

Note to the Inquiry

On Behalf of North Somerset Council

Passenger Allocation (Logit) Model

1. Following Mr Brass' evidence, BAL provided the Council with a table showing One-Way Frequencies by Airport in response to a request for information on the Logit Model which it had been seeking since February 2021. That was followed up by a meeting between Jacobs and York Aviation on 5th August 2021 to address the original questions raised by Jacobs in February and to understand the data that was provided following Mr Brass' evidence.
2. As a result of that meeting it became apparent that in order to understand the manner in which the passenger allocation (logit) model utilises the data provided, Jacobs required to understand how the "lambda value" used in the model had been derived and verified.
3. A passenger allocation model is used to determine the probability of an individual using one airport over another, or not flying at all, based on a range of factors including generalised cost (cost plus time taken to access each airport), airfare, frequency and destinations served.
4. The lambda value used in the passenger allocation model dictates how sensitive passenger demand is to these range of factors (i.e. time, costs, frequencies etc.) which then determines which airport, if any, they will choose. The less sensitive, then the higher the cost needs to be before a person changes their preferences and vice versa. Hence the importance of knowing its value and derivation.
5. Good practice as outlined by Department for Transport (DfT) (see TAG UNIT M2.1 Variable Demand Modelling Para 6.7) states that a description should be provided as to the reasoning behind the choice of lambda parameter values and where these are derived from local calibration, the data source(s) used and the statistical estimation should be explained.
6. BAL/York Aviation has provided no information in evidence regarding the lambda value nor how it was determined. This is important since even small changes in the value can result in major changes in the output of the model. It is also important to understand how benchmarking has been undertaken since using a benchmarked value from another airport may not be appropriate in the case of Bristol.
7. In the absence of understanding the lambda value used and its justification, Jacobs is unable to advise the Council that the passenger allocation model utilised by York Aviation is robust. Indeed, in the absence of such understanding, the passenger allocation model will not have been the subject of scrutiny by this Inquiry, the Council or indeed any third party.

8. York Aviation expressed concerns to Jacobs that the lambda value was commercially confidential.
9. In an email dated 11th August 2021, and in order to overcome concerns regarding commercial confidentiality, Jacobs asked York Aviation to provide access to the lambda value on a confidential basis, so that Jacobs could determine whether they could advise the Council that the passenger allocation model is fit for purpose. In that email, Jacobs stated:

“We are content to treat any information that you provide on the value of lambda and the process by which it has been verified as confidential. We would use this information solely to come to an opinion on the model’s robustness. If it is robust we can inform the Inquiry that following our discussions we accept the appellant’s position in relation to the model’s outputs. If in our opinion it is not robust we can explain why without disclosing anything of IP value to yourselves.”

10. In their email response, dated 13th August 2021, York Aviation stated:

“In relation to the constants within the model, we set out our position regarding commercial confidentiality and intellectual property rights during our meeting and this was expressly agreed as a reasonable position by Patrick Folley and the rest of your team. The detailed coefficients and calibration information in the model are commercially confidential and we will not be releasing this information. We have explained the workings of the model, discussed its functioning and the sources for our input assumptions in two meetings with Jacobs. Detailed outputs from the model have also been provided in terms of the way it is allocating passengers to other airports. That is sufficient basis on which to form a judgement as to whether the model is providing rational and reasonable outputs, particularly when considered alongside other evidence that is publicly available, such as the market shares of the other airports and the nature and extent of service that they offer.”

11. It is not accepted that Jacobs agreed that it did not require access to the information regarding the basis for the adoption of the lambda value at the meeting.
12. Accordingly, the position has been reached whereby BAL/York Aviation has refused to provide access to the lambda value utilised and has not provided information regarding the basis on which that figure was adopted even on a confidential basis.
13. This refusal is to be deprecated. In the absence of the Inquiry requiring access to be provided (see its powers pursuant to section 250(2) Local Government Act 1972), there is no means for the Inquiry, the Council as local planning authority or indeed any other party to scrutinise the basis on which a key component of the passenger allocation model operates. In effect the refusal means that no view can be reached on the robustness of the passenger allocation model and will have the practical effect that that model will escape any meaningful form of public scrutiny whatsoever.

14. Mr David Lees, BAL's C.E.O., in the foreword of the Bristol Airport's 2019 airport monitoring report referred to the "*ongoing commitment to engagement and transparency within our community*". The refusal to allow access, even on a confidential basis, to the information necessary to enable the Council's consultants to determine whether the passenger allocation model is robust is the very antithesis of a commitment to "*engagement and transparency*". It is an attempt to avoid scrutiny in a process where disclosure is required in the public interest. Given the history of refusal to provide access to data in relation to the passenger allocation model spanning many months prior to the start of the Inquiry (see the cross-examination of Mr Brass by RTQC), it raises questions as to whether BAL/York Aviation has something to hide.
15. In any event, the fact that a report may contain information which is commercially confidential does not provide a basis for it avoiding scrutiny via the planning process. For example, it is commonplace for commercially sensitive information to be shared in viability assessments on a basis that it remains confidential as between applicant and local planning authority and their appointed consultants. The Courts have emphasised the importance of public participation in the planning process requiring the disclosure of sufficient information to make engagement meaningful (see Dove J in *R. (Holborn Studios Ltd) v LB Hackney* [2020] EWHC 1509 (Admin)).
16. The extent to which the passenger allocation model is robust is a matter which is material to the determination of this appeal. BAL/York Aviation are preventing the Council from reaching a conclusion on that matter. This is particularly important since the passenger allocation model provides inputs into the assessment of other matters e.g. the potential economic benefits of the proposed development, the assessment of parking demand and the surface access junction capacity assessments.
17. In the absence of the Inquiry requiring that BAL/York Aviation provide Jacobs with access to the lambda value and its derivation/verification, the Council will submit that the passenger allocation model has not been the subject of public scrutiny through the Inquiry process. The model output has not been independently verified as robust
18. As such the output of that model and all of the impact assessments based upon it (including for example the economic impact, parking demand and junction capacity assessments) can be given little if any weight.
19. Consequently, the Council will submit that to give any material weight to the output of the passenger allocation model without it being the subject of any independent scrutiny would result in a breach of natural justice, unfairness and substantial prejudice to the Council and would in any event give rise to an error of law.

2 September 2021