

September 2021

## Heathrow Area Transport Forum – Chair’s Annual Report for 2020/21

I have now completed my second year in post as independent chair of the Heathrow Area Transport Forum. When I started the role in 2019, the focus for the Forum was almost wholly on interrogating the airport’s proposed surface access strategy for a three runway Heathrow, and whether it was adequate in the light of the objectives set out in the Airport National Policy Statement (ANPS).

By comparison the focus over my last year has been the exact opposite to expansion – survival of the existing two runway airport, and how we work together to try and build back better in the face of the ongoing impacts of the Covid-19 pandemic.

Despite the drastic changes to the circumstances in which the airport operates, I’m pleased to say that the Forum has continued to secure high level support from both the Heathrow team and all of our board members throughout this period. That support has been channelled into exploring how the worst consequences of the pandemic’s impact on airport operations and resource availability can be best managed, alongside some horizon scanning as to how learnings from this unprecedented period might help inform future strategies and plans.

Through our board, wider forum events and special interest groups (all of which have continued to be held virtually) we have covered a huge amount of ground across the last 12 months.

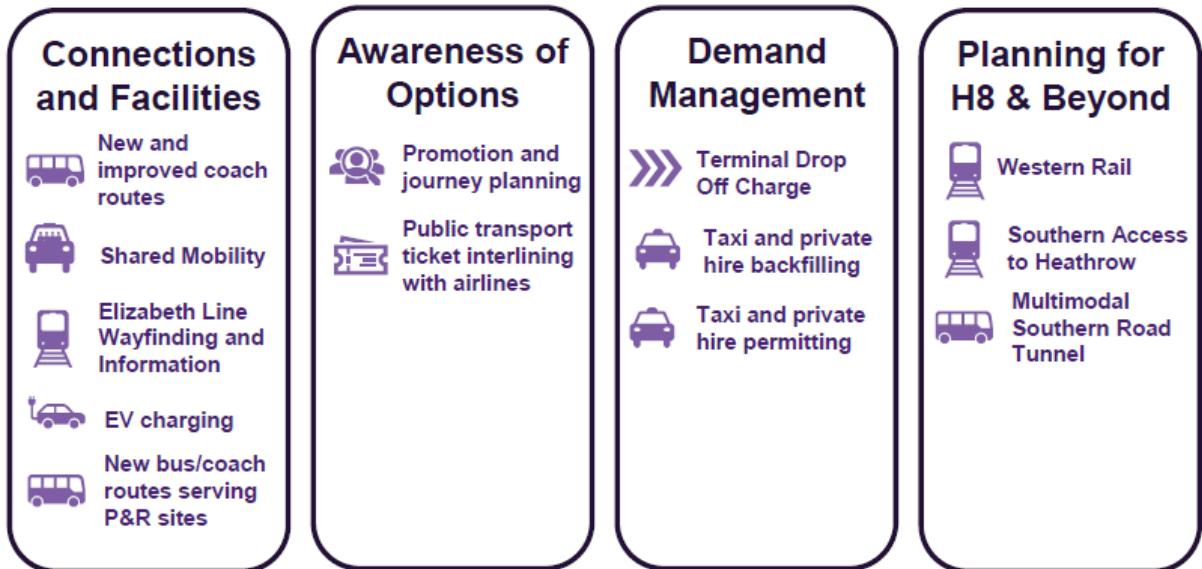
Key achievements that stand out for me over this last turbulent year include:

- **Development of a Two-runway Surface Access Strategy**

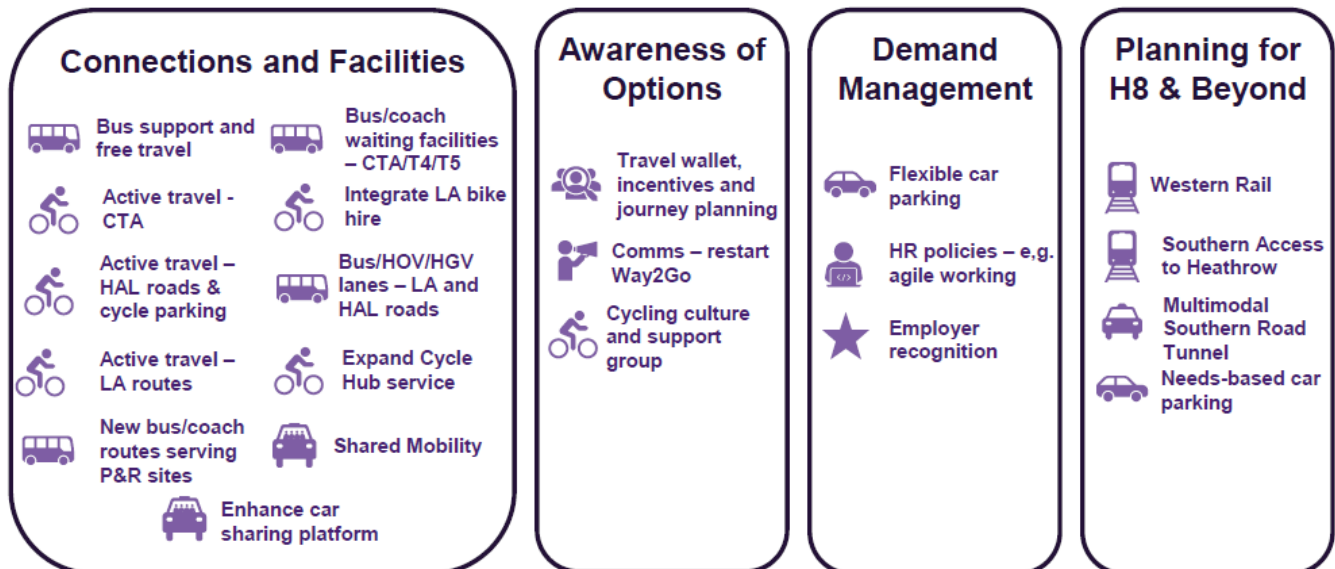
Following on from their initial preparatory work I reported on in my last annual report, Heathrow have continued to develop their thinking around a new Surface Access Strategy for their existing two runway airport for submission to the Civil Aviation Authority (CAA) as part of the next Business Plan for the ‘H7’ period (2022-2026). Despite diminished resources, which have inevitably curtailed some of the larger more transformational projects proposed during the discussions over expansion, the strategy remains in my view ambitious - and will deliver significant benefits for both airport users and wider local communities. Key areas of focus for the Forum around demand management, promotion of active travel, ongoing support for public transport and decarbonisation all feature strongly. A summary of the proposed interventions in the emerging strategy are included as Figure 1. I look forward to working with the airport to develop this strategy further in 21/22, hopefully securing a strong commitment from the CAA to support this transformational vision across the next regulatory period.

Figure 1: Surface Access Strategy proposed interventions:

## H7 2R SAS Interventions - Passengers



## H7 2R SAS Interventions - Colleagues



- **Removal of public transport subsidies and development of a new ‘sustainable travel zone’ concept.**

Given the scale of the financial impact of the pandemic on the airport operator, and the significant reduction in bus ridership as airport colleagues were furloughed and passengers disappeared, Heathrow was forced into the difficult position at the end of 2020 of having to remove much of the support they provided to public transport services in the area. In some cases this support had been ongoing for a decade or more. This had the effect of reducing frequency on a number of bus routes - and in some cases entire services were cancelled. The free travel zone around the airport campus, provided via local buses, was also suspended.

The loss of financial support for sustainable transport, and its impact on airport users (particularly those from lower income communities) was a key concern of HATF board members - reflecting this we set up a dedicated Bus Service Renewal Special Interest Group (Bus SIG) from late 2020 to keep the matter under continuous review.

Through 2021, whilst the financial situation for the airport remained extremely stretched, there was more positive moves to explore how the return of subsidies in the next regulatory period could be better directed to support the objectives of the developing new Surface Access Strategy. Following engagement through the Bus SIG this became structured into the ‘Sustainable Travel Zone’ (STZ) proposition which sets out a series of exciting opportunities for increasing sustainable mode share to Heathrow, particularly by airport workers. HATF had a key role in feeding into the principles of the STZ, summarised below:

- 1 Data Led
- 2 Effective in delivering mode shift and resulting environmental benefits
- 3 Scalable
- 4 Easy to use
- 5 Equitable

In turn, these have been used to develop five key priority areas for action:

- Priority 1: ensure existing public transport operates at the times required all colleagues
- Priority 2: improve active travel solutions for those living close enough to walk or cycle
- Priority 3: support campus connectivity (facilitating travel during the working day and for first mile / last mile)
- Priority 4: targeted discounted travel (to encourage modal shift)
- Priority 5: new or significantly improved services

Subject to confirmation from the CAA, I hope to see this come into operation from 2022.

- **Supporting collaboration across the airport sub-region in response to the National Bus Strategy.**

By summer 2021 there were further encouraging sounds for public transport renewal, this time from government in the release of their new National Bus Strategy. The Bus SIG, working with Heathrow Strategic Planning Group, was able to agilely morph into a wider forum to discuss the sub-regional response to that new strategy for buses - and help put some flesh on the bones of how the airport and local authorities could practically work together to develop the required Bus Service Improvement Plans (BSIP) required in that strategy by end of October. In response to feedback from the SIG, Heathrow produced an excellent new 'Bus Vision' that provided a very useful framework for authorities to refer to as they developed their strategies - with a view to driving forward ambition and consistency of BSIPs submitted from the Heathrow region, benefiting not just airport users but also the wider community.

At our June board we convened a debate, informed by original research by board member Transport Focus, to explore how best to help encourage people back onto public transport. We considered the relative role that service improvements, maintaining reliability and marketing and incentives may play in supporting a return to buses and trains. There was however a particularly strong feeling that we needed to get the basics right (buses need to be on time and clean) and that we also needed to be mindful not to stimulate a surge of demand that could be damaging to users' perceptions of the mode, if services were overwhelmed and crowded as people started travelling again.

- **Engaging with the CAA around the development and assessment of the next business plan**

During the course of HATF's work on expansion, but particularly following the uncertainty unleashed by the pandemic, the crucial role the CAA plays as economic regulator of the airport has become ever clearer. I was concerned to note that, in considering the interim business plan put forward by the airport following the crash in demand in March 2020, the CAA considered that the impact on the environment – as one of their 'secondary' duties, was not a major consideration when assessing the acceptability of these proposals. This position was reached notwithstanding the fact that the proposals envisaged the complete withdrawal of funding for public transport - with all the consequent environmental impacts of that.

On behalf of HATF I undertook to raise this as a concern in our response to the CAA consultation on the revised business plan. This was followed up with a meeting with Heathrow, the Department for Transport (DfT), the Airline Organising Committee (AOC) and the CAA themselves to gain a greater understanding of the regulatory system and to raise these concerns. Following the closure of the Government's Jet Zero consultation at the beginning of September 2021 (see below for more information about our response), further activity is planned to highlight the need for additional responsibilities to be put on the CAA by the DfT in response to the country's increasing focus on decarbonisation.

- **Jet Zero strategy consultation response**

The Forum made a response to the Government's Jet Zero consultation highlighting the need for the definition of aviation emissions to include surface access and therefore for investment to decarbonise these be considered as an equal priority to reducing emissions from ground-based activity and the airport's own estate. We also highlighted the need for infrastructure planning strategies to look beyond immediate requirements for the airport and airlines and to consider the wider needs of the sub-region. For example, exploring how the case for bringing hydrogen to the airport could be strengthened by opening up access to the fuel to businesses from across the sub-region. Thinking in an integrated way across the wider region could assist in improving the business case for change – enhancing viability and delivering more decarbonisation 'bang for buck'.

- **Ongoing support for improved rail access to the airport**

With expansion paused; government attention diverted to managing and responding to the pandemic and the concurrent hit to public transport patronage, discussion on major rail improvements was limited over the last 12 months. HATF continued its support for the preferred scheme for Western Rail Access to Heathrow (WRaTH), and for progress to be made on better defining the Southern Access to Heathrow (SATH) proposal.

During the year it became clear that there would be ongoing delays to the opening of the Elizabeth Line, which is now scheduled for 2022. Despite this disappointing news, the Forum did however look to shine a light on how the work to prepare for the new line's arrival at Heathrow was going, including integration with ticketing, wayfinding and general promotion to airport users. Towards the end of 2020 the Forum also acted to convene a discussion between Heathrow, train operators, Network Rail and the DfT on train paths for services into the airport from Paddington in order to explore opportunities for maximising service capacity.

- **Heathrow consultation on community engagement approaches**

Given the pause in the expansion programme, and the significantly reduced funding available to the airport, major changes in how the airport engages with its stakeholders and local communities was undertaken in 2020/21. HATF fed back on the proposals, emphasising the need for a strong independent chair to manage this process, if the future structure and processes were to command the support of the community. Further consultation on this was planned later in 2021.

- **Terminal Drop Off Charge, car parking charges and TfL boundary charge**

There was a flurry of activity around demand management in 2020/21. A particular focus for the Forum was on Heathrow's proposal to bring in an amended version of the Vehicle Access Charge, floated during discussions on expansion. This was consulted on in spring 2021, ahead

of a planned implementation in Autumn of that year. Whilst HATF supported the scheme in principle as a tool in encouraging sustainable access to the airport, we made the point that any income raised needed to be reinvested into the network, or for there to be other robust mechanisms to ensure the Surface Access Strategy was appropriately funded to achieve its objectives.

We also had discussions about TfL's proposed boundary charge, which could potentially have a very significant impact on airport operations given it could introduce a tariff barrier between the site and communities on the other side of the M25. The proposal remains under review.

Given a reduction in the usage of the airport staff car parks during lockdown, there was a significant increase in annual fees/space payable by employers. Heathrow confirmed that employee parking is an Other Regulated Charge (ORC), which means that they must recover the operational costs only and cannot make any profit or loss on the provision of the service. Whilst HATF supports the use of parking policy as a demand management tool, concerns were raised by the board about the equalities impacts from a significant increase in the cost of parking, particularly for low-income groups. The issue remains live and will be explored further in the emerging Surface Access Strategy, with a particular focus on introducing new parking products that mitigate against large up-front lump sum fees that then act to lock airport users into using the car for all their trips, given the investment sunk in.

- **Supporting wider economic recovery.**

HATF has continued to support the work being undertaken across other airport fora to facilitate economic recovery following the pandemic. Lord Blunkett, chair of the airport's Local Recovery Forum attended the HATF Wider Forum event in December 2020, and in return I attended his forum in the spring. From these discussions, it is clear that improving surface access has a key role to play in supporting a green recovery in the region, and also in facilitating access to the greatest possible supply of jobs for those living in the area who may have lost their employment in the aviation sector.

More generally during this period, HATF has received regular activity updates from the airport, and by bringing together board members from across a variety of statutory transport providers, regulators, local authorities and business representatives was also a useful discussion forum and space for best practice sharing around pandemic recovery.

As we move onto 2022, it is hoped some normality will return to airport operations and an exciting new phase for HATF can begin in monitoring the implementation of the new Surface Access Strategy and enhancing sustainable ways of accessing airport opportunities for all its many users.

*Val Shawcross*

Valerie Shawcross CBE - Independent Chair, Heathrow Area Transport Forum