



Gatwick Airport Northern Runway Project

Appendix A: Comments on the London City Airport Decision

Book 10

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1 Introduction

- 1.1.1 In its Rule 17 request R17f.7 [\[PD-030\]](#), the Examining Authority drew attention to the recent appeal decision at London City Airport (ref: [APP/G5750/W/23/3326646](#)), jointly made by the Secretary of State for Housing, Communities and Local Government and the Secretary of State for Transport (the Secretaries of State), and asked all Interested Parties to provide any comments on the decision and the relevance or otherwise of it to the proposed development, should they wish to do so.
- 1.1.2 All decisions are made on the individual merits of each application and the circumstances at London City Airport are certainly very different from those at Gatwick. Nevertheless, in terms of general approach there are some relevant matters to report, which may assist the Examining Authority, particularly given their consistency with other recent airport related development. The Applicant has divided these up under the following headings:
- Policy
 - Forecasts
 - Noise
 - Carbon
 - Economic benefits
 - Other
- 1.1.3 The proposals at London City Airport were advanced as a Section 73 application to vary conditions attached to a previous consent. Their principal characteristics are summarised at paragraph 4.3 of the Inspectors' report to include:
- an increase in the limit on passengers from 6.5 mppa to 9 mppa.
 - a proposed extension to operating hours on Saturday afternoons.
 - an increase in the daily limit of flights within the first half hour of the operating day (06.30-07.00) from 6 to 9 movements.
 - changes in operating hours of the Terminal and changes to the airport layout to accommodate the proposed changes in flights.

2 Policy

- 2.1.1 The Inspectors' confirmed (paragraph 6.17) that the ANPS is supportive of airports beyond Heathrow making best use of their existing runways.
- 2.1.2 In this context, the Inspectors' conclusions included the following:-

“14.103 Aviation policy emphasises the Government’s intention to facilitate sustainable growth and advises that it is supportive of airport growth where it is justified [6.16]. The Government encourages making the best use of existing runway capacity [6.18], and the FTF supports this in its strategy to secure a future where aviation remains of strategic importance, allowing tourism, business and trade to thrive [6.19]. With this background, there is no specific policy requirement for LCY to demonstrate a particular type of ‘need’ as part of a proposal for development [8.35].”¹

- 2.1.3 The reference to [8.35] is a reference back to a report of the applicant’s case reported by the Inspectors which drew attention to the appeal decisions at Bristol Airport and Stansted Airport which established the same position. This interpretation and application of policy is directly consistent with the Applicant’s and contradicts the case made by others that GAL must demonstrate a particular type of need.
- 2.1.4 The policy of MBU, therefore, applied directly to London City Airport but the Inspector’s found in that case that it could meet its forecast growth without extending its operating hours (paragraph 14.126).

3 Forecasts

- 3.1.1 It was accepted (paragraph 14.107) that London City Airport had struggled to recover from the pandemic at the same rate as other airports. Nevertheless, the Inspectors were satisfied, as follows:

“14.111 We are satisfied that the forecasts produced, having regard to the range of growth forecasts considered, are fit for purpose. We also consider that, despite the short-term effects of the pandemic, long-term growth in demand, whether for business or leisure, is likely to recover to pre-pandemic levels and to continue to grow”.

“14.121 “From the evidence, we fully accept that there is growth within the market generally, and as a consequence there is a ‘general’ need for the proposal, be it for leisure or for business passengers.”

“14.133 We are satisfied that the forecasts produced are fit for purpose. We find that long term growth in demand is likely to

¹ The SoS’s agreed (paragraph 16)

recover and continue to grow, and that the Airport serves this growth. Accordingly, we find that there is a general need for the Airport to utilise the opportunities available to it, which would be in line with making best use policy.”²

- 3.1.2 Again, these conclusions are directly consistent with the Applicant’s case. Others have argued that Gatwick Airport has been slow to recover from the pandemic, and GAL has refuted this (see, for instance, **Appendix A: The Applicant’s Response to York Aviaton at Deadline 9** (Doc Ref. 10.77)). As the Secretaries of State have confirmed in the LCY decision, however, it is the forecast of recovery and long term growth which is more important.

4 Noise

4.1 Policy and Guidance

- 4.1.1 The case at London City Airport was very specific to its unique circumstances (see paragraph 14.13). In relation to noise, however, the focus was on whether or not harm would arise from some relaxation of early morning flights and, in particular, whether the 24 hour curfew which applied to flying at the airport from lunchtime on Saturdays could be lifted to enable flights during Saturday afternoon and early evening. In that context, the particular debate is unlikely to be directly helpful at Gatwick Airport. The Inspectors recognised that this type of specific change was difficult to quantify through standard metrics (paragraphs 14.80 -14.84) but nevertheless, the loss of the curfew was considered by them to represent a fundamental shift with significant impacts on the local community. The Inspectors found that such a change would be contrary to policy (paragraph 14.136).
- 4.1.2 More directly relevant, however, was the approach agreed to noise assessment which included agreement on relevant levels for LOAEL and SOAEL:

“7.3.4 The thresholds for SOAEL and LOAEL are based on Government guidance and established practice. For daytime noise the LOAEL is 51dB LAeq,16h and the SOAEL 63dB LAeq,16h. For nighttime noise the LOAEL is 45dB LAeq,8h and the SOAEL 55dB LAeq,8h”.

“14.30 It is important to note that the LOAEL and SOAEL values as well as change criteria are established and based on significant

² The SoS agreed (paragraph 16)

bodies of research including from the WHO, and the CAA. This includes through the abovementioned SoNA studies and other social surveys.”

4.1.3 The Inspectors considered noise effects and LOAEL:

“14.99 In reaching this conclusion, we have not further considered the case of HACAN East in terms of noise effects below the LOAEL. As we have stated, the general approach within the ES of focussing on effects about the LOAEL is appropriate. In any case LCY recognise that aircraft noise can be heard outside of the LOAEL contours. Our focus is on those effects within the contours and our conclusions are reached on that alone.”³

4.1.4 The Inspectors recognised LOAELs as given in government policy, ie quantified by the 92 day summer season average mode noise levels, and although the local noise pressure group, HACAN East, argued there were effects at lower levels the Inspectors conclusions were drawn entirely on the noise levels above LOAELs.

4.1.5 The Inspectors referred to the Overarching Aviation Noise Policy Statement (March 2023) (OANPS) and commented:

“6.27 The OANPS also clarifies that an overall reduction in total adverse effects is desirable, but in the context of sustainable growth an increase in total adverse effects may be offset by an increase in economic and consumer benefits. In circumstances where there is an increase in total adverse effects, “limit” would mean to mitigate and minimise adverse effects, in line with the NPSE.”

4.1.6 London City Airport is a smaller airport than Gatwick Airport but its noise affects many more people. Paragraph 14.58 notes a population of 205,300 people within the Leq 16 hr 51 dB summer average mode LOAEL noise contour at London City Airport in 2019, compared to 24,050 at Gatwick (27,650 at night) ie more than 7 times as many. The Inspectors recommended for approval, and the Secretaries of State approved, the development that will increase noise levels and effects (paragraph 14.70).

4.2 Noise Envelope Limits

4.2.1 The Secretaries of State imposed a noise envelope in Planning Condition 27:

27 Fixing the Size of the Noise Contour

³ The SoS agree with each of these conclusions (at paragraphs 12-15)

The area enclosed by the 57dB LAeq 16hr Contour shall not exceed 9.1 km² when calculated by the Federal Aviation Authority Integrated Noise Model Version 7 or later version.

The Airport shall be operated in accordance with the 'Noise Contour Strategy 2022' document dated 20 October 2022 approved under reference 22/02528/AOD (dated 24 January 2023). The approved Noise Contour Strategy to reduce the Contour area by 2030 shall be reviewed not later than the 5th year after approval and every 5th year thereafter in order to seek further reductions in the size of the Noise Contour by 2030 and beyond. The reviews shall be submitted to the local planning authority for approval in writing within 3 months of such review dates and implemented as approved. iThe area enclosed by the 57dB LAeq 16hr Contour shall not exceed 7.2 km² when calculated by the Federal Aviation Authority Integrated Noise Model Version 7 or later version, from the time that the passenger throughput of the Airport first reaches 9 million passengers in any twelve month period.

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Reason: To ensure that the development is constructed in accordance with the Updated Environmental Statement dated February 2016 and Environmental Statement dated December 2022.

4.2.2 The following features of the noise envelope that the Secretaries of State imposed are consistent with the Applicant's proposed Noise Envelope for the Northern Runway Project and at odds with those suggested by others:

- The sole metric used in Leq 16 hr i.e. the summer season metric. At Gatwick the Applicant uses this metric and also proposes Leq 8 hr to cover the night period.
- It sets two noise limits, in line with the forecasts in the ES 'to ensure the development is constructed in accordance with the ES'. For the Northern Runway Project the Examining Authority's proposed noise limits are not in accordance with the ES, have not been proven, and are not achievable.
- It sets the second noise limit around the time air traffic grows to the proposed capacity of the proposed development, lower than the first, consistent with policy. The Applicant proposes the same.
- It requires a review of the noise envelope limits every 5 years, as proposed by the Applicant.
- Notably, the Inspectors and the Secretaries of State did not find it necessary to impose any form of environmentally managed growth.

4.3 Noise Insulation Scheme

- 4.3.1 The approach to noise insulation schemes at the two airports is similar, in that noise levels above SOAEL are to be offered a superior package of insulation than those below SOAEL, i.e. both airports offer tiered schemes. The Applicant's proposal for the Northern Runway Project is significantly more generous in that it includes noise insulation for properties in the noise range Leq 16 th 54 to 57dB which the London City Airport scheme does not.
- 4.3.2 The Applicant's proposal for the Northern Runway Project also offers a more comprehensive package of measures in the SOAEL (Inner Zone) that includes consideration of roof acoustic insulation where necessary.
- 4.3.3 With regards ventilation, the schemes are similar. Ventilation is provided through acoustic ventilators to provide fresh air and in summer, cooling. The Applicant's proposal for the Northern Runway Project is more generous in that it specifically offers thermal insulation to roof spaces and blinds to address overheating.
- 4.3.4 With regards to ground noise the Inspectors note:
- “14.79 In terms of ground noise, the analysis in the ES draws similar conclusions in that ground noise effects under the DC [Development Case] Scenario are generally greater than under the DM Scenario. Overall effects are rated as negligible to minor adverse and those receptors exposed to potentially significant moderate increases in ground noise are within the Airport's air noise sound insulation contours and are therefore eligible for or already treated by the air noise SIS.”⁴***
- 4.3.5 The Inspectors note that ground noise effects from the London City Airport project will be mitigated by the air noise insulation scheme and neither the Inspectors nor the Secretaries of State consider a new ground noise or combined noise insulation scheme is necessary. The same approach is taken by the Applicant for the Northern Runway Project.
- 4.3.6 The approach taken to all of these matters can be considered to be consistent with up to date government policy.

⁴ The SoS agreed (paragraph 14)

5 Carbon

5.1.1 The Inspectors were satisfied with the approach taken by the applicant to carbon assessment, which included contextualising the carbon effects of the increased flights against:

- i. the 'planning assumption' (37.5Mt CO₂) that was taken into account when setting the Fourth and Fifth Carbon Budgets;*
- ii. the Sixth Carbon Budget;*
- iii. the DfT Jet Zero Strategy's 'high ambition' in sector trajectory;*
- iv. national policy to reduce aviation emissions to net zero by 2050; and*
- v. considering whether the increase in carbon emissions is so significant that it would have a material impact on the ability of Government to meet its carbon reduction targets, including carbon budgets." (14.149)*

5.1.2 In this context, the Inspectors concluded that:

"14.150 This is a widely adopted approach which has been used in a number of airport expansion proposals and endorsed by the High Court. It is important to note that aviation emissions are regulated at national level, with reductions being driven by Government policies, incentives and participation in the UK ETS which are a 'cap and trade' scheme and CORSIA, which is a global trade scheme. The Government retains the ability to introduce additional measures in order to control aviation emissions should they be needed and is under a legal duty to ensure that the net zero carbon target and carbon budgets in the CCA 2008 is met".

5.1.3 Whilst some Interested Parties were concerned that the increase in flights was in contradiction to declared climate emergencies (paragraph 14.153), the Inspectors concluded that:

"14.158 Critically, as previously identified, caselaw is also clear that aviation emissions are a matter which are controlled under other national control regimes. In terms of non-aviation emissions, the CCCPA would seek to achieve net zero by 2030 in any case. Therefore, insofar as LP policy could come into play in terms of emissions, and even if the 2030 target was a material consideration as the policy target for the purposes of LP Policy T8, that could be met through the conditioning of the CCCPA".

“14.159 Overall, with specific regard to climate change, we are satisfied that there would be no conflict in terms of national and development plan policy. In particular there would be no conflict with LP Policies T8 and GG6 on this matter”.

- 5.1.4 The Secretaries of State agreed with the Inspectors analysis (paragraph 18 of the Decision Letter), which is consistent with the approach and conclusions of the Applicant in this case.

6 Economic Benefits

- 6.1.1 The London City report deals with a number of Socio-Economic issues that have also been raised during this examination by the JLAs and by New Economics Foundation (NEF) and the Gatwick Area Conservation Campaign (GACC). These include:

- The extent and importance of local economic benefits
- How displacement has been addressed
- Various aspects of the TAG-based national assessment, including
 - The need for a TAG-based assessment
 - Forecasts and displacement
 - Outbound tourism

- 6.1.2 The JLAs’ advisers (York Aviation) were acting for the applicant at London City.

6.2 Local Economic Benefits

- 6.2.1 The Inspectors’ report notes (paragraph 7.2) that the estimates of job creation were agreed between the Applicant and the Local Planning Authority (LPA) and were **substantial**. These included 1,340 direct jobs, 830 indirect/induced and 2,300 catalytic jobs.

- 6.2.2 For the NRP, it is common ground between the Applicant and the JLAs that the Applicant’s assessment of direct, indirect and induced jobs is accepted. These total 9,500 jobs, i.e. significantly higher than the 2,170 at London City.

- 6.2.3 The assessment of catalytic benefits for the NRP is not agreed – in part because of a disagreement over displacement.

6.3 Displacement

- 6.3.1 One of the areas addressed by the London City Airport report is displacement and how this affects the assessment of economic benefits. This remains an area

of disagreement between the Applicant and JLAs/NEF. Very similar matters are addressed in the London City decision.

6.3.2 The JLAs have asserted that the Applicant has not adequately assessed displacement of either passengers or local employment.

6.3.3 For reference, in terms of passengers, paragraph 7.15 of the [JLAs' Response to the Applicant's Deadline 8 Submissions](#) states:

"In essence, our concerns regarding the methodology are the same as those identified by NEF (section 4 of the D8A submission), namely that displacement and spillover effects need to be accounted for in presenting the net employment impacts at a local level."

6.3.4 Paragraph 3.16 of the [Legal Partnership Authorities' Closing Submission](#) states

"...the overstatement of the scale of national benefits from the expansion by reason of the NRP due to the erroneous assumption that the growth attributable to the NRP is, at a national level, all incremental growth in aviation activity, with no allowance being made for displacement of aviation activity from other airports, where passengers divert to Gatwick once the NRP is in place and operational."

6.3.5 The first thing to note is that this is not correct. Allowance is made for passenger displacement in the forecasts. This is set out in the TAG national assessment (see Table 8.1.1 of **Needs Case Appendix 1 – National Economic Impact Assessment** [\[APP-251\]](#)), which also included a sensitivity test with slower growth (section A1.4 of [APP-251](#)) to show how the NPV would be affected if there were less unconstrained demand and Gatwick still captured 13mppa of growth but with slightly more passenger displacement as a result.

6.3.6 Notably, however, the London City decision establishes that issues of displacement should not weigh against the proposal.

6.3.7 Given their resonance, the conclusions of the London City Airport Inspectors on displacement are set out in full below, with emphasis added:

"14.177 Economic impacts, including employment, were assessed in the ES344 without being adjusted for displacement. However, passenger and aircraft displacement were accounted for.

14.178 There is some ambiguity around the assumptions used and while the three types of displacement [8.140] are distinct from one another, on the face of

*it, there appears to be a mismatch in the approach taken [10.17]. However, there is not a standardised methodology to assessing such effects and there are inherent uncertainties associated with any assessment. **It is also noted that other decisions for airport expansion including at Luton Airport, have considered this matter finding that potential for displacement of passengers or spending does not weigh against the proposal [8.142].*** p14.179 *Displacement does happen and indeed has happened in terms of passenger displacement with routes moving away from the Airport to Heathrow as a result of the pandemic, in order to preserve the slots. Nevertheless, **this is a temporary issue and should not be permanent [8.83c].*** p14.180 *However, **there is no detailed evidence that the displacement would be harmful or undermine the benefits to a significant degree.** Similarly in terms of climate change there is logic in the approach taken to carbon emissions [8.140] due to the need for positioning aircraft elsewhere during the curfew period. We have also given our analysis on climate change matters separately. s14.181 **Airport expansion is actively supported in policy terms, including in terms of making best use of existing runways, and in general economic terms as part of levelling up. The ES is correct in analysing the local impacts and the wider impacts across London, particularly in terms of levelling up. Accordingly, these matters do not weigh against the proposal.***

6.3.8 The Secretaries of State agreed:

“For the reasons given at IR14.177 to 14.181 the Secretaries of State note that there is not a standardised methodology to assessing displacement and there are inherent uncertainties associated with any assessment, but it is a temporary issue and should not be permanent. They agree that there is no detailed evidence that displacement would be harmful or undermine the benefits to a significant degree, and that the approach to assessing economic impacts in the ES does not weigh against the proposal.”

6.3.9 These conclusions are all relevant to the case for the NRP.

6.3.10 The London City Airport report defines three types of displacement (paragraph 8.140), two of which are relevant to the NRP – passenger displacement and employment displacement.

6.3.11 As set out in paragraph 6.3.5 above, passenger displacement is included in the forecasts and therefore has been considered in both the local and national assessments.

- 6.3.12 In terms of employment displacement, the first point to note is that although it can arise from passenger displacement, in the case of the NRP, the passenger displacement is very low so employment displacement would also be low. The local employment benefits arise from the incremental growth that the NRP delivers and when the wider aviation system is capacity constrained, these are additional benefits at all spatial scales.
- 6.3.13 The level of displacement in the Applicant's case at London City Airport was significantly higher than is the case for the NRP. Paragraph 8.140 (the Applicant's case) states: "*With regards to passenger displacement, the Need Case clearly indicates that if the Airport does not expand, the additional passengers would be forced to use alternative airports*" and paragraph 10.17 (HACAN East) states "*In evidence LCY suggested that there would be effectively 100% displacement of air traffic and 95% displacement of passengers.*" Nevertheless, that did not count against the proposal.
- 6.3.14 If decision-makers were nevertheless concerned about local employment displacement, it is also a relevant distinction that the methodology chosen for the NRP was designed specifically to deal with employment displacement at the local level. The Applicant continues to believe that the JLAs have misunderstood the methodology from which catalytic impacts are estimated. These are calculated net of employment displacement so even if the JLAs do not agree with the Applicant's forecasts because of displacement, at a local level this has no effect on employment impacts.
- 6.3.15 In any event, the assessment by Oxford Economics (**Needs Case Appendix 2 – The Economic Impact of Gatwick Airport – A Report by Oxford Economics [APP-252]**) is not subject to the kind of displacement asserted by the JLAs. The JLAs have not challenged the methodology of the Oxford Economics assessment of impacts. The assessment assumes additional passenger throughput capacity as a result of the NRP of 13mppa and that there is no displacement from other airports because the London airports system is already heavily constrained and forecast to become more so.⁵ There is no capacity at other airports in the London system by 2038 (the first assessment year) or 2047 (the second assessment year).
- 6.3.16 The impacts that Oxford Economics have estimated at local and national levels are therefore additional and not affected by the type of criticisms of displacement

⁵ The shortage of capacity has been apparent since the appointment of the Airports Commission. The ANPS documents the same (from paragraph 2.10) and the lack of capacity in the system has driven government policy and airport expansion applications (such as Luton's DCO application) before and since that time. Heathrow and Gatwick have experienced excess demand in peak periods for a decade. The excess demand and its implications for airports and passengers is set out, for example, in the submitted **Needs Case [APP-250]** from Section 5 and in the **Needs Case Technical Appendix [REP1-052]** from Section 2.

made by objectors at the London City inquiry. Indeed, if, as stated in paragraph 3.14 of the [Legal Partnership Authorities' Closing Submission](#), the capacity of the airport as a result of the NRP is up to 45% higher (18-19mppa compared to 13mppa) then the catalytic benefits would be expected to be higher too.

6.4 TAG-Based Assessment

- 6.4.1 The London City Airport report confirms that a TAG-based assessment is not required (paragraph 14.184) but that it could be considered by decision makers as a material consideration (14.187) but was not specifically in that case because of the uncertainty and differences between the relevant parties.
- 6.4.2 No such differences exist for the NRP and the Applicant believes weight can be given to the assessment in this case. The Applicant has followed the DfT's guidance in full in doing the assessment. This was not the case at London City Airport.⁶
- 6.4.3 The Applicant has also included a second national assessment (not following TAG) that also demonstrates significant benefits to be weighed in the balance. The methodology for the work by Oxford Economics [[APP-252](#)] has not been challenged by the JLAs or anyone else. Again, this was not the case at London City Airport.

Outbound Tourism

- 6.4.4 NEF has asserted that facilitating outbound tourism causes adverse economic effects.
- 6.4.5 The London City Airport report follows other recent Inspector's reports in finding that outbound tourism is a positive. This was the applicant's case and it was supported by the Inspectors, as they set out in paragraph 14.190:

*"In general, outbound tourism is encouraged in national policy and thus there is no requirement to limit this in order to retain spending in the UK [8.144]."*⁷

- 6.4.6 GAL's assessment makes no allowance for these benefits and is conservative in that respect. Others asserted that the effects of outbound tourism should be

⁶ York Aviation produced what they described as a "high-level socio-economic cost benefit analysis." It included passenger air fare and surface access savings, airport company benefits and Air Passenger Duty. In terms of costs it included only construction and carbon costs. Unlike the NRP assessment, it did not include the costs of air quality or noise impacts which are included as costs in TAG Unit A5.2

⁷ Agreed by the SoS (at paragraph 19)

counted as a disbenefit. The London City Airport decision makes clear that would not be appropriate.

7 Other

7.1.1 A range of other issues were raised but few have direct relevance to the NRP.

7.1.2 It is appropriate to note, however, that whilst GAL has not reviewed the individual detail of the 'control documents' to which the conditions/obligations refer, there is nothing within the Report or Decision Letter which indicates anything close to support for an EMG framework approach or which anticipates any potential constraint/suspensive restriction on airport growth dependent on the achievement of sustainable transport measures or air quality/carbon outcomes in the manner suggested by the JLAs, or contemplated in the ExA's suggested DCO drafting. Indeed, the wording of imposed conditions (50 and 51, for Air Quality, 64 (Travel Plan) and under the Section 106 Agreement (Carbon and Climate Change Action Plan (paragraph 14.260 of the Report)) suggest far greater consistency with the equivalent controls proposed by the Applicant under the NRP.