

QUESTIONS FROM MEMBERS OF THE PUBLIC FOR ORAL REPLY

From Mr Bruce Anderson to the Portfolio Holder for Renewal and Recreation

1. Has the Exec's assessment of the claim that additional hours would attract inward investment included:

a) Scrutiny of provisional commitments of additional business, given by companies, as a consequence of the expectation of extended hours

Reply

Both the Council and the GLA have recently been involved in assisting BHAL in pitching for inward investment by a multi-national, blue chip, aircraft maintenance provider to whom airport hours were the number one concern. The Airport's current operating hours ultimately led to a decision on the part of that company to invest elsewhere. The Council is aware of other potential opportunities and must take into account research shared with the Council which shows that airport operating hours are a key driver to attracting inward investment from the business aviation sector in the future. (This research has been shared with the Council on the basis that it is Private and Confidential and Commercially Sensitive).

b) Study of those companies that comprise BHAL's potential market, becoming accessible with the new hours, assessing the level of business that might be attracted?

Reply

The Council received a substantial piece of work commissioned by BHAL from independent market research consultants, Wing X of Switzerland (this research has been shared with the Council on the basis it is Private and Confidential and Commercially Sensitive). It clearly shows airport hours are important if BHAL is to succeed in attracting inward investment in the future. Furthermore, it is very unlikely that any airport owner would wish to be open longer than business demand required because the costs of opening longer must be offset by a business case. If the business case for longer opening hours proves to be invalid, it would follow that BHAL would choose to discontinue that policy and return to shorter hours for purely financial reasons.

Supplementary Question

Mr Anderson suggested that it would be true to say that there are many outsiders (with interest in investment) and he enquired whether the Portfolio Holder was content that those companies and the wider market was not available to Biggin Hill without extra operating hours at the airport.

Reply

The Portfolio Holder indicated that from discussions with companies it would appear they would not come without the extra operating hours and that it was difficult to plan without such hours.

2. Is the Executive able to share with us the Agenda it is pursuing with BHAL on extended hours given that it is unlikely to be a financial one as, by 2030, the rental income to LBB would seem to be equivalent to less than £5 pa, per Bromley household on Council Tax?

Reply

The direct revenues to the Council by way of rent and rates are only part of the Council's considerations and should not be viewed in isolation.

The potential benefits to the local economy and residents of the Borough do not stop at rental and rates income. Airport and Council consultants agree that Gross Value Added to the local economy – that is to say additional spend in the local economy as a result of additional economic activity at the airport - is predicted to amount to some £230 million per annum by 2030. It is estimated that up to 2,300 new jobs and apprenticeships will be created, offering valuable career opportunities to Bromley residents.

Notwithstanding any rent/rates and employment benefits, it should be borne in mind that the Council does not have a “free hand” in determining the application, as the relationship between the Council and BHAL is regulated by the lease. The lease enables the Airport to seek variations or amendments to the Operating Criteria which includes hours of operation, and the Council cannot unreasonably withhold agreement.

3. What happens to BHAL's business if you do not grant the hours (assuming arbitration/courts also turned them down)?

Reply

If the extended operating hours are not approved, it seems likely that BHAL would gradually lose market share in business and general aviation to other airports such as Farnborough, Southend and perhaps even Oxford and Cambridge who would instead benefit from inward investment and cluster effect, leaving Biggin Hill with a shrinking market share and potentially seeking other options in order to survive. Against a backdrop of increasingly congested runway capacity in London, that may ultimately lead to a challenge to re-introduce the types of flight that we have previously deemed unsuitable for the airport and which we continue to believe are unsuitable. Against this backdrop BHAL are seeking our support to enable them to gain a market

share to cement their position as a business aviation airport. It appears from market research reports submitted by the airport to the Council and indeed from the Council's own experience and interaction with potential overseas investors in facilities at Biggin Hill, that airport hours are important to the sustainability of Biggin Hill in the business aviation sector.

Supplementary Question

Mr Anderson referred to the record of entrepreneurial activity by owners of operations at Biggin Hill and he asked whether they had a "Plan B" with additional workplace development. Mr Anderson asked whether there was an understanding of what a "Plan B" might be and whether that had been measured against the feeling of some 100,000 flight path residents, most of whom were against an extension of airport operating hours.

Reply

The Portfolio Holder replied that he was not sure of the detail of any "Plan B" but it was necessary for businesses to thrive and survive. The Portfolio Holder had not had an assessment of a "Plan B" as details were not known. The Portfolio Holder felt that any type of "Plan B" envisaged would be much worse than now and worse for residents.

From David Clapham to the Portfolio Holder for Renewal and Recreation

4. As it seems likely that the application by BHAL for additional hours will be decided before the Draft Local Plan is finalised, can the Executive please confirm that the decision will be made with full obligation to the existing UDP objectives and in particular number 1 and note 12.1.

Reply

The Council is making a decision as landlord not as Planning authority. However, it should be noted that the proposal includes a reduction (50%) to the noise levels currently permitted by the existing Local Plan.

Supplementary Question

Mr Clapham asked when the Council intended to make the forthcoming report (to Council and the Executive) public?

Reply

The Leader indicated that the report (which would be subject to amendment) would be available within the next day or two – possibly on Friday 16th October 2015.
