



**Horsham  
District  
Council**



## **Gatwick Airport Northern Runway Project**

Planning Inspectorate's Reference: TR020005

### **Issue Specific Hearing 3: Socio-economics Post Hearing Submission**

**Deadline 1: 12 March 2024**

Crawley Borough Council (GATW-AFP107)  
Horsham District Council (20044739)  
Mid Sussex District Council (20044737)  
West Sussex County Council (20044715)  
Reigate and Banstead Borough Council (20044474)  
Surrey County Council (20044665)  
East Sussex County Council (20044514)

**Issue Specific Hearing 3 (“ISH3”) on Socio-economics – 05 March 2024**

**Post Hearing Submissions including written summary of the Legal Partnership Authorities’ Oral Case**

**Note:** These submissions are made by the Legal Partnership Authorities. The Legal Partnership Authorities are comprised of the following host and neighbouring Authorities who are jointly represented by Michael Bedford KC and Sharpe Pritchard LLP for the purposes of the Examination:

- Crawley Borough Council
- Horsham District Council
- Mid Sussex District Council
- West Sussex County Council
- Reigate and Banstead Borough Council
- Surrey County Council
- East Sussex County Council

In these submissions, the Legal Partnership Authorities may be referred to as the “*Legal Partnership Authorities*”, the “*Authorities*”, the “*Joint Authorities*” or the “*Councils*”. Please note that Mole Valley District Council is also part of the Legal Partnership Authorities for some parts of the Examination (namely, those aspects relating to legal agreements entered into between the Applicant and any of the Legal Partnership Authorities) but not all parts and were therefore separately represented in relation to ISH2.

**Purpose of this Submission**

The purpose of these post-hearing submissions is to provide a written summary of the Legal Partnership Authorities positions on the Agenda Items discussed at the ISH. This includes both a summary of the Legal Partnership Authorities oral representations and, in some cases, further comments on the oral representations made by the Applicant at the ISH. Whilst the structure of these submissions follows the order of the Agenda Items, they do not include all of the Legal Partnership Authorities’ concerns in relation to each Agenda Item as not all of these positions were rehearsed orally at the ISH due to the need to keep oral representations succinct.

Where the Legal Partnership Authorities positions were not rehearsed orally, these submissions sometimes include references to the relevant sections of the Local Impact Reports (“LIRs”) where a position is set out in further detail. The Legal Partnership Authorities would also be happy to provide answers in writing to any specific further questions which the Examining Authority (“ExA”) may have.

**Attendance:** ISH3 was attended by Michael Bedford KC for the Legal Partnership Authorities, instructed by Alastair Lewis, Partner and Parliamentary Agent, of Sharpe Pritchard LLP. Dave Widger, Head of Economics and Economic Development at AECOM, made oral representations on the Legal Partnership Authorities behalf. The ISH was attended by Sallie Lappage, Strategic Planning Manager at Crawley Borough Council, and various other representatives from the Legal Partnership Authorities who did not make oral representations.

Examining Authority's Agenda Item / Questions	Legal Partnership Authorities' Post Hearing Submissions	References
<p><b>3. Socio-economic Assessment</b></p> <p><b>3.1. The Applicant will be asked about the age of baseline data sources utilised for the socio-economic assessment.</b></p> <p><b>3.2. The Applicant will be asked about the geographical scope of the socio-economic assessment, specifically whether the effects at a local authority level have been adequately addressed.</b></p> <p><b>3.3. The Applicant will be asked to provide an update regarding the proposed Gatwick Community Fund, with focus on:</b></p> <ul style="list-style-type: none"> <li>• <b>financial value;</b></li> <li>• <b>method of distribution;</b></li> <li>• <b>discussions with relevant local authorities; and</b></li> <li>• <b>community consultation.</b></li> </ul>	<p><b>Age of Baseline Data Sources Utilised for the Socio-economic Assessments</b></p> <p><i>Broader Macroeconomic Data</i></p> <p>The Authorities have concerns regarding the extent to which the Applicant has used the most-up-to date data sets and the potential implications of these data sets for the robustness of the assessment.</p> <p>One example of this issue relates to economic activity rates which – due to either the consequences of Covid-19 or wider macroeconomic considerations – are falling according to the most recent economic data available. These recent trends (particularly in areas such as Crawley, Horsham and across West Sussex) would of course have implications for the pool of available workers that are local to the project, and therefore the assumptions which the Applicant has made about the home-based workers and non-home-based workers.</p> <p><i>Specific points regarding Housing Data</i></p> <p>Furthermore, the Authorities understand that the Applicant's assessment of population and housing effects in APP-201 is primarily based on analysis carried out by Lichfields Consultants, using 2011 census data, as shown in table 6.2.1 of APP-201. As this data informs the Applicant's assessments as to the proportions of non-home based workers in the workforce (shown in table 6.2.2) and non-home based workers as a proportion of total bed spaces in the area (shown in table 6.2.4), the Authorities are concerned that the Applicant may have overestimated the number of vacant private rented sector properties available in the area. For example: whilst the Applicant, drawing on these data sources, has estimated that there are 119 vacant private rented sector properties in Crawley, more recent data (available on a quarterly basis) shows that at times the number of available properties has been as low as 35, with a recent ceiling of 86 available properties. In view of these concerns, the Authorities do not have confidence in the Applicant's assessment that there is</p>	<p>Table 6.2.1 of APP-201  Table 6.2.2 of APP-201  Table 6.2.4 of APP-201</p>

	<p>enough accommodation available in this sector so that non-home-based workers do not place undue pressures on the sector.</p> <p>These two points represent examples of a broader concern, namely: that there are a number of instances where the Applicant's data sources are not the most up to date and are therefore unable to capture an appropriate picture of how the Northern Runway Project would impact broader socio-economic factors.</p> <p><u><i>Baseline Passenger Forecasts</i></u></p> <p>The Authorities wish to reiterate wider concerns (as discussed at ISH1) that overarching baseline passenger assumptions made by the Applicant are questioned, and this has follow-on implications for the Applicant's the assessment of economic impacts and benefits.</p> <p><b>Geographical Scope of the Socio-Economic Assessment</b></p> <p>The Authorities have concerns regarding the extent to which the Applicant's socio-economic assessment adequately drills down into the data in order to provide a picture as to the effects at the local authority level. Whilst some of the Applicant's supporting data sets in the appendices do include information from the local authority level, the Authorities note that these data sets have not been used to inform assessments as to the significance of the Project's socio-economic effects.</p> <p>One example of these concerns relates to the Applicant's consideration of Housing Supply as a receptor sensitivity in table 17.6.6 of Chapter 17 of the Environmental Statement (APP-042).</p> <p>In relation to the local study area, labour market area and functional economic market area, the Applicant has determined that the receptor sensitivity for the housing supply is either low or very low in each of these cases. In the Authorities view, these categorisations are the result of aggregating together the individual local authorities and thereby overlooking differentials at the individual local authority level. For example, the position in Crawley in terms of affordable housing pressures and the supply of available housing is far more sensitive and</p>	<p>Table 17.6.6 of Chapter 17 of the Environmental Statement (APP-042)</p>
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should not be categorised as a low sensitivity receptor. By conducting this analysis with reference to the wider area in this section, the Applicant has effectively been able to mask the true impact.

The Authorities therefore consider there to be a problem, particularly with housing, in relation to how the Applicant's assessment has considered specific effects at the local authority level. There are also similar issues in relation to the skills base within individual local authority areas , and we would again cite Crawley Borough Council as an example of where a more specific consideration of local factors would more adequately address local effects.

*Applicant's Methodology Approach*

The Applicant has suggested a "one size fits all assessment area or areas" is not the most appropriate approach to the socio-economic assessment. The Authorities agree that multiple study areas should be considered but that this should also include an assessment on local areas to recognise and determine impact and implications at the local authority level. The aggregated approach to the assessment adopted by the Applicant fails to capture these subtleties.

Whilst the Applicant has added some "local" data within the appendices supporting the assessment, it is incorrect to say they have "tabulated the impact that could arise at the relevant local authority level". There is no assessment or analysis of local authority baseline to set the context and understand local need and constraints, nor is there any assessment and interpretation of this "local" data.

**Community Fund**

Whilst the Community Fund is currently a matter of active negotiation between the Authorities and the Applicant, the Authorities wish to make clear that the Community Fund will be a material consideration within the planning sphere in line with the guidance in the Airports NPS (rather than sitting outside of the planning process as is the case on some other infrastructure projects such as energy projects).

The Authorities understand that the Community Fund is intended to address the intangible residual impacts of the development on affected receptors. At this stage, the Authorities have concerns that the proposed approach is inadequate in terms of resources and that the Applicant's suggestion to "scale up existing arrangements" is not appropriate to deal with the residual impacts of the development.

Whilst current arrangements rely on the use of Community Foundations as a distribution mechanism, which the Authorities broadly support, there has been consideration as to whether having three foundations on a county basis allows for a fair distribution of resources to those who are most likely to be affected by residual impacts. The Authorities are therefore interested in exploring, with the Applicant, the potential for an approach which more equitably distributes the Community Fund to the populations within areas that may experience greater impacts.

When considering the suitability of existing funding arrangements in relation to the Community Fund, the Authorities would note that this current s.106 Agreement arose in a specific and different context. The Applicant voluntarily entered into the original Agreement in 2001 and it has not been comprehensively reviewed since 2008; the various light-touch reviews (and rolling-forward) of the Agreement since then were agreed by the Authorities as pragmatic responses to the circumstances at those times. Since it was a voluntary Agreement, there has been very little, if any, scope for CBC and WSCC to seek substantial changes to the Agreement. Accordingly, although both authorities have signed the 2022 Agreement, and its predecessors, this should not be taken as an indication of the Authorities being satisfied with its contents and the extent of the mitigation contained within it. More detail on the history of the s106 is provided in the West Sussex LIR in Chapter 4, paras 4.6 - 4.14.

The Authorities would also welcome further clarity from the Applicant in relation to their plans for bridging the gap between the existing Section 106 Agreement,

West Sussex LIR in Chapter 4,  
paras 4.6 - 4.14.

	due to expire in December, and any future legal agreement which will be entered into in relation to the Application.	
<p><b>4. Proposed Employment, Skills and Business Strategy</b></p> <p><b>4.1. The Applicant will be asked to comment on the representations received from several local authorities in relation to the proposed Employment, Skills and Business Strategy.</b></p> <p><b>4.2. The Applicant will be asked about the possibility of the early provision of an Implementation Plan and the proposed securing mechanism of such a plan.</b></p>	<p><b>Employment Skills and Business Strategy</b></p> <p>In relation to the Employment Skills and Business Strategy (“ESBS”) the Authorities do not consider that the current iteration of the ESBS provides adequate information on the baseline make-up of the local areas in order to inform the Strategy. As noted above in relation to agenda item 3, the Applicant has not conducted an adequate review of the current baseline or arrangements for skills and training within local areas and cannot, therefore, easily pick up on existing skills gaps. This issue, relating to the scope and content of the ESBS, is something which the Authorities consider needs further work.</p> <p><b>Early Provision of Implementation Plan</b></p> <p>The Authorities also have concerns regarding the absence of a coherent and fully formed implementation plan which can be fully considered during the course of the Examination so that the final version is something which is capable of being implemented at an early stage, in line with the delivery of the project were it to be consented. In the Authorities’ view, this is particularly important so as to ensure that, when the Applicant is dealing with supply chains and skills bases, at the outset of the construction, benefits are secured by the local labour force and local businesses. In order to ensure that the ESBS would secure the delivery of these benefits from the very outset of the Project, the Authorities would want the Applicant to have an implementation strategy in operation at a very early stage. The absence of such a strategy is, therefore, a cause for concern.</p>	ESBS, (APP-198)
<b>Non-Agenda Item   Crawley Borough Council Housing Emergency</b>	<p>During the ISH, the ExA invited Crawley Borough Council to make oral representations in relation to the recent declaration of a ‘Housing Emergency’.</p> <p>At the ISH, Sallie Lappage noted that Crawley Borough Council has a significant and rising temporary accommodation and homelessness problem. Whilst the Authorities are not suggesting that non-home-based workers would add to this problem directly in terms of the Council’s responsibility to house</p>	

	<p>them, there will clearly be implications if non-home based workers contribute to the demand for short-term rented accommodation including bed and breakfasts, hotels and single room lets in the local area and this could foreseeably impact the cost of existing temporary short-term accommodation by increasing demand.</p> <p>The socio-economic implications of the recent declaration of a Housing Emergency by Crawley Borough Council will be further explored in paragraphs 18.53 to 18.56 of the Joint West Sussex LIR.</p>	<p>Paragraphs 18.54 and 18.55 of the Joint West Sussex LIR.</p>
<p><b>5. Labour Supply and Housing</b>  <b>5.1. The Applicant will be asked to provide comment regarding the concerns raised in respect of the availability of labour supply and housing (to include temporary accommodation and affordable housing).</b></p>	<p><b>Labour Supply and Housing Supply</b>  <u>Applicant's Use of 2011 Census Data for Housing</u>  Following the Applicant's confirmation that the analysis in Section 6 of the Housing Paper has been conducted using 2011 census data, the Authorities note that this is not an appropriate starting point for the analysis. The Authorities are of the view that the Applicant should update its assessment having regard to inputs from the 2021 census.</p> <p>The Authorities LIRs will also present a view as to what more up-to-date data will look like and outline the current conditions in the private rented sector in the affected areas, and in particular in Crawley, where quarterly data is available which paints a different picture to what the Applicant has inferred by rolling forward the 2011 census data. As such, the LIRs will present the statistical information which has led Crawley Borough Council to declare the housing emergency by reference to what is currently required to fund and finance the housing needs in accordance with statutory responsibilities.</p> <p><u>Impacts on Labour Supply</u>  As housing supply and labour supply are two sides of the same coin to be considered in conjunction, the Authorities have concerns regarding the local labour force and the scale of non-home-based workers who are likely to be drawn to the Project.</p> <p>As the Applicant has acknowledged, there will be a significant jobs impact of the project and it would be imperative that the local labour force could access</p>	



	<p>the jobs created by the project. The Sussex Chamber of Commerce Report “Future Skills Sussex Local Skills Improvement Plan” refer to skills shortages across the construction sector in Sussex, including for basic construction skills and also more specialist sectors within the supply chain. This report also refers to the need for significant recruitment to meet construction needs and the need to draw in local sub-consultants for a project of this nature. The Authorities are therefore concerned that the NRP may displace local businesses or specialists from local businesses and thereby impact other local economic activity. The report also refers to capacity constraints on local courses relating to construction and the lack of availability of construction courses more widely. Given these factors, the Authorities have concerns regarding the ability to upskill the local workforce so as to access jobs created by the project. The report also refers to other planned schemes – such as Lower Thames Crossing and East-West Rail – and the Authorities would encourage the applicant to consider the implications of these schemes and the constraints they may place on the construction market.</p> <p><u>General Point regarding Process</u></p> <p>The Examination is an inquisitorial process and it is therefore unsatisfactory for the Applicant to require the Authorities to prove that there is a problem in relation to the labour supply and housing supply. Instead, the Applicant should be able to demonstrate – through evidence presented to the ExA’s satisfaction – that the assessments they have carried out are fit for purpose so as to enable the ExA to understand the impacts of the Project. Therefore, whilst the Authorities will continue to express concerns regarding the assessments conducted by the Applicant, it is not for the Authorities to present an alternative environmental statement in order for the ExA to determine that the Applicant’s work is not an adequate basis for decision-making and it is for the Applicant to present evidence which is fit for purpose.</p>	<p>“Future Skills Sussex Local Skills Improvement Plan” – Sussex Chamber of Commerce: <a href="https://www.sussexchamberofcommerce.co.uk/lsip-report-final-1691653361.pdf">lsip-report-final-1691653361.pdf</a> (<a href="https://www.sussexchamberofcommerce.co.uk">sussexchamberofcommerce.co.uk</a>)</p>
<p><b>6. Health Equality Impact Assessment</b>  <b>6.1. The Applicant will be asked to detail its position regarding</b></p>	<p>The Authorities accept that the Applicant is not subject to the Public Sector Equality Duty but would nonetheless note that health inequalities are an important component of a health impact assessment, and that the Applicant</p>	

<p><b>the absence of a Health Equality Impact Assessment.</b></p> <p><b>6.2. The following local authorities will be asked to clarify their position, as detailed in their Relevant Representations, regarding the need for a Health Equality Impact Assessment:</b></p> <ul style="list-style-type: none"> <li>• <b>East Sussex County Council.</b></li> <li>• <b>West Sussex County Council.</b></li> <li>• <b>Crawley Borough Council.</b></li> <li>• <b>Reigate and Banstead Borough Council.</b></li> </ul>	<p>has not, in Chapter 18 of the Environmental Statement, provided a sufficiently comprehensive assessment.</p> <p>The Authorities note Action 6, which reads: <i>All parties to respond to item six with comments on health equality impact assessments deadline two.</i></p> <p>Please note that the Authorities will be responding to this Action through their respective LIRs at Deadline 1, and do not intend to submit separate written submissions at Deadline 2. The relevant LIR sections are as follows:</p> <ul style="list-style-type: none"> <li>• Chapter 20, Paragraph 20.59 to 20.62 of the West Sussex LIR;</li> <li>• Section 4, paragraph 4.7.1 and Table 6 of the East Sussex County Council LIR</li> <li>• Chapter 16, Paragraph 16.32 of the Surrey LIR.</li> </ul>	
<p><b>7. Vulnerable Group Populations</b></p> <p><b>7.1. The Applicant will be asked to respond to the Relevant Representations made by West Sussex Council and Crawley Borough Council regarding the provision of specific feedback from individual vulnerable groups.</b></p> <p><b>7.2. The Applicant will be asked to respond to the Relevant Representation made by Surrey County Council in</b></p>	<p>Following the Applicant's offer to provide signposting to the relevant sections within existing material which relates to cumulative impacts of the construction and operation phases on the physical and mental well-being of vulnerable group populations, the Authorities will await this signposting and then consider whether or not this material sufficiently resolves concerns. The Authorities presume that any such response to further material will be provided at Deadline 3.</p>	

<p>respect of its concerns as to whether the full cumulative effects of the construction and operation phases on the physical and mental wellbeing of vulnerable group populations have been fully considered.</p>		
<p><b>8. Action Points</b></p>	<p>The Authorities note Action 6, which reads: All parties to respond to item six with comments on health equality impact assessments deadline two.</p> <p>Please see the Authorities' response at agenda item 6 above.</p>	
<p><b>9. AOB</b></p>	<p><b><u>Horley Strategic Business Park</u></b></p> <p>The Authorities also have concerns regarding the proposals insofar as they prejudice the Horley Strategic Business Park as discussed in relation to Issue Specific Hearing 2 and in the LIR for the Surrey Authorities at Chapter 15, paragraph 15.58 to 15.63.</p> <p><b><u>UK Level Economic Assessment</u></b></p> <p>The Authorities have concerns regarding the methodology which has been used, in particular in relation to the National Economic Assessment and the catalytic effects of growth (i.e. new businesses attracted to the area because of growth at the airport, irrespective of the level of that growth) and consider there to be problems in the approach which the Applicant has adopted.</p>	