

Party politics will see off a third runway at Heathrow

The Telegraph By Liam Halligan / Telegraph – 14 hours ago

David Cameron must face down at least five opponents with constituencies nearby to get Heathrow expansion through Parliament

‘There’s a strong sense the Airports Commission began life three or so years ago with a conclusion and then spent £20m backing up that conclusion,’ boomed Zac Goldsmith, during Prime Minister’s questions.

“What assurance can the Prime Minister give ... that he will engage in the real arguments in a way Sir Howard Davies has not,” said the MP for Richmond Park.

The Airports Commission’s unequivocal backing for a third runway at Heathrow means that a decision on extra airport capacity in the UK’s South East (HKSE: [0726.HK](#) - [news](#)) dodged by politicians for half a century can no longer be avoided.

Artists impression of third runway at Heathrow

Appointed by David Cameron’s coalition government in order to shelve the issue until after the 2015 general election, the commission confirmed its verdict last Wednesday, with the Prime Minister promising a final decision “by the end of the year”.

The five-person Airports Commission, chaired by Sir Howard Davies, former chairman of the now defunct Financial Services Authority and all-round good-egg, gave its “unanimous backing” to a controversial new runway at Europe’s largest airport, ahead of shortlisted alternatives, including extending an existing Heathrow runway and building a second runway at Gatwick.

A Heathrow expansion will enable the UK to exploit greater “long-haul links to new markets”, the commission’s thumping 342-page study concluded. As such, the £17bn project will generate a £150bn boost to GDP over 60 years, we were told, delivering 70,000 new jobs.

Extending Heathrow’s existing northern runway would bring “similar economic benefits” to building a new one, while costing less and resulting in the loss of fewer homes 242 compared with 783. But that scheme was rejected as it “provides a smaller increase in capacity and is less attractive from a noise and air quality perspective”.

Then there is the Gatwick option, which is also cheaper and involves less demolition. That, too, was rejected, with the commission concluding that a second Gatwick runway would provide more capacity on less lucrative short-haul rather than long-haul flights.

Artists impression of Gatwick Airport expansion plan/PA Wire

I'm afraid Sir Howard has made precisely the wrong recommendation. For one thing, Heathrow is on the wrong side of London, its flight paths going over some of the capital's most densely populated areas. Does it really make sense to expand an airport smack in the middle of a suburban landscape that's already home to millions and set to become even more intensely populated in the years to come?

Beyond the noise, Britain's Supreme Court ruled in April that air pollution around Heathrow already breaches legal limits, as aircraft combine with pollution from traffic on the M4 and M25 motorways. To add another 250,000 flights a year to the present 470,000, with all the extra related road traffic, would make a nonsense of our anti-pollution legislation.

The case for Heathrow apparently hinges on the airport securing its "hub" status, helping London to consolidate its reputation as a centre for global business. Yet more than four fifths of those flying into the capital are doing so as London is their final destination anyway. And almost 70pc of Heathrow's existing passengers are tourists.

While it may make sense for Heathrow to offer more flights to global business hot spots in countries like China, Brazil and India, it could easily do that by giving up other non-business slots, allowing more of the Mediterranean holiday routes to go to Gatwick and Stansted.

Rather than spending at least £17bn on an extra Heathrow runway, with all the expensive demolition, upheaval and compensation that entails, plus countless more billions diverting existing motorways around Heathrow, resources should instead be piled into better road and rail connections between London's three main airports.

New (KOSDAQ: [160550.KQ](#) - [news](#)) runway at Heathrow (PA Graphics)

Heathrow will, anyway, soon benefit from Crossrail, speeding the journey south to Gatwick, north east to Stansted and also east to City Airport. I'm not saying London doesn't need extra capacity, but it strikes me that with a price tag of £7bn, and involving far less home demolition and noise pollution, an extra Gatwick runway is a far more logical option.

So why is it, as Zac Goldsmith so elegantly intimated, that the Airports Commission was always going to back an extra runway at Heathrow? Why is it that, within minutes of Sir Howard's report, business groups gave him a resounding and heavily co-ordinated thumbs-up, with the Institute of Directors calling for "no further delay from politicians", the Confederation of British Industry urging the Government to "get the diggers in the ground at Heathrow" and the British Chambers of Commerce warning ministers "not to duck or delay"?

The rather depressing answer is that money talks and Heathrow is using its lobbying muscle to maintain its dominant position and near-monopoly profits. The airport made returns of £839m on revenues of £2.69bn in 2014 down from the year before, but the reduction was driven largely by depreciation costs.

Four years ago, BAA, which runs Heathrow, was forced by the Competition Commission to sell Gatwick, Stansted and some other UK airports. The private consortium that now owns Gatwick

has since invested heavily in a bid to compete with Heathrow both for existing airport traffic and future new capacity. Last year, Gatwick turned around four years of losses to make £58m of profit on £594m. While that's much lower than Heathrow, which a far slimmer percentage margin, it's clear Gatwick is set on giving its long-time rival a run for its money.

Such competition can only be good for passengers, for London and for the broader UK economy. Sir Howard's report acknowledges in the fine print that a third runway would divert traffic back to Heathrow, and away from London's other airports effectively undermining the Competition Commission's 2011 ruling but makes its regressive recommendation anyway. The investors who bought Gatwick, and financed a major improvement programme, are being penalised by a decision that stymies competition and makes little logistic sense.

I'm pleased, then, that grubby party politics is about to prevail, blocking a third Heathrow runway . Around the cabinet table, the Prime Minister must face down at least five opponents with constituencies nearby including Foreign Secretary Philip Hammond and Home Secretary Theresa May. Then there's London Mayor Boris Johnson, of course, whose long-standing Heathrow scepticism has become even more ardent since he became MP for the adjacent constituency of Uxbridge.

Goldsmith also wields considerable influence, not only because the Tory leadership know he's their best chance of retaining the London mayorship when Johnson steps down next year but also because, if Cameron chooses Heathrow, Goldsmith will resign his seat. That would spark a by-election the Conservatives could well lose, given the massive support Goldsmith has built in his Heathrow-blighted constituency.

In the Commons last Wednesday, the Prime Minister responded to the Airports Commission by claiming (unconvincingly) that he hadn't yet read the report, then adding (justifiably) that for him to comment in detail would make any later decision vulnerable to judicial review.

Labour's current backing of a third Heathrow runway, meanwhile, is entirely opportunistic designed to stoke up tension within the Tory ranks, not least between Johnson and Cameron.

"My services as a bulldozer blocker won't be needed"

Former Labour leader Ed Miliband "implacably opposed" a third Heathrow runway, then declared himself "neutral" when politics dictated he should. The next Labour leader will do the same, adopting whatever position is necessary to maximise the Government's embarrassment.

That's why, when push comes to shove, with his tiny 12-seat majority, Cameron would lose any Commons vote on Heathrow. That could spark a vote of no confidence and bring down his Government. A third runway at Heathrow "isn't going to happen", as Johnson says.

The machinations of party politics often produce ludicrous outcomes that damage the UK. Not in this case.

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