



Transport Select Committee

Oral evidence: Airport expansion in the South East, HC 784

Monday 8 February 2016

Ordered by the House of Commons to be published on 8 February 2016.

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Members present: Mrs Louise Ellman (Chair), Mary Glendon, Karl McCartney, Stewart Malcolm McDonald, Mark Menzies, Huw Merriman, Graham Stringer, Martin Vickers

Questions 1-68

Examination of Witnesses

Witnesses: **Rt Hon Patrick McLoughlin MP**, Secretary of State, Department for Transport, **Lucy Chadwick**, Director General of International, Security and Environment, Department for Transport, and **Caroline Low**, Director of Airport Capacity, Department for Transport, gave evidence.

Q1 Chair: Good afternoon and welcome to this session of the Transport Select Committee. Would you give your names and positions for the record, please?

Mr McLoughlin: I am Patrick McLoughlin, Secretary of State for Transport. I am joined by Lucy Chadwick, who is the Director General of International, Security and Environment in the Department, and Caroline Low, who is the official responsible mainly for dealing with airports and aviation capacity in the Department.

Q2 Chair: The Government promised to make a decision about aviation expansion in the south-east by the end of 2015. That did not happen and instead we were told that important environmental assessment work had to take place. When did you first decide that that needed to be done?

Mr McLoughlin: First and foremost, I would like to say that we took a number of decisions, which I referred to in my statement to the House on 14 December. The decisions were that we accepted the recommendations of the Davies committee; we accepted the fact of the locations and the timescales. What we could not agree on or make further progress on at that stage was the actual location. It was the location that we did not make a decision on. I said then that we very much hoped that we could make that decision by summer this year.

Q3 Chair: I think you know, Secretary of State, that the key decision has to be about location. Everybody was expecting that that was what the Government would say. Was it you or somebody else who decided that the work needed to be done?

Mr McLoughlin: As you know, Chair, the Prime Minister specifically set up a Cabinet committee to look at this, so it was as a result of a meeting of that Cabinet committee and the discussions held there, as well as some of the issues that had arisen since we set out the fact that we would like to see the location. I know you brush it to one side, but I think the fact that we needed the new runway capacity, that we had accepted the recommendations and that the options should be as the commission said were very important announcements. You are quite right that we did not make the location decision. Things have happened since the Davies Commission report came out. For instance, the Environmental Audit Select Committee report of 1 December—before we had the committee meeting that took the decision I reported to the House on 14 December—and other issues that had been going along caused us to pause. Indeed, Sir Howard's evidence to that Committee was that the Government would need to satisfy themselves on those particular matters.

Q4 Chair: But surely you are not seriously telling me that it was because of the work of another Committee that you decided that the decision could not be given by the end of the year. Environmental concerns are hardly new. These have been major issues from the beginning. They have been big issues for a very long time. Indeed, the Davies Commission recommendation is a package that includes looking at environmental assessments. You are not seriously telling me, are you, that it was because of the Environmental Audit Committee that you decided you could not recommend the location?

Mr McLoughlin: I am not saying that was the sole decision. I am saying it was one of the contributory facts. I always listen very carefully to this Committee but I do not necessarily do everything it tells me to do, and there is that respect across the Government for other Select Committees as well. It was an issue and indeed Sir Howard said, when he was giving evidence—I do not have the exact quote in front of me—that the Government would have to take those factors into account. That was one issue, but I am not saying it is the only issue. There are other issues that made us take that decision.

Q5 Chair: What were those other issues? Would it be a mayoral election, perhaps?

Mr McLoughlin: We have always known when the mayoral election is, and we knew when the mayoral election was going to be when we said that we hoped to take a decision when we hoped to take a decision. To somehow now say that the only reason why we are not making a decision is the mayoral election is not really credible, although I know that is what some people want to interpret from that. There are other issues. The mitigation facts that the commission set out very clearly for Heathrow had not been set out so clearly in other areas for Gatwick. Part of the work that I commissioned the Department to do is to look at some of the mitigation factors that may have to be taken into account should we decide on a different recommendation from what the commission actually recommended as far as location is concerned.

Q6 Chair: Does that mean that you are looking at some completely different environmental work that does not relate to the commission's recommendation?

Mr McLoughlin: Sorry, let's be absolutely honest. I will try to be as clear as I can on this. A result of what came out of the VW scandal, and the admitted use of defeat devices that gave us readings on cars that we were not expecting to have, is that it has caused more work to be done on engine and exhaust pollution by the Department. At the moment, that work is ongoing. That was where the Environmental Audit Committee basically came into its own. But there is other work going on in preparation for the national planning statement. The fact that I announced that we would be using the process in the 2008 Planning Act was another move to show what kind of system we would move forward with.

Q7 Chair: But when you and your officials came in front of this Committee in October, you told us that the NOx emissions resulting from the Volkswagen scandal did not have a significant impact on the environment generally. Sir Howard Davies, speaking to the Environmental Audit Committee, also said that the assessments they had made looked at real emissions and not test emissions. Is this something that is a real reason for delay or just something you have found to mix into the pot?

Mr McLoughlin: No, it is a real reason for the delay. I very much hope that by the summer of this year we will have a location decision.

Q8 Chair: What kind of work did you do on environmental issues between July, when the commission reported, and December, when you told us you could not make a decision?

Mr McLoughlin: I would like to ask Caroline if she would outline some of the work for which she was directly responsible. There was a lot of work going on in the background for the Department.

Caroline Low: The work we did from July through to December was taking the commission's report, reviewing and assuring all the evidence there. As the Secretary of State has specifically said on air quality, two significant things happened after the report was published. First of all, there was the VW scandal, which has a clear impact on the modelling from factory to real-world emissions. Secondly, there was the publication of a new air quality plan by the Government that was not available when Sir Howard did his analysis. It brings forward the date of compliance around Heathrow by five years. We have to look again at the commission's modelling in relation to the new air quality plan in order to understand whether Heathrow—indeed, we are doing the same analysis at Gatwick—can still meet legal air quality targets.

Q9 Chair: Have you done any work on the proposal for an independent aviation noise authority?

Mr McLoughlin: We are working on all the recommendations that were in the commission's report.

Q10 Chair: Have you done any work on that specific recommendation?

Mr McLoughlin: There is work going on, and it will be one of the issues we have to decide when we announce the actual location. We accept that part of the report that Sir

Howard and the commission made. It is a very important part, along with the levy that he wants to be spent in local areas to mitigate noise problems that airports create.

Q11 Chair: But have you done work on setting up the independent aviation noise authority as recommended?

Mr McLoughlin: We have not done work in the sense that we have not yet said which recommendations of Sir Howard's on that particular point we are going to go along with. That work has not yet been done, but obviously we are working on it as a recommendation, so that when the Cabinet committee meets again to take this work further forward we can decide if that is going to be part of the Government's proposals.

Q12 Chair: What exactly are you saying? You say that you are looking at environmental issues in the light of possibly new information. Does that mean you are going to put the economic impact of the different options to one side and decide to go forward with a location that has lower environmental impact, irrespective of economic benefit?

Mr McLoughlin: No, I am not saying that at all. We are looking at everything in the round. We obviously have to assure ourselves on environmental impacts and on the position this will have. If we do not do that, the one thing I have learned, having taken HS2 through, is that we will be subject to judicial review. I guarantee that there will be attempts to get judicial review on whatever decisions we eventually take. To ensure that we are in the strongest and most robust position, it is right that this work and this exercise should be carried out, else we will have even longer delays in the process. I point to the Department's success overall on not being successfully challenged as far as HS2 is concerned, and the work that was done in preparation for that. That is partly what I have tasked the Department with, and I have asked Lucy, as the director general, to ensure that we do everything we can to comply with the law.

Q13 Chair: You are still concerned with looking at maximising economic impact and connectivity.

Mr McLoughlin: Yes.

Q14 Huw Merriman: The Secretary of State may have answered my questions, but I will ask a supplemental. Was the decision ultimately taken on the basis that you were concerned that, had you made a decision when the environmental impact assessment had not been carried out, you would have ended up with a much longer delay for a court process than the six months that you have now paused the decision for?

Mr McLoughlin: That is possibly a reasonable assumption to make. The commission said that we need the extra capacity up and running by 2030. That is a 15-year gap from where we are at present. If we use the 2008 Planning Act, there are a number of areas where the Act has already been used for different projects that have then moved along a lot more successfully. I am just trying to turn my hand to those particular projects.

Lucy Chadwick: There are things like Hinkley Point, and Thames Tideway used it as being equivalent to national and significant infrastructure and used it as a route through.

Q15 Huw Merriman: Given the date of 2030, I am reminded that, when we had a visit to the Department and heard from Ms Chadwick, we talked about the importance of putting the shovel in the ground as soon as the decision was made; then a week later it got delayed. Have you now built in a hope—an expectation—that you will be able to catch up on those six months by the time that the airport, wherever it is, is eventually open?

Mr McLoughlin: I very much hope so. I do not believe that the delay we put in by making the announcement will stop us completing the project in the time that the commission recommended. However, whichever project goes ahead, it is a very big infrastructure and construction project. There will be some difficulties, but there may also be opportunities to catch up on some of the time.

Lucy Chadwick: Let me build on that. For example, as the Secretary of State said, we also made a decision on using the NPS as a route, in terms of the powers for this. We can now start preparation on that. Clearly we cannot do it on the specific location elements, but there are some parts that are germane to any of the decisions, and to some elements of the decision the Government have already taken. We can make sure that all that work is under way in parallel to completing the last environmental assessment work and continuing our engagement around the mitigation measures that the promoters and others want to see in place.

Q16 Huw Merriman: None the less, is there a danger, notwithstanding the delay, that in fact you may still find there is a legal challenge on that same point?

Mr McLoughlin: There may be a legal challenge, but if we have done the work, and we are satisfied in our own mind that we have done the work, we can progress and, hopefully, convince the court that we have taken the right decision. It is a brave Secretary of State in any Department who says, “There’s no way that we’re going to get judicially reviewed,” or who says that we will win at every particular stage; but if we have not done the work properly in the first instance, obviously the chances are much greater.

Q17 Karl McCartney: Secretary of State, the Chair alluded to a question I asked of your officials. I would treat the air quality issue in terms of VW as a bit of a storm in a teacup. I do not think it was that much of an issue when you look at the scale of pollution, either pre or post the defeat software that was put in place. That is by the bye and it has put us where we are. I am going to bowl you an easy one, and it is your decision whether you treat it like Geoff Boycott or Ian Botham. You said there is a delay until the summer. The summer is a very long period. Are we looking at immediately post the mayoral elections, pre a potential EU referendum or at a late Indian summer, so that it could be as late as October when we get a decision? Would you like to try to nail it down for us?

Mr McLoughlin: I don’t think I would, really.

Q18 Karl McCartney: I didn’t think you would, but I am asking you anyway.

Mr McLoughlin: You have shown some of the difficulties as far as the referendum is concerned. I do not yet know when the referendum will be; a date has not been set. Like you, I can read all the speculation around it. There will be a period of purdah once the referendum is called, and that may influence our availability to be able to take a decision at a specific time. If the referendum is on 23 June—a date that has been talked about—we

still could be on target to make the decision before the end of July. It will obviously depend on when Parliament is sitting. I do not think this is a decision I would like to take when Parliament was not sitting; there might be some repercussions if one tried to do that. That is why I have been slightly cautious about being very specific with the date, but there is no doubt in my mind that I would like to see a decision by the time the House rises for the summer.

Q19 Karl McCartney: There would obviously be some disquiet if the announcement was made while we were not sitting. Regardless of that, how do you think the project in the UK compares with other airport expansion projects around the world? I am thinking of places like Frankfurt, which has already had an extra runway, and Hong Kong, which is talking about a third runway for an airport that was not even there prior to the late 1990s. They are talking about a four-year project from start to finish, including all planning. Abu Dhabi and other places are talking about expanding their airports. On a world aviation stage, how do you think people might view the process that has taken place so far in the UK?

Mr McLoughlin: Probably with frustration from the aviation industry as such, but we have to try to balance the very many competing issues. Some of the airports you have talked about do not sit where Heathrow, or Gatwick for that matter, sit in relation to the people who are affected by the decision. If it had been an easy decision, we would not have been talking about it for the last 30 years. I remember talking about aviation capacity when I was a junior Minister in the Department back in 1989. It is very important that we set out that we have done detailed work as far as the commission is concerned. I think that the commission's work was excellent in the way it was carried out, the way it consulted and the way it went into detail. A wide range of different people made up the commission. It was not just Howard Davies. There was Baroness Julia King, Ricky Burdett, John Armitt and Vivienne Cox. They all brought different levels of expertise to the commission to come forward with those recommendations.

Q20 Chair: Do you accept the concern that has been raised by business almost unanimously about the economic cost of not going ahead in the agreed timetable?

Mr McLoughlin: Sir Howard Davies said that it was important that we have a decision by 2030. Sorry, not a decision.

Q21 Chair: 2030? Would you like to rephrase that, or do we take it as a new statement?

Mr McLoughlin: I would certainly like to rephrase it. It certainly won't be my decision by 2030 anyway.

Q22 Chair: Do you think there will be a decision during your tenure of this office?

Mr McLoughlin: I very much hope so, Madam Chair. For the record, to be absolutely clear, I was referring to the fact of the extra runway by 2030. That is what business needs to be reassured about. We are sticking with that date. I am very sorry for my slight slip a few moments ago.

Q23 Chair: When you spoke at the BATA dinner in January you said, “With every new air route to the Far East or South America, Paris, Frankfurt and Dubai are making themselves more attractive to investors.” Presumably you meant what you said there.

Mr McLoughlin: Yes, I did.

Q24 Chair: What are you doing to make sure that something is done in the agreed timetable?

Mr McLoughlin: I am doing all I can as Secretary of State for Transport to make sure that the work is being done in the Department. I come back to this point. Because everybody is location-focused, there were a number of decisions taken by the committee: it accepted the report; it accepted the three options that the report set out, and we have said those are the three options we are looking at; and it announced the route we would go by, which brings certainty and enables us to make a decision, and for the construction to be done, within the timescale set out by the committee.

Q25 Chair: Are you absolutely confident that it will happen within that timescale?

Mr McLoughlin: Yes.

Q26 Chair: Will it be you taking the decision, or could you be overridden by somebody else?

Mr McLoughlin: No. The Prime Minister set up a Cabinet sub-committee to deal with this. The fact that the Cabinet sub-committee exists is something that is in the public domain. The members of that Cabinet sub-committee will make a recommendation to Cabinet.

Q27 Chair: What about the implications of a delay in decision making for airspace? The CAA are looking at the use of airspace and possible new routes. Hasn't this delay caused a delay in their work, too?

Mr McLoughlin: The CAA and NATS are looking at the way in which it moves forward. That is also very much based on the location where we eventually decide the airport should be. Some work on that has already been carried out by both NATS and the Civil Aviation Authority.

Q28 Chair: Can you tell us exactly what is happening in relation to NATS' work?

Lucy Chadwick: The important thing that the interim report of the Airports Commission set out was that it asked very firmly that there be a senior delivery group set up by the industry. The Secretary of State commissioned and asked the CAA to set up and lead that group. This is nationally important infrastructure; we do not see it, because it is in our air, but equivalently important to us is how we consult and manage a more transparent process of change around all of that. The senior delivery group is working through a number of papers that will soon be out for consultation. We hope at least to coincide with any decision taken in terms of location.

Q29 Chair: Who will be publishing the papers and when is soon?

Lucy Chadwick: The consultation will come out from us as Government, but working with the industry.

Q30 Chair: When?

Lucy Chadwick: Very soon.

Q31 Chair: What does that mean?

Lucy Chadwick: It means in numbers of months as opposed to any longer than that.

Q32 Chair: Is that related to a decision on the location of the new runway?

Lucy Chadwick: It certainly would be if the decision was taken by the summer. You would expect those to be concurrent.

Q33 Chair: What do you mean when you say you would expect it to be? What is actually going to happen?

Lucy Chadwick: If the Secretary of State, as he has set out, runs to the timescale that he is hoping for in terms of making a decision, we would expect all that consultation to happen simultaneously.

Q34 Chair: If there is a delay in decision making, there is a delay in looking at airspace.

Lucy Chadwick: Not necessarily. That is a decision the Secretary of State will want to take at that point—in terms of whether he would want to continue to proceed. There are a number of other benefits and options that he will want to consider at that point, but that is not something we have to think about in the abstract. We will take the decision if and when that happens.

Q35 Chair: But surely you must have some plans for that. The use of airspace is very important in terms of efficiency, noise and other environmental aspects. It is important to everyone now, and it is particularly important in relation to a new runway, wherever it is.

Mr McLoughlin: Yes. As Ms Chadwick said, we will want to try to make sure we stick to the timetables necessary to deliver that.

Q36 Chair: Are you not concerned about the delay in looking at airspace that seems to be set in now, because of the delay in your taking the decision?

Lucy Chadwick: We fully recognise the imperative. At this stage, in terms of the work we are doing with the industry, we are working to a timescale with them that is as I have set out.

Q37 Stewart Malcolm McDonald: Apologies for arriving slightly late. Secretary of State, how frustrated are you with this whole thing? It is quite a saga, is it not?

Mr McLoughlin: Whether I am frustrated or not does not—

Q38 Stewart Malcolm McDonald: How frustrated are you?

Mr McLoughlin: I am very committed to making sure that we get the right decision and that, when we get the right decision, all the work has been done, as I said just before you arrived, Mr McDonald, so that we do not find ourselves blocked up in the courts because we have not done sufficient work, and people are able to take us to judicial review because we have not considered very important aspects of the recommendation we made. That would be more frustrating, so I would rather make sure that we get it right in the first instance.

Q39 Stewart Malcolm McDonald: I hear what you are saying about further environmental considerations. We hear that the Volkswagen scandal may now be a factor. There is the possible date of the referendum and a possible Brexit, depending on the result. Everything seems to be out of your hands, and I do not understand why you can't just get to grips with it and make a decision. At your party conference, the Chancellor said, "We are the builders," yet you seem reluctant to build anything in the way of a new runway.

Mr McLoughlin: The Chair might not want me to, but if you like I can go through all the levels of infrastructure we are doing in this Parliament, which I think are very substantial indeed; not least Crossrail being built, which will be the biggest contribution to capacity in London. There is all the work—

Q40 Stewart Malcolm McDonald: They are all excuses as to why this cannot happen and a decision cannot be made. It all just feels a wee bit wet to me.

Mr McLoughlin: I am very sorry that it feels a bit wet to you. I can assure you that I am determined to make sure that when we make a decision it is sound, not only in the way in which I defend it when I announce it to the Commons but sound as far as not getting judicial reviews, because that would lead to further delays. I come back to the point that if we do not do the work and then are challenged, and the court accepts that we have not done sufficient work, there will be a bigger delay. That is partly from my experience with HS2 where there have been over 17 judicial reviews, all of which failed bar one. We went out to re-consultation on the compensation and accepted that one area, but it did not delay the scheme overall, and that is the most important thing. The most important thing to me is that by 2030 we will have the extra runway capacity that we need.

Q41 Stewart Malcolm McDonald: Do you think you have failed to manage the expectations of politicians and business?

Mr McLoughlin: I do not know. I suppose you could say that I have failed to manage expectations, but sometimes that is a problem politicians have.

Q42 Stewart Malcolm McDonald: You are now saying that we will get a decision before the summer recess. It will not happen the day before the House rises, presumably. Will you give us a commitment that we will have proper time in Parliament to respond, once you get permission from the Chancellor? We all know it is the Chancellor who is going to make the decision. Will you ensure that Parliament does not get an announcement the day before we rise for the summer recess?

Mr McLoughlin: Hold on. First and foremost, I do not accept that it is the Chancellor who will make the decision.

Q43 Stewart Malcolm McDonald: I didn't expect you to.

Mr McLoughlin: The fact is that a committee of the Cabinet has been set up. That committee is chaired by the Prime Minister. It will make the recommendation to the Cabinet. I will be in the position of being able to announce it to Parliament as soon as is practicably possible after that announcement and after that decision has been taken. As to when that is, I cannot give you an exact date.

Q44 Stewart Malcolm McDonald: But it would be unacceptable for that to happen on the day the House rises, would it not?

Mr McLoughlin: I do not think many people would accuse me of being somebody who runs away from making decisions or making statements in the House. I made my second statement on 14 December, well in advance of the Christmas recess dates. Obviously I will bear that in mind, but the important thing is that when I have a decision and can make it, I will.

Q45 Stewart Malcolm McDonald: Can I ask a slightly different question? In relation to the decision of whether it is Heathrow or Gatwick, what discussions do you have with the Scottish, Welsh and Northern Irish Governments with regard to the decision and the impact it will have on regional airports? Obviously I am a Scottish MP so I want to hear in particular about your discussions with the Scottish Government, but how much does that feature in your decision making?

Mr McLoughlin: First and foremost, I refuse to call airports outside London regional airports. As far as I am concerned, they are busy international airports and they are absolutely essential to the connectivity of the rest of the United Kingdom to London. I am very pleased to see that British Airways is about to start a new flight to Inverness very shortly. That shows the importance of connectivity. One of the issues I would want to look at and discuss with the commission is how we secure a number of slots for connectivity as a result of the decision we make to increase airport capacity, wherever it is. On that, I think I am very much with you, Mr McDonald.

Stewart Malcolm McDonald: I am very glad to hear that, Secretary of State.

Mr McLoughlin: There is a first time for everything.

Q46 Stewart Malcolm McDonald: I hope it is not the last. Are you in active discussions with the Scottish Government in particular on this?

Mr McLoughlin: I have not discussed it yet, because we need to take the decision on location. When I meet members of the Scottish Government and when I meet members of the Northern Ireland Assembly—I gave evidence in the last Parliament to the Northern Ireland Select Committee—it is one of the big issues. Of course, as far as Wales is concerned, connectivity to the London airports is very important as well.

Q47 Mary Glendon: I apologise for being in the Chamber earlier. I will indulge the fact that I am a north-east MP, if the Minister and the Chair do not mind. You talked about connectivity, Secretary of State. Notwithstanding the work that has been done on the environment, what weight would you attach to the economic question, especially in relation to regions? How would you respond to the chief executive of the north-east chamber of commerce, who said that only an expanded Heathrow could provide the hub capacity required to connect north-east businesses to fast or emerging markets?

Mr McLoughlin: I would respond by saying that I hear what he says but I cannot give my decision solely on what is said by the chief executive of the north-east area. There are a number of airports outside London that are arguing strongly one way or the other for their different preferred options. I well understand that Newcastle have made very strong recommendations as to which they believe it should be. Obviously that is something we have to consider.

Q48 Mary Glendon: Further to that, it is said that we would need two runways by 2050. Isn't it a question of which one comes first?

Mr McLoughlin: To a degree, it is a question of which one comes first. You are right that the report goes to 2050, but, if I may say so, I will concentrate on getting the first one up and running by 2030. I will leave where the next runway should be to one of my successors.

Lucy Chadwick: The Airports Commission was quite clear that the demand would be there. It set out that there could be all sorts of changes in the aviation sector, so it did not want to get drawn into what the nature of the aviation market could be come 2050. There are also still some quite serious challenges to get over in terms of the environmental consequences, particularly carbon. Again, the commission did not want to pre-judge what technology would innovate or the rate at which it would do so. They concluded that the demand was certainly there. The question about location and whether that could be met within sensible environmental constraints they left open for an equivalent body, as they jokingly put it, at some future point.

Q49 Chair: What discussions have you had with other Departments or with businesses about the impact of this delay on investment to the UK?

Mr McLoughlin: Those Departments are part of the Cabinet sub-committee that took the view, so the Secretary of State for BIS sits on the Committee, as do the DECC and Environment, Food and Rural Affairs Secretaries and the Chancellor. There is sufficiently broad Government representation of various industries and sectors to fill those requirements.

Q50 Chair: So you have been discussing them.

Mr McLoughlin: Yes. Those Departments are obviously able to make representations—and did make representations. It is also fair to say that there was not too much divergence of opinion as to the work that we needed to do to make sure that we got the decision right.

Q51 Huw Merriman: This is perhaps more of a general point about big infrastructure projects, but it is related to this topic as well. Do you feel that we have the

balance right between making decisions, involving consultation and allowing the courts to intervene? Isn't it incredibly difficult and perhaps even more expensive now to allow the go-ahead for big projects such as this?

Mr McLoughlin: There is no doubt that there is frustration about all the legal requirements and the hoops that we sometimes need to jump through, but we just have to accept that that is the right thing to do. If you are putting a new piece of major infrastructure in an area where it has not hitherto been, you have to expect that people will want their views heard. They will want to make sure that the right environmental work has been done, and the right kind of inquiries as to how it may affect their lives or the lives of their neighbourhoods are things that need to be judged. Yes, it is frustrating. We are doing it under the 2008 Act, which has changed things and gives a much more straightforward timetable as to the time it will take.

Before the 2008 Act came into force, Terminal 5 took something like eight years in the planning process, from application to final approval. We had a planning inquiry lasting over three years. The new airport capacity will be developed under the new Act. Under the Planning Act 2008, the inquiry period is fixed at six months. There are areas where there are other engagements of the public and Parliament in the process.

Q52 Huw Merriman: The point I was going to make related to Terminal 5. It sounds as if lessons have been learned and put in place. Do you think, therefore, that business has got it wrong when it makes the case that it takes far too long in this country to build anything? Perhaps, in reality, they are not quite as up to speed as the passage you have just given us.

Mr McLoughlin: I can let you have a much more detailed note on what happens with a development consent application. Basically, there are six months for the planning inquiry and examination in public; three months for the planning inspector to report to the Secretary of State; three months for the Secretary of State to consider, report and announce a decision; a six-week period for any potential judicial reviews; and within that period there are also parliamentary occasions when Parliament can take a vote on the issues.

Q53 Huw Merriman: I know that the aim is to hit 2030, and obviously I am aware that it takes time to construct and build, but it may well be that it is open in advance of 2030.

Mr McLoughlin: Yes.

Q54 Chair: What is going to happen if capacity is full before 2030, or if this timetable slips?

Mr McLoughlin: As I said in answer to Mr Merriman, if we stick to this timetable there is the possibility of its being open beforehand. The commission has said that we are okay until 2030. There is extra capacity at the moment, not at Heathrow but at other London airports, so it is very important that we get on with the job.

Q55 Chair: The commission is very clear that things will be full in the whole London airport area by 2030 at the maximum; it could be 2025.

Mr McLoughlin: We have to look at the overall impact for the country. That is why it is absolutely essential that once we get under way we do not have extra delays.

Lucy Chadwick: The commission looked at a range of future scenarios in terms of economic growth and changes in the aviation market. In conclusion, it said there was an early and a late range around all of that but that the Government needed to plan to make sure there was an additional runway by 2030. That was its assessment of the sensible, central case around all of this.

Q56 Chair: You have said a number of times, Secretary of State, that you accepted the report of the Airports Commission. Does that mean you accept its predictions about the economic impact of one decision rather than another?

Mr McLoughlin: Overall, I accept the report, but we have to take a number of other factors into account as well. If you are looking at the GDP impact over a 60-year model, Heathrow Airport Ltd is £147 billion, Heathrow Hub is £131 billion and Gatwick is £89 billion. Gatwick would argue that those figures do not reflect a true representation of what actually happens, but, overall, I accept what the commission is saying unless it can be proven to me that the commission has somehow got its figures wrong. At this stage that has not happened.

Q57 Chair: The work that you have commissioned—I am going to ask you a bit more about exactly what you have commissioned—is to do with environmental impact. It is not about the economic impact: for example, the figures that you have just quoted.

Mr McLoughlin: I am still listening. I am still open. I have met both Heathrow and Gatwick since my decision was made. If they make representations to me, I will obviously listen to them.

Q58 Chair: What does that mean? Are you telling us that there is some possibility that the whole issue can be opened up again after all these years and all the money spent on investigating the options?

Mr McLoughlin: I am trying to be as open as I possibly can. It would be rather stubborn of me to say to Gatwick, “I completely dismiss everything you have said.” If they want to prove something else to me, I will obviously look at that and look at what they want. As I said, I am minded that the commission has done an incredibly detailed piece of work and I accept the commission’s report. I have the experience of when I first arrived at the Department for Transport. Virgin had been saying that the figures for the west coast main line were wrong. Everybody assured me that they were not, but it turned out that Virgin was right. Perhaps if we had listened to Virgin a bit earlier we might not have had some of the problems that we went on to have. Experience has taught me to be a little bit cautious and not necessarily dismiss it when somebody says that a certain set of figures is not truly reflective of what they think is the true cost. That is only fair. Gatwick are making that point to me and I will look at what they are saying.

Q59 Chair: Does that mean you are going to open up new inquiries into economic issues?

Mr McLoughlin: No, I do not want to open up new inquiries, but obviously if they come up with substantial evidence I will look at it.

Q60 Chair: Exactly what work have you now commissioned in relation to environmental impact, or anything else that you are doing?

Mr McLoughlin: I thought we had covered that earlier. We are testing the commission's work on air quality further against the Government's new air quality plan, as recommended by the EAC. This is in addition to work to test compliance and to build confidence that expansion can take place within legal limits. We are also doing further work on air quality, which is only one element of the wider package of further work. We are doing more work on carbon to address concerns about sustainability, particularly during construction. We are dealing with the concerns about noise to get the best outcome for residents. We want to make sure that communities get the best possible mitigation deals. We are carrying out extra assurance to assess the runway's potential, both locally and nationally, so that it can deliver more jobs, growth and apprenticeships. We are starting work on the building blocks of an NPS—a national policy statement—to ensure that we are prepared for the next stage of the planning process. We are doing due diligence on plans for surface access to airports by talking both to the promoters and the key delivery bodies. I can send you a letter setting out in more detail some of the other issues that we are pursuing, but those are the main areas of work we are doing.

Q61 Chair: Couldn't some of those areas of work have been carried out while the planning process was being considered? It is a very long process, isn't it?

Mr McLoughlin: It is not that long.

Q62 Chair: How long from now to a decision?

Mr McLoughlin: I went through it a few moments ago. Earlier this morning, I had a very good aide-mémoire which went right the way through it, but I can't put my hand on it at the moment. The timeline at the moment is for a decision by the Government on the preferred location. Then there will be a draft national policy statement published for consultation and laid in Parliament. This is published a minimum of four weeks after the announcement on the runway location to avoid the legal risk of pre-determination. There is no decision yet on the length of the public consultation, but it could be 16 weeks. A Commons Select Committee will examine the draft NPS and hold a full-blown inquiry for 12 weeks immediately following the public consultation. The Commons Select Committee will submit a report to me by the end of the 12-week period. Once a final NPS is laid, debates and votes must happen within 21 sitting days of the House. At any time after the vote, or it could be the same day, if there is a negative vote, the Secretary of State will change and lay a new NPS, again for 21 voting days.

After that has happened, the next steps, post the 12 months, are that the developer submits a development consent order to the planning inspectorate; there is a planning inquiry and examination of six months, which is fixed; the planning inspector will report to the Secretary of State within a fixed three months; and the Secretary of State will consider the report and announce a decision—again fixed at three months. The potential JR will be for a six-week period thereafter, as well as at any stage along the line if we did not fulfil the role correctly. That is the big change that came about as a result of the 2008 Planning Act. There is a much clearer timetable as far as developments like these are concerned.

Q63 Chair: Why did you decide to go down the development consent route rather than a hybrid Bill?

Mr McLoughlin: If you compare what we are doing with HS2 for instance, which uses the hybrid Bill procedure, you are talking about a line of some 330 miles as opposed to a very specific area of land that is more relevant to NPSs, and the intention, as I understand it, of the 2008 Planning Act.

Q64 Chair: Is there any possibility that you could end up rejecting all the recommendations in the Davies Commission report?

Mr McLoughlin: We are going to make a decision based on the Davies Commission report, so I hope we do not end up rejecting all the suggestions.

Q65 Chair: What do you think the most likely legal challenges are? Is that something you would like to share with us?

Mr McLoughlin: People have enough of their own ideas as to where to challenge without the Secretary of State starting to lay areas where he thinks he may get challenged.

Chair: I think we will accept that.

Q66 Stewart Malcolm McDonald: I have one final point. In 2009, the Prime Minister used the phrase: “No ifs, no buts...There will be no third runway at Heathrow.” There will be a lot of people who are wondering why we are in the position we are in and why the “No ifs, no buts” does not live up to it. Was the Prime Minister wrong to make that statement?

Mr McLoughlin: The Prime Minister was talking about a specific proposal before Parliament at that time, which he believed to be wholly wrong as far as the future of aviation capacity was concerned. Indeed, the recommendation that has come forward from the Davies Commission, if a third runway at Heathrow is decided to be the right way to go forward, is very different from the proposal that was being looked at back in 2008-09. There are two Heathrow proposals.

Q67 Stewart Malcolm McDonald: Would people who are against the third runway proposal as it stands today be wrong to hold the Prime Minister to that statement from 2009?

Mr McLoughlin: I am sure people will hold the Prime Minister to whichever view they wish to hold the Prime Minister to. We have had the independent commission report. It was agreed in the last Parliament. It has come forward with recommendations, and we have to judge our response on those recommendations.

Q68 Chair: And we expect a response before Parliament finishes for the summer recess.

Mr McLoughlin: I very much hope so, Chair.

Chair: Thank you very much, Secretary of State.

