

SUMMARY

THE ENVIRONMENTAL AND SOCIO-ECONOMIC IMPACTS OF AN EXPANDED GATWICK AIRPORT

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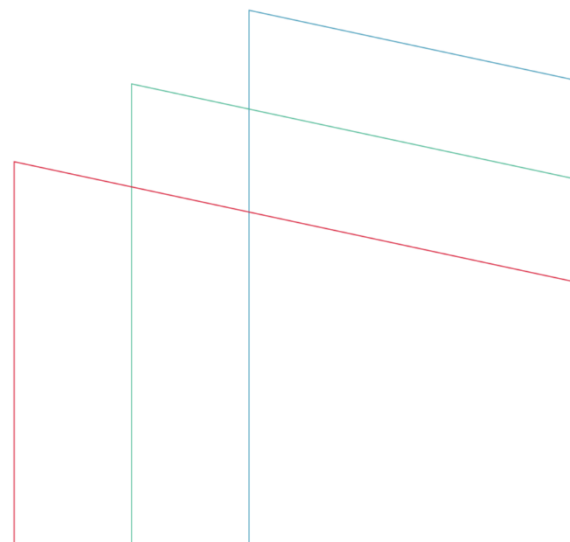
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Summary

This written representation was prepared by Dr Alex Chapman on behalf of the New Economics Foundation (NEF). NEF is a charitable think tank with a mission to create an economy that works for people and the planet. Further detail on NEF's charitable objectives can be found on our website.

NEF's detailed analysis of the environmental and socio-economic impacts of the proposed expansion of Gatwick Airport was conducted in a report commissioned by the Gatwick Area Conservation Campaign (GACC). The report represents NEF's independent expert analysis of Gatwick Airport's application documents and underpins NEF's Written Representation on the matter. NEF's report includes a set of 24 recommendations addressing issues such as mis-application of appraisal guidance, missing background data and sensitivity testing, and points of clarification. These recommendations are summarised below.

Recommendation 1

The Applicant should present the scheme's greenhouse gas emissions including non-CO₂ emissions using the DESNZ multiplier.

Recommendation 2

The Applicant should present an assessment of greenhouse gas emissions inclusive of inbound (arriving) flights.

Recommendation 3

The Applicant should recalculate the cost of greenhouse gas emissions including inbound (arriving) flight emissions.

Recommendation 4

The Applicant should present the cost of non-CO₂ emissions using the DESNZ-recommended multiplier.

Recommendation 5

The Applicant should recalculate the costs of traded sector emissions according with DfT guidance, including retaining the differential between the carbon price paid and social cost of carbon (the carbon value).

Recommendation 6

The Applicant should recalculate the costs of non-traded sector emissions retaining the differential between the carbon price paid and social value of carbon.

Recommendation 7

The Applicant should provide a better explanation and justification for how the figure for CORSIA-liable emissions was arrived at.

Recommendation 8

The Applicant should present and justify its estimates of business-purposes passenger growth at the London system level and corresponding levels of displacement between airports in the with and without-development scenarios.

Recommendation 9

If the Applicant is claiming that the proposed scheme will create net additional business-purposes travel, the Applicant should explain where they have departed from the DfT's model.

Recommendation 10

The Applicant should explain how they have arrived at such an unprecedented rate of business-passenger growth in the next five years, and set out the sensitivity of the economic assessment in the NEIA to this parameter.

Recommendation 11

The Applicant should explain how their model has accounted for structural adjustments in the size of the business passenger base following the 2007/08 financial crisis and the 2020/21 pandemic.

Recommendation 12

The Applicant should explain why their estimate of user benefits is more than double that published by the DfT for a larger proposed expansion.

Recommendation 13

The Applicant should present current and future fare data split between business and leisure-purposes travel.

Recommendation 14

The Applicant should present a version of the scheme's benefit-cost analysis which disaggregates UK and non-UK impacts.

Recommendation 15

The Applicant should set out how they have dealt with counterfactual tax revenue in arriving at their tax impact estimates.

Recommendation 16

The Applicant should present a revised welfare-based cost-benefit analysis updated to reflect revisions required following NEF's review.

Recommendation 17

The Applicant should review their language and clarify when they are/are not talking about net tourism impacts.

Recommendation 18

The Applicant should provide a more comprehensive analysis of the flows of tourism spending and how the increase in overseas expenditure by UK residents might affect the UK economy both nationally and regionally.

Recommendation 19

The Applicant should review and describe the compatibility of the proposed development with UK government tourism policy, including its aim of encouraging domestic tourism.

Recommendation 20

The Applicant should provide a review of historic employment trends, and the performance of historic jobs growth forecasts.

Recommendation 21

The Applicant should provide a review of how emerging trends are likely to affect employment levels at the airport, and address whether future passenger growth will deliver employment increases given historic growth has not.

Recommendation 22

The Applicant should clarify the extent of the displacement taking place in the total net economic impact analysis presented by Oxera.

Recommendation 23

The Applicant should present analysis of wages and pay at the airport and in associated industries and information assisting readers to understand the quality of the jobs the scheme may create.

Recommendation 24

The Applicant should present the equity dimensions of the scheme's welfare impacts, particularly the distribution across wealth/income groups.