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Transport Infrastructure Planning Unit Great Minster House 33 Horseferry Road London, SW1P 4DR

Your Ref: TR020001

Dear Sir/Madam

# London Luton Airport Expansion Project (Reference Number TR020001)

# 1. Response to Secretary of State letter published on the 27 September 2024

- 1.1 The Applicant is responding to the letter from the Secretary of State published on the 27 September 2024 requesting an update on several matters raised in submissions made by Interested Parties.
- 1.2 In this letter, the Applicant provides a response in relation to these matters in turn, using the numbered paragraphs in the Secretary of State's letter for reference and in some instances a response has been provided as an Appendix.

# 2. Amendment of section 85 of the Countryside and Rights of Way Act 2000

2.1 It states within the Secretary of State's letter of 27 September 2024 that:

1. Responses were provided by Natural England and the Chilterns Conservation Board in relation to the Secretary of State's consultation letter dated 23 August 2024. Without prejudice to the final decision and subject to the above, Natural England, the Chilterns Conservation Board and the Applicant are invited to set out what, if any, further enhancement measures they agree could be brought forward, should it be decided further measures are necessary to assure compliance with the amended duty.

If agreement cannot be reached, the Applicant, Natural England and the Chilterns Conservation Board are invited to set out their respective views on what is needed to resolve the concerns.

2.2 For the avoidance of doubt, the Applicant's position remains that no further enhancement measures are necessary because the project already complies with the duty (as amended) under section 85 of the Countryside and Rights of Way Act 2000 (the 2000 Act). The Applicant has set out its full position in its letter of 19 August 2024 in response to the Secretary of State's letter of 2 August 2024. The Secretary of State is referred to paragraphs 4.10 – 4.20 of that submission, which is not repeated here.

- 2.3 Additionally, the Applicant notes that in Natural England's submission dated 6 September 2024 it draws attention to the Lower Thames Crossing DCO application in respect of which a series of projects has been identified for potential delivery as part of a process of exploring issues around enhancement in the Kent Downs National Landscape. The Applicant wishes to make the following additional points in response to this latest submission:
  - a. The Secretary of State will be aware that the Lower Thames Crossing is not yet a "made" DCO, and the parties in that case are not agreed on the need for any such commitment. National Highways has presented a form of funding commitment strictly on a without prejudice basis to its core position that such a commitment is not necessary, because in its view the amended section 85 duty is already complied with absent any additional commitment to Kent Downs National Landscape projects. Furthermore, there is a large disparity between National Highways and the relevant National Landscape Team in terms of the quantum that any such commitment (if it were to be imposed by the Secretary of State) should take.
  - b. Moreover, there are DCOs which have been made since the amended duty came into force, where the Secretary of State found that, despite development impacting protected landscapes, the amended duty was complied with without the need for any additional financial contributions to conservation and enhancement projects, namely:
    - i. the A66 Northern Trans-Pennine Development Consent Order 2024;
    - ii. the M3 Junction 9 Improvement DCO 2024; and
    - iii. the National Grid (Bramford to Twinstead Reinforcement) Order 2024.
  - c. The Applicant notes in the Bramford to Twinstead DCO example that the host authorities, supporting the views of the Dedham Vale AONB and Stour Valley Partnership, suggested that additional compensation such as a land restoration fund might contribute to further the purposes of the Dedham Vale AONB, but the Secretary of State found that the section 85 duty had been met via existing mitigation / compensation, without the need for any additional financial contribution, this supports the Applicant's position here. (See further section 3.9 of the ExA's recommendation report and paragraphs 4.45 4.47 of the Secretary of State's decision letter).
- 2.4 Without prejudice to the Applicant's position set out above that no further measures are necessary to assure compliance with the amended duty, but noting the Secretary of State's latest request, the Applicant has commenced engagement with the Chilterns Conservation Board (CCB) to understand whether (and if so what) further measures could be considered which would allow the CCB and / or Natural England to be satisfied that the enhanced duty has been met. A meeting was held between the Applicant and the CCB on 10 October 2024 with further engagement to follow.
- 2.5 As these matters are under active discussion and are not capable of resolution by the deadline of 13 October 2024 (given the complexity of the issues and the governance involved in making any such commitments) the Applicant proposes to provide a further update to the Secretary of State on whether a form of commitment has been identified and agreed by 1 November 2024. The Applicant is aware that the CCB has proposed the same date for an update.

# 3. Noise

3.1 It states within the Secretary of State's letter of 27 September 2024 that:

3. In response to the further information request dated 23 August 2024, a number of Interested Parties including Suono (on behalf of the Joint Host Authorities) commented on the Applicant's response to the further information requested dated 2 August 2024. The Applicant is invited to confirm whether its suggested draft wording is based on the core growth predictions as stated in Tables 7.40, 7.43, 7.46, 749, 7.52 and 7.55 of Environmental Statement Appendix 16.1 Noise and Vibration Information and to provide any further comments it may have on Suono's submission.

4. The Secretary of State notes the submission from Michael Reddington regarding the effect of the amended definition in Table 1.1 of 7.10 Compensation Policies, Measures and Community First (Tracked Change Version). The Applicant is invited to confirm whether this amendment changes the number of eligible properties under Scheme 3 and whether this will have any implications for funding.

5. Noting the change made to paragraph 6.1.37 of the Compensation Policies, Measures and Community First document as submitted on 21 August 2024 limiting the scope of the roll out plan for noise insulation to air noise schemes 1 to 3, and noting the representation from LADACAN dated 6 September 2024 with regard eligibility to access to noise insulation being tightly drawn, the Applicant is invited to provide any comments on this that it may wish as to how the proposed approach assures the delivery of the full package of mitigation as submitted, in particular for schemes 4 and 5 which would not be included in the roll out plan.

3.2 A response to the matters raised in Q3 to Q5 is provided separately in **Appendix A** of this letter.

# 4. Side Agreements

4.1 It states within the Secretary of State's letter of 27 September 2024 that:

6. In its letter dated 20 September, the Applicant provided an update regarding the status of the side agreement in relation to the proposed traffic monitoring. The Applicant and Hertfordshire County Council are requested to confirm whether this side agreement has now been completed and if not, when an agreement might be concluded.

4.2 A meeting was held between the Applicant and Hertfordshire County Council on 7 October 2024 to discuss the side agreement in relation to the proposed traffic monitoring of rural villages. Following the meeting, a revised version of the agreement was circulated by the Applicant on 9 October 2024 addressing points raised during the meeting. During the meeting Hertfordshire County Council positively indicated that subject to the amendments being made, the side agreement is now agreed, and the Applicant believes that the terms of the agreement are settled subject to engrossments and execution. The Applicant anticipates being able to provide confirmation to the Secretary of State that the side agreement has been executed by 01 November.

# 5. Applicant's comments on submissions made by other Interested Parties

5.1 It states within the Secretary of State's letter of 27 September 2024 that:

7. In its letter dated 20 September 2024, the Applicant requested an opportunity to comment on the submissions received from Interested Parties in response to the Secretary of State's further information request dated 23 August 2024. The Applicant is therefore invited to provide any further comments on the submissions received from Interested Parties.

- 5.2 Separate responses have not been provided to all submissions made by Interested Parties as the Applicant is of the view that such matters have been addressed in the DCO application documents and through examination. Comments from the Applicant on specific submissions are provided below.
- 5.3 Several submissions made by Interested Parties raised comments regarding the AD6 Airspace Change Process. The Applicant has provided a response to this matter in **Appendix B** of this letter.
- 5.4 A response to the submission made by the Harpenden Society is provided in **Appendix C** of this letter.
- 5.5 Further comments were also raised by St Albans Quieter Skies, LADACAN, Michael Reddington and Legal and General. Responses to these comments are provided in Table 1 below.

Table 1: Applicant's response to submissions made by Interested Parties

Interested Party	Comment by Interested Party	Applicant's Response
Legal & General (L&G)	Acquisition of land rights to plant hedgerows on land to the south of the airport, and to carry out highway works at M1 Junction 10, prejudice the landowner's ability to optimise its landholdings in terms of land use and development.	As set out in document 8.34 Status of Negotiations <b>[REP11-042]</b> (submitted 8 February 2024), the Applicant has been in dialogue with L&G since 2017 and last held a meeting with their representatives on 17 February 2023. During this meeting the requirement for the hedgerows was explained and the Applicant believed that this approach had been accepted. All of the Applicant's dialogue thereafter with L&G focused on the provision of documents relating to Transport & Highways and the proposed Fire Training Facility. On 20 April 2023 Savills wrote and thanked the Applicant for providing the requested information so promptly and advised they would revert with any feedback or further questions. As there had been a change in personnel at Savills the Applicant followed up again on 2 November 2023 but received nothing further from L&G through to the close of the examination. Since noting the response from Savills to the Secretary of State, the Applicant has been in touch with the offer of a meeting, which has been acknowledged, but to date has not been arranged.
LADACAN	The Applicant's claim that modernising the fleet serves as mitigation is specious. Airlines invest in larger, modernised aircraft to reduce costs,	The Noise Envelope is mitigation as it secures the incentivisation and transition into the fleet of quieter new generation aircraft, as is shown

Interested Party	Comment by Interested Party	Applicant's Response
	through expectation of reduced fuel consumption and more passengers per flight. Policy requires the benefits of technical advance to be shared between industry and people on the ground. Yet the Applicant proposes to take the benefit of slightly (and for the A321neo, imperceptibly) less noisy aircraft to fly more of them, and more passengers, up to the absolute limit of the runway capacity. This is not fair sharing, neither is it noise mitigation.	by the stepping down of noise contour Limits in 2029 and again in 2034. This incentivises and secures improvement in aircraft noise levels that can be quantified at this time based on known performance of new generation aircraft. The Noise Limit Review process will secure further reduction in noise levels from next- generation aircraft (securing further mitigation) if the next International Civil Aviation Organization noise chapter specifies that next generation aircraft (those that are expected to enter the fleet around the mid- 2030s) are to be quieter. The Noise Limit Review requires the airport operator to reduce the limits to below the 2019 Consented baseline (based on the 2017 permission consent not the higher P19 consent) as quickly as is reasonably practicable. The Noise Limit Review is independently overseen by the Noise Technical Panel and subject to approval by the Environmental Scrutiny Group.
		The Applicant would also emphasize that the Proposed Development does not seek to take the capacity of the airport up to the maximum capacity of the runway as claimed by LADACAN. This capacity was assessed at 36-38 mppa. Expansion up to this level of capacity was the subject of the 2018 Non- Statutory Consultation but, following feedback from stakeholders and further technical

Comment by Interested Party	Applicant's Response
	evaluation, the scale of development was reduced to 32 mppa on noise, air quality and traffic grounds as set out at Section 10.2 of the Consultation Report <b>[AS-048]</b> .
	Hence, the noise implications of seeking to optimise the use of the runway were taken into account in proposing the expansion to only 32 mppa so as to mitigate adverse noise impacts that would have arisen had expansion up to the full capacity of the runway been proposed.
We respectfully draw to the SoS's attention the previous government's response to the House of Commons Environmental Audit Committee Report, Sixth Special Report of Session, April 2024: "CCC Recommendation 14: Should the evidence of the review indicate that technological measures alone will not deliver the emissions reductions predicted, we recommend that Ministers reconsider the role of demand management measures in aviation emissions policy. In preparation for the outcome of that review, we recommend that the Government develop policy proposals on demand reduction, including consideration of greater use of digital technologies, reducing the cost of rail travel, and a frequent flyer levy, should these then be required (Paragraph 203).	The Applicant notes that the more recent decision by Government to approve expansion of London City Airport to handle 9 mppa <sup>1</sup> states, at paragraph 18 of the Decision Letter, that <i>"The Secretaries of State note that the assessment approach in the ES uses 5</i> <i>tests of significance, which is a widely</i> <i>adopted approach which has been used in a</i> <i>number of airport expansion proposals and</i> <i>endorsed by the High Court (IR14.149 to</i> <i>14.150). They agree with the Inspectors for</i> <i>the reasons given at IR14.147 to 14.158 that</i> <i>with specific regard to climate change, the</i> <i>proposals would ensure compliance with</i> <i>national policy on this matter, including the</i> <i>Framework, APF, MBU, ANP, Flightpath to the</i> <i>Future (May 2022) and Jet Zero: Strategy for</i> <i>Net Zero Aviation by 2050 (July 2022), and</i> <i>there would be no conflict in terms of national</i>
	We respectfully draw to the SoS's attention the previous government's response to the House of Commons Environmental Audit Committee Report, Sixth Special Report of Session, April 2024: "CCC Recommendation 14: Should the evidence of the review indicate that technological measures alone will not deliver the emissions reductions predicted, we recommend that Ministers reconsider the role of demand management measures in aviation emissions policy. In preparation for the outcome of that review, we recommend that the Government develop policy proposals on demand reduction, including consideration of greater use of digital technologies, reducing the cost of rail travel, and a frequent flyer levy, should these then be

<sup>&</sup>lt;sup>1</sup> Ministry of Housing, Communities and Local Government and Department for Transport, Decision on Section 78 Appeal made by London City Airport Ltd, Appeal Ref: 22.0345/VAR, 19<sup>th</sup> August 2024.

Interested Party	Comment by Interested Party	Applicant's Response
Interested Party	<ul> <li>The Jet Zero Strategy sets out details on how the aviation sector can achieve net zero without government intervening directly to limit aviation growth. DfT analysis shows that in all modelled scenarios we can achieve our net zero targets by focusing on new fuels and technology, rather than capping demand, with knock-on economic and social benefits. If we find that the sector is not meeting the emissions reductions trajectory, we will consider what further measures may be needed to ensure that the sector maximises insector reductions to meet the UK's overall 2050 net zero target."</li> <li>Jet Zero aspirations that Sustainable Aviation Fuel (SAF) will achieve decarbonisation objectives are increasingly being undermined by credible research and analysis which shows that these hopes are unlikely to be fulfilled due to costs, low availability, and other demands for the SAF feedstocks. We respectfully urge the SoS to request DfT to update its analysis, and to put in place measures which can be used to reduce aviation demand should the expectations not be</li> </ul>	Applicant's Response and development plan policy, in particular with LP Policies T8 and GG6 on this matter." Hence, the Government has recently determined other airport planning applications based on the policies set out in the Jet Zero Strategy without the need for further policy review, making clear that its policies in this regard are consistent with airport expansion.
	<ul> <li>delivered.</li> <li>This, as the Committee for Climate Change has pointed out, includes a joined-up approach to any decisions on airport expansion and an overall aviation carbon budget, rather than a piecemeal approach.</li> <li>The climate change crisis can no longer be ignored, and we welcome the additional request</li> </ul>	

Interested Party	Comment by Interested Party	Applicant's Response
	by DfT for comment by the Applicant on the implications of the Finch judgement by the Supreme Court.	
St Albans Quieter Skies (STAQS)	This graph shows the average daily flight numbers by time of day. It shows that the greatest number of flights occurred within the "early morning shoulder period" – 0600-0700am. It also shows that the average number of night movements over the area was 15 per 24 hour period. Our members regularly report night noise and disturbed sleep as the greatest source of annoyance. We offer these two statistics from this graph as evidence that movement limits, and especially night movement limits, are essential controls to protect health.	The Applicant has clearly demonstrated in <b>[REP9-055]</b> that movement limits are not an appropriate control for limiting noise and health impacts. As set out in that document, this is corroborated by the Civil Aviation Authority who state that <i>"the number of movements is a metric that should be monitored to understand the growth of the aviation market, but it does not provide effective controls to limit noise generation, noise exposure nor noise impacts." (Ref 1) The Applicant's position remains that movement limits are not an effective control in limiting noise generation, noise exposure or noise (and health) impacts. The Applicant notes that the robust and comprehensive combination of noise controls in the Air Noise Management Plan <b>[TR020001/APP/8.125]</b> (which already includes a movement limit in the 23:30 – 06:00 period) and the night-time noise contour area limits and associated QC budgets in the Green Controlled Growth Framework <b>[TR020001/APP/7.08]</b> mean that the adverse effects of aircraft noise are fully controlled and limited.</i>
	This second graph shows the number of overflights for each aircraft type, and the average noise registered for each flight. The	The position regarding some variants of the A321Neo has been well documented and discussed throughout the examination. See

Interested Party	Comment by Interested Party	Applicant's Response
Interested Party	Comment by Interested Party airport operator has conducted noise monitoring at this location for a number of years, and the 2023 results are the first year in which the A321neo has recorded an average lower noise than the older A321ceo. Even so, the noise reduction is just 0.3dB – an imperceptible difference to the human ear. The A321, predominantly operated by Wizz Air, has rapidly replaced the A320 as the most frequently flown aircraft type.	Applicant's Responsefor example Table 9-1 on p168 of theApplicant's Closing Submission [REP11-049].Measured noise data was used to predictA321Neo (assessment Phase 1) noise in the2027 scenario; however, it is assumed that,by 2039, any issues with the A321Neoperformance would be resolved through fleettransition to equivalent aircraft that are noworse than the expected performance fromnoise certification testing.With regards to the referenced measurementsin St Albans, which is substantially outside ofthe Lowest Observable Adverse Effect Level(LOAEL) noise contour area, it is welldocumented that the noise benefits from newgeneration aircraft such as the A321neo aregreater when closer to the airport (i.e. withinthe LOAEL contours where the noise isgreater).For example, this very point was muchdiscussed and examined in the recent LondonCity Airport decision (Ref 2) where theInspectors concluded:"The fact that the benefits of new generationaircraft are more significant within thecontours than outside the LOAEL contourdoes not, therefore, have any bearing on thenoise effects that Government policy requiresdecision-makers to have regard to."

Interested Party	Comment by Interested Party	Applicant's Response
Michael Reddington	I respectfully request that SoS instructs the Applicant that subjecting receptors to levels at or in excess of SOAEL is not acceptable.	Government noise policy (Ref 3) is clear that, whilst significant effects of noise on health and quality of life due to exposure above the Significant Observed Adverse Effect Level (SOAEL) should be avoided in the context of sustainable development, exposure above SOAEL is not 'unacceptable'.
		Unacceptable adverse effects occur only above the Unacceptable Adverse Effect Level (UAEL) which has been defined for each source of noise in Chapter 16 of the Environmental Statement <b>[REP9-011]</b> with reference to the National Planning Policy Framework (Ref 4) and Planning Practice Guidance Noise (Ref 5).
		No receptors are exposed above the UAEL at any point and therefore there is no unacceptable noise exposure because of the Proposed Development.
	A3.3.8 suggests that most people spend 85- 90% of their time indoors, in effect implying that exposure to external noise levels will be minimal.	The referenced statistic comes from a national government publication (Ref 6) and an international scientific research paper (Ref 7) and is not specific to residents living in the vicinity of airports.
	I respectfully request the SoS to ask the Applicant if he had considered and checked that due to airport noise many residents have no option but to stay indoors.?	
	Among other things the Applicant's roll-out is dependent upon funding, The Applicant was	The Applicant explained in its response in <b>[REP9-051]</b> that, when the funding statement

Interested Party	Comment by Interested Party	Applicant's Response
	requested to provide a breakdown of the Insulation costs allocated in the Funding Statement. The analysis excluded Ground Noise and Traffic Noise insulation so these activities have to be funded from somewhere otherwise the rollout will be hampered. Another issue was that of insulation testing. It is not clear who will fund the testing regime – LLAOL or the Applicant? I respectfully request the SoS to ask the Applicant to clarify the funding of: (a) Ground and Traffic Noise insulation, and (b) the testing regime pre-and post-insulation installation.	was prepared, the specific provision for a ground noise insulation policy was not part of it because at the time it was not a separately identified part of the proposed policy. Traffic noise insulation was in the policy but the number of properties identified were relatively low such that it was not considered necessary to separately identify the cost in the Funding Statement. The Applicant's position remains unchanged and it is satisfied that all anticipated costs associated with the various noise insulation schemes, including the testing regime, set out in <b>Compensation Policies, Measures and</b> <b>Community First [REP11-025]</b> will be able to be met from the overall funding identified in the Funding Statement. This is due to having adopted a cautious approach in the assessment of the overall cost and having provided for contingency sums in addition to the breakdown of costs given in the Funding Statement.

# 6. Other Matters

- 6.1 During the DCO examination representations were made by certain Interested Parties about Ernst and Young's (EY's) audit of Luton Borough Council's ("LBC's") accounts for 2018/19. These were responded to and rebutted by the Applicant at the time. Nevertheless, noting those representations and for reasons of transparency, the Applicant considers it appropriate to draw the Secretary of State's attention to a "Report in the Public Interest" ("PIR") recently published in relation to LBC's 2018/19 accounts. The PIR was produced by EY and is available on LBC's website at <u>this</u> <u>link</u>.
- 6.2 The PIR makes reference to the Applicant's proposals, by reason of the Applicant's accounts being consolidated into LBC's group accounts. Whilst the Applicant's firm position is that the PIR, which relates to audit processes, is not in any way relevant to the decision on the DCO application, the Applicant has provided the following commentary to contextualise the comments about the proposals in the PIR.
- 6.3 The Secretary of State is directed to pages 1-10 of the PIR which provides the background to the PIR, the issues it identifies, conclusions and recommendations. In the Appendix to the PIR at numbered page 12, EY makes the following reference to the accounting treatment of DCO costs by the Applicant:

"The work of the Authority's advisors to support the Airport stabilisation plan, and then the work of our own strategy and transactions specialists, concluded the proposed expansion of the Airport under a Development Consent Order (DCO) beyond phase one of a planned two-phase approach was unlikely to be value accretive and therefore highly speculative. As a result, we concluded that capitalised costs of £20.3 million at the balance sheet date that could not be directly attributed to phase one of the development should be impaired. The Authority continues to disagree with this judgement and has disclosed the basis for this disagreement in the latest iteration of its 2018/19 financial statements which remain unpublished. Management believes that expansion of the Airport beyond phase one is likely and therefore that it remains appropriate for the Authority to capitalise all costs incurred on the DCO at the balance sheet date."

- 6.4 EY's comments on phase 2 of the DCO application are not "new" information insofar as the DCO examination is concerned. Written representations submitted by the Harpenden Society [REP1-165] directly referenced EY's draft audit report from 2018/19 (see paragraphs 45-49) which the Applicant responded to in its response to written representations [REP2-037] at pages 22-23. Accordingly, the EY viewpoint, and the Applicant's response to it was before the Examining Authority when arriving at its recommendation and is currently before the Secretary of State.
- 6.5 More generally, it should be emphasised that the examination involved robust scrutiny of the Applicant's Funding Statement, from both Interested Parties and the Examining Authority (see, for example, the transcript of Compulsory Acquisition Hearing 1, part 2 [EV5-004] at pages 13-15). In response to that scrutiny the Applicant submitted an enhanced Funding Statement [REP5-009]). That Funding Statement added substantial detail to the version submitted with the DCO application, including detailed analysis from leading experts within Arup's Corporate Finance team endorsing the Funding Statement's conclusions, including in relation to phase 2. The Funding Statement was further scrutinised at Compulsory Acquisition Hearing 2 (see part 2 of the transcript, [EV13-005] and the Applicant's post-hearing submissions [REP6-064]). The Applicant's Closing Submissions [REP11-046] contain at section 7.7 a summary of the relevant submissions.

- 6.6 Importantly, the statements about the expansion proposals in the PIR are made in the context of an audit process and relate to the capitalisation of costs. This is an entirely separate and very different process to the relevant funding tests to be considered in the context of a DCO application, in particular the requirement to demonstrate a "reasonable prospect" of the requisite funds for acquisition becoming available, and to give as much information as is possible about the resource implications of implementing the project. We note, in particular, that:
  - a. The Examining Authority recognised this very distinction at Compulsory Acquisition Hearing 2: "I am aware from the information that's been submitted and indeed by comments that were made at last night's open floor hearing that there are ongoing concerns regarding the finances of Luton Borough Council and the financial implications for the Council if they were to proceed with the proposed development. However, I want to make it very clear that this is not something that the examining authority can consider, the decision as to whether it is prudent for Luton Borough Council to proceed with investing in the proposed development is a decision for Luton Borough Council and its elected members." (see transcript, part 2 [EV13-005], at page 25).
  - b. The Applicant has demonstrated how the relevant tests for the decision on the DCO application are met in the enhanced Funding Statement [REP5-009] and in the Statement of Reasons [AS-071], and as summarised at section 7.7 of the Closing Submissions [REP11-046].
- 6.7 Furthermore, in the context of the auditing process it should be highlighted that:
  - 1.1.1 The Applicant (Luton Rising) has its own accounts and has continued to capitalise all DCO costs incurred in each year since 2018/19. The auditors of the Applicant's accounts (initially PWC and more recently by Azets) have included no notes or qualifications about the capitalisation of DCO costs in the Applicant's accounts. As would be expected, the Applicant's auditors have a more in-depth knowledge of the Applicant's business than the auditors of LBC. Had PWC or Azets shared the concerns of EY, this would have been included in their reporting, especially if as EY suggest, they considered that costs associated with phase 2 of the Proposed Development should be impaired. This absence of any comment on the matter shows that neither PWC nor Azets share the view expressed by EY about phase 2 of the Proposed Development.
  - a. LBC refutes the findings of the PIR (see further the <u>LBC response to the PIR</u> on the LBC website, and its public statement <u>here</u>) and has made a formal complaint to the Institute of Chartered Accountants in England and Wales (ICAEW) on the basis that it considers the report is "not fair or balanced, is full of factual inaccuracies and particularly frustratingly fails to take into account the evidence that has been provided to the auditors on numerous occasions to counter the conclusions it makes".
- 6.8 For all of the reasons set out above, the Applicant's position is that the statements by EY in the PIR cited above do not alter the Applicant's position on funding the project and that no weight should be attached to the PIR, and the issues raised in it, in the Secretary of State's decision on the DCO application.

Please do not hesitate to get in touch should you have any further comments or questions.

Yours sincerely,

Antony Aldridge Head of DCO Programme

# References

Ref 1 Civil Aviation Authority (2019), CAP1731 Aviation Strategy – Noise Forecast and Analyses Ref 2 Ministry of Housing, Communities & Local Government (2024), Decision letter and Inspector's Report for recovered appeal application: London City Airport, 22/03045/VAR

Ref 3 Department for Environment Food and Rural Affairs (2010), Noise Policy Statement for England Ref 4 Ministry of Housing, Communities & Local Government (2023), National Planning Policy Framework

Ref 5 Department for Communities and Local Government (2019), Planning Practice Guidance: Noise Ref 6 House of Commons Environment, Food and Rural Affairs Committee (2021), Air Quality and coronavirus: a glimpse of a different future or business as usual, Fifth Report of Session 2019–21 Ref 7 Yousef Al horr, Mohammed Arif, Martha Katafygiotou, Ahmed Mazroei, Amit Kaushik, Esam Elsarrag (2016), Impact of indoor environmental quality on occupant well-being and comfort: A review of the literature, International Journal of Sustainable Built Environment, Volume 5(1), pp1-11

# **APPENDIX A - RESPONSE TO NOISE INFORMATION REQUESTS**

# Appendix A

# **Response to noise information requests**

1.1 This document forms an appendix to the Applicant's response to the letter of the Secretary of State published on 27 September 2024. This appendix addresses the noise information requests (paragraphs 3 to 5) of that letter. Other noise issues raised by Interested Parties are responded to in Table 1 of the main letter.

# Secretary of State letter paragraph 3

1.2 Paragraph 3 of the Secretary of State letter states:

"In response to the further information request dated 23 August 2024, a number of Interested Parties including Suono (on behalf of the Joint Host Authorities) commented on the Applicant's response to the further information requested dated 2 August 2024. The Applicant is invited to confirm whether its suggested draft wording is based on the core growth predictions as stated in Tables 7.40, 7.43, 7.46, 749, 7.52 and 7.55 of Environmental Statement Appendix 16.1 Noise and Vibration Information and to provide any further comments it may have on Suono's submission."

- 1.3 In responding to this request, the Applicant does not seek to repeat the substance of its submissions set out in Appendix A of its response letter of 19 August 2024, which sets out its position on the matters in question in full.
- 1.4 As noted in paragraph A.3.6.5 and A.3.6.6 of the Applicant's 19 August letter, the updates made to the Green Controlled Growth (GCG) Framework [TR020001/APP/7.08] on 19 August 2024 were to base the Level 1 and Level 2 Thresholds on the Core Planning Case predictions as stated in Tables 7.40, 7.43, 7.46, 749, 7.52 and 7.55 of Environmental Statement Appendix 16.1 Noise and Vibration Information [REP9-017]. However, the Limits remain based on the Faster Growth Predictions as justified throughout the DCO examination in various submissions as summarised in paragraph A.3.6.4 of the Applicant's 19 August letter.
- 1.5 The draft wording provided in Table A (p23-26 of the Applicant's 19 August letter) therefore presents Limits based on the Updated Faster Growth case as is noted in the 'Explanatory notes' column of that table. However, the draft wording, as well as the remainder of the wording in the draft Development Consent Order [TR020001/APP/2.01] that secures the GCG Framework [TR020001/APP/7.08] now specifically links the GCG Framework Thresholds to the Core Planning Case. As noted in paragraph A3.6.7 of the Applicant's 19 August letter, this has the effect of the following GCG mechanisms being based on the Core Planning Case growth predictions:
  - a. L1 Thresholds and the requirement to provide commentary on the avoidance of the exceedance of a Limit when the L1 Threshold is reported to have been exceeded in the annual Monitoring Report; and
  - b. L2 Thresholds and the requirement that there shall be no increase in declared capacity until a L2 Plan setting out details of any proposed actions which are designed to avoid or prevent exceedances of a Limit has been approved by the Environmental Scrutiny Group (ESG), or a Monitoring Report confirms that the L2 Threshold is no longer exceeded.

- 1.6 The following paragraphs provide comment on aspects of the Suono submission dated 5 September 2024 which appear to misunderstand the Applicant's position.
- 1.7 Paragraph 2.7 of the Suono submission states: *"Further, an updated faster growth sensitivity case, where lower noise limits are possible compared to the Applicant's original proposals, implies there is an updated core planning case which has lower again noise levels for the same growth."*
- 1.8 The assertion that the narrowing of the gap between the fleet transition assumption in the Updated Faster Growth Case and the Core Planning Case must imply that the rate of fleet transition in the Core Planning Case would need to be adjusted, is incorrect. Indeed, at Issue Specific Hearing 8, the local authorities confirmed that they had no issues with the fleet mix assumptions as set out for the Core Planning Case as stated at paragraph 3.5.18 of **[REP6/066]**. At that time, the principal concern being expressed by Interested Parties was that rate of fleet transition in the Core Planning Case might not be achievable or consistent with the rate of fleet transition achieved by October 2023 (see Appendix A to [**REP6-066**]).
- 1.9 The rationale for updating the fleet transition assumptions in the Updated Faster Growth Case was fully explained in **[REP9-055].** Given the greater certainty that the rate of fleet transition set out in the Core Planning Case was realistic and consistent with the actual transition to new generation aircraft being achieved at the airport, it was considered that the rate of fleet transition assumed for the Faster Growth Case was likely to be too conservative. Paragraph 3.1.4 clearly states that the rationale for accelerating the transition to new generation aircraft in the Updated Faster Growth Case was to reflect greater certainty in the rate of fleet transition given the extent to which there was evidence that the airlines were already starting to transition to new generation aircraft at London Luton Airport. As explained in response to ExQ2 (NO.2.2) **[REP7-056]**, the fleet transition assumptions reflected the assumptions underpinning those used for granting approval for the airport to expand to 19mppa.
- 1.10 The Updated Faster Growth Case reflects a rate of fleet transition to new generation aircraft of 67% by 2027 compared to 60% in the original Faster Growth Case. The Core Planning Case Fleet transition to new generation assumption remains at 69% by 2027. Whilst there is greater certainty that the fleet transition is in progress and that the Core Planning Case fleet transition is likely to be achieved, justifying a narrowing of the gap to the reasonable worst case set out in the Updated Faster Growth Case, this cannot be taken to imply that an acceleration of the assumed rate of fleet transition in the Core Planning Case would be reasonable. This is particularly so given that that there are short-term delivery delays affecting both Airbus and Boeing aircraft which could impact on the rate of fleet transition. Hence, the fact that a faster fleet transition has been assumed in the Updated Faster Growth Case is not, of itself, relevant to considering whether the fleet transition assumed in the Core Planning Case remains robust. The Applicant remains of the view that the assumptions underpinning both cases remain robust.
- 1.11 In paragraph 2.8 to 2.9 and Table 1 of their submission, Suono provide alternative GCG Thresholds for aircraft noise using their interpretation of the Core Planning Case, though it is caveated in paragraph 2.9 that *"It is not possible to provide specific limits due to the periods within the table not precisely aligning to the assessed years and so no values in the table above should be taken as absolute."*
- 1.12 Whilst acknowledging that the values in the tables are caveated by Suono, the Applicant does not recognise the proposed values and stresses that they should be disregarded. The Applicant notes that it has already provided 'without prejudice'

contour area limits based on the Core Planning Case in response to WQ GCG.2.4 **[REP7-054]**. The Applicant provided an explanation in Appendix A of **[REP9-057]** for how these limits were derived from Tables 7.40, 7.43, 7.46, 7.49, 7.52 and 7.55 of **Appendix 16.1 of the ES [TR020001/APP/5.02]**, and these are the same tables referenced in the Secretary of State's Consultation letter of 2 August 2024.

- 1.13 Paragraph 3.5 of the Suono submission states: "The justification provided by the Applicant in REP9-055 does not inform as to why the value of 12,460 movements indicated is suitable, only that other lower values are not."
- 1.14 For the reasons set out in Appendix A to the Applicant's letter of 19 August, the Applicant does not consider any further measures are necessary to address the noise impacts resulting from the Proposed Development, over and above those included within the **Green Controlled Growth Framework [TR020001/APP/7.08]**. Nonetheless, the Applicant provided wording, on a without prejudice basis, for a limit on the number of aircraft movements permitted during the morning shoulder period (06:00-07:00) local time, recognising that such a limit is in place as part of the 19 mppa permission granted in October 2023.
- 1.15 Suono states that no justification has been provided for the adoption of a figure of 12,460. This is incorrect. The derivation of the figure of 12,460 movements in the 06:00-07:00 hour when the airport reaches 32 mppa is explained in detail in sections 5.2 and 5.3 of [REP9-055]. The figure derives from the existing proportion of annual passenger aircraft movements that operate in the morning shoulder hour applied to the future aircraft movements, including allowing for freight and business aviation activity that will be displaced from the core night period (see Table 6.17 of the Need Case [AS-125]). The annual number of movements in the 06:00-07:00 period at 12,460 is consistent with the assumptions made in the assessment of noise for the 92-day period and, hence, is allowed for in the noise implications of the Proposed Development as assessed.
- 1.16 Setting a limit on the number of annual aircraft movements in the 06:00-07:00 hour any lower than 12,460 would result in the airport being unable to attain 32 mppa and retain its role in supporting business aviation and freight activity. It would mean fewer aircraft could be based at the airport so, if the cap were set at a lower level, the full extent of the economic benefits from the Proposed Development would not be realised.
- 1.17 Paragraph 3.6 of the Suono submission states: "The Applicant has not provided any equivalent draft wording for an annual movements limit, with [sic] all of the HA's agreeing that cap at 209,410 movements would be suitable".
- 1.18 For the reasons set out in paragraph 2.4.5 of Appendix A to the Applicant's 19 August letter, the Applicant does not consider that the imposition of an annual movement limit would be an effective noise control. This position was clearly explained in [REP9-055]. As explained in section 4 of [REP9-055], setting an annual movement limit at the level of total aircraft movements of 209,410, reflecting the forecast of total aircraft movements in 2043 as described in the Need Case [AS-125], would provide insufficient flexibility to accommodate changes in traffic mix over the longer term, for example, less long haul traffic in the mix or, importantly, the introduction of zero carbon aircraft with lower seating capacities, which are expected to offer environmental benefits.
- 1.19 Notwithstanding that the demand forecasts reflect a reasoned view of the nature of demand and the fleet of aircraft that will carry that demand over a 20 year period, it is

inevitable that there will be some uncertainties over the longer term and setting a rigid movement limit could prevent evolution of the fleet in a manner that could reduce noise and emissions whilst still ensuring that the benefits are delivered. It is for this reason that the Applicant considers that, without prejudice to its view that an annual movement limit would be inappropriate, any limit on the total number of annual aircraft movements should not be less than 225,000, for the reasons explained at paragraphs 4.1.4-4.16 of **[REP9-055]**.

#### Secretary of State letter paragraph 4

1.20 Paragraph 4 of the Secretary of State letter states:

"The Secretary of State notes the submission from Michael Reddington regarding the effect of the amended definition in Table 1.1 of 7.10 Compensation Policies, Measures and Community First (Tracked Change Version). The Applicant is invited to confirm whether this amendment changes the number of eligible properties under Scheme 3 and whether this will have any implications for funding."

1.21 The referenced submission from Michael Reddington states:

"On review of Deadline 10 document "TR020001-003135-7.10 Compensation Policies, Measures and Community First (Tracked Change Version)" I note that and Table 1.1 has redefined Scheme 3 as "Residential property inside the night-time air noise 55dBLAeq,8h contour" whereas the previous version [REP9-033] used to say "Residential property inside the night-time air noise 55dBLAeq,8h contours and outside the daytime air noise 60dBLAeq,16h contour". This amendment has undoubtedly increased the number of properties eligible for unlimited funds for bedroom insulation. I would respectfully request that, given the impending Deadline 11, the ExA ask the Applicant to confirm as soon as possible the following: (a) how this changes the number of eligible properties under Scheme 3, and (b) if there are any funding implications (in the form of REP7-072 ISH9 – AP37 amended by REP9-051 ID 9 for example)."

- 1.22 The referenced changed to Table 1.1 of **Compensation Policies**, **Measures and Community First [TR020001/APP/7.10]** does not affect the total number of eligible properties for the noise insulation schemes, nor are there any implications for funding. The change was made to clarify the scheme description following queries raised by Interested Parties through ongoing engagement in parallel with the formal response process, as well as to make it clear that all properties exposed above the night-time SOAEL of 55dBL<sub>Aeq,8h</sub> would be eligible for the full cost of insulation for bedrooms to avoid night-time significant effects on health and quality of life from noise, regardless of whether or not they are outside a particular daytime noise contour.
- 1.23 The Air Noise Scheme 2 eligibility contour (60dBL<sub>Aeq,16h</sub>) contour sits entirely within the Air Noise Scheme 3 eligibility contour (55dBL<sub>Aeq,8h</sub>) (see for example Figures A1.1 to A1.3 of **[TR020001/APP/7.10]**), so removing the reference to *"outside the daytime air noise 60dBL<sub>Aeq,16h</sub> contour"* does not affect the outer extent of the eligibility of Air Noise Scheme 2. Whilst the change does mean that properties within the 60dBLAeq,16h contour could be eligible for either Scheme 2 or Scheme 3, at the same time that this change was made a new paragraph (6.1.17) was added to clarify that *"Where the owner qualifies for more than one air noise scheme under the noise insulation policy, this will be made clear to the owner and they will be given the option as to which scheme they want to apply under."* This paragraph makes clear that

properties will only be eligible for one scheme so there is no increase in total number of eligible properties when schemes overlap geographically.

1.24 For those properties that are eligible for both Schemes 2 and 3, for funding purposes it has been assumed that the homeowner would choose to apply for Scheme 2 which is likely to require a higher financial contribution as it includes both bedrooms as well as other habitable rooms. As noted in response to Compulsory Acquisition Hearing 1 Action 25 [**REP4-070**], the Applicant has demonstrated that Scheme 2 could provide the full cost of insulation of a 4-5 bedroom house with kitchen diner, rear door, patio doors and 5-sided bay window. It is therefore highly unlikely that a scheme that is limited to bedrooms only would require a higher financial contribution.

#### Secretary of State letter paragraph 5

1.25 Paragraph 5 of the Secretary of State letter states:

"Noting the change made to paragraph 6.1.37 of the Compensation Policies, Measures and Community First document as submitted on 21 August 2024 limiting the scope of the roll out plan for noise insulation to air noise schemes 1 to 3, and noting the representation from LADACAN dated 6 September 2024 with regard eligibility to access to noise insulation being tightly drawn, the Applicant is invited to provide any comments on this that it may wish as to how the proposed approach assures the delivery of the full package of mitigation as submitted, in particular for schemes 4 and 5 which would not be included in the roll out plan."

- 1.26 The change made to paragraph 6.1.37 of **Compensation Policies, Measures and Community First [TR020001/APP/7.10]** does not limit the scope of the roll out plan to Air Noise Schemes 1 – 3. The roll out plan is not limited to any particular scheme and covers all the insulation schemes including Air Noise schemes 4 and 5. The change was made to the last sentence of the paragraph which refers to one specific part of the roll out plan which is to demonstrate how the Applicant intends to deliver insulation to all those eligible for Air Noise Schemes 1-3, who accept an offer, within four years of serving the article 44(1) notice. This timescale has always been with reference to Air Noise Schemes 1 – 3 (see paragraph 4.1.5 of the **Noise Insulation Delivery Programme [REP4-079]** in which this was first introduced) so the change is only one of clarification of the text.
- 1.27 The Applicant has made numerous changes to the noise insulation scheme throughout the examination to increase the pace of rollout, improve the uptake and assure the delivery of the full package of mitigation as submitted. These changes are summarised in paragraph 2.1.2 of Noise Insulation Delivery Programme [REP4-079] and paragraph 13.6.5 of the Closing Submission [REP11-049].
- 1.28 Finally, the Applicant strongly rejects the assertion from LADACAN that the eligibility criteria for the insulation schemes are tightly drawn. The five proposed air noise insulation schemes plus the ground noise and surface access noise insulation schemes:
  - a. go substantially beyond Government aviation policy expectations;
  - b. are a substantial improvement on the airport operator's current noise insulation scheme, both in terms of eligibility extent and financial contribution; and
  - c. represent industry best practice.

# APPENDIX B - RESPONSE TO SUBMISSION BY INTERESTED PARTIES ON THE AD6 AIRSPACE CHANGE

# Appendix B

# Response to submission made by Interested Parties on the AD6 Airspace Change

- 1.1 Several Interested Parties, including Reject Luton Airport Stacking (RELAS), have made submissions in response to the Secretary of State Consultation letter 2 that are specific to London Luton Airport Operations Ltd's (LLAOL) AD6<sup>1</sup> Airspace Change Proposal (AD6 ACP).
- 1.2 The AD6 ACP is a separate process to the Development Consent Order (DCO) process, and the Applicant therefore does not consider it necessary to respond in detail to these submissions, however, this appendix provides comments on some of the issues raised as they pertain to the DCO.
- 1.3 At Deadline 1 of the Examination, the Applicant submitted a paper on the **Relationship between the Development Consent Order Process and the Airspace Change Process [REP1-028]** which included reference to the AD6 ACP and described how the changes to airspace must be approved by the Civil Aviation Authority (CAA) under the processes and procedures set out in CAP1616 (Ref 1). This is an entirely separate process to the DCO process and has its own assessment and consultation requirements.
- 1.4 The Airports National Policy Statement (ANPS) (Ref 2), states in paragraph 4.54 that:

"In deciding an application, the Secretary of State should focus on whether the development is an acceptable use of the land, and on the impacts of that use, rather than the control of processes, emissions or discharges themselves. The Secretary of State should assess the potential impacts of processes, emissions or discharges to inform decision making, but should work on the assumption that, in terms of the control and enforcement, the relevant pollution control regime will be properly applied and enforced. Decisions under the Planning Act 2008 should complement but not duplicate those taken under the relevant pollution control regime."

- 1.5 For airspace change proposals, the relevant pollution control regime is CAP1616 as regulated by the CAA. As the ANPS notes, the Secretary of State should work on the assumption that, in terms of the control and enforcement, CAP1616 will be properly applied and enforced and that decisions under the Planning Act 2008 should complement but not duplicate those taken under CAP1616. This is consistent with other airport expansion applications in which concurrent airspace changes have occurred. For example, in the recent London City Airport decision (Ref 3) the Inspector notes (para IR4.6) that changes to airspace "are the subject of a separate regulatory regime".
- 1.6 The issues raised by Interested Parties specific to the AD6 ACP should therefore not be given weight in the context of deciding the DCO application.
- 1.7 In any event, the AD6 ACP was assessed by the CAA having regard to the forecast growth in movements as a consequence of the DCO to ensure that the full potential future effects were considered before the change was approved. The changes implemented under AD6 were primarily to deconflict the arrival routes to the airport and to Stansted Airport.

<sup>&</sup>lt;sup>1</sup> Swanwick Airspace Improvement Programme – Airspace Deployment 6 co-sponsored by London Luton Airport Operations Ltd (LLAOL) and NATS

- 1.8 Several of the submissions make comment on the adequacy of consultation of both the AD6 ACP and the DCO. For the reasons set out above, it is not necessary for the Applicant to comment on the adequacy of consultation of the AD6 ACP, though it notes that there are several documents available on the CAA's airspace change portal that provide full details of the AD6 APC consultation such as the Consultation Strategy (Ref 4).
- 1.9 In terms of the DCO consultation, the proposals and noise controls have been consulted extensively through two statutory public consultations. The consultation was open to the public and all community groups. The consultation also specifically included Huntingdonshire District Council and Cambridge City Council where many of the AD6 ACP specific submissions have originated. The Consultation Report and Appendices submitted with the DCO application ([AS-048 and APP-174 to APP-193]) contain a full account of the statutory consultation process and issues raised in feedback relating to the proposals, as well as responses to feedback and how relevant feedback has been addressed.
- 1.10 Finally, the AD6 ACP specific submissions generally relate to areas where noise is below the daytime and night-time Lowest Observable Adverse Effect (LOAEL) and the AD6 ACP Post Implementation Report Appendix Noise Technical Report (Ref 5) demonstrates that the AD6 ACP has resulted in no significant changes to the LOAEL contour. As required by Government aviation and noise policy (Ref 2, 6, 7), the noise assessment in the Chapter 16 of the Environmental Statement (ES) considers adverse effects of noise on health and quality of life above the LOAEL. This is standard practice, is compliant with policy and is consistent with other airport expansion applications and decisions, including the recent London City Airport decision (Ref 8) in which the decision to approve the application was in the context of the Inspector's recommendation report which states that (para IR14.99): "the general approach within the ES of focussing on effects about [sic] the LOAEL is appropriate" and that "Our focus is on those effects within the contours and our conclusions are reached on that alone."

# References

Ref 1 Civil Aviation Authority (2023), *CAP1616: Airspace change: Guidance on the regulatory process for changing the notified airspace design and planned and permanent redistribution of air traffic, and on providing airspace information* 

Ref 2 Department for Transport (2018). *Airports National Policy Statement: new runway capacity and infrastructure at airports in the South East of England*.

Ref 3 Ministry of Housing, Communities & Local Government (2024), Decision letter and Inspector's Report for recovered appeal application: London City Airport, 22/03045/VAR Ref 4 NATS (En-route) plc and London Luton Airport Operations Ltd (2020), Proposed Changes to London Luton Airport Arrivals, Consultation Strategy, available at <a href="https://airspacechange.caa.co.uk/documents/download/2373">https://airspacechange.caa.co.uk/documents/download/2373</a>

Ref 5 Logika Group (2024), AD6-PIR Annex A Issue 1.0 Appendix Noise Technical Report, available at <u>https://airspacechange.caa.co.uk/documents/download/6877</u>

Ref 6 Department for Environment Food and Rural Affairs (2010), *Noise Policy Statement for England* 

Ref 7 Department for Transport (2017), *Consultation Response on UK Airspace Policy: A framework for balanced decisions on the design and use of airspace* 

Ref 8 Ministry of Housing, Communities & Local Government (2024), Decision letter and Inspector's Report for recovered appeal application: London City Airport, 22/03045/VAR

# APPENDIX C - RESPONSE TO SUBMISSION MADE BY THE HARPENDEN SOCIETY

# Appendix C

# Response to submission made by the Harpenden Society (the Society)

- 1.1 The Applicant has addressed fully in Appendix A of its response to the Secretary of State's letter of 19 August 2024 why the Green Controlled Growth controls as proposed are appropriate. This addressed the points made by the Society at para 3a of its response and are not repeated here.
- 1.2 However, at paragraph 3b of its submission, the Society goes on to challenge the demand forecasts underpinning the application. The Applicant acknowledges that London Luton Airport is currently under performing against the forecasts as set out in the Need Case **[AS-125]**. There is, however, a key justifiable and temporary reason for the slower than anticipated growth seen this year, resulting in the airport not showing recovery of passenger demand to the same extent as some other UK airports.
- 1.3 Wizz Air is the largest airline in terms of passengers carried at the airport, with 44% of departing seat capacity in 2024 (Ref 1). The airline's ability to deliver growth in the short term has been severely impacted by the grounding of c.20% of its fleet due to problems with certain Pratt & Whitney aircraft engines. Rather than continuing to grow in 2024, it is operating with lower capacity than in 2023. These problems are expected to be short term over the period to 2026 and the airline expects to achieve its planned growth across its network by 2030 (Ref 2). Hence, to the extent that there is any impact on the demand forecasts, these would remain within the range assessed as set out at Table 6.5 of the Need Case **[AS-125]** at assessment years of 2027 and thereafter.
- 1.4 The Society also references the potential for lower demand growth across the UK, referring to the demand projections to 2050 referenced in Jet Zero One Year on (Ref 3). However, more recent UK passenger demand projections produced by the Department for Transport in connection with the Sustainable Aviation Fuel Mandate (Ref 4) suggest higher passenger demand in 2040 than either the original Jet Zero Strategy or the Jet Zero One Year On report. Matters relating to variability of overall market demand projections were addressed in response to ExQ2 NE.2.1 and NE.2.2 in [REP8-037] and the Applicant remains confident that the range of forecasts set out in the Need Case [AS-125] remains robust.
- 1.5 The adoption of a range of forecasts has been accepted in the recent decision in respect of London City Airport (Ref 5), where the Inspectors concluded at paragraph 14.109 of their report that *"We are satisfied that the forecasts produced, having regard to the range of growth forecasts considered, are fit for purpose. We also consider that, despite the short-term effects of the pandemic, long-term growth in demand, whether for business or leisure, is likely to recover to pre-pandemic levels and to continue to grow."* This conclusion was expressly accepted by the Secretaries of State at paragraph 16 of the Decision Letter. Hence, there is precedent that demand projections should be considered within the context of a range of forecasts and that deviation from a central forecast in the short term does not undermine the need case for airport development.
- 1.6 The Applicant has addressed separately in Appendix A of its response the Secretary of State's letter of 19 August 2024 and in Appendix A to this response why it remains appropriate to set the noise Limit based on the Updated Faster Growth Case, and why morning shoulder period and annual aircraft movement limits are both

inappropriate and not effective in controlling noise. Again, these responses are not repeated here.

#### References

Ref 3 Department for Transport, Jet Zero – one year on, July 2023.

Ref 4 Department for Transport, UK SAF Mandate: final stage cost benefit analysis dataset, April 2024

Ref 5 Ministry of Housing, Communities & Local Government and Department for Transport, London City Airport Appeal Decision Letter, 19 August 2024.

Ref 1 Online Airline Guide

Ref 2 Wizz Air Holdings plc, Annual Report and Accounts