



# Gatwick Airport Northern Runway Project

The Applicant's Response to Rule 17 Letter (e)

**Book 10**

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## Table of Contents

1	The Applicant's Response	1
1.1	Purpose of this Document	1

## 1 The Applicant's Response

### 1.1 Purpose of this Document

- 1.1.1 The Examining Authority issued a Rule 17 letter [[PD-029](#)] on 15 August 2024. The table below (**Table 1**) constitutes the Applicant's response.

**Table 1 The Applicant's Response to Rule 17 Letter (e)**

<b>R17e</b>	<b>Question to:</b>	<b>Question:</b>
R17e.1	The Applicant	<p><b>Homelessness Prevention Fund [AS-162]</b></p> <p>The Applicant's response to ISH9 Action Point 36 included reference to a Homeless Prevention Fund. It is understood that the purpose of this fund is to provide a contingency to mitigate any potential homelessness impacts which unexpectedly arise as a result of the Proposed Development. Please provide:</p> <ul style="list-style-type: none"> <li>a) a detailed justification for the proposed funding amount of £1 million;</li> <li>b) confirmation as to whether this fund is considered mitigation or enhancement; and</li> <li>c) a detailed justification as to why this funding has only been included towards the end of the Examination and was not included as part of the submitted application</li> </ul> <p>For context, as part of the negotiations with the JLAs in relation to the S106 Agreement, the Applicant has agreed to include a contingent Homelessness Prevention Fund in the S106 in place of the ExA's proposed Requirement for a Housing Fund. It is a maximum of £1m to be drawn down only if there is evidence of increased homelessness as a result of additional demand from the Project's Non-Home Based (NHB) construction workers. This would only be for the construction phase as it is now common ground that there will not be housing impacts in the operational phase. The <b>Joint Position Statement between GAL and the JLAs</b> (Doc Ref. 82) confirms that the JLAs consider this contribution to be sufficient to address their submissions on housing through the Examination.</p> <p>A Drawdown Request must include evidence of the need for funds as a result of the Project for the proposed purpose and that such evidence would be an increase above the national average of any of</p>

		<p>the following within the Relevant Area:</p> <ol style="list-style-type: none"> <li>1. homelessness presentations;</li> <li>2. use of emergency and temporary accommodation;</li> <li>3. use of discretionary housing payments; or</li> <li>4. licence applications or enforcement action in respect of HMO.</li> </ol> <p>a) The Applicant has agreed that the JLAs should be able to spend the money on a range of measures that would avoid or alleviate housing market pressures and the impact of homelessness on Council's activities and budgets. Different interventions would have a different level of cost, for example:</p> <ol style="list-style-type: none"> <li>i. The JLAs have estimated that additional affordable housing units would cost £30,000 per bedspace</li> <li>ii. Interventions to bring sub-standard properties up to standard would cost around £5,000 to £8,000 (typically as loans rather than grants)</li> <li>iii. Crawley Borough Council's Declaration of a Housing Emergency stated that it was incurring costs of £5.7m for 1,200 homeless people, an average of £4,750 per person</li> <li>iv. A Rent and Deposit Scheme (to avoid people at risk of homelessness losing their accommodation) might cost up to £2,000 per property</li> <li>v. The JLAs have expressed a preference for measures that increase the supply of housing, which are typically more expensive. The Applicant does not want to be overly prescriptive at this stage as to the best mix of these activities but is confident that £1m will be enough to cover any costs relating to impacts arising from the project were they to materialise.</li> </ol>
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		<ul style="list-style-type: none"> <li>vi. The ES assessed a conservative position where there would be 270 NHB workers at peak. This is based on 20% of the workforce being NHB. The average proportion of NHB workers in the construction industry is 5% or 6% (regional and national averages). Some of these workers will not choose Private Rented Sector (PRS) accommodation, either through preference or because they are not on the project long enough to sign a typical six month Assured Shorthold Tenancy (AST). Evidence from Hinkley Point C suggests that no more than 50% of workers are choosing PRS accommodation. That project has a much larger workforce and a much longer peak so there are more workers who will be on the project for over six months and therefore able to sign an AST in the PRS.</li> <li>vii. A very conservative assumption would therefore be 135 workers seeking accommodation in the PRS around Gatwick.</li> <li>viii. This could be achieved by allocating £750,000 to providing additional units (25 bedspaces), £160,000 to renovate 20 two-bed properties (40 bedspaces) and £100,000 to rent and deposit schemes (75 bedspaces) to provide a total of 140 bedspaces.</li> <li>ix. By switching to lower cost options - 12 additional units (£360,000), 55 renovations (£440,000) and 100 rent/deposit guarantees (£200,000) the full 270 bedspaces could be provided from the £1m.</li> <li>x. If the renovations and rent/deposit guarantees were operated as loans even more could be achieved if necessary. However, it could still only be drawn down when linked to evidence of a project impact.</li> </ul> <p>b) This would be mitigation of/avoiding effects on the JLAs' statutory homelessness provision but provided on a contingent basis, i.e. only to be drawn down if there is evidence of impact.</p> <p>c) The Applicant's assessment does not identify housing impacts requiring mitigation. However,</p>
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		<p>since the Examination opened, the JLAs have provided additional information on housing market constraints, including the direct cost to Crawley BC of homelessness that have led to it declaring an emergency.</p> <p>The Applicant acknowledges that there is some uncertainty in the data and a risk of direct costs accruing during construction to the JLAs as a result of their statutory homelessness duties. The JLAs have also been able to provide information to the Applicant recently, which is not otherwise available in the public domain.</p> <p>The Applicant has therefore agreed to this contingency fund, to be drawn down only in the event of evidence of project-related impacts on the housing market and homelessness in particular that might otherwise lead to increase costs for the JLAs.</p> <p>The Applicant remains confident in its assessment and thinks impacts are unlikely, but recognises the change in circumstance with respect to homelessness that has occurred since the submission and so the proposed Fund provides a safety net that should impacts arise, the JLAs would have access to funding to avoid incurring additional costs. The Applicant values the opportunity to agree the Section 106 Agreement with the JLAs and was aware that this was an important issue for them. The <b>Joint Position Statement between GAL and the JLAs</b> (Doc Ref. 10.82) confirms that the JLA's concerns have now been resolved.</p>
R17e.2	The Applicant	<p><b>Impact of the DfT TAG November 2023 update on the National Economic Impact Assessment [AS-164]</b></p> <p>The ExA note the submission of the above document into the Examination. Paragraph 2.3.2 of this document states:</p>

		<p><i>“Three main changes in the guidance have been identified:</i></p> <ul style="list-style-type: none"> <li>• <i>Incremental inbound emissions need to be monetised in the assessment</i></li> <li>• <i>Traded and non-traded emissions need be assessed jointly and the carbon valuation price should be adjusted to avoid double-counting emissions</i></li> <li>• <i>Displaced emissions from activity elsewhere (i.e. from other airports in this case).”</i></li> </ul> <p>Please provide further information on the following:</p> <ol style="list-style-type: none"> <li>a) What is the extent of inbound emissions now included (i.e. to the full extent of the flight, or at national levels/ to UK borders)?</li> <li>b) Why are such emissions not included in the assessment contained within the Environmental Statement Chapter 16, Greenhouse Gases [REP4-005], and what would be the implications of this on Section 16.9, Assessment of Effects, were they to be so?</li> <li>c) Provide more information on the assessment of displaced emissions (paragraph 2.3.12) – what was the information/ data used to inform this analysis of displacement of traffic from other airports and where did it come from?</li> </ol> <p>The update to the National Economic Assessment provided in line with the update to the DfT’s TAG Aviation Unit guidance does not rely on new air traffic modelling – it uses the same modelling that was produced for the original application. It simply changes how the National Economic Assessment monetises the carbon associated with those forecasts to include the inbound emissions and change how the emissions that are inside and outside of the Emissions Trading Scheme are monetised and presented.</p>
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		<p>The answers to the specific questions are as follows:</p> <ul style="list-style-type: none"><li>a) It is the full extent of the flight</li> <li>b) The emissions from inbound flights were not included in the assessment of effects as the methodology sought to follow an approach consistent with UK National Reporting on GHG Emissions which considers single outward journeys to inform formal reporting into UNFCCC as part of the national greenhouse gas inventory. This approach was consistent with that undertaken in other recent airport expansions whereby quantification of impact considered only LTO emissions calculated in the vicinity of the airport in question and outbound CCD emissions. Inbound flights fall under two categories, in line with global reporting protocols, namely domestic and international. For the purposes of including these in the assessment it would be necessary to differentiate between inbound domestic flights (which fall within the remit of UK Carbon Budgets and Jet Zero) and inbound international flights (that do not fall under the scope of any UK carbon budgets or other UK carbon management regime).</li> <li>i) Including domestic inbound emissions in the consideration of the overall contribution of the Project to the UK carbon budgets increases Project GHG emissions to only a very small degree (see the Table 4 of the <b>Greenhouse Gases Technical Note</b> (Doc Ref. 10.79) with the Project contributing 0.657% of the UK's Sixth Carbon Budget (also including additional emissions discussed during Examination, namely Well-to-tank emissions and emissions from waste incineration).</li></ul>
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		<p>ii) Were all inbound emissions to be included then emissions from aviation would double those originally assessed, as explained in the <b>Greenhouse Gases Technical Note</b> (Doc Ref. 10.79). However the resulting figure does not allow for contextualisation against the UK carbon budgets (because approximately half fall outside of the scope of the UK carbon budgets), and the total emissions figure relates to an extended time period beyond that of the current UK carbon budgets. In overall terms approximately half of total emissions would fall outside the scope of the UK carbon budgets and (by international agreement) fall under the remit of ICAO to manage. The additional emissions in 2050 have been considered against ICAO modelling developed in support of their long term aspirational goal for net zero by 2050 and are found to represent 0.13% of the total 2050 aviation emissions for that scenario.</p> <p>For these reasons, the inclusion of inbound flight emissions in the assessment of the Project’s impacts does not lead to the identification of any new significant effects or otherwise alter the conclusions of the GHG assessment as presented in that chapter.</p> <p>c) Paragraph 2.3.12 states that in the original assessment there was no assumption about displacement (i.e. all emissions are additional). This assumption has been carried forward into the update so there is no analysis of displacement of traffic from other airports. Paragraph 2.3.13 then states that there would be some limited displacement and if there were then the net carbon emissions would be lower but the Applicant has not sought to calculate by how much. The assumptions about displacement from other airports in the original assessment are set out in Table 8.1.1 of <b>Needs Case Appendix 1 – National Economic Impact Assessment</b> [<a href="#">APP-251</a>].</p>
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