



# Gatwick Airport Northern Runway Project

The Applicant's Response to Local Impact Reports  
Appendix D – Construction Labour Market and  
Accommodation Impacts

**Book 10**

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## 1 Introduction

- 1.1.1 The Local Authorities' Local Impact Reports (LIRs) make a number of points about the impact of the construction phase in terms of demand for workers, potential demand for accommodation and the potential need for mitigation. This note sets out the Applicant's response to those issues in the round.

## 2 Construction Labour Market Conditions

### 2.1 Background

- 2.1.1 As set out in Table 2.1.21 of **Environmental Statement Appendix 17.6.1 Socio-Economic Data Tables** [\[APP-197\]](#), there is a significant existing construction workforce in the area. In 2022, there were 16,326 construction jobs in the Functional Economic Market Area, 75,446 in the Labour Market Area and 193,089 across the Six Authorities Area.
- 2.1.2 These will work on a range of different sites for different projects in different sectors. The industry is by its nature, itinerant with workers moving between sites on a regular basis. If consented, the Northern Runway Project (NRP) will be another of those projects, albeit a very large one, which will require contractors and workers with different skills and specialisms over its duration.
- 2.1.3 Whilst there are some skills shortages in the construction sector generally, this is not unusual and has been true for a long time and has not prevented major schemes coming forward. For infrastructure projects in the south east, the latest Construction Industry Training Board (CITB) forecasts (set out below) show demand falling.
- 2.1.4 With the NRP construction workforce forecast to peak briefly at 1,350 and to average 680 through the construction period, any concern about a shortage of workers is misplaced.
- 2.1.5 There is therefore no basis to the Local Authorities' claims that there will be a shortage of workers. Furthermore, the LIRs suggest that if there were a shortage of workers then it would be the responsibility of the Applicant to deal with that, rather than an industry-wide issue. Again, there is no basis to this position.

### 2.2 Workforce profile

- 2.2.1 The construction workforce is forecast to peak at 1,350 (in 2027), but it is only at this level for relatively short periods of time.

2.2.2 Whilst the Northern Runway Project is a single project, it consists of many smaller components. These include:

- repositioning of the existing northern runway 12 metres north (measured from the centreline of the existing northern runway);
- airfield works including repositioning and resurfacing of existing taxiways and constructing new taxiways, aircraft stands and an access track between the two runways;
- works to airfield support facilities including constructing a new pier, constructing and reconfiguring of aircraft stands, works to power facilities, and relocating the fire training ground and the Centre Area Recycling Enclosure (CARE) facility;
- works and extensions to the existing airport terminals (north and south);
- works to existing and construction of new hotels and offices;
- works to existing and construction of new car parks;
- surface access improvements, including active travel improvements and works to the M23 spur, the A23 London Road, Longbridge Roundabout, and the terminal roundabouts and forecourts;
- water treatment works and surface water and foul water improvements; and
- environmental mitigation works including establishing habitat enhancement areas, flood compensation areas and areas of replacement open space.

2.2.3 These will need different types of workers at different phases and are likely to have different contractors and sub-contractors. Even within different components there will be clear phases (e.g. site preparation, earthworks, civils, mechanical and electrical, and finish and fit-out) that will require different types of workers.

2.2.4 The indicative construction sequencing is set out in **Environmental Statement Appendix 5.3.3: Indicative Construction Sequencing** [[APP-088](#)] and comprises the following broad and indicative phases:

#### Year 1

- Pre-Construction (Surveys, ground investigations etc).
- Early Works / Enabling Works (Compounds, Diversions & replacement services).
- Flood Mitigations.
- IDL Extensions.



### Years 2 – 4

- Alterations to Existing Airfield (NRW Widening & Resurfacing, taxiway Juliet and taxiway Lima reconfigurations).
- Reconfiguration of existing maintenance airfield facilities to enable the above alternations.
- IDL & Car Park Works.

### Year 5

- Continuation of works in the Reconfiguration of the Airport Facilities.
- Works to Longbridge roundabout.
- Continuation of works on the water management foul water and substation.

### Year 6 – 8

- Surface Access Works (NT, ST & Longbridge roundabouts improvements).
- Exit Taxiways & End Around Taxiways.

2.2.5 As the indicative workforce profile in Figure 2-1 shows, there are significant peaks and troughs through these periods. For example, in the phase from years 1 to 6 there is a low of 250 workers and a high of 1,350. Similarly, years 7 to 9 vary from 400 workers to 1,320.

2.2.6 The average workforce over the 12-year construction period is 680 workers and the workforce is only anticipated to be over 1,000 for less than 20% of the construction period.

2.2.7 Therefore, whilst there will be opportunities for some workers to stay on the Project for long periods of time, there will also be contractors and workers who are there for relatively short periods of time.

2.2.8 Table 2-1 summarises the workforce during key phases of the Project:

**Table 2-1: Indicative Workforce Numbers**

Years	Min workforce	Max workforce	Average workforce
1 – 6	250	1,350	80
7 – 9	400	1,320	820
10 – 12	50	450	240
Overall	50	1,350	680

**Figure 2-1: Indicative Construction Workforce**


### 2.3 Workforce availability

2.3.1 Even at the peak of construction (i.e. 1,350 workers), the Project will draw less than 4% of construction workers in any individual local authority district even if there were no non-home based (NHB) workers. In every district other than Crawley and Reigate & Banstead it is less than 1%. This is set out in Table 6-4 of **ES Appendix 17.9.1 Gatwick Construction Workforce Distribution Technical Note** [APP-199].

2.3.2 The Local Authorities are mischaracterising the nature of the construction sector and labour market. It is a highly dynamic sector with individual workers spending relatively little time on any given site. The sector is inevitably highly itinerant.

2.3.3 The latest CITB survey of construction workers<sup>1</sup> in the south-east shows that only 14% of workers expect to be on their current site for over a year. The median across both the South-East and the UK is 3-6 months. Over ten years, the

<sup>1</sup> [https://www.citb.co.uk/media/rv4jvzvr/2272\\_bmg\\_workforce\\_mobility\\_and\\_skills\\_south\\_east\\_v1.pdf](https://www.citb.co.uk/media/rv4jvzvr/2272_bmg_workforce_mobility_and_skills_south_east_v1.pdf) Fig 35 p.48

median construction worker would therefore expect to work on up to 40 different sites.

- 2.3.4 The Local Authorities' position is therefore wrong conceptually to think of there being a fixed existing amount of work onto which the Project will add.
- 2.3.5 The Authorities' approach also ignores the key role of direct employers in the sector. The vast majority of the construction workforce will be employed by contractors not by GAL. All of them have their own recruitment and training processes and Gatwick will appoint contractors who are able to deliver, i.e. who already have the necessary workforce.
- 2.3.6 Furthermore, the available evidence demonstrates that the Local Authorities' assertions and fears are misplaced. A number have asserted that the NRP will be competing with other major infrastructure projects for workers.
- 2.3.7 That is true, but it is also completely normal.
- 2.3.8 At any given point in time there will be a number of major infrastructure projects underway.
- 2.3.9 The CITB's latest labour market forecasts (2023-2027)<sup>2</sup> list the Lower Thames Crossing, East West Rail, and Manston Airport as major schemes delivering construction output.
- 2.3.10 The previous version of the forecasts (2018-22) included a number of Highways England schemes (e.g. M4 Smart Motorway) and Gatwick Airport's own capital programme. The one before that again included a number of Highways England schemes and spending by Gatwick as well as HS2 and the Rampion offshore wind project.
- 2.3.11 There are always significant infrastructure projects competing for labour in the South East. There is nothing unusual about the NRP coming forward alongside other big infrastructure projects and nothing to suggest that it would be a problem that has not been faced before.
- 2.3.12 In fact, the CITB's 2023-27 forecasts actually show a fall in demand in the infrastructure sub-sector in the South-East every year for the next four years:
- 2024: -5.5%
  - 2025: -1.2%
  - 2026: -1.6%

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<sup>2</sup> <https://www.citb.co.uk/media/c3cgk1d/csn-lmi-south-east.pdf>

- 2027: -1.6%

2.3.13 By the end of 2027, the CITB is therefore forecasting that demand for infrastructure construction work would be 10% lower than it is now.

2.3.14 That would mean less demand from the infrastructure sector for construction businesses and workers as the NRP gets under construction. The Local Authorities' assertion that there will be a shortage of construction workers is therefore not supported by the evidence.

## 2.4 Non-Home Based ('NHB') Workers

2.4.1 On the basis that there are labour market constraints, the Local Authorities have challenged the assumption that 20% of workers will be NHB and think a higher proportion should be used.

2.4.2 For the reasons set out above, the Applicant does not believe there are labour market constraints. The fact that there are some skills shortages and that existing workers are currently employed on other sites does not mean that there will not be sufficient local workers for the NRP.

2.4.3 In reality, 20% is a very conservative upper estimate and equates to just 270 workers at peak.

2.4.4 There are 75,000 construction workers across the Labour Market Area and the latest CITB survey shows that on average only 5% of construction workers nationally use temporary accommodation and only 6% in the South East.<sup>3</sup>

## 3 Construction Accommodation

### 3.1 Demand for Private Rented Sector (PRS) Accommodation

3.1.1 Accommodation choices of NHB workers will be governed by a range of factors. Proximity and access to the site will be important, but other considerations include the length of time a worker will be on the site.

3.1.2 As set out above the median time for workers to be on-site in both the South-East and UK nationally is less than six months; this is shorter than a standard Assured Shorthold Tenancy ('AST') in the PRS. It is therefore reasonable to assume that many of the NHB workers will not choose accommodation in the PRS.

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<sup>3</sup> [https://www.citb.co.uk/media/rv4jvzvr/2272\\_bmg\\_workforce\\_mobility\\_and\\_skills\\_south\\_east\\_v1.pdf](https://www.citb.co.uk/media/rv4jvzvr/2272_bmg_workforce_mobility_and_skills_south_east_v1.pdf) p.47



- 3.1.3 This is reinforced by the nature of construction scheduling. While the Environmental Statement based its assessment on the assumed peak workforce (1,350 workers), the duration of this peak is relatively short and as set out above, the number of workers on-site varies significantly over time and does not exhibit extended periods of time being over 1,000. This implies that at any one time, no more than 200 workers would be seeking local accommodation across all tenures.
- 3.1.4 Further evidence for low PRS demand is provided by the monitoring of accommodation choices at Hinkley Point C ('HPC'). While the scale of the HPC project is significantly greater than the NRP, both in terms of workforce size and the duration of works, given its rural location, it provides a worst-case scenario benchmark of a project with a high proportion of NHB workers (65%) in a very rural area with a small local construction workforce. At HPC, the demand for PRS accommodation has ranged between 39% and 53% of the NHB workforce over the last three years. This is likely to be significantly higher than the share at Gatwick, who would choose the PRS because it is a bigger project where the vast majority of workers will be on the project for more than six months and so the PRS is a reasonable option. However, in the unlikely event that Gatwick had an NHB share of 20% and 39% chose the PRS, that would equate to just over 100 workers at peak in the PRS and an average of around 70 over the first eight years. If the NHB share is closer to the national average of 5% then it would be fewer than 20.
- 3.1.5 The Applicant notes that during ISH3, CBC made reference to their database on PRS vacancy and availability in the Borough. In the **Joint West Sussex Local Impact Report** [[REP1-068](#)], further information on this data was provided:
- “Based on regular quarterly checks on data from Rightmove, availability for private rented sector (PRS) properties in Crawley varies from between 35 to 86 properties, most with 1-year minimum rentals.” (para 18.54)*
- 3.1.6 The Applicant does not consider Rightmove, in itself, to be a robust or reliable source of data on the PRS, and quarterly checks are too infrequent to fully capture conditions in the market. For example, some properties may be listed multiple times by different agents, others may not be advertised through estate agents and therefore would not appear on Rightmove. Given that the Authorities state that many properties have a minimum rental period of 1 year, this further demonstrates that temporary construction workers would be unlikely to rely on standard PRS accommodation.

- 3.1.7 The supply of HMO accommodation in Crawley Borough, which typically allows for shorter stays, was recorded to total 256 dwellings in October 2023, with a maximum capacity of over 1,500 occupants<sup>4</sup>. Furthermore, as detailed in **ES Appendix 17.9.3: Assessment of Population and Housing Effects** [APP-201] and subsequently within **The Applicant's Response to Actions – ISHs 2-5** [REP2-005] ISH3: Action Point 5, there is a significant number of households with two or more spare bedrooms among owner-occupier households and within the PRS.
- 3.1.8 Furthermore, the Applicant notes that within the **Joint West Sussex Local Impact Report** [REP1-068], it is highlighted that properties available for short-term let may “*create the illusion of availability*” as they “*have a much higher churn*” (paragraph 18.53). This supports the Applicant's position; given, on average, construction workers in the South East work on an individual site for just 3-6 months (see paragraph 2.3.3 of this document), NHB workers are likely to seek out accommodation offering short-term stays.
- 3.1.9 To address the request of the Examining Authority to review the implications of using the 2011 Census for the assessment of housing need during construction, the original assessment provided within Section 6 of **ES Appendix 17.9.3: Assessment of Population and Housing Effects** [APP-201] was replicated using data from the 2021 Census as part of **The Applicant's Response to Actions – ISHs 2-5** [REP2-005] under ISH3: Action Point 5. The results are summarised and expanded upon in Section 3.3, while the full response is restated for reference in Section **Error! Reference source not found..0**. The Applicant considers the updated assessment to provide a robust position on the vacancy and availability of PRS accommodation in the relevant Local Authorities using recognised national statistics.
- 3.1.10 Given these factors, the Applicant reiterates its previously established position that the temporary construction workforce at the NRP would not be expected to place significant additional pressure on demand for PRS accommodation. The duration of construction workers' time on site, and hence the length of stay of NHB workers in the local area, is not considered to create a “*surge in demand*” (**Joint West Sussex Local Impact Report** [REP1-068], paragraph 18.3).

## 3.2 Housing Emergency

- 3.2.1 Within **The Applicant's Response to Actions – ISHs 2-5** [REP2-005], ISH3: Action Point 4, regarding the Housing Emergency declared by Crawley Borough,

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<sup>4</sup> CBC (2023) HMO licenses issued October 2023. Available at: <<https://crawley.gov.uk/housing/private-housing/houses-multiple-occupation>>

the Applicant reserved the right to make further comments on this issue. The additional response is detailed below.

3.2.2 Within its declaration of a Housing Emergency, CBC identifies “*the unaffordability of home ownership*” as a contributing factor to the Housing Emergency. In the short- to medium-term, the temporary NHB construction workers would not be expected to purchase property in the area. Therefore, the NRP would not influence this factor of the Housing Emergency.

3.2.3 Further, the Applicant notes that the declaration of a Housing Emergency cited “*water neutrality planning restrictions imposed by Natural England slowing down new development*” as a contributing factor. However, within CBC’s **Deadline 2 Submission - Updated Principal Areas of Disagreement Summary Statements (PADSS)** [[REP2-040](#)] it states:

*“Although water neutrality has delayed housing delivery, it is not anticipated to reduce the overall projected housing delivery for Crawley.” (Local Economic and Socio-Economic Impacts, REF 18).*

3.2.4 This updated position demonstrates the changeable conditions and circumstances surrounding housing supply and delivery, and that while Crawley – and indeed other local authority areas – experience housing pressures at present, the contributing factors may not persist by the start of construction and/or operation of the NRP.

3.2.5 The temporary nature of the Housing Emergency conditions is further evidenced by the 2022 Housing Delivery Tests (‘HDT’) for the seven Local Planning Authorities (‘LPA’) identified as key NHB authorities, under which five of the seven authorities were not required to take any action.<sup>5</sup> In particular, Crawley’s measurement was 362%, placing it within the top 5% of LPAs in England.

3.2.6 The Applicant reiterates its previously established position that the presence of temporary NHB construction workers in Crawley in the future would not materially impact CBC’s current position in relation to the declaration of a Housing Emergency.

### 3.3 Updated assessment of population and housing effects during construction

3.3.1 At the Examining Authority’s request, the Applicant prepared an updated assessment of population and housing effects during construction using 2021

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<sup>5</sup> The seven LPAs are Crawley, Croydon, Horsham, Mid Sussex, Mole Valley, Reigate and Banstead, and Tandridge, of which Reigate and Banstead and Tandridge were the only authorities required to apply the presumption in favour of sustainable development as a result of their HDT measurements.

Census data. This was submitted at Deadline 2 as part of **The Applicant's Response to Actions – ISHs 2-5** [[REP2-005](#)], ISH3: Action Point 5.

- 3.3.2 There has been an increase in the number of households living in private rented accommodation across the key authorities between 2011 and 2021 of 22.5%, or 15,898 households. Accordingly, the estimate of the number of vacant private rental properties has increased from 1,970 using 2011 data to 4,288 using 2021 data. As such, the peak number of NHB workers in each authority area as a proportion of total vacant bedspaces in PRS accommodation is reduced when considering 2021 Census data, from 5.96% to 2.18%. This implies an even more negligible impact as a result of the Project than reported in the ES.
- 3.3.3 Estimates of the peak number of NHB workers as a proportion of spare bedspaces in owner-occupier households are comparable when using 2011 and 2021 data, while the number of privately renting households with spare bedrooms increased over the period.
- 3.3.4 Overall, the impacts of and conclusions within the DCO Application assessment are unchanged, if not strengthened, when 2021 Census data is considered in place of the previous 2011 data.

## 4 Need for Mitigation

- 4.1.1 The Local Authorities are requesting a skills fund and a housing fund to deal with construction phase impacts. For the reasons set out above, neither is necessary, although the Applicant is proposing an Employment Skills and Business Strategy (ESBS) and associated ESBS Fund as a matter of good practice and to enhance local benefits. Both are proposed to be secured through the draft DCO s106 Agreement [[REP2-004](#)].
- 4.1.2 The Fund will provide a focal point for a variety of activity to support businesses in the sector, including assistance to get into the supply chain for the NRP's construction. Funding could also be used to help local residents get the necessary skills to start and sustain careers in the construction sector.