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| **From:** | [redacted] |
| **To:** | Manston Airport |
| **Cc:** | Richard Price |
| **Subject:** | Manston - urgent submission |
| **Date:** | 20 June 2019 17:22:38 |
| **Attachments:** | UTT_18_0460_FUL-ES_VOLUME_1_-_CHAPTER_11_SOCIO-_ECONOMIC_OMPACTS-2634308.pdf |

Dear Case Team

We are making our way through the Applicant's Deadline 8 submissions, and consider that it may assist the examination if the Applicant is requested to comment on the following;

In paragraphs 2.14 and 2.21 of the Applicant's Written Summary of Oral Representations put at the Socio-Economic Hearing, the Applicant references that it used the ratios for Stansted and Luton when calculating induced and indirect employment effects of a reopened Manston.

SHP has already made detailed submissions (with supporting evidence) following the Socio-Economics Hearing that set out the factual position on Luton, and the degree to which the assumptions used by the Applicant to assess employment effects are fundamentally flawed (notwithstanding the underlying forecasts are not credible).

However, having reviewed the Applicant's recent submission, SHP consider it important that the ExA has access to factual information in respect of Stansted that contradicts the assertions of the Applicant.

Attached is a copy of Chapter 11 (Socio-Economic Impacts) of the Environmental Statement that formed part of Stansted's 2018 planning application (UTT/18/0460/FUL). The following points are worth noting;

- Paragraph 11.97-11.98: The operational study area used includes eleven local authorities within the East of England region and five London boroughs that have a combined population of nearly 3 million;

- Paragraph 11.64: Both indirect and induced employment has been estimated using appropriate employment multipliers. The employment multiplier is the ratio of direct, indirect and induced employment to direct employment.

- Paragraph 11.65: States that Optimal Economics has reviewed evidence from studies of and use of regional multipliers in the UK including impact studies of airports. These studies identified multipliers within a relatively narrow range of 1.4 to 1.8. The value of the multiplier is influenced by the size and structure of the local economy. Economies which are relatively large in output and employment terms have a greater capacity to create induced employment and so to have a larger multiplier effect than for smaller economies. Optimal Economics has determined that the appropriate employment multiplier with regard to operational employment (including indirect and induced effects) for the study region is 1.8**.** **Note: this multiplier includes the direct jobs, so there is only 0.8 indirect or induced job to each direct job**.

- Paragraphs 11.159 and 11.160: These paragraphs show the employment impacts of the proposed development. Again, it evidences that the assumptions used **for Stansted are for**

**only 0.8 indirect and induced job to each direct jo**b.

The Applicant's ES is based on 1.8 indirect and induced job per direct job, all of which are assessed to be in the local area - Thanet.

As noted in paragraph 11.65 above, Optimal Economics comment that the multiplier for a smaller local economy (such as Thanet) would be lower than a larger economy of 3 million, and hence this implies a 0.4 local multiplier (i.e. 1.4 minus the 1 direct job). This is consistent with the evidence in paragraph 20 of the York Note appended to SHP's Written Summary of Oral representations put to the Socio-Economics Hearing.

This demonstrates that the Applicant's misapplication of multipliers has overstated the number of Year 20 indirect and induced jobs in Thanet by 4,784 (i.e. 6,151 less 1,367). *NB. This lower number of indirect / induced jobs (1,367) also ignores the fact the Applicant's starting position is wrong as (i) it has applied an inappropriate employment density for direct jobs and (ii) it requires its forecasts to be achieved.*

In view of the very short time left in the examination, SHP consider that it may assist the examination if the Applicant was requested to comment on the Chapter 11 (Socio-Economic Impacts) of the Environmental Statement that formed part of Stansted's 2018 planning application (UTT/18/0460/FUL) and explain and justify the differences between the assumptions the Applicant has used for local and regional indirect and induced employment and those used by Stansted.

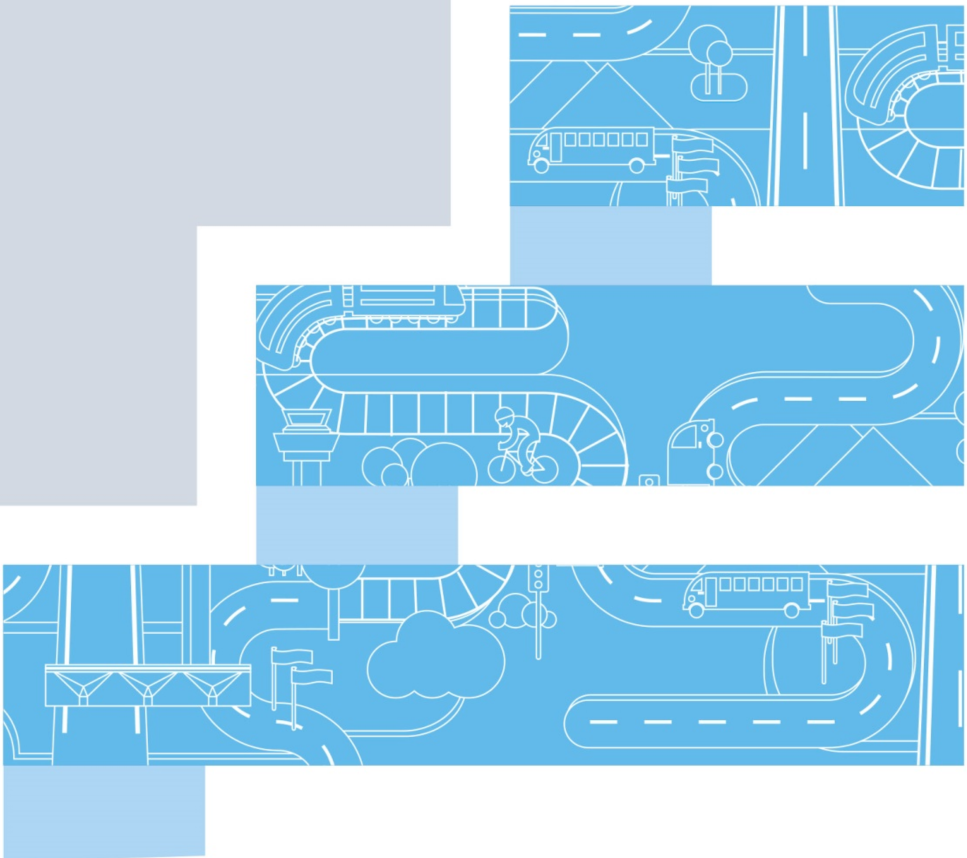
Best regards
Jamie

Jamie Macnamara
Stone Hill Park Ltd

TRANSFORMING LONDON STANSTED AIRPORT

35+ PLANNING APPLICATION

# Chapter 11 Socio-Economic Impacts



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# 11 SOCIO-ECONOMIC IMPACTS

## Introduction

11.1 The proposed increase in the passenger cap will enable the airport to handle an additional 8 million passengers per annum (mppa). This will result in increased employment at the airport as well as additional employment and socio-economic benefits at the regional level. The increase in capacity will enable growth in services in terms of destinations served and frequency of flights, which will create benefits for the users of the airport and generate wider beneficial economic effects in the region and beyond, through the airport's role as a facilitator of economic activity. The proposed increase in the cap will enable new services to destinations important for business and high value in-bound tourism.

11.2 This chapter considers the employment impacts and wider socio-economic effects of the proposed development. It should also be read in conjunction with ES Appendix 11.1, which provides details of the study areas used in this assessment and ES Appendix 11.2, which provides baseline information on the study area.

11.3 The chapter is structured as follows:

- The section on **legislation, guidance and planning policy** (read in conjunction with the ES Appendix 3.1) identifies the national, regional and sub-regional policy objectives relevant to the assessment of socio-economic and employment effects;
- The section on **assessment methodology** and significance criteria sets out the methodology used for each component of the impact assessment. Three potential impacts have been identified – user benefits, wider economic impacts and employment impacts. The employment impacts are considered in relation to both the construction and operational phases of the proposed development.
- The section on **baseline conditions** (and ES Appendix 11.2) establishes the existing economic position in the study areas. Due to the differing nature of wider economic and employment impacts, different study areas are considered for each component of impact;
- **Incorporated mitigation** sets out the range of mitigation and enhancement measures related to economic and employment impacts which have already been established through the 2015 Sustainable Development Plan (SDP) and Section 106 agreements;
- The **impact assessment** section establishes the impact of the proposed development and the resulting effects on the wider economy and employment;
- **Further mitigation** identifies ways that the airport intends to further minimise adverse impacts or maximise benefits; and
- **Cumulative effects** take account of the impact of the proposed development in combination with other committed developments in the study area.

## Legislation, Guidance and Planning Policy Context

11.4 'Cross cutting' policies and plans which are relevant to the consideration of socio-economic and other effects are described in Appendix 4.1 and the Planning Statement submitted as part of this application. Such policies are not repeated here in detail to avoid the chapter becoming unduly long or repetitive. This section does however highlight the specific legislation, guidance and policies that are most relevant to this topic.

### National Policy

**Aviation Policy Framework**

11.5 The ability to move people and goods across the globe in a matter of hours is fundamental to the global economy. Airports can make an important contribution to their local economies, being major employers in their own right and having the potential to attract companies whose business depends on air travel into their immediate proximity. Airports also contribute to quality of life, enabling people to travel abroad for leisure, broaden their horizons or visit friends and relatives. The Aviation Policy Framework[1] (APF) recognises the vital role that aviation plays in the UK economy and supports aviation growth within a framework which recognises both the benefits of aviation and its costs. The Secretary of State for Transport's Foreword to the document confirms:

"*The Government believes that aviation needs to grow, delivering the benefits essential to our economic wellbeing, whilst respecting the environment and protecting quality of life*."

11.6 The benefits of aviation set out in the document include the gross domestic product (GDP) and employment supported by the air transport and aerospace sector, and the wider contribution that aviation makes as an enabler of other activities. These 'enabling' impacts include:

- Trade in goods: aviation plays an important role in supporting trade in high-value, time critical sectors;
- Greater productivity: aviation enables productivity and growth by enhancing access to markets through improved connectivity. It facilitates inward investment and the movement of goods and people which enhances trade and the diffusion of knowledge;
- Tourism: air travel is essential to international tourism, particularly from more distant markets; and
- Travel, culture and family: aviation also provides wider social benefits enabling UK residents to experience different cultures.

11.7 One of the main objectives of the APF is to ensure that the UK's air links continue to make it one of the best-connected countries in the world and to ensure that the benefits of aviation to the economy are fully realised.

**The Airports Commission**

11.8 The Airports Commission (AC) final report[2] recognised the benefits of making best use of Stansted Airport. It acknowledged the investment of £80 million into the terminal redevelopment work (underway at that time) and that capacity at Stansted will be important to the wider London airports system before any additional runway capacity is provided. The AC also acknowledged the strategic importance of Stansted to the wider London airport system while supporting the need to ensure that local people are protected from unacceptable negative impacts of living close to an airport.

11.9 Moreover, it was stated in the report that:

"*The Commission considers that there may be a case for reviewing the Stansted planning cap if and when the airport moves closer to full capacity. Its forecasts indicate that this would not occur until at least the 2030s, although the airport has seen rapid growth since its purchase by MAG, which if sustained over a longer period would bring this forward*."

**Beyond the Horizon: The Future of Aviation in the UK**

11.10 An updated aviation strategy will be published by the end of 2018, which will replace the 2013 APF. It will provide the framework for aviation policy for the period up to 2050 and beyond. To support the development of this strategy, a call for evidence[3] was published in July 2017.

11.11 The aviation sector is central to building a global and connected Britain. The call for evidence recognises the importance of trade and inward investment to the UK and the role that aviation can play in achieving the government's ambitions to increase productivity and grow the economy.

11.12 While the government's preferred option for a new runway at Heathrow is set out in the draft Airports National Policy Statement (NPS)[4], the call for evidence recognises that strong growth is putting pressure on existing infrastructure and that there is a need to make better use of existing airport capacity. To this end:

"The government agrees with the Airport Commission's recommendation that there is a requirement for more intensive use of existing airport capacity and is *minded to be supportive of all airports who wish to make best use of their existing runways including those in the South East*."

**National Planning Policy Framework**

11.13 The purpose of the planning system according to the National Planning Policy Framework[5] (NPPF) is to deliver sustainable development. This requires the planning system to consider three principal objectives: economic; social: and environmental. The Government is committed to securing economic growth, therefore significant weight should be accorded in planning decisions and policy to the need to support economic growth.

11.14 With specific reference to airports, the policy states:

*"when planning for ports, airports and airfields that are not subject to a separate national policy statement, plans should take account of their growth and role in serving business, leisure, training and emergency service needs".*

**Conclusions on National Policy**

11.15 The economic benefits of aviation are acknowledged in the Government's existing aviation policy framework and recent call for evidence supporting the new aviation strategy. The policy framework recognises that Stansted has an important role to play in the development of the London airport system, particularly before any additional runway capacity is provided. The call for evidence recognises the need to be supportive of airports wanting to make best use of their existing runways. The NPPF also calls on local authorities to support sustainable economic growth and to take account of the role of airports in serving business and leisure activity.

## Regional, Sub-Regional and Local Policy Review

### The London-Stansted-Cambridge-Corridor (LSCC) Growth Commission

11.16 The London-Stansted-Cambridge Corridor (LSCC) Consortium is a partnership of public and private organisations covering the area from North London to Stansted, Cambridge and Peterborough. The partnership was formed to organise and promote what is a defined economic area, with strong inter-connections; commuting to work and learn patterns, clusters of industries and supply chains.

11.17 The LSCC Consortium established the LSCC Growth Commission in 2015 to provide independent analysis and advice to enhance the economic potential of the LSCC and set out a vision for the area to become one of the top five global knowledge regions. The final report from the Growth Commission[6] notes that the LSSC provides a unique opportunity which is critical to the future of the UK economy. The LSCC is characterised by higher than average growth in population, workforce, jobs, businesses, gross value added (GVA) and productivity. It contributes significantly to the UK economy with Europe's leading life sciences cluster and the UK's largest cluster of ICT and digital firms, concentrated around London and Cambridge.

11.18 Five priorities will drive the ambition of the LSCC, one of which is Stansted as a dynamic source of growth and development. The report notes:

"*Our vision is for an airport that is a dynamic driver of growth and local business performance, providing the services and routes that the corridor's tech and life sciences businesses need […] London Stansted Airport has the capacity to expand and could be a big part of the solution to the aviation needs of the Corridor, London and the Greater South East.*"

### Greater Cambridge Greater Peterborough LEP Strategic Economic Plan

11.19 The Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP) is a business-led organisation focused on driving forward sustainable economic growth. The goal of the LEP is to develop an internationally competitive, nationally significant local economy bringing together the diverse strengths of the area. The Strategic Economic Plan[7] aims to realise the area's significant potential for continued economic growth through a targeted range of interventions.

11.20 The role of transport and international connectivity is recognised in the Plan:

"*The area includes London Stansted and Cambridge Airports, which contribute significantly to the LEP area and wider economy. International connectivity by air is a key requirement of any major international business location. In order to help those businesses in our area continue to grow it is vital that they have connectivity with their key markets, and in the case of international businesses, their head offices and other operations.*"

11.21 The Plan supports making maximum use of capacity at Stansted and, particularly, the development of long-haul routes. To enable the development of these routes, the Plan sets out its proposals for an Air Passenger Duty (APD) exemption as a mechanism to provide start-up support for new long-haul routes from Stansted.

**South East LEP**

11.22 Stansted also lies within the South East LEP area which covers East Sussex, Essex, Kent, Medway, Southend and Thurrock. Within the Strategic Economic Plan[8], the LEP identifies 12 growth corridors, one of which is the M11 London Harlow Stansted Cambridge corridor. The Plan recognises that Stansted has an important role to play in attracting investment from a wide range of global companies seeking a UK base.

**Economic Plan for Essex**

11.23 The Economic Plan for Essex[9] is based on the collective ambitions of all local authorities in Essex and is designed to be a long-term plan for growth in the Essex economy. The priority of the Plan is to secure sustainable economic growth for businesses and communities across Essex.

11.24 The Plan recognises the important role that Stansted plays in the Essex economy and LSCC in particular, along with the potential of the airport to act as a catalyst for growth across the corridor and beyond. The Economic Plan for Essex supports growth at Stansted and concludes that:

*"It is clear that Stansted is, and can continue to be a major driver of economic growth in Essex.*"

**Haven Gateway Partnership**

11.25 Stansted lies at one end of the A120 Haven Gateway growth corridor linking the west of Essex with Harwich International Port in the east. The vision of the Haven Gateway Partnership[10] is

"To deliver a thriving economy in a high quality environment for its residents and visitors, by capitalising on its location as a key gateway associated with the Haven Ports, realising its potential for significant growth, addressing its needs for economic regeneration, creating an additional focus on knowledge based employment and SMEs while protecting and enhancing its natural assets."

11.26 The Partnership consider the A120 to be a vital link between Stansted and the ports to the east of the sub-region. A number of investment opportunities and transport improvements have been identified in the Economic Plan for Essex to unlock the growth potential of the corridor by taking advantage of proximity to Stansted and Harwich.

**Adopted Uttlesford Local Plan**

11.27 The current Uttlesford Local Plan[11] was adopted in 2005. The Plan specifically sets out a number of policies relating to the airport, which are described in Appendix 4.1.

**Draft Local Plan – Regulation 18**

11.28 The new draft Uttlesford Local Plan[12] was subject to public consultation in 2017. The Plan sets out the vision for Uttlesford for the period to 2033, the spatial strategy of where and when investment should be located and the policies to deliver the Plan. The vision for 2033 is that Uttlesford will continue to be one of the most desirable places to live and work in the UK.

11.29 The vision for Uttlesford is under-pinned by three themes (promoting thriving, safe and healthy communities, supporting sustainable business growth and protecting and enhancing heritage and character) which, in turn, are supported by ten spatial objectives. The following objective is particularly relevant:

- Objective 2a – Enabling Growth and Investment. This objective seeks to strengthen the local economy by enabling the growth of existing and new employers, including providing opportunities for employment growth related to Stansted Airport.

11.30 The Plan recognises the importance of Stansted to the LSCC and, in particular, to the South Cambridgeshire research and bio-technology cluster. In the vision for the District, it is stated that Stansted will "*form a pivotal part of the highly successful London Stansted Cambridge Corridor*" and "*the environmental impact of London Stansted Airport will be effectively managed*."

11.31 The spatial strategy provides the framework for the policies in the Plan. Policy SP11 relates to Stansted Airport and states "*the growth of London Stansted Airport will be supported*." However, development proposals must meet several criteria related to national aviation policy, environmental effects and surface access measures.

11.32 Policy SP11 also includes the North Stansted Employment Area ('Northside') which is a 55 hectare site allocated for B2 (general industry) and B8 (storage and distribution) employment use. Development on this site will not be restricted to airport-related employment.

11.33 Policy SP4 relates to the provision of jobs and states that "provision will be made for a minimum net increase of 14,630 jobs in the period 2011 – 2033 to maintain a broad balance between homes and jobs and to maintain a diverse economic base."

**Uttlesford Economic Development Strategy 2016-18**

11.34 Uttlesford shares the Government's commitment to sustainable economic growth. Its Economic Development Strategy 2016-18[13] retains the focus of the previous two strategies on facilitating sustainable growth in jobs and businesses. One of the main actions of the Strategy is to promote specific and targeted propositions to attract inward investment and facilitate local business expansion. The international connectivity of Stansted is noted as supporting this action.

**Uttlesford Corporate Plan 2017-21**

11.35 One of the aims of the Uttlesford Corporate Plan[14] is to support sustainable business growth and the promotion of the economic benefits of Stansted Airport is a key commitment.

**Other Local Plans**

11.36 The local plans[15] [16] [17] of a number of other authorities[i] acknowledge their positions in the LSCC and seek to capitalise on the strategic location of the corridor in order to promote economic growth and prosperity. These authorities are working with partner authorities in the corridor to deliver the LSCC vision for the area.

11.37 At the heart of the LSCC, with good connections to London, Cambridge and Stansted Airport the Harlow Enterprise Zone is a premier business location[18].

[i] East Herts, Harlow and Epping Forest

### Sustainable Development Plan

11.38 The Stansted SDP[19] is the framework and master plan for growth of the airport based on the capacity of its single runway. The SDP has been finalised following extensive consultation and it sets out the strategic objectives for the growth and development of the airport and comprises four detailed plans covering the economy and surface access, land use, environment and community.

11.39 The economy section of the SDP recognises that Stansted is an important catalyst for growth and an aim of the airport is to maximise its contribution to the economy, support local growth and maintain a fair and sustainable relationship with its supply chain and business partners. The SDP highlights the economic impact of Stansted, particularly its contribution to employment as the largest single-site employer in the East of England, and its role as a gateway for inbound tourists and an important freight hub.

11.40 The SDP also recognises that it can play a role in maximising its local economic benefits through partnership working and the delivery of specific programmes and training/educational packages. Good connectivity to Stansted is important in driving economic regeneration in some local areas around the airport and the Surface Access Strategy will target connections to key areas for current and future workforce recruitment.

### Conclusions on Regional, Sub-Regional and Local Policy

11.41 Within the regional and sub-regional economy, Stansted is recognised at all levels of policy and strategy and in all key documents related to economic development as a key driver of future economic growth. Development of the airport is also supported in the draft Uttlesford Local Plan and by key policies. Its growing international air services are seen as especially important for local businesses to compete globally.

## Assessment Methodology and Significance Criteria

### Assessment Methodology

11.42 The approach adopted for the impact assessment set out below follows a widely accepted set of methodologies for establishing the socio-economic and employment effects of airport development. These methodologies were used in the ES which accompanied the planning application to increase Stansted's capacity to 35 mppa (the 25+ project) and 274,000 air transport movements (ATMs). They have also been applied in a range of other aviation projects and were endorsed by the AC[20].

11.43 The growth of the airport will generate benefits for:

- The users of the airport who will benefit from more flights to existing destinations and new flights to new destinations (these benefits are termed user benefits);
- The wider economy through the enabling of increased economic activity (sometimes termed catalytic impacts or wider economic impacts); and
- The people who secure new airport related employment[ii].

**User Benefits**

11.44 Airport users will benefit from the increased capacity as Stansted will be better able to accommodate the forecast level of demand. Increased capacity will encourage competition and choice in airlines at Stansted, improving routes, frequency of flights and potentially reducing fares. New passengers, who would otherwise be unable to fly due to the limited capacity (from 2023 onwards), will benefit as a result the increased passenger cap. Existing passengers will benefit from greater choice as a result of the additional flight frequencies, expanded route network and the opportunity to use a more convenient airport. There will also be benefits to freight users, the airport operator and government (from increased tax revenue).

11.45 Quantifying these user benefits would require a detailed analysis of traffic patterns and surface transport costs under alternative capacity assumptions and using a UK wide airport system model which can allocate passengers to airports in response to changes in capacity. DfT has a model which can analyse major changes in capacity but, given the scale of the proposed development, this level of analysis is not practical. Therefore, a qualitative assessment of such benefits, using professional judgment and experience, is provided below. This approach has been agreed by UDC by virtue of its scoping opinion (see Appendix 2.1 in ES Volume 2).

**Wider Socio-Economic Effects**

11.46 The proposed development will generate economic and social benefits for the wider economic study area, which is defined below. These benefits will comprise:

- Opportunities for businesses in the study area to access a wider range of air services from a local airport;
- Enhancement of the attractiveness of the study area to businesses in terms of its 'air transport offer';

[ii] People employed at the airport, in supplier companies and in the local economy

- Opportunities for increased flights to serve higher numbers of both inbound and outbound leisure[iii] visitors. The potential impacts of these outbound tourists on the economy and domestic tourism industry are discussed later in the chapter; and

- Strengthening the airport's important role in the freight market which helps UK businesses compete in the global economy.

11.47 For the assessment of wider socio-economic effects, an area has been defined in which most effects will be felt. Stansted draws its passengers from an area south of the Midlands, but its core catchment area is the East of England[iv] and London which together account for 78%[21] of UK passengers in 2016. Details are shown in Figure 11.1. The majority of the wider economic effects will therefore accrue to the East of England and London, particularly the inner and north east London boroughs[v]. The wider economic study area is therefore defined as the East of England and London and is shown in Map 1 in Appendix 11.1 in ES Volume 2.

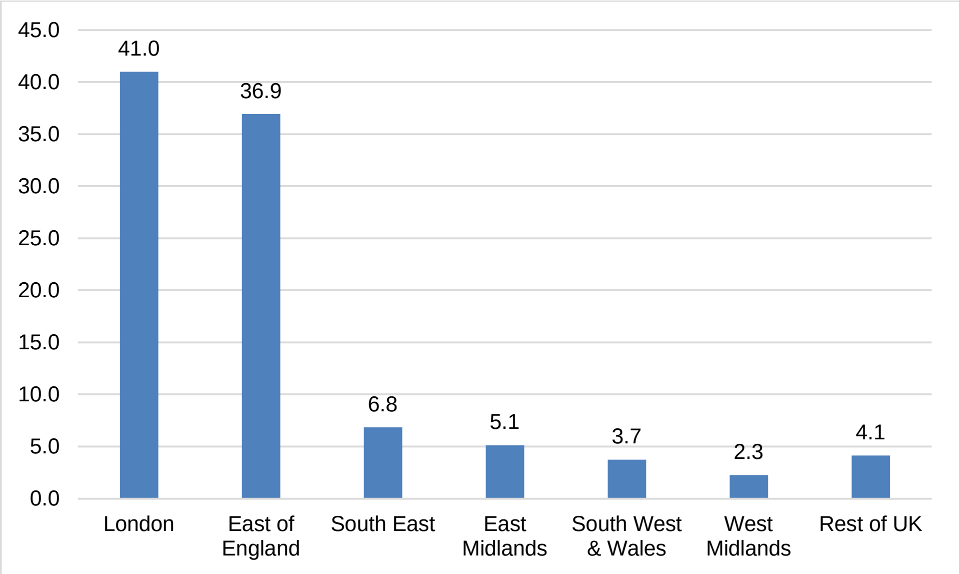


**Figure 11.1: Origin/destination of UK passengers at Stansted, 2016[22] (%)**

11.48 Paragraph 11.46 above identifies the activities most likely to be affected by airport growth. The approach to the assessment of wider economic effects reported in this chapter establishes the mechanisms by which airport development will create wider effects and how the expansion of Stansted (in terms of passenger numbers) will impact on these mechanisms. The assessment will be quantitative or qualitative as appropriate.

**Employment Effects**

11.49 The economic impact of airport-related employment growth at the airport can be measured in terms of the number of jobs created or supported by the growth and the GVA associated with those jobs. GVA includes wages, salaries, organisational surpluses and profits.

[iii] Leisure visitors include holiday visits, visits to friends and relatives and other non-business visits e.g. education
[iv] Includes Buckinghamshire and Oxfordshire
[v] London Boroughs of Camden, City, City of Westminster, Islington, Southwark, Barking and Dagenham, Enfield, Hackney, Haringey, Havering, Newham, Redbridge, Tower Hamlets, Waltham Forest.

11.50 For the construction assessment, the approach is to estimate the additional employment associated with the proposed development and assess the impact of this employment within the construction study area.

11.51 For the operational assessment, the approach involves the following main steps:

- Define the study area in which the impact will be felt;
- Estimate the current and future levels of airport related employment with and without the proposed development;
- Estimate current and future labour demand and supply in the study area; and
- Assess the impact of the forecast increase in the level of airport related employment against the wider forecasts of labour demand and supply in the study area.

***Employment Study Areas***

11.52 To assess the employment effects, it is necessary to define the area in which they will be felt. Given the different characteristics of the construction and the operational workforce, the areas for the construction and operational assessments are different:

- ***Construction Study Area*:** The construction industry is characterised by short, temporary contracts, and longer journeys to work compared to those made by people working in other industries. On this basis, the assessment of the construction effects is undertaken for an area comprising the South East and London. The construction study area is shown in Map 2 in Appendix 11.1 in ES Volume 2.
- ***Operational Study Area*:** The employment impact of the proposed development will be closely related to the home location of the airport workforce. The 2006 planning application defined the study area on the basis of the proportion of the airport's workforce that lives within identified local authority areas. A criterion was adopted such that all local authorities who have at least 1% of the Airport's workforce as residents would be included in the operational study area. This was accepted by UDC as an appropriate approach[vi] and has been adopted for this analysis. Using this approach and the 2015 Stansted Employee and Travel Survey[23] yields an operational study area consisting of 16 local authorities and covering almost 84% of the Stansted workforce in 2015[vii].

11.53 Table 11.1 shows the adopted study area for the operational employment assessment which is also illustrated by Map 3 in Appendix 11.1, ES Volume 2.

[vi] The 2006 study area comprised ten local authorities – Uttlesford, East Hertfordshire, Braintree, Harlow, Chelmsford, Epping Forest, Colchester, St Edmundsbury, South Cambridgeshire and Cambridge

[vii] The Stansted employee and travel survey is undertaken every two years and the 2017 is currently underway, although the results are not yet available.

**Table 11.1: Stansted employment study area[24]**

| Local Authority | No. of Employee's | % Stansted Employment |
|---|---|---|
| East Hertfordshire | 2,684 | 24.5 |
| Uttlesford | 2,007 | 18.3 |
| Braintree | 1,650 | 15.1 |
| Harlow | 809 | 7.4 |
| Chelmsford | 398 | 3.6 |
| Colchester | 257 | 2.3 |
| Epping Forest | 188 | 1.7 |
| Newham | 167 | 1.5 |
| Redbridge | 145 | 1.3 |
| Waltham Forest | 144 | 1.3 |
| Enfield | 141 | 1.3 |
| Broxbourne | 140 | 1.3 |
| St Edmundsbury | 134 | 1.2 |
| South Cambridgeshire | 133 | 1.2 |
| Haringey | 130 | 1.2 |
| Cambridge | 72 | 0.7 |
| **Total Study Area** | **9,199** | **83.9** |

Note: Cambridge does not meet the 1% criterion but the local authority is completely surrounded by South Cambridgeshire and is included to ensure there are 'no gaps' in the geographic coverage.

### Airport Related Employment

11.54 In assessing the effect of the proposed development in terms of employment, there are three main categories of employment to consider:

- ***Direct employment***: people employed at Stansted during either construction or operation who receive wages and salaries. For the operational assessment only, direct employment is split into two categories – direct on-airport employment and direct off-airport employment. The categories cover similar types of employment. The former category is self-explanatory while the latter concerns people working in businesses whose activity is directly and solely related to Stansted Airport, but which are located outside the airport boundary;

- ***Indirect employment***: employment in firms which are in the supply chain of the businesses at the airport during either construction or operation; and

- ***Induced employment*:** employment supported by the expenditure of people employed directly and indirectly in the operational and construction study areas.

### Construction Employment

11.55 As described in Chapter 5 of the ES, the application is for the development of new airfield infrastructure including two new taxiway links to the runway and nine additional aircraft parking stands. The direct employment supported by this work has been calculated by applying output per employee data from official statistics to the estimated capital expenditure.

11.56 Indirect employment is employment in firms in the supply chain of the contactors undertaking the proposed development. The extent to which there would be indirect employment in the

East of England and London will depend on the ability of the study area to supply the goods and services required by these contractors. Induced employment in the East of England and London will be supported by the expenditure of the direct and indirect employees in the area. Indirect and induced employment has been estimated using an employment multiplier which is the ratio of direct, indirect and induced employment to direct employment.

11.57 The indirect and induced employment associated with this expenditure has been estimated by applying an employment multiplier to the direct job estimate. Having calculated the employment impacts, GVA was calculated by applying GVA per person in employment for the East of England and London from official statistics to the employment estimates.

***Operations – Baseline Employment***

11.58 Stansted's direct on-airport employment is that located within the airport boundary and the baseline figure was obtained from the 2015 Stansted Employee Travel Survey.

11.59 In order to estimate the directly created GVA, GVA per employee for the study area was calculated using the latest official data for GVA and the number of people employed in the study area. GVA is available for NUTS 3 areas and all NUTS 3 areas[25] which cover the study area were included in the calculation. GVA per person in employment for the operational study area is £60,500.

11.60 Stansted's direct off-airport employment has been estimated from a survey of companies undertaken during April 2017 by Optimal Economics. The off-airport estimates are based on 17 interviews undertaken from a population of 40 companies. The approach to the survey was to:

- Identify possible off-airport companies through internet searches of appropriate business categories (e.g. hotels, air freight, aircraft/aviation services). The companies identified were based in Uttlesford, East Hertfordshire and Harlow;
- Undertake a telephone survey of businesses identified to determine the level of employment and the extent to which the business is dependent on the airport; and
- Use the survey results to provide an estimate of direct off-airport employment for the population of off-airport companies.

11.61 GVA per person employed for the operational study area (discussed in paragraph 11.61 above) was applied to the number of direct off-airport employees to calculate direct off-airport GVA.

11.62 Indirect employment in the operational study area is employment in the businesses which are in the supply chain of the airport itself and companies which provide services at the airport.

11.63 Induced employment in the operational study area is the employment supported by the local expenditure of people employed directly and indirectly.

11.64 Both indirect and induced employment has been estimated using appropriate employment multipliers. The employment multiplier is the ratio of direct, indirect and induced employment to direct employment.

11.65 Optimal Economics has reviewed evidence from studies[26] of and use of regional multipliers in the UK including impact studies of airports. These studies identified multipliers within a relatively narrow range of 1.4 to 1.8[viii]. The value of the multiplier is influenced by the size and structure of the local economy. Economies which are relatively large in output and employment terms have a greater capacity to create induced employment and so to have a larger multiplier effect than for smaller economies. Optimal Economics has determined that the appropriate employment multiplier with regard to operational employment (including indirect and induced effects) for the study region is 1.8

11.66 GVA per person employed for the study area was applied to the number of indirect and induced jobs to calculate the associated GVA.

***Operations – Future Stansted Related Employment***

11.67 The impact of the proposed development was assessed for the future assessment year of 2028 which is the date at which Stansted is projected to reach its throughput of 43 mppa (the Development Case). The projected level of employment at the airport in 2028 without the development (the Do Minimum scenario) has been compared to the level of employment with the proposed development (the Development Case). As detailed above, the figure for future Stansted related employment comprises direct, indirect and induced employment.

11.68 Future levels of employment will be affected by two factors:

- The growth in passenger traffic through the airport; and
- The growth in productivity for direct on-airport employment and in the wider economy for direct off-airport and indirect employment.

11.69 Table 11.2 provides a summary of the forecast air traffic through Stansted in 2028 in the Do Minimum scenario and the Development Case scenario. The Table also shows the annual passenger and air traffic data for 2023 (the 'Transitional Year') and the impact of the proposed development in each assessment year.

**Table 11.2: Forecast air traffic data for Stansted Airport[27]**

| No Development (Do Minimum) | Passengers (mppa) | ATMs (000s) | Cargo (000 tonnes) |
|---|---|---|---|
| 2016 | 24.3 | 181 | 254.5 |
| 2023 | 35 | 247 | 330.2 |
| 2028 | 35.0 | 249 | 374.9 |
| **Proposed Development (Development Case)** | **Passengers (mppa)** | **ATMs (000s)** | **Cargo (000 tonnes)** |
| 2016 | 24.3 | 181 | 254.5 |
| 2023 | 36 | 253 | 330.2 |
| 2028 | 43 | 274 | 375.7 |
| **Impact of Proposed Development** | **Passengers (mppa)** | **ATMs (000s)** | **Cargo (000 tonnes)** |
| 2023 | +1 | +6 | +0.0 |
| 2028 | +8 | +25 | +0.8 |

[viii] Indirect and induced multiplier for Luton airport was 1.8 (covering Bedfordshire, Buckinghamshire and Hertfordshire); Indirect multiplier for aviation industry in the UK was 1.7; Indirect and induced multiplier for Stansted (2006 planning application) was 1.4 (covering ten local authorities in the East of England).

11.70 The proposed development will enable an additional 8 mppa to use the airport in 2028 compared to the Do Minimum scenario. Alongside this, there would be an additional 25,000 air transport movements and around 800 tonnes of cargo throughput in the Development Case.

11.71 The other factor affecting the employment forecasts is the assumption made regarding future productivity growth. The estimates of productivity growth have been based on past trends.

11.72 For direct on-airport employment, the trend in passengers per employee has been reviewed while, for direct off-airport employment, the trend in economy wide productivity (output per worker) has been considered.

11.73 Figure 11.2 shows the numbers of passengers and employees at Stansted over the period from 2003 to 2015. This shows that the number of passengers has tended to grow faster than employment, although the relationship between the two fluctuates.

11.74 Annual levels of productivity (passengers per employee) have risen over time, but have varied from year to year. Very sharp increases in passenger numbers (as over the period 2013-15) tend to be associated with rapid increases in productivity simply because staffing levels cannot be increased in proportion over a short period. A slowing of (or fall in) passenger growth tends to be associated with slow productivity growth because airport businesses hold on to staff and may even be 'catching up' with unfilled vacancies.

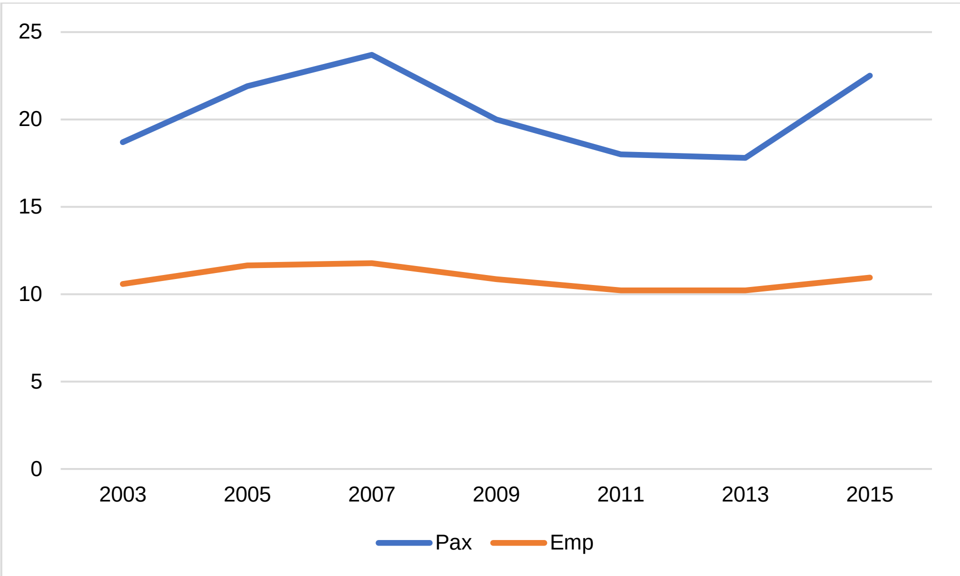


**Figure 11.2: Passengers (mppa) and employment (000s) at Stansted, 2003 to 2015**[28]

11.75 Table 11.3 shows that estimates of airport productivity growth can be greatly affected by the choice of years for comparison and, more importantly, indicates a strong relationship between passenger growth and productivity growth over the long term. In the analysis presented below, productivity growth over the longest data period (2003 to 2015) is 1.3% p.a., but this is associated with passenger growth of 1.6% p.a. Growth in passengers in the Development Case is 5.1% p.a. in which case productivity growth would be expected to be higher. Over the period 2011 to 2015, relatively fast passenger growth (5.7 % p.a. was accompanied by productivity growth of 3.9% p.a., although both these growth rates are influenced by the very rapid growth in passengers between 2013 and 2015. This suggests a need to temper the productivity growth rate and we have therefore adopted an annual productivity growth rate of 2%[ix] for the analysis.

**Table 11.3: Growth in passenger numbers and productivity at Stansted[29]**

| Period | Passenger Growth per annum | Productivity Growth per annum |
|---|---|---|
| 2003 to 2015 | 1.6 | 1.3 |
| 2005 to 2015 | 0.3 | 0.9 |
| 2007 to 2015 | -0.6 | 0.2 |
| 2009 to 2015 | 2.0 | 1.8 |
| 2011 to 2015 | 5.7 | 3.9 |
| 2013 to 2015 | 12.4 | 8.6 |

11.76 The approach to forecasting direct off-airport employment was to assume that 2015 employment will grow in line with passenger throughput with an allowance for economy-wide productivity growth. As off-airport businesses differ in their mix of activities, an economy wide average rate of productivity (output per worker) growth of 0.6% per annum has been adopted for the analysis. This is the average annual rate of growth in output per worker in the UK between 2003 and 2015[30].

11.77 Indirect and Induced employment in the study area in 2028 has been estimated using the employment multiplier of 1.8, as discussed above.

11.78 GVA has been estimated by applying GVA per employee (uprated for annual productivity growth) to the employment estimates.

***Labour Demand and Supply in 2028***

11.79 The forecast of Stansted related employment must be placed within the context of other developments, including the future level of labour supply and employment, in the operational study area.

11.80 Labour Supply is the number of people in work or looking for work in the study area. The supply of labour is dependent on:

- The resident population of working age; and
- The proportion of the working age population who wish to work as measured by the economic activity rate.

11.81 The resident population in an area is dependent on the level of housing provision. In preparing their assessments of future housing need, local authorities consider future employment forecasts and whether adjustments are required to the housing delivery rate to balance jobs and workers.[x] The actual labour supply available to employers in the study area is dependent on the number of local residents who choose to work in the study area and the number of people not resident in the area, but who commute into the study area from the surrounding districts and regions.

[ix] This is in line with other recent studies where the implicit rate of productivity growth is just under 2% including the 2015 SDP.
[x] The Draft Uttlesford Local Plan – Regulation 18 provides for growth at Stansted in its objectively assessed housing need.

11.82 Population projections are available by local authority from the Office for National Statistics (ONS) and have been used to identify the population of working age in the study area. For the purpose of this analysis, the population of working age is assumed to be all people aged between 16 and 64, although it is noted that changes to the state pension age will increase the population of working age to those aged up to 67 years during the forecasting period.

11.83 ONS no longer publishes national economic activity rate projections, hence, estimating the future workforce in the study area draws on recent trends in economic activity rates. Economic activity rates have been increasing and in 2015 the economic activity rate in the study area was 78.4%. Future labour supply has been estimated by applying this rate to the projections of working age population.

11.84 Employment in the study area has been taken from the East of England Forecasting Model (EEFM)[31] which includes forecasts of employment for the local authorities within the East of England. These forecasts have been used in this assessment for the local authorities in the study area that lie within the East of England. For the London Boroughs within the study area, the GLA[32] employment projections for these Boroughs have been used.

*Assessment of Effects*

11.85 The estimate of employment associated with the operation of the proposed development has been compared to forecast levels of employment in the study area in 2028 to determine the scale of effect.

### Significance Criteria

11.86 There are no prescribed significance criteria against which wider economic and employment effects of a proposed development can be assessed. However, to ensure the assessment of effects is undertaken in a meaningful and structured manner, the criteria in Table 11.4 have been used in assessing the likely economic and employment effects of the proposed development. Similar criteria were applied to the assessment of impacts associated with the 2006 planning application to raise the passenger cap at Stansted to 35 mppa.

**Table 11.4: Socio-economic significance criteria**

| Level of Significance | Description |
|---|---|
| Major | Very large or large change in economic or employment conditions, both adverse and beneficial, which are important considerations at a regional or district level because they contribute to achieving national or regional policy objectives. |
| Moderate | Intermediate change in economic or employment conditions which are important considerations at a local level. |
| Minor | Small changes in economic or employment conditions. These effects may be relevant at a local scale but are unlikely to be of importance in the decision-making process. |
| Negligible | No discernible change in economic or employment conditions. An effect that is likely to have a negligible or neutral (neither net positive nor negative) influence, irrespective of other effects. |

## Baseline Conditions

### Wider Economic Effects

11.87 The baseline assessment of wider economic effects considers the characteristics of air traffic at Stansted, the economic performance of the area over which impacts will be felt and the airport's role within the regional area.

**Stansted Airport Traffic**

11.88 The characteristics of air traffic at Stansted are summarised in Appendix 11.2 which accompanies this chapter of the ES. The number of business passengers is of prime importance in driving the wider socio-economic impact of the airport. Foreign passengers are particularly important for the UK's tourism industry.

11.89 Drawing on the analysis in Appendix 11.2, the main points to note are:

- Of Stansted's 24.1[xi] million passengers surveyed by the CAA in 2016, the majority (20.6 million passengers or 86%) were making a leisure trip with 3.5 million passengers (14%) travelling for business purposes. The balance between business and leisure trips was similar to that of Gatwick and Luton airports within the London airport system, where leisure passengers account for around 79% of all trips;
- Of the 3.5 million business passengers at Stansted, 2.1 million were UK passengers with almost 1.4 million foreign business passengers. Excluding Heathrow, Stansted has the highest proportion of foreign leisure passengers than any other UK airport which are important for the UK tourism industry;
- Stansted is important to the air freight industry, being the third largest airport in the UK in terms of freight carried, behind Heathrow and East Midlands airports. With over 220,000 tonnes[xii] carried in 2016, it accounts for 10% of UK air freight; and
- Stansted plays a specific role in the freight market, with almost all freight at Stansted carried on dedicated cargo aircraft as opposed to in the holds of passenger aircraft.

**Economic Performance of Wider Study Area**

11.90 As described previously, the study area for the assessment of wider economic effects comprises the East of England and London. The analysis of economic performance draws on official data published by ONS and uses the latest data available at October 2017. Appendix 11.2 contains supporting data with the key points summarised below:

- The population of the study area was 14.9 million in 2016, which is almost 23% of the population of the UK;
- In terms of population, the East of England and London were the two fastest growing regions in the UK between 2010 and 2016;
- The East of England and London are important drivers of the UK economy and together account for 31% of UK GVA. London is the largest UK region with GVA of

[xi] Stansted's total passengers in 2016 was 24.3 mppa, but the CAA survey data cover 24.1mppa
[xii] Freight only, excludes mail

£378 billion in 2015[xiii] with the East of England the fourth largest region behind London, the South East and North West;

- Both London and the East of England have experienced higher than UK average GVA growth between 2010 and 2015; and
- GVA per employee is a measure of productivity and in 2015 was £56,900 across the UK as a whole. London has the highest level of GVA per employee at £77,400 (36% above the UK average) with East of England GVA just below the UK average at £55,900.

11.91 The LSCC links London and the East of England and is a fast-growing economy, is strongly entrepreneurial and is a major location for knowledge based jobs and innovation. The LSCC's recent economic performance includes[33]:

- A post-recession workforce and employment growth which is more than twice the national average;
- Productivity which is 16% higher than the UK average in 2014;
- Business population growth which is more than twice the national average;
- Being Europe's leading life sciences cluster and the UK's largest ICT and digital cluster;
- London and Cambridge are also in the Top 10 cities in Europe for investment; and
- Stansted's location within the Corridor, and the global nature of its key businesses, heightens the contribution it can make to economic growth.

***Summary***

11.92 As part of the London air transport system, Stansted serves two of the fastest growing regions which are particularly important to the UK economy, accounting for 31% of UK GVA. It also serves, and contributes to the success of, two important growth corridors (the LSCC and the A120 Haven Gateway corridor) and the GCGP LEP area.

### Employment Impacts

11.93 The baseline employment assessment covers the construction and operational aspects of the proposed development. Within the construction baseline an overview of the economy of the construction study area is provided.

11.94 Within the operational baseline, the economic performance of the operational study area is assessed for 2016. The level of Stansted related employment is analysed for 2015 as this is the date of the latest Stansted employment survey.

[xiii] As at October 2017, the latest GVA figures are for 2015

### Construction

***Baseline Economic Performance:***

11.95 As the construction study area is the same as the study area for the assessment of wider economic effects, paragraph 11.92 provides a summary of population and GVA trends. Further details on the construction study area economy are also provided in Appendix 11.2.

11.96 In terms of employment, the key points to note are:

- Almost 8 million people were employed in the construction study area in 2016 which represents 26% of GB[xiv] employment;
- In 2016 there were 348,000 people employed in the construction industry in the study area with the majority (54%) working in London;
- Since 2011 unemployment in the East and London has been decreasing and in 2016, the rate of unemployment in the East of England was 3.9% and 5.8% in London. These rates are equivalent to over 388,000 people looking for work in the construction study area; and
- Additional information on the characteristics of the unemployed is available from job-seekers allowance records. There were over 105,000 people claiming jobseekers allowance in the East of England and London in 2016 with almost 1,100 looking for work in skilled construction and building trades.

### Operations

***Baseline Economic Performance***

11.97 The Stansted operational study area (defined in Table 11.1) includes eleven local authorities within the East of England region and five London boroughs. Detailed information on the economic performance of the operational study area is contained in Appendix 11.2.

11.98 The key features of the operational study area are:

- A population of almost 3 million in 2016 of which, over 1.9 million were of working age (16-64 years). Since 2010, population growth in the study area has been 7.9% which is equivalent to growth of 1.3% per annum and, is almost twice the average growth rate for the UK;
- The economic activity rate in the operational study area in 2016 was 78.8% which is slightly lower than the rate for the East of England but very similar to the London and UK rates;
- Employment in the operational study area was over 1.1 million in 2016, having grown from almost 1 million in 2010. Employment growth in the operational study area has been strong since 2010 compared to the East of England and GB as a whole;
- The service sector dominates employment in the study area with the largest sectors in 2016 being health (13%), education (11%), retail (10%) and business administration and support services (10%). In absolute terms, the largest growth between 2010 and

[xiv] The Business Register and Employment Survey data published by ONS is only for GB

2016 was in professional, scientific and technical services and business administration and support;

- Residence based earnings in the study area are £39 per week higher than workplace earnings which reflects the effect of commuting patterns on earnings in the study area. Average annual residence and workplace earnings in the study area in 2016 are estimated to be £26,100 and £24,000 respectively;
- Following the financial crisis and recession in 2008, unemployment in the study area rose to a peak of 9% in 2011 before falling to 4.4% in 2016. This rate is equivalent to almost 67,000 people looking for work. The unemployment rate in the study area is slightly above the rate for the East of England (3.9%) and below the rate for London (5.8%); and
- The study area is a net exporter of labour, with out-commuters exceeding in-commuters by almost 215,000.

11.99 In terms of recent economic performance, the operational study area is:

- A large fast-growing area in terms of population with a relatively high proportion of young and working age people;
- An area which has had strong employment growth since 2010;
- An area with slightly higher GVA per head than the East of England as a whole; and
- An area which is closely integrated with London and the rest of the East of England in terms of commuting.

***Stansted Related Employment***

11.100 As described earlier in this chapter, employment related to the operation of Stansted employment may be divided into direct (on and off airport), indirect and induced.

11.101 Total **direct on-airport** employment at Stansted was 11,000 in 2015 which supported an annual passenger throughput of 22.5 mppa. Using the Stansted Employee Travel Surveys, Table 11.5 shows on-airport employment from 2003 to 2015. Passenger throughput is also shown.

11.102 Annual passenger throughput at Stansted reached 23.7 mppa in 2007. The effect of the financial crisis and subsequent recession, combined with the previous owner’s commercial strategy, then saw passenger throughput fall to 17.8 mppa in 2013 before recovering and increasing sharply since then. Employment also peaked in 2007 at 11,800; fell to 10,200 in 2013 before increasing to 11,000 in 2015.

**Table 11.5: On-airport employment and passengers, 2003 to 2015**[34]

| Year | Employment | Passengers (mppa) | Passengers per Employee |
|---|---|---|---|
| 2003 | 10,600 | 18.7 | 1,800 |
| 2005 | 11,600 | 21.9 | 1,900 |
| 2007 | 11,800 | 23.7 | 2,000 |
| 2009 | 10,900 | 20.0 | 1,800 |
| 2011 | 10,200 | 18.0 | 1,800 |
| 2013 | 10,200 | 17.8 | 1,700 |
| 2015 | 11,000 | 22.5 | 2,100 |
| **% Change 2003 to 2015** | **3.5** | **20.3** | **16.2** |

Note: Data have been rounded

11.103 As discussed above (paragraph 11.75), the number of passengers per employee is a broad measure of productivity at the airport. At peak passenger throughput in 2007, there were 2,000 passengers for every employee. Passengers per employee decreased between 2007 and 2013, but by 2015 had increased to 2,100.

11.104 The 2015 Employee Travel Survey also provides data on the characteristics of the employees at Stansted. The distribution of employees at the airport and in the study area by age group is shown in Figure 11.3. Compared to the operational study area, Stansted has a relatively young workforce with almost 50% of employees aged between 16 and 34. Data limitations prevent a more detailed analysis of the 35 to 64 age group.

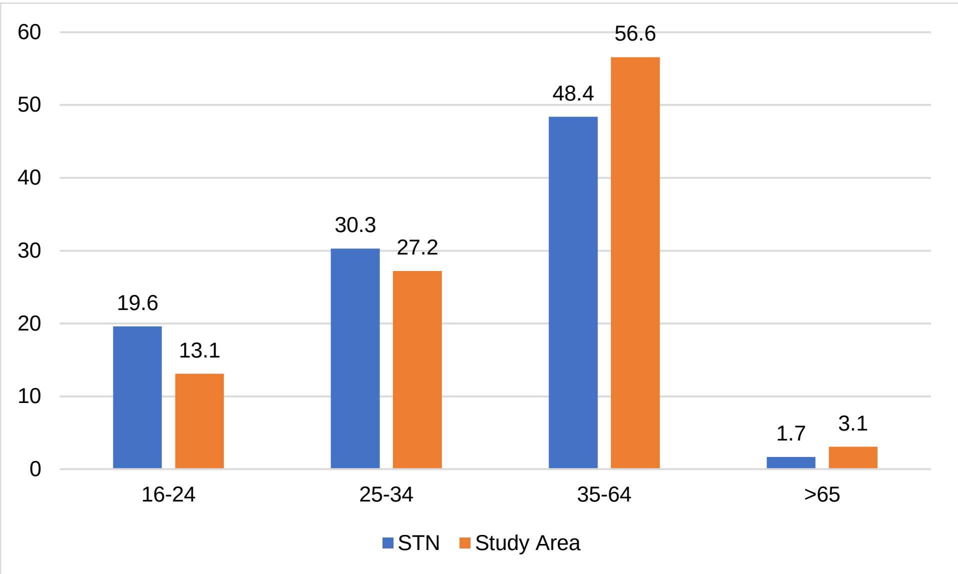


**Figure 11.3: Stansted and study area employees by age, 2015**[35]

11.105 The number of employees by job type is shown in Table 11.6. The largest number of employees (26%) is in passenger services, sales and clerical roles with a further 20% in the provision of air transport services (either as cabin crew or a pilot or person engaged in flight operations).

### Table 11.6: Stansted employees by job type, 2015[36]

| Job Type | Number | % |
|---|---|---|
| Air Cabin Crew | 1,800 | 16.5 |
| Apron, Ramp, Cargo, Baggage Handling & Drivers | 1,100 | 10.1 |
| Catering, Cleaning & Housekeeping | 1,400 | 12.8 |
| Customs, Immigration, Police & Fire | 400 | 3.6 |
| IT | 100 | 0.7 |
| Maintenance Tradesmen | 700 | 6.7 |
| Management & Professional | 1,200 | 10.8 |
| Passenger Services, Sales & Clerical | 2,800 | 25.6 |
| Pilots, Air Traffic Control, Flight Operations | 400 | 3.8 |
| Security, Passenger Search | 1,000 | 9.3 |
| **Total** | **11,000** | **100.0** |

Note: Numbers have been rounded

11.106 The job types have been used to allocate employment to the major occupational groups, which shows that the airport provides employment opportunities across all occupational groups from professional and managerial to elementary occupations (Table 11.7).

### Table 11.7: Occupational distribution of Stansted employees, 2015[37]

| Occupational Group | Number | % |
|---|---|---|
| 1: Managers, Directors and Senior Officials | 600 | 5.4 |
| 2: Professional | 1,100 | 9.9 |
| 3: Associate Professional and Technical | 400 | 3.6 |
| 4: Administrative and Secretarial | 700 | 6.4 |
| 5: Skilled Trades | 1,100 | 9.9 |
| 6: Caring, Leisure and Other Service | 1,800 | 16.5 |
| 7: Sales and Customer Service | 2,100 | 19.2 |
| 8: Process, Plant and Machine Operatives | 1,100 | 10.1 |
| 9: Elementary | 2,100 | 18.9 |
| **Total** | **11,000** | **100.0** |

Note: Numbers have been rounded

11.107 The distribution of Stansted employees by salary band is shown in Figure 11.4. The average salary across all employees in 2015 was £24,200 which is 8% higher than average workplace earnings in the operational study area[xv].

[xv] Average workplace earnings in the operational study area in 2015 were £22,400.

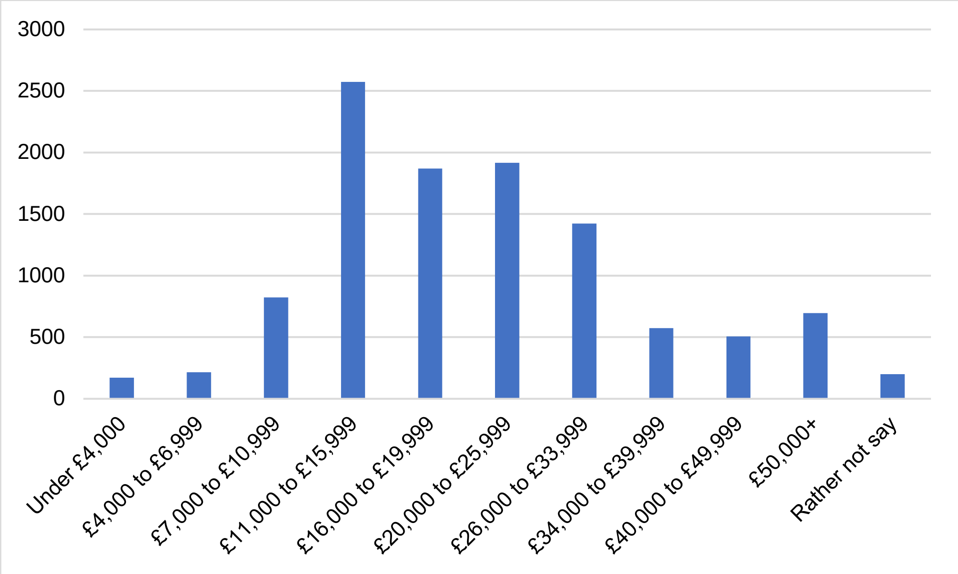


**Figure 11.4: Distribution of Stansted employees by salary band, 2015**[38]

11.108 **Direct off-airport** employment is limited by local planning policies around Stansted which require that airport related activity should be located within the airport boundary. As previous studies have found negligible amounts of off-airport employment, a survey was undertaken to determine if any employment of this type exists.

11.109 Using the methodology outlined in earlier in this chapter, direct off-airport employment has been estimated to be 330.

11.110 The operation of Stansted supports **indirect employment** in the study area through companies based at the airport buying goods and services in the local economy. Jobs are created in the suppliers (and in the supply chain of suppliers).

11.111 **Induced employment** is employment supported by the local expenditure of people whose jobs are either directly or indirectly supported by the airport.

11.112 As discussed above, a local employment multiplier of 1.8 has been used to calculate indirect and induced employment. GVA has been calculated by applying to the employment figures the average GVA per worker for the operational study area.

11.113 Total Stansted related employment and GVA in 2015 in the study area economy are shown in Table 11.8.

**Table 11.8: Stansted related employment and GVA, 2015**

| | No. Employees | GVA, £m |
|---|---|---|
| Direct On-Airport | 11,000 | 663.0 |
| Direct Off-Airport | 300 | 19.8 |
| Indirect & Induced | 9,000 | 546.3 |
| **Total** | **20,300** | **1,229.1** |

Note: Numbers have been rounded

*Future Labour Supply in the Study Area*

11.114 The population of the operational study area is projected[39] to increase from 2.95 million in 2015 to 3.37 million in 2028 which is an increase of 14%. Figure 11.5 shows operational study area population projections between 2015 and 2028 by broad age group. Although the population aged over 65 is the fastest growing age group, the largest growth, in absolute terms, is in the population of working age which is projected to increase by 201,000 to 2.13 million in 2028.

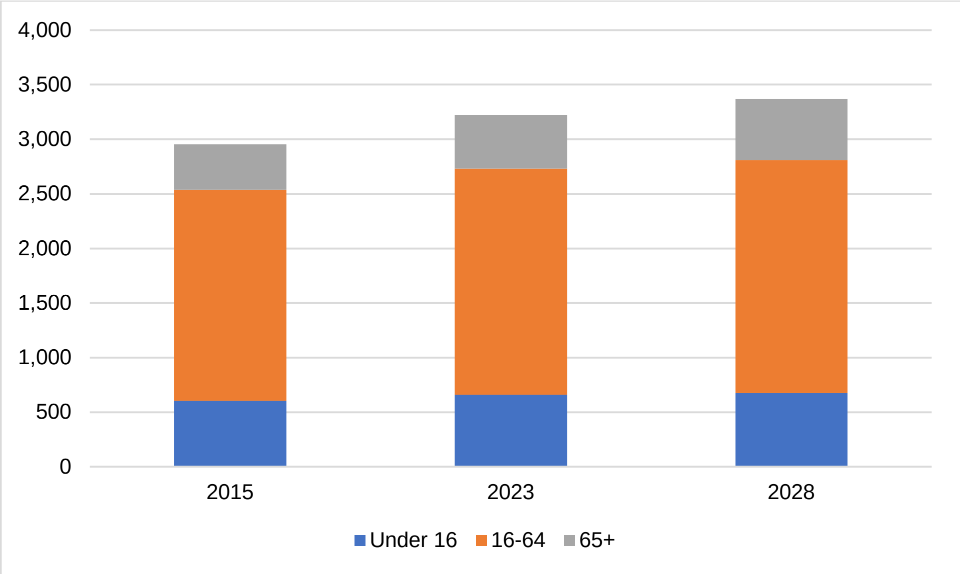


**Figure 11.5: Operational study area population projections by age group, 2015 to 2028[40] (000s)**

11.115 Using the methodology described earlier in this chapter, the economically active population has been estimated for the operational study area and is shown in Table 11.9. The economically active population resident in the operational study area is forecast by Optimal Economics to increase by 157,300 to almost 1.67 million in 2028. This is an increase of over 10% which is faster growth than in the East of England, but not quite as fast as London.

**Table 11.9: Forecast Resident Labour Supply, Operational Study Area, 2015 to 2028[41] (000s)**

| | 2015 | 2023 | 2028 | Change 2015-2028 | % Change 2015-2028 |
|---|---|---|---|---|---|
| Study Area | 1,515.6 | 1,622.9 | 1,672.9 | 157.3 | 10.4 |
| East | 3,025.2 | 3,134.9 | 3,189.8 | 164.5 | 5.4 |
| London | 4,609.6 | 5,018.0 | 5,200.4 | 590.8 | 12.8 |

Note: Numbers have been rounded

*Future Employment in the Study Area*

11.116 Forecast total employment in the operational study area in 2028 is shown in Figure 11.6. Employment is forecast to increase by over 131,000 to 1.4 million in 2028.

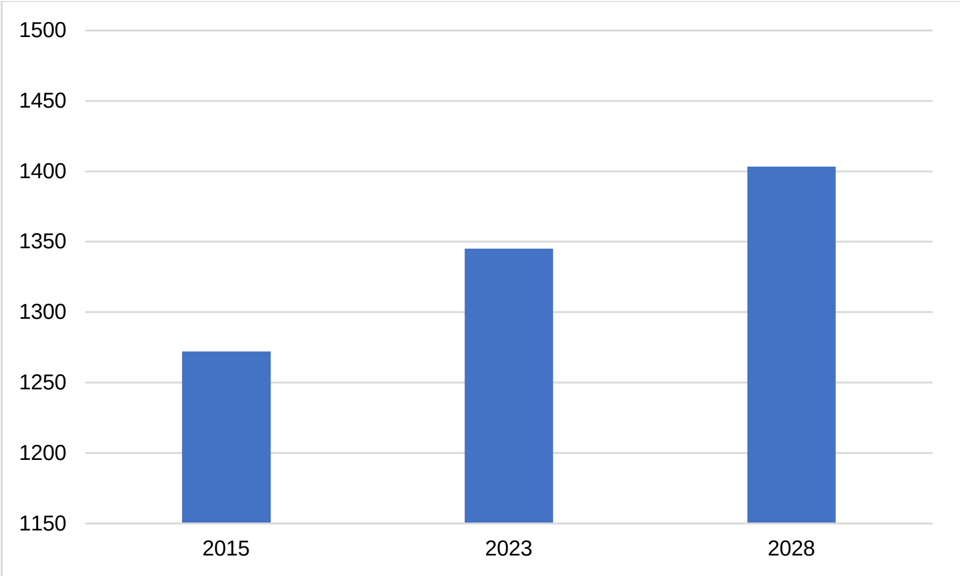


**Figure 11.6: Employment forecasts for study area, 2015 to 2028[42], (000s)**

## Incorporated Mitigation

11.117 Stansted provides employment opportunities across a range of job types which are particularly attractive to young people and are increasingly important to North London's employment needs. The businesses based at the airport also source goods and services from other suppliers in the local area. Various mitigation and enhancement measures in relation to employment and socio-economic impacts have been set in place through the Section 106 Agreement in 2003, unilateral commitments made by STAL in the 2008 25+ permission and the 2015 SDP.

11.118 With regard to employment effects, the 2003 Section 106 Agreement committed Stansted to a regular programme of meetings with the Stansted Airport Employment Forum and to support agreed training programmes over the period to 2009. Commitments were also made to a regular review of the airport's employment and training strategy and to undertaking a survey of airport employment at intervals of no more than five years. In 2008, the airport agreed to commit any unspent resources from the 2003-2009 training programme to further training projects.

11.119 In 2015, the SDP committed the airport to the following:

- To enhance the Stansted Airport Employment and Skills Academy to help provide training and jobs for local people, with particular focus on attracting employees from disadvantaged areas;
- To invest in an apprenticeship programme;
- To develop and enhance a work experience programme;
- To work in partnership with local schools and colleges to secure a pipeline of future employees;
- To increase the annual apprentice intake to 10 and to aim to get 550 local people into work each year; and
- To work to extend bus and rail services to improve access to employment at the airport.

11.120 In 2015 Stansted opened the Aerozone – an on-site education centre providing educational materials to inspire the young generation. Working in partnership with local schools, the Aerozone focuses on:

- Science, technology, engineering and maths to inspire young people to consider engineering as a future career;
- The variety of jobs at the airport to encourage a career in the aviation industry; and
- The history of the airport.

11.121 In 2018 Stansted Airport College will open its doors to its first students and apprentices. The College is a partnership between Stansted Airport and Harlow College and is the first of its kind at any airport in the country. The College will offer a range of technical and professional courses in aviation, engineering, business, hospitality, retail and events.

11.122 In relation to wider economic performance, the 2003 Section 106 Agreement committed the airport to supporting an annual 'Meet the Buyers' event to assist local firms in securing airport related business.

11.123 The 2015 SDP contains a continued commitment to the Meet the Buyer events. It also commits the airport to working in partnership with local authorities, Local Enterprise Partnerships and regional bodies to attract funding for infrastructure to drive growth and job creation into the East of England.

11.124 To support economic development the airport has increasingly focussed on attracting long haul and full-service airlines to Stansted to provide direct services to Europe, the Middle East and USA, and a continuing expansion of the direct short haul network to key tourist and business destinations. From summer 2018, there will be new daily services to North America and a daily service to Dubai. The airport is continuing to work on securing new routes to Asia. Expansion of the route network will improve access for companies in the region to large and fast growing global markets. Long haul routes would also improve connectivity for cargo activity.

## Impact Assessment

### User Benefits and Wider Economic Impacts

11.125 This section identifies and assesses the impacts in terms of benefits to users and wider socio-economic impacts of the increase in the number of passengers and aircraft handled by the airport up to the level of the new limits associated with the development.

11.126 The proposed development (Development Case) will create user benefits. These benefits include enabling people to undertake flights which they could not otherwise take and increased convenience and reduced costs for other users. In addition to user benefits there will be gains for the economy and society at large. Aviation creates economic and social benefits through several mechanisms:

- Access to air services is an important factor in encouraging business investment, including from overseas (inward investment), in the UK and in specific localities;
- Access to air services supports business growth and increased productivity by enhancing access to markets and the interchange of people, skills and knowledge;
- Access to air services facilitates trade in goods (especially high value goods) and services; and
- Air services support tourism. Air is the predominant mode of transport for international tourists to the UK. Air services also allow UK tourists to enjoy a wide range of overseas destinations with benefits in terms of access to recreation, culture and family members.

11.127 Table 11.2 set out the forecasts of passengers, ATM's and cargo tonnage for Stansted in 2028 with and without the proposed development. For the wider socio-economic effects, the characteristics of these passengers are particularly important. Figure 11.7 shows the breakdown of passengers by journey (i.e. business or leisure) over the period to 2028.

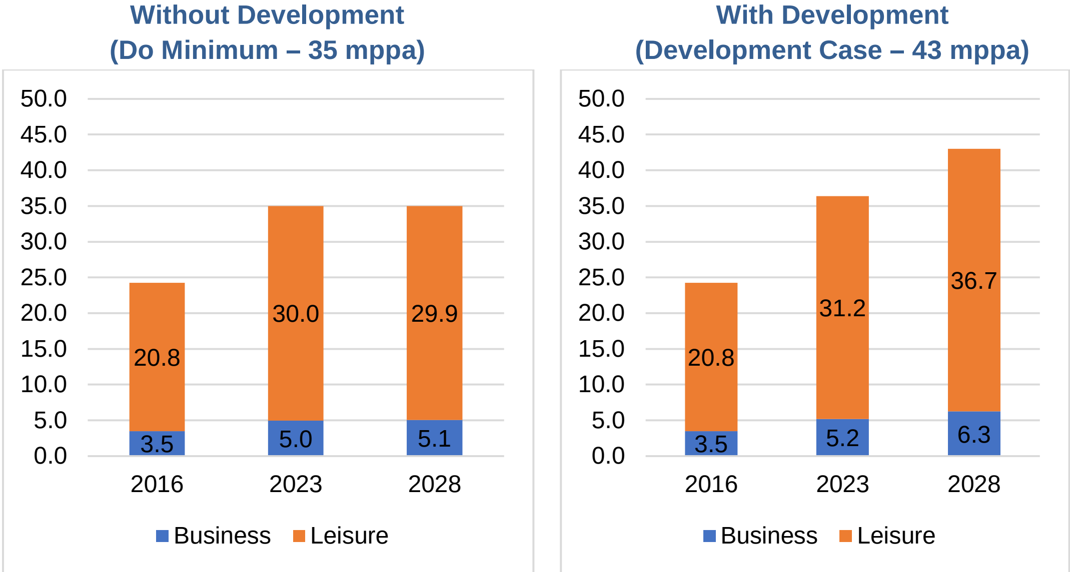


**Figure 11.7: Stansted passengers by type, 2016 to 2028[43], (mppa)**

11.128 In 2028 with the proposed development (the Development Case), it is forecast that there will be 6.3 million business passengers and 36.7 million leisure passengers using Stansted. This is an additional 1.2 million business passengers and 6.8 million leisure passengers over the Do Minimum scenario. Figure 11.8 shows the number of additional passengers in 2028 by their origin. The majority (57%) of additional passengers will be UK leisure passengers with a further 28% being foreign leisure passengers.

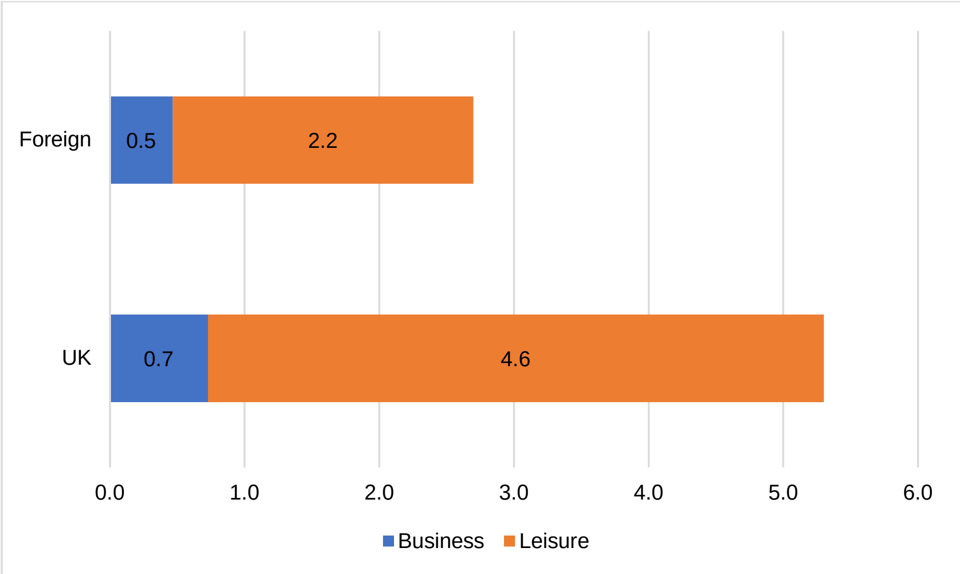


**Figure 11.8: Additional Stansted passengers by origin & journey purpose comparision, Do Minimum v Development Case in 2028[44], (mppa)**

11.129 Of the additional 5.3 million UK passengers, the place of residence is known for 4.4 million of them. It is forecast that 79%[xvi] will live in the East of England and London.

### User Benefits

11.130 Additional airport capacity allows passengers to access flights more conveniently and/or at a lower cost. There is a direct benefit to people who would use the airport in any case from greater frequency of flights and flights to new destinations, making them more likely to be able to travel at their preferred time and providing access to a wider range of destinations without having to transfer. There will also be benefits for new passengers who can now fly from the airport. Some of these passengers would not be able to fly without the increased capacity and some will be passengers who would otherwise use another (less convenient) airport. The benefits from the proposed development to the users and providers of the additional capacity can be summarised as:

- Benefits to new (generated) passengers who would otherwise be unable to take these 'additional' flights;
- Existing users of the airport who will benefit from additional flight frequencies in terms of cost and convenience as a result of the additional capacity;
- Existing users able to fly direct to new destinations

[xvi] Also includes Buckinghamshire and Oxfordshire

- Freight users who will benefit from the cargo capacity;
- Benefits to airport businesses from increased throughput; and
- Government revenue including the air passenger duty paid by the additional passengers and other taxes from increased activity.

11.131 The proposed development will generate the types of benefit listed above. However, the quantification of user benefits is a complex process requiring large amounts of data for all UK airports along with forecasts of how provision of new capacity at airports would affect annual passenger numbers. As such, it is beyond the agreed scope of this study to value the user costs and benefits associated with the proposed development.

11.132 In 2028, the London airports system will be capacity constrained such that all demand will not be met. The proposed development at Stansted will enable 8 million more passengers to travel each year than would otherwise be the case. Even with the proposed development, there will still be an excess of demand for travel through the London airports system, but the excess will be reduced compared to the situation if the proposed development did not proceed (the Do Minimum scenario). The effect of the Development Case is assessed as **moderate beneficial**.

**Wider Benefits**

***Inward Investment and Productivity***

11.133 It is UK Government policy[45] to encourage investment in the UK by international businesses. Government policy aims to ensure the UK remains the leading destination in Europe for foreign direct investment (FDI) and becomes the leading destination for FDI from emerging economies. As stated in the Government's aviation policy call for evidence 'Beyond the Horizon', "*Aviation has a key role to play in achieving the government's ambitions to increase productivity and grow the economy*".

11.134 Air transport plays a major role in contributing to the attractiveness of an area to FDI. Appendix 11.2 provides further details of FDI to the UK and the role of transport in investment decisions.

11.135 A number of studies have found that expansion of air passenger traffic has a positive impact on economic growth and productivity. A study undertaken by Oxford Economic Forecasting (OEF)[46] in 2006 found that increased use of air services helps to improve the competitiveness of almost all aspects of companies' operations, including sales, logistics and inventory management, production and customer support. Moreover, by expanding the market in which firms operate, air services also act as a spur to innovation, increased sales and profits, and improved efficiency.

11.136 The OEF report set out calculations of impact which indicate that every additional business air passenger travelling will result in an increase of annual national income (GDP) after 10 years of approximately £1,000 (in 2016 prices).

11.137 A report produced by Oxera in 2009[47] set out various calculations of the wider impact of alternative policies (and thus passenger numbers) on the UK economy. These calculations implied that every additional passenger (of all types) would eventually create an impact on GVA of over £700 per annum through impacts on trade, investment and transport efficiency.

*Contribution of Proposed Development*

11.138 The evidence noted above shows that access to air transport is an important consideration in foreign direct investment decisions. Stansted is an important asset for the East of England and London and the proposed development will enable an additional 1.2 million business passengers to travel through the airport, the majority of which will have an origin or destination in the study area. While it is not possible to quantify the effect of the Development Case in terms of the number of additional investment projects to the area, the proposed development will enable the Airport to contribute to the 'attractiveness' of the area and its growth and vision, particularly the LSCC, the GCGP LEP area and the A120 Haven Gateway growth corridor in Essex..

11.139 If the figure derived from the OEF work referred to above is adopted, the wider impacts on business efficiency and productivity from the proposed expansion at Stansted would produce an increase in annual UK GVA of £1.2 billion. As around 79% of the passengers will be from the East of England and London the impact at that level is estimated to be £0.95 billion.

11.140 Were the figures implied by the Oxera work to be adopted, the wider impact would be even greater at around £5.6billion at the UK level and £4.4 billon at the London and East of England level.

11.141 On this basis, and using the criteria in Table 11.4, the effect of the Development Case is assessed as **major beneficial**.

**Wider Benefits – Tourism**

***In-Bound Tourism***

11.142 International tourism is a major worldwide industry and air travel is a key facilitator of the UK tourism industry. Appendix 11.2 provides details of the value of tourism to the UK economy. In summary, the main points to note are:

- In 2016, international tourists made 37.6 million visits to the UK and spent almost £22.5 billion;
- The majority of visits (74%) and spending (86%) were made by people arriving by air. Spend per visit of people arriving by air is almost £700 per visit compared to £310 and £330 for arrivals by sea and the Channel Tunnel respectively;
- Of the 37.6 million visits to the UK in 2016, almost 9.2 million were for business purposes with air transport being used by 63% of these visits. Expenditure per visit by business passengers arriving by air (£860) is, on average, eight times more per visit than those arriving by sea (£100) and four times more than those arriving by the Channel Tunnel (£200);
- Stansted is an important port of entry into the UK for foreign leisure passengers. Heathrow is the principal port of entry for visitors to the UK, accounting for 25% of all arrivals, with Gatwick, Stansted, Dover and the Channel Tunnel each accounting for between 10% and 13%. Stansted is the third busiest airport and fourth busiest port of entry accounting for almost 4.4 million arrivals (12% of all arrivals) with the majority coming from Europe; and
- London is the main tourist destination accounting for over 50% of all visits to the UK and 53% of all expenditure.

***Out-Bound Tourism***

11.143 The experiences, including cultural experiences, enjoyed by UK residents who are able to travel abroad is acknowledged in the Government's aviation policy call for evidence as a benefit and an enhancement to quality of life. Appendix 11.2 provides details of out-bound tourism from the UK in 2016. The main points to note are:

- In 2016 there were 70.8 million visits abroad by UK residents who spent £43.8 billion;
- Air transport accounts for 84% of visits abroad and 88% of spending abroad by UK residents. Almost 83% of all business trips are made by air; and
- Heathrow and Gatwick are the largest ports of exit for UK tourists traveling abroad, accounting for 9.9 million and 11.5 million UK residents respectively. Stansted is the fifth largest port of exit with 3.2 million people travelling through the airport (5% of UK residents travelling abroad), the great majority of who were travelling to Europe (97%).

*Contribution of Proposed Development*

11.144 The proposed development will enable more leisure trips to be made through Stansted, some of which will be inbound to the UK and some will be outbound from the UK. It has been argued that increasing airport capacity will have an adverse effect on the UK trade balance and the domestic tourism industry as an increase in overseas holidays by UK residents will be at the expense of domestic holidays.

11.145 However, in the event that the demand for overseas holiday trips was suppressed by failure to proceed with the proposed development, the result might be:

- An increase in people going abroad by rail or sea with associated increased expenditure;
- A reduction in the number of overseas trips made, but the trips taken could be for longer and be more expensive;
- An increase in people taking holidays in the UK with associated increased expenditure;
- People spending the money that would have spent on the trip on other things which may well be imported goods or services; and
- Increased savings.

11.146 It is also necessary to recognise that many overseas trips have a substantial element of 'home country' content such as locally based UK airlines; UK based staff and airport revenue and agent costs.

11.147 Hence, the effect of a constraint in air travel is likely to be some combination of the expenditure shifts described above, but the overall effect is impossible to quantify. It cannot however, be assumed that the Do Minimum scenario at Stansted would improve the balance of trade as compared to the Development Case[xvii].

11.148 The UK economy will certainly benefit from the additional foreign leisure visitors using Stansted in 2028 as a result of the proposed development. Figure 11.8 showed that the proposed development would enable an additional 2.2 million foreign leisure passengers to arrive in the UK through Stansted. Assuming that these passengers would not be able to visit the UK without the expansion in capacity and that a passenger is counted twice (once on arrival and once on departure), the number of additional foreign visits to the UK via Stansted in 2028 is estimated to be 1.1 million. This is an increase in visits of 2.9% over the level of international visits to the UK in 2016.

11.149 Overseas visitors to the UK by air spend, as noted above, an average of almost £700 per visit. Applying this figure to the number of additional overseas visits yields an estimate of spending by these additional visitors of £779 million in 2028 (2016 prices). This additional expenditure is estimated to support an additional 13,900 jobs in the tourism industry which would create GVA of £336 million (2016 prices) in 2028. This estimate assumes that all the additional passengers who are able to fly to the UK through Stansted in 2028 would not visit the UK in the absence of the proposed development and is therefore the maximum estimate of the effect on in-bound international tourism.

11.150 While it is possible that some of the additional foreign tourists who will arrive through Stansted if the cap is lifted would otherwise make the trip by another route, the constraints on airport capacity and the existence of other holiday options mean that many, if not most, of these trips would not take place. If follows logically that the associated spending in the UK may not be made at all, without the increase in capacity at Stansted.

11.151 The proposed development would enable an additional 4.6 million UK leisure[xviii] passengers to make international trips in 2028 which would equate to 2.3 million additional trips. These additional trips by UK residents provide an increase in consumer benefit and social/cultural benefits to those individuals.

11.152 Using the criteria in Table 11.4 the effect of the proposed development on international tourism is assessed to be **major beneficial**.

**Wider Benefits – International Trade**

11.153 International trade is an important mechanism in promoting economic growth and in raising standards of living. The aviation industry plays an important role in facilitating international trade in goods to and from the UK. Appendix 11.2 provides details of the volume and value of UK exports and imports and the role of air transport. The main points to note are:

- In 2016, the value of UK exports and imports was £291 and £425 billion respectively[48]. London and the East of England together account for 21% of all exports and 25% of all imports;

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[xvii] Stop Stansted Expansion (SSE) proposed in the High Court in February 2009, that the 'tourism deficit' had not been properly taken account of at the public inquiry to increase passenger throughput at Stansted to 35mppa (G1). This challenge was dismissed by the Judge who stated that *"by trying to bring the 'tourism deficit' into account against a particular air transport scheme (i.e. the G1 proposal), SSE were calling into question the Government's judgement of national economic policy which had already taken that phenomenon into account*".
[xviii] Leisure passengers include holidays, visiting friends and relatives, education and other social activities.

- The majority (55%) of UK imports are from the EU while just over half (51%) of UK exports are to non-EU destinations;
- In 2016, over 48 million tonnes of goods were exported and 158 million tonnes imported through UK ports from non-EU[xix] destinations with a value of £163 billion and £226 billion for exports and imports respectively;
- All UK airports account for 48% of exports and 46% of imports by value, but less than 1% of the total volume of exports and imports which reflects the high value, low weight characteristics of air freight; and
- In 2016, goods with a value of £6.3 billion were exported through Stansted to non-EU destinations while goods with a value of £6 billion were imported. Overall, Stansted accounted for 5% of all non-EU trade carried through UK airports in volume terms but almost 7% in value terms.

***Contribution of Proposed Development***

11.154 Stansted has a unique role in the London airports system, in that the majority of its freight is carried on cargo aircraft reflecting its role as a freight base for the main logistics operators and integrators. Table 11.2 showed that in 2028 the proposed development would enable an additional 800 tonnes of cargo to be carried through the airport. This represents an increase of 0.2% on the Do Minimum scenario and is thus assessed as a **minor beneficial** effect.

### Employment Effects: Construction

11.155 The construction of the new stands and taxiway links to the runway will cost almost £48 million over a twelve month period between 2021 and 2022. This expenditure is a relatively small proportion of total forecast capital expenditure at Stansted of £481 million between the third quarter of 2016 and the first quarter of 2030.

11.156 Total employment related to the construction of the proposed development comprises the same components (direct, indirect and induced) as operational Stansted employment which were defined at the beginning of the Chapter. Using the methodology set out above, direct employment has been estimated as almost 200 over the twelve-month period between 2021 and 2022. The number of jobs per year is shown in Figure 11.9. Construction employment is forecast to be approximately 100 in 2021 and 2022. GVA associated with this employment is estimated to be £16.2 million in 2015 prices.

11.157 Optimal Economics has reviewed evidence on regional multipliers from other studies and concluded that the appropriate multiplier for airport construction work at the study area level is 1.5. The indirect and induced employment in the study area is thus estimated to be 100 over the twelve month period supporting GVA of £7.2 million. In total the construction of the new airfield infrastructure to support the proposed development will create a total of almost 300 jobs and support GVA of £23.4 million over the twelve-month period between 2021 and 2020.

[xix] Detailed information on the volume and value of international trade by UK port is only available for trade conducted with countries outside the EU.

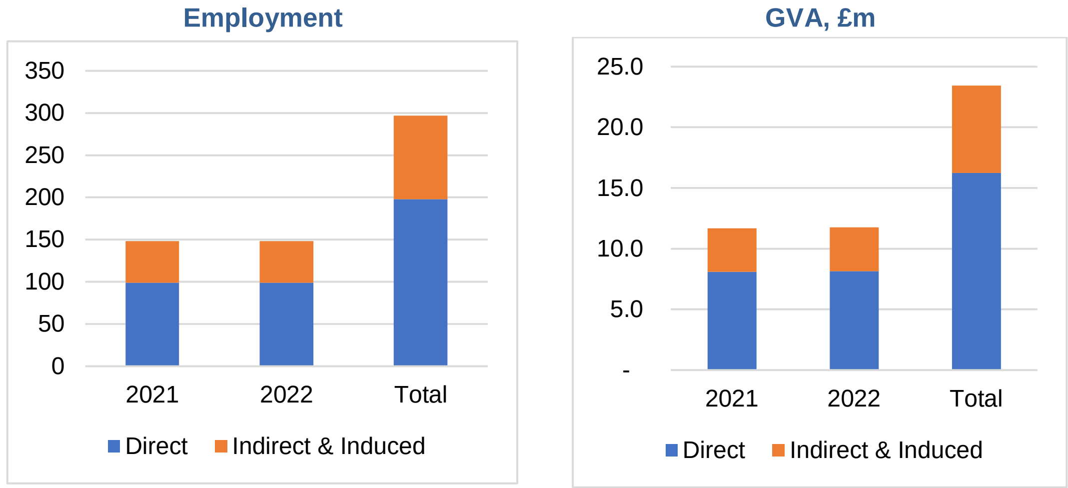


**Figure 11.9: Construction employment and GVA, 2018 to 2020**[49]

11.158 As referred to earlier in this chapter, in 2016 there were 384,000 people working in the construction industry in the study area. Construction work associated with the proposed development is estimated to create 100 direct jobs in both 2021 and 2022. These jobs represent 0.03% of construction employment in the study area. The number of indirect and induced jobs at 50 in each year is also very small relative to total employment in the study area (almost 8 million). Given the scale of forecast construction employment, the employment effect of the construction of the required infrastructure for the proposed development is assessed as **negligible**.

### Employment Effects: Operations

11.159 The assessment of the employment effects associated with the operation of the proposed development requires forecasts of the future levels of Stansted related employment for the Do Minimum scenario and the Development Case. These forecasts have been made using the methodology outlined above. Table 11.10 shows the forecasts of Stansted related employment and GVA in 2028 in the Do Minimum scenario and the Development Case.

**Table 11.10: Stansted related employment and GVA, 2028**

| | Without Development (Do Minimum) | | With Development (Development Case) | |
|---|---|---|---|---|
| | **Employment** | **GVA, £m** | **Employment** | **GVA, £m** |
| Direct on-airport | 13,200 | 866.9 | 16,200 | 1,065 |
| Direct off-airport | 300 | 20.6 | 300 | 21 |
| Indirect & Induced | 10,800 | 710.0 | 13,200 | 869 |
| **Total** | **24,300** | **1,597.6** | **29,700** | **1,954.8** |

11.160 Table 11.11 shows the effect of the proposed development on employment and GVA in 2028. By this time, the proposed development is estimated to support additional employment of 5,400 and GVA of £357 million in the operational study area compared to the Do Minimum scenario.

**Table 11.11: Effect of proposed development on Stansted related employment and GVA, 2028**

| | Employment | GVA, £m |
|---|---|---|
| Direct (on and off-airport) | 3,000 | 198.5 |
| Indirect and Induced | 2,400 | 158.8 |
| **Total** | **5,400** | **357.3** |

11.161 To assess the effect of the additional employment Table 11.12 sets out the forecasts of labour supply and demand in the study area. The Table shows that employment in the study area is forecast to be over 1.4 million in 2028 which is an increase of 131,100 from 2015. The availability of people to take up this employment is forecast to be 1.67 million which is an increase of 157,300 from 2015. In 2028, there are forecast to be 269,600 more people available for work in the study area than there will be jobs.

**Table 11.12: Labour supply and demand in the study area**

| | 2015 | 2028 | Change 2015-2029 | % Change 2015-2019 |
|---|---|---|---|---|
| Labour Supply | 1,515.6 | 1,672.9 | 157.3 | 10.4 |
| Labour Demand | 1,272.2 | 1,403.3 | 131.1 | 10.3 |
| Supply minus Demand | 243.4 | 269.6 | | |

11.162 The additional jobs created by the proposed development (Development Case) would thus contribute to reducing this 'shortfall' of 269,600 jobs, reducing the need for out-commuting and to achieving the jobs target (117,745 new jobs) in the Economic Plan for Essex.

11.163 Changes in the level of employment in an area can, by affecting in and out migration, impact on housing demand, though demand can also be affected by changes in commuting patterns. As stated previously, in preparing their assessments of future housing need, local authorities consider future employment forecasts and whether adjustments are required to the housing delivery rate to balance jobs and workers. In work to support the emerging local plans of Uttlesford and East Hertfordshire (the two largest authorities in terms of Stansted employees), growth at Stansted of level now contemplated has been planned for. In the light of the very small labour market impact of the development relative to wider forces, Optimal Economics conclude that the scale of any consequential effects on the net demand for housing in the study area can only be very minor.

11.164 Using the criteria in Table 11.4 the operational employment effect of the proposed development is assessed as beneficial. In terms of the scale of the effect, the additional jobs represent 3.4% of the forecast increase in labour supply in the study area between 2015 and 2028 and would reduce the *growth* of the shortfall of jobs by 21%. On this basis, the employment effects are assessed as **moderate beneficial**.

## Further Mitigation

11.165 No significant adverse effects have been identified during the assessment but, to ensure the socio-economic benefits of the proposed development are maximised, STAL will continue to develop and enhance the initiatives that are already in place. Stansted is one of the largest employment sites in the East of England and provides employment opportunities across all occupational groups.

11.166 STAL will continue to develop some key initiatives including the Stansted Airport Employment and Skills Academy with a particular focus on attracting employees from disadvantaged areas including Harlow, Braintree, other parts of Essex and North-East London. By 2028 STAL's aim is to increase employment of local people in line with airport employment growth to 700 per year.

11.167 The new Stansted Airport College will provide a purpose-built training facility for up to 500 young people per year to gain industry recognised qualifications and work experience around the airport. This will ensure the students have the correct skills to take advantage of the employment opportunities at the airport and will secure a pipeline of future employees.

11.168 As described in ES Chapter 6 (Surface Access and Transport and the Transport Assessment in ES Volume 3), the ASAS focuses on connections to areas targeted for workforce recruitment including North London Boroughs and the Airport Travelcard provides significant savings over standard fares to encourage travel by public transport.

## Residual Effects

11.169 The residual socio-economic effects of the proposed development, accounting for the 'further mitigation', will remain at the same broad level of significance as identified in the impacts assessments above.

## Cumulative Effects

11.170 The new draft Uttlesford Local Plan[50] includes the Northern Ancillary Area of Stansted Airport ('Northside') in its strategic allocation of employment land. This is a 55 hectare site allocated for B2 and B8 employment uses with a target provision of 145,500m$^2$ of B2 and B8 floorspace[xx]. Assuming an even split between B2 and B8 employment uses, it is estimated that the site could support employment of 2,900 when fully developed.

11.171 Table 11.13 shows the cumulative effect of developing this land and the direct employment required by Stansted in 2028 in the Do Minimum scenario and the Development Case. The development of additional capacity at the Airport under the Development Case combined with the full development of Northside is forecast to support employment of 19,400 in 2028.

**Table 11.13: Cumulative effect of development of Northside and direct airport employment, 2028**

| | Without Development (Do Minimum) | With Development (Development Case) |
|---|---|---|
| Direct Airport Employment | 13,500 | 16,500 |
| Northside | 2,900 | 2,900 |
| **Total** | **16,400** | **19,400** |

[xx] Uttlesford District Council, Regulation 18 Local Plan, Appendix 2 – Monitoring Framework

## Conclusions

11.172 Table 11.14 provides a summary of the socio-economic impacts.

**Table 11.14: Summary of socio-economic impacts**

| Impact | Description of Impact of Proposed Development | Assessment of Impact |
|---|---|---|
| User Benefits | Benefits to new and existing passengers from increased range of flights and improved flight frequencies. Enabling an additional 8 million passengers to travel at a time where there is excess ('unmet') demand for travel through the London airports. | **Moderate Beneficial** |
| Wider Benefits:<br>- Inward Investment & Productivity | Enabling an additional 1.2 million business passengers to travel through the Airport and contributing to the 'attractiveness' of the area to inward investors. | **Major Beneficial** |
| Wider Benefits:<br>- Tourism | Enabling 2.2 million foreign leisure passengers to arrive in the UK through Stansted and 4.6 million UK passengers to make a leisure trip abroad. In-bound leisure passengers are estimated to support 13,900 jobs and GVA of £336 million in 2028. | **Major Beneficial** |
| Wider Benefits:<br>- International Trade | Enabling an additional 800 tonnes of cargo to be carried. | **Minor Beneficial** |
| Construction Employment | Employment constructing the physical works of 300 and GVA of £23.4 million over a ten month period. | **Negligible** |
| Operational Employment | Additional employment of 5,400 and GVA of £357.3 million compared to the Do Minimum scenario. | **Moderate Beneficial** |

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