

## Heathrow runway faces £16bn black hole

April 24, 2016 5:55 pm

Jim Pickard

### **Heathrow faces a “black hole” of more than £16bn to fund the upgrade of road and railway links to the airport if the third runway gets the go-ahead, Transport for London has warned**

In the latest stumbling block to Heathrow’s airport expansion proposals, TfL said its estimates to upgrade the transport system were about eight times more than the airport’s £2.2bn calculation.

The City Hall department said there had been a “substantial underestimate” in the extent to which a third runway would increase heavy congestion on local buses, trains and roads. TfL’s £18.4bn estimate will come under scrutiny in a few weeks when the government is expected to make a final decision over where to authorise a new runway in the south-east after years of political wrangling.

The calculation is vastly higher than the £5.7bn produced by the independent Airports Commission in its long-awaited report last summer.

Heathrow’s management said that only £1.2bn of public contribution would be required to upgrade local road and rail links, while Heathrow itself expected to spend a further £1bn. Ministers say the “scheme promoter” must meet the full cost of any surface access proposals required as a “direct result of airport expansion and from which they will directly benefit”. Last December, the government enraged business groups when it delayed its decision, citing the need for further research on the environmental impact of a third runway at Heathrow. The hiatus is also part of a wider attempt by the government to bury contentious issues until after the European referendum in June.

The Airports Commission last summer suggested that £5.7bn would have to be spent on projects such as widening the M4 or tunnelling the M25 motorway under the runway. TfL said that it should have included other schemes including bus enhancements, traffic management measures and alterations to the South West Main Line and Great Western Main Line.

It said the commission underestimated the number of extra passenger journeys on the London transport system and did not take freight into account. A third runway is expected to deliver an extra 30m passengers on the capital’s transport network.

©AFP

TfL is under the remit of Boris Johnson, the Tory mayor of London, who has been a relentless campaigner against the third runway — but it is an apolitical taxpayer-funded agency. The group said it had not included anything that was already committed, funded or planned in its £18.4bn figure.

“It is entirely in the realms of possibility that some of the schemes would be deemed necessary at some unspecified time in the future,” it said. “The point is they’re not currently envisaged — planned or committed — but if Heathrow expansion is progressed, they would absolutely need to be.”

John Holland-Kaye, chief executive of Heathrow, dismissed TfL’s estimates as a “long list of anything that might be needed across London”.

Heathrow has also challenged the Aviation Commission’s estimates, questioning its use of a 20 per cent “optimism bias” in its calculations. It said that the commission’s analysis of road traffic ignored mitigation measures designed to use public transport.

The £5.7bn estimate also included extra costs for new rail services without taking into account new revenues from those services, the airport said.

A breakdown of TfL’s £18.4bn figure was obtained by Greenpeace through a freedom of information request. John Sauven, executive director of the environmental group, said the figures showed a “gaping hole” in financing for Heathrow expansion.

Stephen Joseph, chief executive of the Campaign for Better Transport, said that the money would be better spent on the Northern Powerhouse rather than on “worsening the north-south divide”.

The Airports Commission warned last year that failing to address Britain’s shortage of aviation capacity could lead to costs of up to £45bn to the wider economy over a 60-year period.