,292 pa	2,153- 23,665 sq. ft.	Offce to lease		Long term

			(200-2,199 sq. m.)			
960 Capability Green, Luton, LU1 3PE	https://www.rightmove.co.uk/properties/70285790#/?channel=COM_LET	£309 pcm £3,708 pa £3708.00 per sq. ft.	1-17,579 sq. ft. (0-1,633 sq. m.)	Serviced office to lease	A2, B1, B2	Long term
960 Capability Green, Luton, LU1 3PE	https://www.rightmove.co.uk/properties/70285907#/?channel=COM_LET	£2,479 pcm £29,748 pa £29748.00 per sq. ft.	1-17,579 sq. ft. (0-1,633 sq. m.)	Serviced office to lease	A2, B1, B2	Long term
961 Capability Green, Luton, LU1 3PE		£199 pcm £2,388 pa £2388.00 per sq. ft.	1-17,579 sq. ft. (0-1,633 sq. m.)	Serviced office to lease	A2, B1, B2	Long term
The Atrium Park Street , Luton , LU1 3BE	https://www.rightmove.co.uk/properties/141862397#/?channel=COM_LET		6,241- 16,748 sq. ft. (580-1,556 sq. m.)	Offce to lease		Long term
Volare, Prospect Way, London Luton Airport, Luton, Bedfordshire	https://www.rightmove.co.uk/properties/82591108#/?channel=COM_LET		11,610 sq. ft. (1,079 sq. m.)	Offce to lease		Long term
Percival House, Prospect Way, London Luton Airport, Luton, Bedfordshire	https://www.rightmove.co.uk/properties/89675986#/?channel=COM_LET	POA	11,524 sq. ft. (1,071 sq. m.)	Offce to lease		Long term
725 Capability Green, Luton, East Of England, LU1	https://www.rightmove.co.uk/properties/80199732#/?channel=COM_LET	£5,771 pcm £69,252 pa	3,078-6,156 sq. ft.	Offce to lease		Long term

		£22.50 per sq. ft.	(286-572 sq. m.)		
Ground Floor/ First Floor 255 Capability Green, Luton, LU1 3LU	https://www.rightmove.co.uk/properties/134960738#/?channel=COM_LET	POA	2,766-5,552 sq. ft. (257-516 sq. m.)	Offce to lease	Long term
400 Capability Green, Luton, Bedfordshire, LU1		£9,856 pcm £118,275 pa £23.50 per sq. ft.	5,033 sq. ft. (468 sq. m.)	Business park to lease	Long term
400 Capability Green, The Boulevard, Luton, LU1 3LU	https://www.rightmove.co.uk/properties/72417198#/?channel=COM_LET	POA	5,033 sq. ft. (468 sq. m.)	Offce to lease	Long term
Cedar House, Capability Green, Luton, Bedfordshire, LU1		£4,440 pcm £53,280 pa £23.50 per sq. ft.	2,267-5,011 sq. ft. (211-466 sq. m.)	Offce to lease	Long term
Cubix, 42-50 Kimpton Road, Luton, LU2	https://www.rightmove.co.uk/properties/118824950#/?channel=COM_LET	POA	50-5,000 sq. ft. (5-465 sq. m.)	Serviced office to lease	Long term
Suite A2, First Floor 210, Butterfield Business Park, Luton, LU2		£5,825 pcm £69,900 pa £15.02 per sq. ft.	4,655 sq. ft. (432 sq. m.)	Offce to lease	Long term

Appendix 3 – concurrent roles and incentivisation scheme

Information from https://www.linkedin.com/in/robin-porter-84453b55/?originalSubdomain=uk



Robin Porter

Chief Executive at Luton Council



Luton Borough Council

16 yrs 2 mos

Chief Executive

May 2019 - Present · 4 yrs 7 mos Luton, United Kingdom

Leading, through one of the toughest periods in modern times, an organisation of 2,700 professionals, delivering circa 730 different services to 225,000 residents and 8180 businesses. The Council has a revenue budget of £500m pa, a £700m capital programme and manages revenue generating assets worth £4bn.

In 2020 we embarked on our Luton 2040 Strategy which is our shared, system wide vision for Luton, that by 2040 Luton will be a healthy, fair and sustainable town, where everyone can thrive and no-one has to live in poverty.

The strategy documents how we will work together with residents and partners across Luton and the wider region to overcome the economic and health impacts of COVID-19, while beginning to deliver on our overall ambition to eradicate poverty by 2040. At the heart of our vision are also commitments to make Luton a town built on fairness and social justice, give our children and young people the best start in life by making Luton a child friendly town and make Luton net zero carbon.

Despite the significant challenges that Luton faces including 46% of our young people growing up in poverty, Luton had the 7th highest rise in private sector job growth nationally in 2021 and the 3rd highest rate of business start-ups.

I am also Shareholder Representative for Group Companies: London Luton Airport Limited; Foxhall Homes Limited; and Connect2Luton, a Joint Venture recruitment company.

Skills: Public Policy · PRINCE2 · Business Strategy · Coaching · Performance Improvement

Deputy Chief Executive and Corporate Director- Customer and Commercial
 Jan 2012 - May 2019 · 7 yrs 5 mos



Robin Porter

Chief Executive at Luton Council



Chief Officer

London Luton Airport Limited (a wholly owned company of Luton Council) Apr 2012 - Jun 2019 · 7 yrs 3 mos

In this role I have established and implemented a 30 year Business Strategy

In 2012 LLA was a 9.7m passenger airport. By 2020 it handled 18m passengers a year. We have now launched a Vision to move LLA to become a 32m passenger Airport by 2040.

In addition I have delivered a tripling of the return to the Shareholder and diversified revenue streams Managing the relationship with the Airport Concessionaire; Customers and Stakeholders

Putting in place a growth incentivisation scheme that has contributed to LTN becoming the fastest growing major UK airport. Currently the fifth largest commercial airport in the UK and the third largest in Europe for General Aviation

Leading a £420m infrastructure programme including a mass passenger transit system and over 1m sq ft of commercial development