

This great city can only take off again with a third Heathrow runway

Commentary by Baroness Jo Valentine which appeared in the Evening Standard, 12 Jan 2009

MANY believe a Government decision on a third runway is imminent this week. Demonstrations against expansion certainly are. One thing is for certain: this is one Government decision that has inspired passionate emotions. But those should not blind us to the seriousness of the economic questions at issue.

We have seen protesters chained to railings, aeroplanes and the roofs of the Houses of Parliament in a bid to stop expansion. The Mayor has indicated that he may mount a legal challenge against the Government if it gives a third runway the go-ahead.

Equally, the aviation industry has been vociferous in pressing its case. The issue has polarised opinion and sparked fiery debate. This is democracy in action. But what has been most remarkable is not the extent of the debate but its changing context.

The past year has seen the economic backdrop shift dramatically. This, in turn, has changed the way we think about London's future. The term "competitiveness" has moved from being a boardroom buzzword, with little real bite, to a starkly Darwinian issue: survival of the fittest. The recession has brought a new relevance and urgency to UK competitiveness. Once the downturn is over, what will help London pack a stronger punch in the fight for global business?

You can be sure that international rivals - New York, Dubai, Shanghai - will be gloving up now, investing in their strengths and assets early, in preparation for the upswing. For London, expanding Heathrow is a vital part of the solution. Quite simply, London has, since its beginnings as a trading power, relied upon its links with the outside world. It is the trading capital of the world. But the global downturn is affecting everyone. Any sign of weakness on London's part could see the UK knocked out of the ring, with other countries stepping up to claim our title. Without access to its world markets, London could lose its crown.

As business becomes more and more global, it needs to fly to meet customers, clients and suppliers. And, as exciting as hologram videoconferencing is, it still can't beat the good old-fashioned handshake.

In the coming years, business will need to travel to wherever the deals are to be made. But won't the recession dampen the demand? The same question was asked of Crossrail in the early Nineties, when London hit recession and the population dropped. The response: Crossrail was cancelled. London's population later went on to boom, as did the numbers using the Tube. The lesson learned? Never plan infrastructure in a downturn, or else London will suffer from the same short-sightedness that has led to over-packed Tube trains now. Any halt to the inexorable rise in demand for business travel looks temporary. Flights may be down this year - but we have to plan for demand in 2020, when this recession is long over. For that, UK business needs a fit-for-purpose Heathrow.

London First's members are united in their concern for London's competitiveness and, specifically, how to restore Heathrow to gold standard. The UK's premier airport risked becoming the UK's number-one embarrassment, with business travellers actively choosing routes via European centres rather than risk the dreaded "Heathrow Hassle".

Terminal 5 has improved the experience but there's no escaping the fact that partly as a result of Heathrow now being full to capacity, the passenger and the environment are both getting a raw deal. How to balance the needs of the environment and the economy so that both, not just one, are addressed?

A London First study published last year concentrated on what the Government, regulators and airport owners could do in the short term to improve Heathrow's service to passengers. Short-term improvements depend on giving one body the responsibility of reducing queues inside the terminals, providing proper incentives to maintain airport facilities to the standard expected by passengers and, more controversially, creating capacity headroom in terms of number of flights, therefore reducing delays.

What about the longer-term route to world-class passenger experience at London's premier airport? Reform of regulation won't be enough. Heathrow is full. The history of airport expansion - unfulfilled promises and strategic decisions left to wither - has bequeathed us airports in London that are creaking. Whether it's the fault of regulation, Government policy or failure to invest, there is simply not enough airport capacity in the South-East. Expansion is part of the solution to restoring Heathrow to the world-class aspirations of its passengers. But the backing of London's business leaders for this long-term solution does not come unconditionally. It is based on seeing short-term improvements which - if made - will pave the right path to a bigger Heathrow. Long-term support is based on short-term conditions.

First, we must reform regulation to put the passenger first. Biting penalties and effective incentives are part of the answer to promoting high-quality service, especially in queuing, delays and terminal comfort.

Second, we must not sweat the assets to a standstill. We should use "mixed mode" - allowing take-offs and landings on both runways - first and foremost to reduce delays and eliminate planes stacking in the air, not to increase flights. There should be no new flights until we have seen a level of performance that compares with the best in Europe.

Third, we should adjust slot rules so that flight numbers don't just ratchet back up again to 99 per cent of capacity. If delays, noise and air pollution levels are breached, flight numbers should be limited and be able to fall. Again, this requirement comes ahead of any new flights.

Fourth, we should set a new ratchet - downwards - on noise and air pollution so that in time the local environmental impact diminishes. The competitive case for London goes beyond the convenience and comfort of air travel. It includes quality of life. To reiterate: while regulatory reform on its own won't be enough to transform the quality of the Heathrow passenger experience, neither will unfettered expansion.

London's business leaders are not in favour of a third runway in some dogmatic, evangelical way. We want what is best for business in London, now and in the years to come.

To stay ahead of our rivals, we need to box clever and play to our strengths - our access to international trade. London needs a world-class airport, a 21st century bridge to its markets. London's business leaders will continue to support the case for a third runway if the short-term conditions set out here are met.

Ministers must steel themselves against opposition and press on and make this critical decision. And the Government, BAA and all parties must commit to a new chapter for Heathrow. Only then can we be sure that a third runway will deliver the world-class airport London and the UK deserve.

Baroness Valentine is chief executive of London First.

For more information please contact Rob Fox on 020 7665 1502, rfox@londonfirst.co.uk