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Rebuttal of the Evidence of Dr Chapman

Andrew Hunt (for the
Applicant) on Socio-
economic Matters

Application by London Luton Airport
Operations Limited

London Luton Airport

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1 Scope

Introduction

- 1.1 This rebuttal proof of evidence has been prepared as a short, written response to the evidence of Dr Chapman which is given on behalf of LADACAN. It is not intended to be exhaustive of all of the points of disagreement. It is prepared to try and assist the Inquiry by setting down some responses to some of the points made by Dr Chapman where it might help to do so in writing. Other points will be responded to orally during the Inquiry, as necessary.
- 1.2 In his evidence Dr Chapman makes a series of assertions under eight broad sections:
 - 1.2.1 Strategy, policy and guidance for economic appraisal
 - 1.2.2 The applicant's approach
 - 1.2.3 The Council's position
 - 1.2.4 Best practice socio-economic appraisal
 - 1.2.5 Tourism impacts
 - 1.2.6 Climate impacts
 - 1.2.7 Jobs impact
 - 1.2.8 Wider economic and business impacts
- 1.3 This rebuttal addresses each briefly in turn.

2 Strategy Policy and Guidance

- 2.1 At paragraphs 3.6 to 3.9 Dr Chapman asserts that the Department for Transport's Transport Analysis Guidance (TAG) should be used.
- 2.2 I disagree. Put shortly, the TAG guidance simply does not apply to this appeal for a number of reasons. The first simple reason is that it is designed for Government to appraise its interventions in the aviation industry, not development proposals of this kind which are not Government schemes. The application of the TAG guidance to development proposals of this kind is therefore misconceived.
- 2.3 The second reason is that even if the TAG guidance were relevant (which it is not), as Dr Chapman acknowledges at paragraph 6.11, even on the TAG Guidance's own terms, such an analysis would be disproportionate given the modest size of the proposals anyway.
- 2.4 The third reason is that this argument has already been effectively rejected for a larger aviation development proposal than this. Dr Chapman attempted to advance a similar argument at the Inquiry into Bristol Airport's proposed expansion and the Inspectors' Report (CD15.05) is clear. At paragraph 465 it states:

At the Inquiry a number of parties argued that BAL should have carried out a Greenbook or WebTAG assessment. However, as the relevant guidance makes clear, the role of WebTAG is to appraise "government interventions in the aviation industry" with "the main user of this guidance...expected to be DfT itself." The proposed development is a private sector investment and not a government policy intervention. The Panel is not aware that any of the other recent airport expansion schemes undertook a WebTAG assessment. Accordingly, the absence of a WebTAG assessment does not weigh significantly against the development.

- 2.5 As a matter of principle there is no requirement to monetise the asserted environmental impacts of a scheme in the way Dr Chapman attempts to do and no support in planning policy to do so. In the planning system, decision makers are able to weigh different effects in the round without them being monetised. This is what Luton Borough Council has done in this case. This has been the consistent approach of decision makers in relation to planning applications for airport expansion as well as other forms of development.

3 Applicant's Approach

- 3.1 At paragraph 4.1 Dr Chapman claims that there is no evidence that economic benefits outweigh the 'damages' and he contends in paragraph 4.2 that the benefits listed in the Statement of Case are unevidenced.
- 3.2 I have already dealt with the flawed approach to monetisation above. However, Dr Chapman is wrong about the application as well. Evidence on job creation was identified in the original Transport Assessment (TA). This set out the calculated increase in employment of 375 to 12,075 jobs. That was based on a 2019 estimate of baseline employment of 11,700. The Council was satisfied by this evidence in reaching its conclusions.
- 3.3 In light of the calling-in of the application, I have set out more detailed evidence on these matters in my main Proof of Evidence. This was in response to the matters identified by the Secretary of State for Levelling, Up, Housing and Communities ('SSLUHC') when calling in the application for determination.

The extent to which the proposed development is consistent with the development plan for the area.

- 3.4 It also responds to the Inspectors' note following the pre-inquiry meeting (6th July 2022) which sets out the "main considerations" to be considered at the Inquiry including:

The socio-economic implications of the proposed development

- 3.5 My Proof of Evidence sets out the important economic benefits in terms of jobs, and the urgent need for those jobs, as well as GVA and wider benefits. In light of up-to-date information, the jobs growth forecast is slightly higher than that in the TA, although the overall level of employment is slightly lower.
- 3.6 The Annual Monitoring Reports from the airport show that 2019 employment was actually only 11,200 and in 2021 it was 10,600. The additional analysis I have undertaken suggests around 660 additional direct jobs. This is a bigger increase than anticipated in the TA, but a lower absolute number of jobs.
- 3.7 At paragraph 4.4 Dr Chapman refers to the 2021 Environmental Impact Assessment (CD1.09) stating there are "no additional significant socio-economic effects". This is a statement addressing the concept of "likely significant effects" for the purposes of an EIA. It is well-established that there can be effects (positive or negative) which are important without them crossing the threshold of "significant effects" to be included in an Environmental Statement.
- 3.8 There are no set criteria for determining the significance level for socio-economic impacts for Environmental Statement purposes. It is a matter of professional judgement.
- 3.9 Given the very high level and persistence of unemployment since the start of the Covid pandemic in 2020, the opportunity to provide gainful employment for 900 extra people would be very important, even if it does not meet the test of significance as an environmental effect.

- 3.10 This was the conclusion reached in the officer's report to the Development Management Committee (CD5.08). Paragraph 1.69 states that there will not be a significant increase in employment, but that the benefits from additional passengers would be important.
- 3.11 Dr Chapman then seeks to set out a series of concerns about the original 2012 assessment. Again, he asserts that TAG should have been used. For the reasons set out in the previous section, and as decided in the Bristol Airport decision, I consider his criticisms to be misplaced and his reliance on TAG to be wrong. There is no requirement to monetise environmental impacts, nor is there a need to assess tourism impacts in the way he suggests.
- 3.12 At paragraphs 4.9 and 4.10, Dr Chapman refers to a number of changes since 2012 (business passengers, climate change, tourism and job creation) and concludes that if these were properly analysed, no economic benefit could be claimed. Not only is this claim unsubstantiated, it is largely irrelevant. I deal with each point in later sections.

4 The Council's position

- 4.1 Dr Chapman asserts that the commercial viability of the airport is not threatened (paragraph 5.5) and at paragraph 5.7 he states that the risks to the airport are overstated because there is lots of demand from passengers and the airport can operate at its existing capacity. However, as set out in my proof of evidence and the accompanying statement from London Luton Airport Operations Limited (LLOAL) that is appended to my proof, the issue is not just one of passenger demand – it is also a question of investment from airlines. The statement makes clear that unless the scheme is approved, there is likely to be the need for a reduction in aircraft movements and passenger capacity and that this could have an impact on airlines' investment at Luton. It would also be contrary to all of the policy aspirations that I have identified in my proof of evidence.
- 4.2 In paragraph 5.6 Dr Chapman then seeks to question the impartiality of the Council in its capacity as a local planning authority in determining the application and claims that it is "compromised" because contributions from the airport support frontline services. There is no basis whatsoever for this assertion. Local Planning Authorities regularly determine planning applications in which the Council as a whole has a financial interest. They do so on the basis of impartiality and following policy where the separate functions of the local authority are recognised and respected. Luton Borough Council has done the same in this case. The decision it has taken to resolve to approve the planning application was self-evidently based upon legitimate planning considerations analysed in the officers' report.
- 4.3 At paragraphs 5.11 to 5.15 Dr Chapman asserts that reliance on Government policy is insufficient and suggests that some policy is old. Merely because policy is 'old' does not mean that it should attract less weight. In fact Government has chosen not to amend that policy no doubt because it still reflects the Government's approach. There is no reason why it should not be given full weight for the reasons addressed in my main proof of evidence of evidence.
- 4.4 Dr Chapman states that policy supports weighing up costs and benefits. As a matter of generality, that is hardly controversial, but it does not support or require the attempt at monetisation that he embarks upon. Weighing up of costs and benefits in general is what has been done by the Council and the Applicant, with very clear benefits being demonstrated anyway.
- 4.5 Dr Chapman then goes on to suggest that because Luton's passenger mix is not "average" that Government statements about aviation at the national level do not necessarily apply to Luton. It is difficult to understand any logic in this approach. No airport is likely to be exactly in line with the average, but the Government policy on aviation still applies to Luton and it clearly supports the principle of expansion for the reasons I have addressed.
- 4.6 At paragraph 5.16 and 5.17 Dr Chapman contends that the Council Officer's Report (CD5.08) makes unevicenced/unreferenced statements about the economic impact of the airport and he claims that there is no consensus around the economic "good" of aviation.
- 4.7 This is not true.

4.8 He misquotes paragraph 177 of the Officers Report which actually states:

“Policy LLP13 of the Local Plan is positive in relation to applications that deliver economic growth and prosperity to serve Luton and the wider sub-region and the generation of jobs through business and industry on the strategic allocations. Section 6 of the NPPF supports a strong and competitive economy. Real social and economic benefits will be delivered to the local area and sub region which weigh heavily in favour of the proposed development and should be given significant weight.”

4.9 My main proof of evidence sets out the relevant policies in the Local Plan which has been examined, found to be sound and adopted. The Plan is clear that the airport is both important is it is now and has the potential to contribute more through expansion.

4.10 There is a very clear consensus in policy that aviation brings economic benefits. This is true of national as well as local policy as set out in Section 4 of my main proof. The Officers Report can (and does) rely on the Local Plan which is clear that the airport is a major driver of the local economy. This is based on a very clear evidence base that sets out the importance of the airport to the Luton economy. The statements quoted by Dr Chapman at paragraph 5.17 are all true.

5 Best practice socio-economic appraisal

- 5.1 In this section Dr Chapman himself acknowledges (paragraph 6.11) that a full TAG-compliant assessment would be disproportionate given the scale of the proposals. I agree. However, I have already pointed out that a TAG assessment is simply not required or expected of this type of application anyway.
- 5.2 Dr Chapman also seeks to raise issues about additionality and the spatial scale of assessment. He states that no assessment of displacement has been made and then contends that it should be assumed to be 100% because of the effects on non-transport factors of production and that therefore there will be no net additional economic benefits attributable to the wider economy (paragraphs 6.4-6.6). These claims are wrong for a number of reasons.
- 5.3 First, his approach is wrong because there is significant spare labour in this particular area (the relevant “factor of production”). As set out in my proof of evidence, unemployment is high and persistent. In April of this year it was over 8,500. The proposals will deliver around 900 additional jobs in the Luton area in 2025 when compared to the without scheme scenario. Whilst not all of these will go to unemployed Luton residents, a large proportion will, especially given the package of skills support offer by the Applicant. This means hundreds of people who would otherwise be unemployed in the Luton area would get jobs now.
- 5.4 Dr Chapman’s basic approach to displacement is therefore wrong in principle and very unfortunate in practice. The fact is that the jobs are needed in Luton now.
- 5.5 Secondly, it is wholly incorrect to say that the default assumption about 100% displacement is best practice in this context. It is not only not best practice, it is wrong. There is no evidence to support the suggestion that there would be 100% displacement, but that ignores the fact that the jobs are desperately needed in this area anyway.
- 5.6 At paragraph 6. Dr Chapman claims that activity could be moved from one location to another. This is theoretically possible but given the constraints on capacity at London airports highly unlikely, and in any event would not be a problem if it were to occur anyway.
- 5.7 Policy supports expansion and making the best use of existing runways. It also supports jobs and economic growth specifically in Luton. Dr Chapman references the HM Treasury Green Book. The recent updates to this explicitly allow for a “place-based” approach in recognition of the Government’s policy support for levelling up specific places. Displacement at the Luton level would effectively be zero, so the jobs would be additional. Government is clear that it wants more jobs in Luton – it is one of the highest ranked places in priority for the Levelling Up Fund and is acknowledged as having suffered more economic damage as a result of Covid than most other places. A place-based approach that focus on local effects is therefore in line with Government policy.

6 Tourism

- 6.1 Dr Chapman seeks to rely upon a UK Tourism Strategy dating from 2011 and then goes on to assert that policy supports incentivising domestic tourism over international destinations. He quotes several policies which he claims do that. However, none of the statements he quotes seeks to reduce foreign travel at all. They all focus on increasing domestic travel, not at the expense of foreign travel or aviation growth.
- 6.2 The quotation in paragraph 7.1 “*persuade more of us to holiday at home*” says nothing about reducing or restricting opportunities for foreign travel.
- 6.3 The quotation at paragraph 7.2 “*increase the proportion of UK residents who holiday in the UK to match those who holiday abroad*” also says nothing about restricting foreign travel
- 6.4 Again, the quotation at paragraph 7.3 “*boosting domestic demand, making domestic stays attractive and marketing the UK’s assets*” says nothing about restricting foreign travel. In fact, the next part of the quote is revealing, “*the outbound market will thankfully (my emphasis) return*”.
- 6.5 There is no quotation that he identifies about limiting foreign travel because it is not the Government’s policy to limit foreign travel. There is policy to support domestic tourism – there is also a clear policy in favour of outbound tourism as well.
- 6.6 If the Government in fact wanted to limit outbound tourism it would be able and would reflect that in aviation policy. Instead, paragraph 1.16 of the Aviation Policy Framework (CD8.05) is clear.

Some respondents considered that there was a ‘tourism deficit’, as more UK residents travelled abroad than overseas residents travelled to the UK. Other respondents highlighted that outbound tourism supports UK-based jobs in the travel and airline industry and boosts high street consumer demand before trips are made. The latter has been valued at around £27 billion per year.¹⁹ Responses confirmed that the ‘tourism deficit’ question is a complex one and that the evidence available to us does not show that a decrease in the number of UK residents flying abroad for their holidays would have an overall benefit for the UK economy. UK residents made 57 million visits abroad in 2011 and spent £32 billion, 84% of which was spent by residents who travelled abroad by air.²⁰ The Government believes that the chance to fly abroad also offers quality of life benefits including educational and skills development. Overall the Government believes continuing to make UK tourism more attractive is a better approach both for residents and attracting new visitors.

- 6.7 Paragraph 1.17 states

In addition to its economic contribution, aviation provides wider social benefits, enabling UK citizens to experience different cultures or enjoy a well-earned holiday.

- 6.8 Paragraph 1.19 states

During the consultation the Government heard evidence about the wider cultural and societal benefits of travel. While this is hard to quantify numerically the Government found the case persuasive.

- 6.9 These issues were considered at the Bristol Airport Inquiry. The Inspectors' Report (CD15.5) notes at paragraph 458 that:

There have been no subsequent national policy statements and the above [the Aviation Policy Framework] still represents the Government's position on outbound tourism. Accordingly, while there may well be some negative economic effects arising from an increase in outbound tourism, the Panel considers that this should be weighed against the social benefits of foreign travel.

- 6.10 At paragraph 7.7 Dr Chapman claims "nobody is proposing a decline in the people travelling abroad" but that is exactly what he is effectively proposing and what he appears to claim (incorrectly) is Government policy. As is set out in the ES Addendum (ESA4 CD1.16) at paragraphs 2.3.7, 8.2.3 and in Table 8B.1 and in the appendix to my proof of evidence at paragraphs 59-63, without the proposed changes to conditions, the airport will have fewer passengers and associated economic activity in the next few years, when Luton most needs economic growth to overcome the effects of the Covid-19 pandemic.

7 Climate Impacts

- 7.1 Dr Chapman seeks to present a monetised estimate of the cost of greenhouse gas emissions. In doing so he draws on a BEIS document, “Valuation of greenhouse gas emissions: for policy appraisal and evaluation” (CD16.13). He describes these values as being “the economic value of greenhouse gases” and “the ‘emissions cost’ of the proposed expansion” (both paragraph 8.18). This whole approach by Dr Chapman is wrong and flawed for a number of reasons.
- 7.2 First, I have already explained that there is no policy basis for carrying out monetised impact assessment of this kind as a matter of principle.
- 7.3 Second, as set out in Section 3 of the Rebuttal on Carbon and Climate Change by Mr Osund-Ireland, Dr Chapman has wrongly included non-aviation emissions in his calculations and so overstated aviation emissions by a factor of between two and three. This would significantly reduce his monetised estimates.
- 7.4 Third, BEIS is quite clear in the document Dr Chapman attempts to rely upon (CD16.3) that the new values for greenhouse gas emissions in policy appraisal are not the social cost of carbon, i.e. the harm related costs passed to the rest of society, as Dr Chapman seeks to imply. His characterisation of these costs is inaccurate. The values are set to the expected abatement costs (the costs of the investment required to reduce emissions by a tonne across all sectors of the economy).
- 7.5 The document could not be more explicit, it states:
- Since 2009, a ‘target consistent’ approach has been used to estimate the values, where these are calculated as the marginal abatement cost of meeting targets.*
- 7.6 And
- In 2009 the government conducted a review of the approach taken to developing carbon values. The conclusion of the review was to move to a “target-consistent” or “abatement cost” approach to carbon valuation rather than a “social cost of carbon” (SCC) approach.*
- 7.7 Fourth, the actual costs in the aviation sector, as Jet Zero makes clear, will be a combination of system efficiencies, Sustainable Aviation Fuels, zero emission flight, and carbon markets (such as the UK Emission Trading Scheme) with the aim of reducing the amount of carbon emitted over time. These costs fall on the aviation industry and its users. It is not at all clear how Dr Chapman has taken these costs into account in his calculations. He appears to have completely ignored proposed approaches for addressing aviation’s emissions over time and simply presented the full emissions as requiring abatement.
- 7.8 Jet Zero provides a framework for achieving net zero in a policy compliant way, taking into account the expected costs of abatement in the sector.
- 7.9 These matters have also been considered in recent decisions.

7.10 In August 2022 the Secretary of State for Transport redetermined an application for a Development Consent Order for expansion of Manston Airport. In doing so, the Secretary of State took the view that carbon emissions are not a matter to be weighed in the planning balance, as it is for Government to ensure carbon budgets are met in line with their policies related to aviation growth. Paragraph 149 of the Secretary of State's decision (CD15.06) reads:

...the Secretary of State is satisfied that Government's Transport Decarbonisation Plan and the Jet Zero Strategy, which set out a range of non-planning policies and measures that will help accelerate decarbonisation in the aviation sector, will ensure Government's decarbonisation targets for the sector and the legislated carbon budgets can be met without directly limiting aviation demand. For this reason, he does not accept the Examining Authority's view that carbon emissions is a matter that should be afforded moderate weight against the Development in the planning balance, and considers that it should instead be given neutral weight at the most.

7.11 Dr Chapman has estimated a cost based on an assumption that Jet Zero Strategy and other Government policy will fail – what might be the costs if the aviation industry and its partners are not successful in meeting their commitment to net zero. Ultimately, given the requirements of carbon budgets, aviation will simply not be able to grow if it cannot meet its commitments to net zero. The damage Dr Chapman asserts is therefore moot.

7.12 It is therefore simply incorrect for Dr Chapman to conclude as he does at paragraph 11.13 that "it is improbable that they [the economic benefits] will be of sufficient magnitude to offset the significant negative economic implications of the scheme's environmental impacts."

8 Jobs Impact

- 8.1 At paragraph 9.1. Dr Chapman suggests that the Statement of Case and the Council Officer's Report are at odds in terms of the number of jobs, but that is based upon a misreading of the documents.
- 8.2 My proof of evidence sets out how the number of 900 jobs has been derived and is clear that it includes indirect and induced jobs in Luton as well as jobs directly related to the airport.
- 8.3 As set out in paragraphs 3.2 and 3.6 above, there was evidence of job creation in the original Transport Assessment (TA) - an increase in employment of 375 to 12,075. That was based on a 2019 estimate of employment of 11,700. The Council was satisfied by this evidence in reaching its conclusions and did not define it as a "significant material impact." Since then, the baseline jobs position has declined and the estimate of increased employment has risen, but to a level below that which was assessed in the TA (11,260 vs 12,075).
- 8.4 At paragraph 9.2 and 9.3 Dr Chapman again questions whether there is a threat to the viability of the airport and that this, if extrapolated, would require "endless expansion". Again, this misunderstands the proposals and the position of the airport.
- 8.5 As set out in paragraph 4.1 above, without expansion, there would be a reduction in movements and passengers and threats to airlines' investment in Luton airport.
- 8.6 The proposed changes to conditions allow for a modest increase in passengers that would both support the economic recovery of Luton and the local area and support the modernisation of the fleet of aircraft operating at Luton airport. It does not need "endless expansion" to achieve this.
- 8.7 At paragraphs 9.5 onwards Dr Chapman discusses the level of jobs forecast in the original 2012 assessment and notes that the reality is at the lower end of their forecasts. Whilst at the lower end, it properly demonstrates that there is a relationship between growth of passengers and growth of jobs and that this has persisted over time. Furthermore, in 2019 and in to 2020 the airport and its on-site employers were continuing to recruit to cope with the 18mppa that had been reached. It is highly likely that had Covid not intervened the number of jobs on site in 2020 would have been higher than in 2019, even without further passenger growth.
- 8.8 He then goes on to make a wider assertion that growth in air travel does not necessarily increase employment at the regional level. His selection of the evidence is simply inapposite or tendentious (as I will deal with at the inquiry as necessary) and he ignores the factual reality of what has happened at Luton and what is required.
- 8.9 In addition, the spatial scale point is important. The economic need for jobs to address unemployment) is at the local level, ie Luton. He provides no evidence that the impact at that scale is not additional.

9 Wider economic and business impacts

- 9.1 In section 10 Dr Chapman notes that there has been a decline in the share of passengers who are business passengers (and that there has been an increase in the absolute number of business passengers at Luton), and a reduction in freight. He then seeks to summarise a non-exhaustive review of academic literature on the economic benefits of aviation. On the basis of these, he then concludes that it is unlikely that expansion of air travel is overwhelmingly and unquestionably good for the UK economy.
- 9.2 This is a highly partial interpretation of both the data and the literature. None of the literature specifically deals with the particular circumstances of this application which include, the constrained nature of the London aviation market and the role that the passenger cap plays in fleet modernisation. Dr Chapman provides no evidence as to why these conclusions would apply here in this specific case.
- 9.3 At paragraph 10.7 Dr Chapman asserts that his views are supported by a wide body of academic research and in Table 5 selectively quotes papers which he says support his position. This is not accurate. He quotes selectively and misleadingly.
- 9.4 For example he quotes Sheard, N. (2021). The network of US airports and its effects on employment. *Journal of Regional Science*, 61(3), 623–648.

expanding an airport will generally lead to an increase in local employment, which motivates local governments to invest in their own infrastructure. However, this will cause traffic and therefore employment elsewhere to decline or increase, which is relevant to the interests of the federal government but the local government is not motivated to consider.

- 9.5 The full quote actually continues:

As the effects on employment elsewhere tend to be positive and large for the larger airports, decisions being made at the local level leads to a network that is too dispersed to maximize national employment

- 9.6 From the same document, he could also have quoted:

Air traffic is also found to have a positive effect on employment in the local area with an elasticity of 0.036 and a weakly positive effect on the employment rate in other places within 400 miles. Simulations suggest that for each job created in the local area by an airport expansion, two and a half jobs are created elsewhere in the United States due to the changes in the air network and the distribution of employment.

- 9.7 The point that positive benefits extend for up to 400 miles is worth noting as it conflicts with Dr Chapman's assertion that there are no net benefits at the regional level.
- 9.8 He also quotes Allroggen, F., & Malina, R. (2014). Do the regional growth effects of air transport differ among airports? *Journal of Air Transport Management*, 37, 1–4 where he quotes:

“additional leisure-related air services might actually weaken a regional economy by diverting expenditures away”

- 9.9 This is specific to analysis of German airports and only applies to those airports in what is described as the “third tier”, a grouping based on the number of passengers and the largest of which had only 6.6m passengers. Second tier airports range from 9.9 to 18 mppa. Luton would therefore appear to be at the top end of the second tier. Dr Chapman might therefore have usefully quoted another part of the paper which states:

the marginal output effects of air services are positive for additional air services at first- and second-tier airports, whereas they are surprisingly negative for additional air services at third-tier airports

- 9.10 His quote from Gherghina, Ș. C., Onofrei, M., Vintilă, G., & Armeanu, D. Ș. (2018). Empirical evidence from EU-28 countries on resilient transport infrastructure systems and sustainable economic growth. Sustainability, 10(8) is also selective. He might also have quoted from the Conclusions:

The empirical results provide support for a positive impact of road, inland waterways, maritime, and air transport infrastructure on economic growth. Likewise, investments in transport infrastructure positively influence gross domestic product per capita for every form of transport, apart from inland waterways,

- 9.11 The studies are also not all directly relevant. For example, he quotes Breidenbach, P. (2020). Ready for take-off? The economic effects of regional airport expansions in Germany. Regional Studies, 54(8), 1084–1097 as “there is no empirical evidence that the expansion of regional airports translates into regional growth”. This study is of loss-making German regional airports (such as Augsburg, Kiel or Paderborn) in the 1990s all of which carried relatively few passengers. They are in no way comparable with Luton which has served 18 million passengers and is part of the London and greater south east economy. Luton is not a regional airport in the sense used in that study.
- 9.12 The evidence that Dr Chapman’s view is supported by a wide body of recent academic research is simply not correct.
- 9.13 Furthermore, net national benefits are not the most relevant question for this inquiry. The issue is the socio-economic effects of this specific proposal in the local area. This is in the context of policy which in principle supports expansion and which seeks to secure the economic recovery of Luton.
- 9.14 The Secretary of State has asked to be informed about *the extent to which the proposed development is consistent with the development plan for the area*. The Plan is clear that the airport is important to the local economy and that its expansion will support the local economy.
- 9.15 A place-based assessment of the benefits for Luton and alignment with the development plan is therefore appropriate and important.

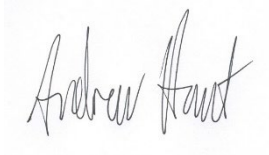
9.16 As set out above and in my proof, there is a clear local need for jobs and the proposed increase in passengers would create new jobs that would help people who are currently without work to gain access to paid employment.

10 Conclusions

- 10.1 Dr Chapman concludes (paragraph 11.11) "I am in agreement with the council that there will likely be no material impact on jobs numbers in the borough of Luton".
- 10.2 There are two problems with that statement.
- 10.3 Firstly, he misrepresents the Council's position. The Council has not said there is no material impact on jobs numbers, only that they were unlikely to be "significant" in Environmental Assessment terms. The Council states, explicitly, that the economic benefits are important.
- 10.4 Secondly, he provides no analysis in his proof to support that assertion – it is his first mention of impacts at the Luton level. All of the evidence he presents (much of which is highly contested) purports to be at the regional or national level, not the town or city level.
- 10.5 The small increase in flights and passengers will directly lead to important increases in jobs at the airport. Recent evidence confirms that there remains a strong relationship between airport activity and jobs.
- 10.6 The area around the airport desperately needs these jobs. There are currently 900 people who are unemployed who could find work in the area as a result of this expansion. That will lead to an increase in wages, and reductions in poverty, poor health and a range of other outcomes that result from unemployment.
- 10.7 There will also be other economic benefits that I have not sought to quantify from connectivity, increased business travel and investment within the sector.
- 10.8 Dr Chapman has also misrepresented the Government's position on the cost of emissions and miscalculated that level of aviation emissions so his analysis of the climate change costs are overstated and unreliable.

Declaration

The evidence which I have prepared and provide for this planning appeal in this rebuttal proof of evidence is true and I confirm that the opinions expressed are my true and professional opinions.

A handwritten signature in black ink, reading "Andrew Hunt". The signature is written in a cursive style with a large, stylized 'A' and 'H'.

Andrew Stephen Hunt, Senior Director

20 September 2022