

Gatwick Airport Northern Runway Project

The Applicant's Written Summary of Oral Submissions
ISH 9: Socio-economics

Book 10

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1 Introduction

- 1.1.1 This document contains Gatwick Airport Limited's (the "**Applicant**") summary of its oral evidence and post hearing comments on its submissions made regarding Agenda Item 5: Socio-economics (including Health and Wellbeing) at Issue Specific Hearing 9 ("**ISH 9**") held on 1 August 2024. Where the comment is a post-hearing comment, this is indicated. The Applicant has separately submitted at Deadline 8 (Doc Ref. 10.63.4) its response to the Examining Authority's ("**ExA**") action points arising from ISH 9, which were published on 1 August 2024 [[EV20-002](#)].
- 1.1.2 This document uses the headings for each item in the agenda published for ISH 9 by the ExA on 22 July 2024 [[EV20-001](#)].
- 1.1.3 The Applicant, which is promoting the Gatwick Airport Northern Runway Project (the "**Project**") was represented at ISH 9 by Scott Lyness KC, who introduced the following persons to the ExA:
- Ciaran Gunne-Jones, Senior Director, Head of Economics, Lichfields;
 - Andrew Hunt, Senior Director, Quod;
 - Bethan Haynes, Associate Director, Lichfields;
 - Andrew Meaney, Partner, Head of Transport, Oxera;
 - Ryngan Pyper, Director, Health and Social Impacts, RPS; and
 - Tim Norwood, Chief Planning Officer, Gatwick Airport Limited.

2 Agenda Item 5: Socio-economics (including Health and Wellbeing)

2.1. Preliminary Matters

- 2.1.1 The Applicant made no submissions in relation to preliminary matters.

2.2. **5.1 Noting the responses to ExQ2 SE.2.12, the Applicant and Joint Local Authorities ("JLAs") were asked to provide comment on compliance with paragraph 4.5 of the Airports National Policy Statement ("ANPS").**

- 2.2.1 The Applicant commenced its submissions by making some summary points on paragraph 4.5 of the ANPS and points raised by the JLAs in respect of the approach they consider should be adopted by the ExA:
- 2.2.2 First, paragraph 4.5 refers to impacts being considered at national, regional and local levels. Regarding 'local levels', the policy is not prescriptive and does not

refer specifically to local authority areas. The Applicant does not consider that policy specifically requires assessment to be carried out at local authority level.

Second, at various points in the Statements of Common Ground (SoCGs), the Applicant has highlighted that data has been provided to cover the local authority areas. The Applicant is not aware of any indication that the JLAs disagree with these figures and are not aware of any alternative analysis having taken place.

Third, as a result, the Applicant does not accept the weight to be given to beneficial effects of the Proposed Development should be reduced.

- 2.2.3 Going into further details on the agenda item and the points raised by the JLAs, the Applicant noted that **ES Chapter 17: Socio-Economic** [APP-042] does specifically reference paragraph 4.5 of the ANPS at paragraph 17.4.7. This confirms the Applicant was cognisant of this point when defining the approach taken for pre-submission assessment purposes.
- 2.2.4 Paragraph 4.5 refers to impacts being considered at 'local' not 'local authority' level, which is an important distinction. The absence of analysis at a local authority level should not be regarded as an omission or a shortcoming – it is neither of those things. Paragraph 4.5 is not intended to be prescriptive in that way, when considered in the context of the Annex to PINS Advice Note 7 (Presentation of the Environmental Statement), which requires that the extent of study areas should be in accordance with recognised best practice and determined having regard to likely impacts. There is no specification in policy or guidance to base effects on local authority areas. Against this backdrop, and the background of the Planning Practice Guidance, the Applicant has undertaken a compliant socio-economic assessment, as discussed at ISH3. This approach – in adopting a number of study areas linked to the nature of the impact being assessed – is appropriate and in line with study area guidance. Adoption of arbitrary local authority boundaries would not be appropriate or meaningful, particularly in trying to apply those to Crawley which is characterised as being a highly interconnected area. To illustrate this point, of the 80,000 jobs in Crawley only 37,000 are filled by Crawley residents, while only 65% of Crawley's working residents work in Crawley. Measuring against arbitrary local authority boundaries is not a true reflection of how labour or housing markets operate. In that context, the Crawley Borough Council local plan process has also highlighted this: *"Taken as a whole, the towns within the Northern West Sussex housing market area complement one another, offering housing opportunities for the local population and workforce for each stage and socio-economic position within lifecycles, and providing housing for employees working at Gatwick Airport, Manor Royal, and within and beyond the Gatwick Diamond. This highlights a critical inter-*

dependence and reliance between areas with regard to housing and economic growth.”¹ In accordance with best practice, the Applicant’s assessments have been based on functioning housing market areas, functioning economic areas, travel to work areas etc. – areas at which it is meaningful to draw conclusions.

- 2.2.5 However, the Applicant has been transparent in providing the raw data to the JLAs on the potential impact at the individual local authority level. Those figures have now been available for some time and have not been the subject of challenge or dispute as far as the Applicant can see from JLA submissions, nor have they been used as the basis of any alternative assessment that would indicate a different conclusion from those drawn by the Applicant.
- 2.2.6 With regards to concerns raised by the JLAs that the creation of higher paid jobs at Gatwick Airport could result in competition for workers in the health and social care sector, this has not previously been raised in submissions, so the Applicant is not able immediately to comment on this point. However, it is noted that the contention does run counter to points made in the **Joint West Sussex Local Impact Report [REP1-068]**, where the JLAs state that the majority of jobs at the airport will be lower paid. Accordingly, the JLAs position appears to be evolving. As noted previously, a Topic Working Group is taking place on 6 August 2024, where discussions will continue between the Applicant and the JLAs.
- 2.2.7 The ExA queried that surely local level includes local authority level and, if this is not the case, asked the Applicant to describe the definition of local level.
- 2.2.8 The Applicant confirmed there is no fixed definition of 'local level' in the ANPS. The purpose of the policy is to enable a proper assessment of effects and at a local level this will not necessarily depend on effects that are realised at local authority level. The policy is broad enough to allow for consideration of interrelationships between areas at a local level and the way in which labour will be sourced in terms of filling jobs at Gatwick Airport. It reflects the functional 'on the ground' reality. To take the Crawley administrative area as the basis for assessment would be entirely arbitrary. The term 'local level' could also include several local authority areas or indeed parts of local authority areas which operate at a functional level.
- 2.2.9 If impacts are properly considered at a local level, which is not local authority level, the purposes of the policy are achieved. Conversely, if looking at effects at a local authority level will not allow impacts to be properly assessed, then the purposes of the policy would not be achieved. When relevant guidance is taken

¹ Topic Paper 2: Housing Need for the Crawley Borough Local Plan 2015-2030 (November 2014), Paragraph 4.1.

into account, the assessment is required to have proper consideration of impacts at a local functional market level reflecting how markets operate.

- 2.2.10 **[Post-Hearing Note:** As noted at paragraph 17.4.7 of **ES Chapter 17: Socio-economics** [\[APP-042\]](#), the Applicant has followed an approach that has regard to national Planning Practice Guidance where this is relevant, for example the use of the Northern West Sussex Functional Economic Market Area in the case of planning for the economy and labour market, and the relevant housing market areas in the case of preparing population analysis and housing need assessment. Indeed, the JLAs prepare their own local plan evidence on a similar cross-boundary basis, for example the Northern West Sussex Strategic Housing Market Assessment and the Northern West Sussex Economic Growth Assessment. Further, and specifically in the context of this Examination process, the authorities are acting jointly to reflect the likely extent and inter-related nature of the potential impacts across their respective individual administrative boundaries. Therefore, it is entirely within the scope of the term 'local level' for the assessment to be undertaken across and outside of specific local authority areas.]
- 2.2.11 The Applicant notes that the JLAs acknowledge the fact that there is no definition of 'local level' within the ANPS. The raw data has been with the JLAs for some time now, it has not been disputed and there is nothing to say that the work done is not adequate or not in accordance with guidance.
- 2.2.12 The Applicant further explained that guidance contained in the Annex to PINS Advice Note 7 requires assessments to be determined having regard to 'the extent of the likely impacts'. There is no prescription of that needing to be at a local authority level. The notable way the JLAs work together means it is difficult to isolate effects within an individual authority area but the information on what those effects would be, has been provided.
- 2.2.13 Taking the health and care sector as an example, it would be difficult to assess that sector just within Crawley Borough because people commute into Crawley Borough from other authority boundaries to fill these jobs.
- 2.2.14 In relation to the ESBS, the Applicant is in agreement with JLAs that their concern is capable of being picked up through further work that will follow to support an ESBS Implementation Plan and targeting specific sectors of the local economy. There are a substantial amount of people who aren't currently working and the intention is to grow the labour pool by providing training and giving access to jobs to allow those not currently working to access work.

- 2.2.15 The draft Crawley Local Plan has a formula for training requirements and if the Proposed Development is input into this formula, the requirement would be for £800,000. The Applicant is proposing significantly more than that and the ESBS Fund is big enough to deliver major benefits across the local authority areas.
- 2.2.16 The Applicant disagrees with the JLAs about whether the ESBS is necessary to secure all benefits. There would, of course, be major benefits without the ESBS, such as in aviation, (connectivity, choice, and lower fares), jobs that would go to local people without intervention, and in tourism and inward investment.
- 2.2.17 The ESBS allows these benefits to be more readily targeted locally and for inward investment and tourism to be invested and boosted. There is broad agreement with the JLAs on that.
- 2.2.18 In response to comments made by Mr Tanner, the Applicant explained that the London Gatwick Community Fund does scale with passengers. On social value – public sector procurement awards 10% of the tender score to social value, not the proportion of the contract itself.
- 2.2.19 In relation to the terms of national benefits in the need case, the Applicant has undertaken a TAG assessment together with the Oxford Economics work. This deals with forecasts differently. The Oxford Economics work is based on the runway capacity and the difference with and without the scheme. Therefore, to the extent that any of the sensitivity tests and issues that have been raised around them are focused on the difference the NRP makes, the benefits arise from that (rather than displacement or wider demand in the system).
- 2.2.20 There are challenges to the application of TAG within the aviation context and the Applicant has sought to be conservative in the way this assessment has been carried out. A balanced position has been presented and sensitivity changes could go in either direction so the Applicant believes weight can be given to that assessment.
- 2.2.21 In relation to the TAG based assessment, the Applicant explained that it has used this, not because it is a context in which the public sector is testing value for money, but really to provide one measure of how the benefits weigh against costs of the Proposed Development. The TAG Guidance is about public sector expenditure, whereas, in this case, the private sector is funding the Proposed Development. As alluded to previously in oral submissions, the Applicant has arrived at a Net Present Value (NPV) figure where the benefits exceed costs by £21.6bn. There will be scenarios in which the NPV will be lower but in using this figure and with the analysis done, the benefits will always exceed the costs considerably. The Applicant acknowledged that this is always an uncertain

procedure but, on balance, the right number has been included in the Application.

- 2.2.22 On displacement, the Applicant noted that there have been discussions on traffic forecasts previously but noted that the traffic forecasts already account for displacement. This is limited to some extent looking at evidence put forward regarding overlapping catchments and over-congestion. To the extent that people cannot fly due to congestion, the Applicant has captured benefits from reducing that constraint in the London system by releasing capacity.
- 2.2.23 The ExA noted the Applicant's statement that not all benefits have been included in the TAG assessment and queried what these benefits are and why they have not been included.
- 2.2.24 The Applicant referenced that a range of benefits not included in the TAG assessment have been listed in the **Needs Case Appendix 1 – National Economic Impact Assessment** [APP-251] (Table A2.1.5 and A2.1.6). There are some benefits that are limited in the assessment because the Applicant has taken a conservative approach. For example, as part of the assessment, it is necessary to make an assumption on airlines' profits in general over the assessment period. Taking this into account would increase NPV by £3bn. There are other benefits which were considered but excluded because there is a risk of double counting – such as benefits in trade. There is a category of other benefits where the Applicant is not able to calculate these due to the way that the traffic forecasts being relied upon have been put together. For example, when looking at the Airport's Commission proposals for a second runway at Gatwick ten years ago, the provision of competition to other airports in the London area was considered – those benefits would have been £15-20bn. Those are different circumstances but illustrate that there are some benefits that could have been included to increase the NPV substantially. Bearing this in mind, it means the Assessment undertaken is very balanced.
- 2.2.25 **[Post-hearing note:** The list of benefits that were not included in NPV include the following categories. Impacts that were quantified but excluded from NPV are listed in APP-251 under Table A2.1.5 and include: (1) trade impacts (£4.0bn - £6.7bn), (2) employment effects (£0.1bn), (3) agglomeration effects (£0.7bn). Impacts that were not quantified due to methodological/data limitations are listed in APP-251 under Table A2.1.6 and include: (1) frequency effects (lack of granular data availability), (2) competition impacts (lack of granular data availability) (these benefits were calculated in the Airports Commission work by Oxera – please refer to [GAL's submissions](#)² Appendix A3), (3) FDI impacts (no

² <https://www.gov.uk/government/publications/additional-airport-capacity-gatwick-airport-second-runway> (accessed 6 August 2024).

methodology to carve out double-counting with trade impacts), (4) tourism effects (lack of robust methodology), (5) freight impacts (lack of robust methodology).]

2.3. 5.2 Noting their response to ExQ2 SE.2.12, the Joint Local Authorities were asked to provide detail and justification on what, if any, additional controls are necessary in terms of addressing socio-economic effects.

2.3.1 Following submissions made by the JLAs, the Applicant confirmed that discussions are continuing. Additionally, in so far as references to a Tourism Fund have been made by the JLAs, the Applicant has not had sight of any evidence to justify such a fund as yet.

2.4. 5.3 The Applicant and Joint Local Authorities were asked to provide an update in terms of on-going discussions regarding the proposed Employment, Skills and Business Strategy.

2.4.1 The Applicant noted and welcomed the recognition shown by the JLAs that the recently shared Thematic Plans are a step in the right direction. The Applicant has worked hard to address previous concerns raised by the JLAs in this regard. The thematic plans have been shared and are subject to discussion with and comment from the JLAs. The versions shared most recently with the JLAs only include minor updates in response to comments made in the last round of reviews.

2.4.2 In terms of the appropriate approval process for the ESBS Implementation Plan, this is under discussion between the Applicant and JLAs and will be raised at the next meeting.

2.4.3 In response to SCC's request for a route map to be provided, the Applicant noted that SCC will be invited to the upcoming meeting and this query can be addressed through further discussions.

2.4.4 **[Post-Hearing Note:** the Applicant has provided this **ESBS Route Map** in its separate responses to the ExA's action points arising from ISH9: Socio-economics (Doc Ref. 10.63.4), in response to Action Point 32.]

2.4.5 The Applicant confirmed that it does not see the ESBS as mitigation for the Project.

2.4.6 The Applicant confirmed that the Thematic Plans will be submitted to the Examination at Deadline 8.

2.4.7 **[Post-Hearing Note:** an updated **Draft ESBS Implementation Plan**, which includes the thematic plans is currently being progressed following engagement

with the JLAs and so will be submitted to the examination on 14 August 2024 (Deadline 8a), in response to Action Point 31.]

2.5. 5.4 The Applicant and Joint Local Authorities were asked about the need for and practicalities of the provision of temporary housing options.

- 2.5.1 The ExA noted its awareness of the Applicant's position on temporary accommodation. However, in terms of non-home-based workers, this would be 270 peak non-home-based workers. The ExA suggested this might apply additional pressure on the local infrastructure and queried if the Applicant agreed the proposed Housing Fund would assist in this issue.
- 2.5.2 The Applicant explained that the Applicant has assessed a peak of 270 non-home-based workers as a worst-case scenario. This is usually 5-6% on projects in London and the South East, not the 20% assessed by the Applicant as a worst case. Additionally, the Applicant has assessed on the basis of all non-home-based workers choosing private rented sector accommodation and that will not be the case. **The Applicant's Response to the Local Impact Reports - Appendix D - Construction Labour Market and Accommodation Impacts** [[REP3-082](#)] Figure on Construction workforce profile (Figure 2-1), shows that the peak 1,350 number is reached very briefly. That again, mitigates against the private rented sector being used because workers will not be working on the Proposed Development long enough to take up PRS accommodation. Therefore, there will be use of genuinely temporary accommodation, such as B&Bs and suchlike. The Applicant has tested this and confirmed it would not lead to significant impacts.
- 2.5.3 The Applicant explained that it does not consider there is evidence that a relatively small number of additional workers would exacerbate a homelessness issue. Whilst the Sizewell C Project has been noted by the JLAs, this was a very different project and a very different location. It requires 8,000 workers in an area with only 37,000 construction workers available. In the Gatwick Airport location, there is a much larger supply of construction workers and housing.
- 2.5.4 The Applicant would be concerned about proposals to fund 270 additions to the dwelling stock. This would be a permanent solution based on the most conservative assessment of temporary impacts. There is not a case to seek to increase permanent affordable housing due to the scale and temporary nature of construction.
- 2.5.5 The Applicant confirmed that the evidence submitted by the Applicant showed 4,000 beds available [[APP-201](#) Table 6.2.5], using 2011 Census data. The Applicant highlighted that during ISH3, the JLAs specifically requested the

Applicant update its assessment to use 2021 Census data. The Applicant also noted that as the JLAs did not raise any other issues with the data or methodology used, it therefore replicated its previous approach with 2021 census data and found that the number of vacant bedspaces had doubled [[REP2-005](#) para 3.4] meaning the number of non-home based workers will go down as a proportion of available bed spaces. Notwithstanding the Applicant's original conclusion that there were unlikely to be any housing effects during construction, this demonstrated that the impact, if anything, has lessened.

- 2.5.6 The Applicant fundamentally disputed that the JLA's quarterly review of Rightmove as a more accurate or reliable source of data than the Census, for the reasons set out in **The Applicant's Response to the Local Impact Reports - Appendix D - Construction Labour Market and Accommodation Impacts** [[REP3-082](#)]. It is not a published dataset, we do not have any information about the quality assurance of the data, and it only provides a snapshot of the market at the particular point in time that the data is collected by the JLAs and does not provide complete coverage of every home. It also does not cover the relevant geography; the Council appear to have only collected data for Crawley, however the non-home-based workers are likely to be split across a much wider area, including a number of authorities.
- 2.5.7 The Applicant also noted that the housing emergency in Crawley has been declared for a number of reasons, not relating to the construction impacts of the Project, such as the affordability of home ownership and water neutrality [[REP3-082](#)]. As such the declaration of the Housing Emergency does not alter the Applicant's conclusions in respect of construction housing.
- 2.5.8 In response to remarks made by the JLAs regarding the approach of other NSIP Projects, the Applicant explained how the Proposed Development is distinguishable from these projects. For example, Lower Thames Crossing did no actual assessment, it simply adopted the Hinkley Point C numbers, which is not an appropriate alternative approach to the one taken by the Applicant. Regarding the Hinkley Point C and Sizewell C Projects, they are both far larger projects in much more remote, rural locations. In those cases there was a workforce management requirement for onsite accommodation for those projects, that doesn't apply in the same way in the present circumstances. In other words, the promoters there recognised a need to boost local supply, but that does not arise in this case.
- 2.5.9 The Applicant still does not have evidence of how the JLAs have factored an increase in construction workers to an increase in homelessness on a 1 to 1

basis. There is no evidence before the Examination to show how this chain of events happens.

- 2.5.10 The Applicant explained that when undertaking housing needs assessments, where possible Census data is used because this is widely accepted as the most statistically robust data set and is prepared in line with ONS's quality assurance procedures. In this instance, where a census has been undertaken recently, when looking at housing markets, this should be the reference point as to how many homes are within each tenure and how many homes are vacant within an area. There is no need to refer to collated data by a council officer from Rightmove, and we have no information about the quality or where this data has come from. Furthermore, the Applicant noted that there were many reasons why properties which were available for let were not on Rightmove, for example they might be let directly via agents or by word of mouth. There is no need to revert to a lower quality data set when the census is available. In ISH3, the JLAs requested the Applicant apply the latest 2021 census data in its assessment, which was provided. The additional inclusion of less robust data is unnecessary and does not form any evidence justifying that there is an impact during construction.
- 2.5.11 In response to comments from Ms Scott for Charlwood Parish Council and the JLAs about asylum seekers in the local area, the Applicant confirmed that once it received the information provided to the examination by the JLAs, it would take this point away and confirm its view in writing.
- 2.5.12 **[Post-Hearing Note:** the Applicant will provide this information in its separate responses to the ExA's action points arising from ISH9: Socio-economics, in response to Action Point 36, as an additional submission on 14 August 2024.]

2.6. 5.5 The Applicant and Joint Local Authorities were asked to provide an update in respect of on-going discussions in relation to the need to present a worst-case scenario in terms of employment benefit.

- 2.6.1 The Applicant confirmed that there is a topic working group meeting scheduled for next week which will seek to close out a number of outstanding issues. The JLA's definition of worst-case scenario is different in different areas of the SoCG because there is one area where it is claimed there is an overstatement and another area where it is claimed there is an understatement. On the overstatement, the Applicant confirmed that the peak and lower number have been assessed and so it is confident that a full assessment has taken place. It was confirmed that this will be picked up in discussions next week.

- 2.7. 5.6 Noting the submission of the ‘Explanatory Note on Catalytic Employment’ into the Examination, the Joint Local Authorities were asked to confirm whether this alleviates their concerns regarding the methodology used to assess catalytic employment benefits.**
- 2.7.1 In response to submissions by the JLAs, the Applicant clarified that it chose its methodology because it seeks to overcome two problems with other methodologies - displacement and the circularity of employment and airport growth. It generates a total employment number from which the direct, indirect and induced jobs are subtracted to get the catalytic number. The numbers for direct, indirect and induced jobs are agreed, it is just the methodology for estimating the catalytic number which is not agreed.
- 2.7.2 Because total employment is considered in the first instance, the origin of passengers does not affect that. This is driven by the number of passengers not their origin. The use of UK passenger survey data (as suggested by the JLAs) would not overcome those two issues of displacement and circularity.
- 2.7.3 To the wider point on employment and accommodation demand being higher, these catalytic jobs are several steps removed from the Application and subject to other things happening – it is not a direct consequence of the Proposed Development. It is expected but requires other businesses to expand and so there may be other planning applications required. If impacts are higher, there is still a much greater capacity in the labour market, and this would only lead to additional benefit, rather than adverse impacts.
- 2.7.4 The Applicant noted that the multiplier-based approach to assessing employment impact can suffer from substantial overestimates, particularly if you look at the ex-post evaluation evidence, you can see that displacement could imply that jobs will be created when they will already be in the local area. The Applicant wanted to use an approach that is robust, as has been applied in Italy, the US and peer reviewed academic journals. The Applicant was concerned that the JLAs and their advisors have misunderstood the approach taken here. The Applicant was not trying to estimate demand, it was estimating total traffic that would occur at an airport if located in an area. Accordingly, it is not demand; it is total activity. The alternatives suggested do not overcome displacement and reverse causality issues. This is important due to the upwards biases you would see from employment benefits in that type of analysis. The approach taken by the Applicant deals with substantive bias issues and is consistent with approach of other applicants for NSIP projects.
- 2.7.5 The Applicant noted that the issue between the Applicant and the JLAs is not an issue of disclosure – it is a fundamental methodological issue. The Applicant

confirmed that it did not think there has been a shift but will seek to resolve outstanding issues between the parties.

2.8. 5.7 Noting the Joint Local Authorities' answer to ExQ2 HW.2.8, the Applicant was asked to expand on how effects on vulnerable groups would be monitored and what engagement with such groups would occur during the lifetime of the Proposed Development.

2.8.1 The Applicant made reference to **ES Chapter 18: Health and Wellbeing** [[APP-043](#)] and confirmed that this assessment includes vulnerable groups and sets out the source-pathway-receptor relationships by which they may be affected. Monitoring is proposed for the sources, for example air quality and noise, it is not proposed that the clinical health outcomes of the receptor population including vulnerable groups is monitored directly. Monitoring of the pre-cursors, e.g. air quality and noise, is set out elsewhere in the application documents. For example, noise (**ES Appendix 14.9.8 Noise Envelope Group Output Report** [[APP-178](#)] requires noise modelling every year and is secured through the DCO Requirements 15 and 16) and air quality (see the most up to date **draft Section 106 Agreement** [[REP6-063](#)]).

2.8.2 In terms of the **Construction Communications and Engagement Plan** (Doc Ref 5.3), the Applicant confirmed that it considers the plan is sufficiently clear but will take away examples regarding non-English speakers and those with disabilities, to build those into the plan. This can be done by Deadline 8 of the Examination.

2.8.3 [**Post-Hearing Note:** the Applicant has submitted an updated **Construction Communications and Engagement Plan** (Doc Ref. 5.3) in its separate responses to the ExA's action points arising from ISH9: Socio-economics (Doc Ref. 10.63.4), in response to Action Point 39.]

2.9. 5.8 The ExA asked the Applicant to provide further detail in respect of the proposed Hardship Fund. Questions included, but were not limited to, the level of funding and how this would be distributed.

2.9.1 ExA requested an explanation of the statement in response to EXQ2, HW.2.9, that only 1% would require additional support and likely to require additional funding.

2.9.2 The Applicant confirmed that the 1% is a professional judgement derived in a couple of ways. One way was looking at how many dwellings would be affected, and noise is a good indication of this.

- 2.9.3 The **Applicant's Response to ExQ2 - Health and Wellbeing** [\[REP7-084\]](#) HW.2.9 set out that there are 9 wards around the airport, with a population of c.80,000 people (2021 census). Of these c.5,000 have health related conditions that result in day-to-day activities being limited a lot (the higher category recognised as disabled under the Equality Act 2010). This is equivalent to **6%** of the population.
- 2.9.4 Indicative of temporary construction noise effect affecting health: ES Appendix 14.9.1 Construction Noise Modelling [\[APP-171\]](#) Table 3.1.3: SOAEL Night-time Residential Property Count indicates 206 properties. Indicative of long-term aviation noise effect on health **ES Chapter 14 Noise and Vibration** [\[APP-039\]](#) paragraph 14.9.106 notes that in 2032 prior to mitigation air noise may significantly affect approximately 80 properties. Applying an estimate of an average of 2.6 people per property, this equates to around 700 people.
- 2.9.5 Applying the census average of 6% with day-to-day activities being limited a lot this would suggest, prior to mitigation, c.50 people, or c.1% of those in the 9-ward area with day-to-day activities being limited a lot may also experience large project changes.
- 2.9.6 *As other mitigation is available, the ExA requested an example of a type of hardship that would make someone eligible to apply.*
- 2.9.7 The Applicant explained that this mitigation is looking at exceptional vulnerability so examples might include an individual in palliative care or a child with autism who is hypersensitive to noise effects.
- 2.9.8 The Hardship Fund provides appropriate mitigation for those very rare instances when a person of exceptional vulnerability is present at a place and time of large project change and the Project's other mitigation measures are either not applicable or not intended to address this level of sensitivity.
- 2.9.9 *The ExA raised concern that applicants would need to wait until the next funding year if the fund was used up.*
- 2.9.10 The Applicant explained that, as far as level of funding is secured, this is under review and there will be an increase which will be seen at Deadline 9 of the Examination. The Applicant confirmed it would also consider the timing point.

- 2.10. 5.9 The ExA gave the opportunity for the Joint Local Authorities, other relevant bodies, and the Applicant to speak on matters arising from written and oral submissions relating to both socioeconomic and health and wellbeing matters.**
- 2.10.1 The Applicant raised that agenda item 5.4 discussed construction effects but noted a desire to make submissions on operation effects also.
- 2.10.2 The Applicant, confirmed that it is important to establish that there is agreement between the parties that during the operational phase the Proposed Development will not increase the overall amount of housing needed in the area, as shown in the JLA submission **Comments on any further information/submissions received by Deadline 2** [\[REP3-117\]](#). The Applicant noted that this position was consistent with that put forward by Crawley Borough Council to its recent local plan examination.
- 2.10.3 The evidence the Applicant submitted in its **Assessment of Population and Housing Effects** [\[APP-201\]](#) undertook a detailed review of the amount of affordable housing likely to come forward within Crawley and the surrounding authorities. One of those exercises looked at affordable housing policy requirements within the local plans. Existing local plans within the North West Sussex Housing Market area, comprising Crawley, Horsham and Mid Sussex, require between 30-40% of all housing to be affordable. The Applicant also noted that in Crawley, the emerging local plan required 40%, suggesting there will be no change to the affordable housing requirement.
- 2.10.4 In terms of the Proposed Development, the Applicant has assessed a number of workers who might be in need of affordable housing, noting that this was likely to be a worst-case scenario as it assumes all workers are net additional to the area, which is unlikely to be the case. This assessment shows that between 14-17% of workers may be in need of affordable housing. The Applicant noted that JLAs have not provided any criticisms of the data of methodology that underpins this affordable housing need assessment, and indeed [\[REP3-135\]](#) appears to not dispute the conclusion itself, as the Applicant's figure of 17% is quoted by the JLAs without criticism.
- 2.10.5 Given that it is agreed that the Proposed Development does not affect the overall amount of housing needed in this area and the JLAs are already planning for 30-40% of affordable housing provision, the Proposed Development – at 14-17% - is well below this threshold. Therefore, it was submitted that it cannot be the case that the Proposed Development will have impacts on affordable housing demands during operation and therefore the inclusion of the Housing Fund during both construction and operation is not justified by the evidence.

- 2.10.6 In addition, notwithstanding that the Applicant considers the requirement for a Housing Fund is not justified in principle, there are a number of comments in respect of the specific wording that has been proposed by the JLAs which relate to the intended purpose and scope of the fund. First, the wording references both construction and operational phases, and when the Applicant reads across to the reasons for this, they relate to affordable, temporary and emergency housing. The Applicant's concern is that there seems to be a conflation of different housing impacts across different phases of the project to the extent that it is not clear on the types of impacts the Housing Fund would be directed towards. This is even more relevant because the JLAs have indicated at the hearing that they are not intending to be prescriptive on what the Fund would cover. The Applicant therefore seeks clarification on the scope and purpose of the fund and when it would apply.
- 2.10.7 Second, as currently drafted, the wording proposed by the JLAs refers to a number of authorities who have not raised any submissions or concerns regarding housing matters, particularly East Sussex County Council, Kent County Council, Mole Valley District Council and Tandridge District Council. There is no clear basis for their involvement in the Fund. Further, in the case of Kent County Council, this would mean consulting with an authority which falls outside of the Applicant's labour market area and therefore does not feature within the population and housing assessment. By including a number of upper-tier authorities (i.e. county councils), this would involve consultation with authorities that have no statutory housing function. It is therefore not clear what their role as consultees would be, and why they would have the right to be consulted upon it.
- 2.10.8 The Applicant noted its position that the current draft wording proposed by the JLAs is not sufficiently clear in terms of the purpose and scope of the Fund, nor is there a clear basis for the geographical extent of those to be consulted to be defined in the way currently proposed. Taking both elements together, the Applicant considers there is a real risk that what is currently set out is completely unworkable and would require considerable modification otherwise this would present considerable practical difficulties.
- 2.10.9 Finally, the Applicant noted that a number of points have been raised over the course of hearings regarding what the airport does to support the community and the way the airport has taken into account the local community in developing proposals. Accordingly, the Applicant, explained the work the Airport does in the community, including the following:
- A significant education program with the Applicant working with local schools and colleges. The Applicant has recently opened up a STEM Centre, classroom

like facility with breakout rooms and IT equipment and kitchen for school children to use. There have been 2,000 children encounters through the STEM Centre, in the last year. This was shown to the ExA as part of a site visit.

- There is also a careers-live broadcast available for 11–17-year-olds to allow understanding of career opportunities at Gatwick Airport. This averages 12,000 views per broadcast.
- Wider programs are also in operation, including an apprenticeship program and mentorship program. Last week, Gatwick Airport had a summer work experience program where school children from secondary schools across the borough came to experience work at the Airport. A graduate scheme is also in place to encourage people into professions at the Airport, including the planning profession.
- The Applicant is part of the local Chamber of Commerce and Gatwick Business Diamond. It participates in events focused on creating momentum to deliver benefits for the region, working with other businesses.
- The Applicant's procurement processes prioritise local suppliers and it has spent over £100m per annum in previous years in the local supply chain, as well as subscribing to a local supply chain database.
- Within the Airport, there are local tourism initiatives, such as supporting the Sussex Six campaign.
- In terms of community work, the Gatwick Airport Community Trust was provided with a quarter of a million pounds in 2023 to fund local projects, for example, the Crawley Open House contribution of £20,000 to transform a disused building in Crawley to a life, skills and employability workshop for disadvantaged people living locally. A £30,000 contribution (spread over 3 years) was made to Charlwood for their Sports and Community Centre. Additionally, within Horley, the Fund awarded a grant towards the costs of a replacement roof at the Innes Pavilion with a £30,000 contribution.
- Last year the London Gatwick Community Fund spend allocated over £168,000 and funded 105 projects locally.
- There is also a sponsorship program run by the Applicant. For example, this has included a High Street Live event in Crawley and Year of Culture in Horsham District Council.
- The Applicant has charity partnerships, including with the Royal British Legion (with £40,000 supported) as well as Kent, Surrey and Sussex Air Ambulance.

SASH (Surrey and Sussex Hospital Trust) is also partnered and a couple of months ago a team from the Applicant cycled to Paris to raise funds for its charity partners.

- In Tunbridge Wells, a forest school enhancement scheme has been supported by the Applicant.
- The Applicant supports community projects across the region, working with local authorities. The Applicant are dedicated to support this area and the team work hard to minimize impacts within the local area. The Applicant wants to ensure people get good jobs at Gatwick Airport and benefit the local area. The Applicant has been doing this for a long time and adapts its approach to be flexible in arrangements in continuing to work in the best way it can for the local area.

2.10.10 In response to comments by Cllr Essex, the Applicant clarified that the workforce will be an infrastructure workforce, not a housing workforce. The Applicant wants local people to work on the Proposed Development. Whilst housing and infrastructure are not two completely independent workforces, there are distinct skills, and the overlap is not 100%. The ESBS will help upskill the workforce.

3 Agenda Items 6, 7 and 8: Action points arising from the Hearing, Any other business, and Close of Hearing

- 3.1.1 The draft action points were noted. The information regarding asylum seekers required by action point 36 will attempt to be given at Deadline 8 but this may need to be the next deadline. The Applicant agreed to the JLA's proposal that any follow-up documents would be submitted as an additional submission on 14 August 2024 but on the basis that the additional deadline would only be used for that specific purpose and the Applicant would not want to see swathes of information from other parties to be submitted at that deadline.
- 3.1.2 The ExA raised that Heathrow Airport has published results for the first six months of the year and some of this deals with passenger numbers and how these have changed. The ExA queried whether this done by the Applicant and, if so, whether this can this be made available.
- 3.1.3 The Applicant confirmed that it will respond on this point in writing by Deadline 8. The results will be published but the timing of this could not be confirmed in the hearing.

- 3.1.4 **[Post-Hearing Note:** the Applicant has responded to this query in its separate responses to the ExA's action points arising from ISH9: Socio-economics (Doc Ref. 10.63.4), in response to Action Point 41.]