Heathrow is consulting on proposals for an expanded airport.

The Airport Expansion Consultation is our statutory consultation and we will be seeking your view on four key areas:

• Heathrow’s preferred masterplan for expansion: our proposals for the future layout of the airport including the runway and other airport infrastructure such as terminals and road access. The masterplan will also reveal the airport’s growth in phases – from runway opening in around 2026, to the end masterplan in approximately 2050;

• Plans to operate the future airport: how the future three runway airport will be operated, including important elements such as night flights, as well as how potential additional flights before the new runway opens could be operated on our existing two runways;

• Assessment of impacts of the airport’s growth: our preliminary assessment of the likely impacts of expansion on the environment and local communities;

• Plans to manage the impacts of expansion: we will set out the airport’s plans for mitigating the effects of expansion, including property compensation, our Noise Insulation Policy, a Community Fund, and measures to mitigate against air pollution, carbon, and other environmental effects.

We are grateful for feedback provided at previous consultations, and have considered these responses in developing our proposals. We now ask for your views on our preferred proposals, so that we can further improve our project before we apply for development consent next year. You can provide feedback:

• online using the feedback form on our website aec.heathrowconsultation.com
• complete a feedback form, available at events or on request calling 0800 307 7996
• email us at feedback@heathrowconsultation.com
• write to us at Freepost LHR AIRPORT EXPANSION CONSULTATION

We have set out our proposals in a number of documents covering different topics and different levels of detail. All of these are available on our website, at Document Inspection Locations and at consultation events.
# Airport Expansion Consultation Document

Overview and summary of the below documents

<table>
<thead>
<tr>
<th>Document Type</th>
<th>Description</th>
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<tbody>
<tr>
<td>Preferred Masterplan</td>
<td>Future Runway Operations</td>
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<tr>
<td>Construction Proposals</td>
<td>Early Growth</td>
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<tr>
<td>Updated Scheme Development Report</td>
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<td>Preliminary Environmental Information Report</td>
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**Your community and Heathrow Expansion**

- Heathrow Expansion and your area – Bedfont and Mayfield Farm
- Heathrow Expansion and your area – Brands Hill
- Heathrow Expansion and your area – Cobham and Poyle

**Economic Development Framework**

- Cranford, Hatton and North Feltham
- Heathrow Expansion and your area – Cranford Cross
- Heathrow Expansion and your area – Harmondsworth
- Heathrow Expansion and your area – Longford and Bath Road
- Heathrow Expansion and your area – Richings Park
- Heathrow Expansion and your area – Sipson
- Heathrow Expansion and your area – Stanwell and Stanwell Moor

**Feedback Form**

Have your say on the consultation by using the Airport Expansion Consultation Feedback Form or on our website aec.heathrowconsultation.com
5.6 Managing adverse impacts on businesses 34

6. Governance and delivery 35

Appendix A: Core study area A1
PREFACE: PURPOSE OF THE ECONOMIC DEVELOPMENT FRAMEWORK

The expansion of Heathrow will bring major economic benefits to the local, regional and national economies. This Economic Development Framework sets out the approach that we will follow to ensure those benefits are maximised.

We are seeking your views on our principles and objectives set out in this document. Your responses will inform the Economic Development Strategy which we will be developing with partners over the coming months and which will be submitted as part of our application for development consent.

We already have major programmes in this area and an overview is included in this document. We established an independent Heathrow Skills Taskforce (now the Skills Implementation Group), chaired by Lord Blunkett, to challenge us and advise on how those activities could be enhanced and supplemented to maximise benefits from expansion.

This consultation document sets out our ambitions in response to the opportunities created by the Project for economic development through two broad themes:

- Education, Employment and Skills: With 14,100 construction jobs at peak and around 100,000 people working at the expanded airport, we will deliver our commitment of 10,000 apprenticeships as part of a wider programme of education, employment and training;

- Business & Innovation. We will ensure that local small and medium businesses, and suppliers throughout the UK can benefit from contracts, work with local partners to help secure inward investment in the wider area, promote innovation, providing a launchpad for new products and services, and ensure existing businesses impacted by the project get the support they need.

Heathrow has established new leadership groups for the construction and operational phases to plan for and deliver these commitments. However, our success will depend on working with a wide range of partners to ensure that residents and businesses know about and can access the opportunities. We would welcome views about how we can do this effectively.
EXECUTIVE SUMMARY

The expansion of Heathrow will bring major economic benefits to the local, regional and national economies. As noted by the Airports National Policy Statement (Airports NPS) (paragraph 1.1):

“The UK aviation sector plays an important role in the modern economy, contributing around £20 billion per year and directly supporting approximately 230,000 jobs.”

Moreover, the impacts of the aviation sector extend beyond its direct contribution to the economy by also enabling activity in other important sectors like business services, financial services, the creative industries and tourism. The Airports NPS also identifies that there is a cluster of businesses around Heathrow that supports local growth and refers to Heathrow’s commitment to providing 10,000 apprenticeships as a result of Heathrow expansion. These benefits, including job creation, will inform the Secretary of State’s decision on our application for development consent for the airport’s expansion.

The scale of the proposed expansion of Heathrow (the Project) creates a once in a generation opportunity to impact positively on the communities that surround the airport, as well as the regions and nations of the UK. We are committed to maximising economic benefits and this Economic Development Framework sets out our approach to ensure that these benefits are maximised.

We have undertaken preliminary assessments of potential impacts of the airport’s expansion to inform the development of our proposals including:

- The first opportunities from the Project will arise from construction employment and the construction supply chain, creating between 89,000 to 98,000 ‘construction job years’ (one worker, working for a year) in the construction of the airport to 2050, peaking at around 14,100 job years in 2023.

- The airport is already a major employer in the area and there will be substantial additional opportunities arising from Airport expansion, including direct employment by Heathrow but also its partner airlines and businesses operating on site. There are currently around 72,700 direct jobs at Heathrow. This is projected to increase to 99,500 by 2035, an increase of 26,800 jobs.

- There are major wider opportunities that can be captured from indirect, induced and wider catalytic employment and through increased local revenues. It is estimated in the PEIR that this will provide an additional 65,000 jobs and £46.2 billion GDP between 2026 and 2050 at the national level.

- We will also work directly with local businesses and business organisations to seek to minimise and manage any adverse impacts on them.
The benefits of expansion will be felt nationally, regionally and locally. This Economic Development Framework touches on all three levels but focuses on the regional and local where the most immediate effects of the Project will be felt.

We are already working with our partners to prepare for expansion and deliver these benefits. We appointed Lord Blunkett as Chair of the independent Heathrow Skills Taskforce and we are also engaged on economic issues through a range of forums with local authorities, Local Enterprise Partnerships, education providers, community and voluntary groups, businesses, and with Heathrow Strategic Planning Group (HSPG)\(^1\).

We will continue to play a leadership role in bringing partners together and influencing behaviour and actions of other organisations to drive economic benefits. The principles, objectives and initiatives set out in this document have emerged from the work of the Heathrow Skills Taskforce and our other partners.

This consultation document sets out our ambitions in response to the opportunities created by the Project for economic development through two broad themes:

- **Education, employment and skills**

  We recognise that a skilled and agile workforce is crucial to the success of the Project in delivering our vision ‘to give passengers the best airport service in the world’ and will require a step change in employment and training delivery. Heathrow Employment and Skills Academy has been successfully delivering employment support, job brokerage and training for more than 20 years, placing over 500 people into jobs last year. We will build on the good practice of the Heathrow Employment and Skills Academy to respond to the recommendations of the Heathrow Skills Taskforce\(^2\), address barriers to employment and deliver a fundamental change in apprenticeships.

- **Business and Innovation**

  The Project will involve a multi-billion pound investment and we recognise that we need to engage the supply chain in the right way to harness their skills and expertise. Our role is to set the right challenges, to select our partners based on their contribution to creating value, and to build the right environment for purposeful collaboration. We will collaborate with our suppliers to meet the challenges of how to deliver better economic, social and environmental outcomes from expansion.

  We are committed to ensuring that small businesses get a fair deal when working with Heathrow and also that they have access to contract opportunities. Heathrow’s Business Summits have enabled Small and Medium-sized Enterprises (SMEs) to meet face-to-face

\(^1\) Heathrow Strategic Planning Group (HSPG) represents many of the local authorities and other public organisations responsible for planning the land use, transport, environment, economic development and sustainable development of the sub-region surrounding Heathrow Airport. HSPG is an informal joint working (unincorporated) partnership

with some of Heathrow’s largest suppliers, connecting small businesses to new contacts, advice and opportunities. As well as extending the Business Summit programme to every region and nation by 2025, we will explore how we can improve engagement with SMEs and establish collaborative approaches to foster better partnerships to promote innovation.

Further benefits of the Project will be realised through greater Foreign Direct Investment, Trade and Tourism. The ability to capture some of this growth, at local and regional level, will, in part, be dependent on decisions taken by policy makers and we will continue to work with our partners to help secure inward investment.

Our ability to deliver on all aspects of the Economic Development Framework will depend on working with a wide range of partners to ensure that residents and businesses know about and can access the opportunities. We would welcome views about how we can do this most effectively.

We are also seeking your views on our principles and objectives set out in this document. This consultation will inform the final Economic Development Strategy which we will be developing with partners over the coming months and which will be submitted as part of our application for development consent.
1. **INTRODUCTION**

1.1.1 The proposed expansion of Heathrow (the Project) as the UK’s only hub airport will bring significant economic benefits locally, regionally and across the UK. We are committed to maximising these benefits as set out in the Strategic Brief\(^3\) for the Project:

“To deliver the greatest possible benefits to businesses and communities across the UK, creating a lasting legacy for all of the United Kingdom, whilst reducing our impacts.”\(^4\)

1.1.2 These benefits, including job creation, will inform the Secretary of State’s decision on our application for development consent for the airport’s expansion. As part of our application we are required to demonstrate a credible plan for implementing our commitment to delivering apprenticeships and show how they, along with other employment and skills opportunities, will be administered and enforced\(^5\). This apprenticeship plan and wider commitments will be contained in an Economic Development Strategy which will be submitted as part of that application.\(^6\)

1.1.3 We are already working with our partners to prepare for expansion and deliver these benefits. We appointed Lord Blunkett as Chair of the independent Heathrow Skills Taskforce, which reported in 2018 with recommendations on how the benefits might be maximised. We are also engaged on economic issues through a range of forums with local authorities, Local Enterprise Partnerships, education providers, community and voluntary groups, businesses, and with Heathrow Strategic Planning Group (HSPG)\(^6\).

1.1.4 We already deliver a significant number of initiatives to support employment and skills. The Heathrow Employment and Skills Academy currently places more than 500 people a year into roles at the airport as well as upskilling the workforce and brokering apprenticeships opportunities. Our Business Summits, which are now delivered nationally, link our key contractors and suppliers with small businesses, brokering relationships which have proven to lead to new business opportunities.

1.1.5 This Economic Development Framework describes our current activity and the key principles and objectives we propose to take forward to respond to the

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\(^3\) The Strategic Brief for Heathrow sets out the high-level aspirations for Heathrow’s future as we develop future business plans and transition to become a three runway airport.

\(^4\) https://www.heathrow.com/company/company-news-and-information/heathrow's-strategic-brief

\(^5\) Airports National Policy Statement (2018) paragraphs 5.265 to 5.269

\(^6\) Heathrow Strategic Planning Group (HSPG) represents many of the local authorities and other public organisations responsible for planning the land use, transport, environment, economic development and sustainable development of the sub-region surrounding Heathrow Airport. HSPG is an informal joint working (unincorporated) partnership
considerable opportunity that the Project offers to create a better skilled workforce and a diverse and responsive supply chain.

1.1.6 The principles, objectives and initiatives set out in this document have emerged from the work of the Heathrow Skills Taskforce and our other partners outlined above. We would like your views on these principles and objectives and how we can work with partners to achieve them as part of our statutory Airport Expansion Consultation. Responses to the consultation, along with continuing development and engagement with partners will inform the final Economic Development Strategy.

1.1.7 The benefits of expansion will be felt nationally, regionally and locally. This Economic Development Framework touches on all three levels but focuses on the regional and local where the most immediate ‘wider’ effects will be felt. The Airport Expansion Consultation also includes more detail on our proposed approach to airport expansion and supporting information including a Preliminary Environmental Information Report (PEIR). Chapter 18 of the PEIR provides information on socio-economic and employment matters and provides more background information relevant to this Framework.
2. SUMMARY OF ECONOMIC IMPACTS

2.1 Introduction

2.1.1 The expansion of Heathrow Airport will provide a wide range of economic benefits to the national, regional and local economies.

2.1.2 As noted by the Airports National Policy Statement (Airports NPS) (paragraph 1.1):

“The UK aviation sector plays an important role in the modern economy, contributing around £20 billion per year and directly supporting approximately 230,000 jobs. The positive impacts of the aviation sector extend beyond its direct contribution to the economy by also enabling activity in other important sectors like business services, financial services, and the creative industries.”

2.1.3 One of the key drivers for growth in airport capacity is the adverse impacts that limited airport capacity in the south east has on the UK’s economy and global competitiveness, through higher costs of travel, restrictions to destinations and reductions in convenience affecting trade, tourism and foreign direct investment.

2.1.4 The Airports Commission Final Report (2015), which informed the Government’s decision on the preferred option for airport expansion in the south east undertook a number of economic assessments which identified the following types of benefits:

- Economic benefits to passengers;
- Benefits to Other Sectors in the Wider Economy;
- Impacts on Government Revenue; and,
- Benefits to the local economy, including local jobs.

2.1.1 The Airports NPS refers to these benefits and also to the role that airports can play in supporting wider economic growth in the local community. It identifies that there is a cluster of businesses around Heathrow that supports local growth and refers to Heathrow’s commitment to providing 10,000 apprenticeships as a result of Heathrow expansion. It has a specific section on Skills (paragraphs 5.260 to 5.269) which identifies the importance of apprenticeships to the future of the UK economy, the role of the Government’s ‘Transport Infrastructure Skills Strategy’ in contributing to this, and the contribution that Heathrow’s expansion can make. It also refers to the wider contribution to skills and training that Heathrow already makes, including the Heathrow Employment and Skills Academy.
2.1.2 Heathrow also makes a major economic contribution to the regions and nations of the UK through its contribution to domestic connectivity. As outlined in the Government’s Aviation 2050 document (published in December 2018):

“the government recognises the value of domestic air connectivity and an expanded Heathrow will provide an unprecedented opportunity to strengthen and develop these links, enabling all UK regions to develop new business, tourism and cultural links across the globe”.

2.1.3 Heathrow has introduced a range of measures and initiatives to encourage greater domestic routes, including:

- A £15 passenger discount on domestic flights, committed for 20 years;
- Commitment to a £10 million Route Development Fund (RDF) to provide start-up support to airlines operating new domestic routes not initially served after expansion;
- Being the first UK airport to publicly support the ringfencing of slots for domestic use.

2.1.4 Heathrow will continue to engage with the airline community, to discuss how best to develop new domestic routes from an expanded Heathrow, and with the UK Government, to ensure that future aviation policy creates the right conditions for Heathrow to develop a thriving domestic route network that connects the whole of the UK to global growth.

2.2 **Heathrow’s preliminary assessment**

2.2.1 We have undertaken preliminary assessments of potential impacts of the airport’s expansion to inform the development of its proposals.

2.2.2 This includes an assessment of socio-economic and employment issues, which forms Chapter 18 of the PEIR. This has been used by Heathrow to inform its engagement with partners and production of this Economic Development Framework. A full assessment will be completed for the Environmental Assessment which will inform the final Economic Development Strategy. The assessment focuses on the effects of the DCO Project with respect to commercial land and property; businesses; employment; skills, training and the labour market; and the wider economy. The PEIR assessment uses several geographic areas to identify impacts including a ‘Core Study Area’ which covers the nine local authorities eligible to join the HSPG and approximates to the Government’s Travel to Work Area (Ealing, Hillingdon, Hounslow, Elmbridge, Runnymede, Slough, South Bucks, Spelthorne and Windsor and Maidenhead), and a wider ‘sub-
The key findings from the PEIR that have informed this Economic Development Framework are that the Project will:

- Create between 89,000 to 98,000 ‘construction job years’ (one worker, working for a year) in the construction of the airport to 2050, peaking at around 14,100 job years in 2023;
- At peak around a quarter (3,500) of construction jobs will be taken by residents of the ‘Core Study Area’;
- The top three construction occupations required are likely to be in ‘wood trades and interior fit out’, ‘labourers’, and ‘technical trades and installation’. The top skills gaps – which should inform the training strategy – are ‘civil engineering operatives’, ‘civil engineers’, ‘plant operatives’, ‘construction trades supervisors’, ‘labourers’, and ‘scaffolders’;
- There are currently around 72,700 direct jobs at Heathrow. This is projected to increase to 99,500 by 2035, an increase of 26,800 jobs;
- When displacement and multipliers are taken into account this equates to between 36,600 and 62,000 additional jobs between 2017 and 2035 at the national level of which between 32,400 and 46,800 are in the ‘Core Study Area’;
- Further catalytic effects will be driven by growth in Foreign Direct Investment, Trade and Tourism. It is estimated in the PEIR that this will provide 65,000 additional jobs and £46.2 billion GDP between 2026 and 2050 at the national level. The ability of the ‘Core Study Area’ to capture some of this growth will in part be dependent on decisions taken by policy makers;
- There could be further wider benefits through inward investment, local retention of business rates, spending and supply chain effects. These will again partly depend on interventions by policy makers including the types of intervention proposed in this Economic Development Framework and have not been quantitatively assessed at this stage.

As well as these positive effects the Project has the potential to adversely affect some businesses. This could include businesses that are required to re-locate because of the expansion, those affected by impacts on road traffic and severance during the construction phases, and those affected by changes in accessibility by, and to, workers and customers. The PEIR identifies the locations where there is the potential for this to happen and further work will be undertaken to allow a
detailed understanding to inform mitigation measures that will be set out when the application for development consent is submitted.

2.2.5 Heathrow will have statutory requirements to provide compensation to some businesses but is also considering how it will seek to minimise and manage impacts beyond this statutory basis. This is likely to relate to work with local business and supply chains identified in this Economic Development Framework to help businesses access the opportunities arising from the expansion as well as manage impacts.

2.3 Implications for the Economic Development Framework

2.3.1 Our preliminary assessments confirm that the likely effects of the airport expansion continue to be broadly consistent with our previous assessments and those of the Airports Commission and the Department for Transport. They have informed this Framework and further detailed assessments will support the development of the Economic Development Strategy.

2.3.2 The first opportunities from the Project will arise from construction employment and the construction supply chain. The early assessment identifies at a high-level, broad labour requirements and likely areas of skills gaps. This will inform detailed plans for construction jobs and skills training including apprenticeships.

2.3.3 The airport is already a major employer in the area and there will be substantial additional opportunities arising from Airport expansion, including direct employment by Heathrow but also its partner airlines and businesses operating on site. We will need to develop a more detailed understanding of the timing and nature of the expansion jobs and work with employers and local partners to develop both demand and supply side approaches.

2.3.4 There are major wider opportunities that can be captured from indirect, induced and wider catalytic employment and through increased local tax revenues. Capturing this in the local area will require work with local partners on planning and inward investment, but we will also work at other geographic levels to maximise benefits to the UK economy.

2.3.5 We will also work directly with local businesses and business organisations to seek to minimise and manage any adverse impacts on them.
3. **ECONOMIC CONTEXT**

3.1.1 The ‘Core Study Area’ described above will be the focus of the activities described in this Framework. This aligns with the official Government Travel to Work Area and the HSPG boundary and will be the core focus of the Economic Development Framework, although where relevant, activities will extend to the wider region and across the country. We set out below some of the main economic and social characteristics of the area which have informed our approach and will need to be considered as the strategy is further developed.

3.1.2 According to estimates for 2017, there were 1,605,300 people living in the ‘Core Study Area’, including 1,031,000 aged 16 to 64. In the year to September 2018, 80% of residents aged 16-64 (848,000) were economically active and 77% (815,100) were in employment. 4.0% are unemployed. Unemployment is highest in Ealing (5.1%) and lowest in Elmbridge (2.5%).

*Table 3.1: Economic activity of residents 16 - 64 (Source: APS - October 2017 to September 2018, 2019)*

<table>
<thead>
<tr>
<th>Area</th>
<th>Economically Active</th>
<th>Economically Inactive</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>London Borough of Ealing</td>
<td>190,400 (81%)</td>
<td>45,600 (19%)</td>
<td>178,000 (75%)</td>
</tr>
<tr>
<td>London Borough of Hillingdon</td>
<td>160,000 (79%)</td>
<td>43,100 (21%)</td>
<td>154,600 (76%)</td>
</tr>
<tr>
<td>London Borough of Hounslow</td>
<td>151,700 (81%)</td>
<td>36,700 (19%)</td>
<td>144,300 (77%)</td>
</tr>
<tr>
<td>Elmbridge Borough</td>
<td>63,000 (79%)</td>
<td>17,000 (21%)</td>
<td>61,400 (77%)</td>
</tr>
<tr>
<td>Runnymede Borough</td>
<td>44,100 (75%)</td>
<td>14,800 (25%)</td>
<td>43,600 (74%)</td>
</tr>
<tr>
<td>Slough Borough</td>
<td>76,400 (78%)</td>
<td>21,300 (22%)</td>
<td>74,100 (76%)</td>
</tr>
<tr>
<td>South Bucks District</td>
<td>31,700 (77%)</td>
<td>9,500 (23%)</td>
<td>31,700 (77%)</td>
</tr>
<tr>
<td>Spelthorne Borough</td>
<td>54,700 (86%)</td>
<td>8,900 (14%)</td>
<td>53,700 (84%)</td>
</tr>
<tr>
<td>Royal Borough of Windsor and</td>
<td>76,000 (84%)</td>
<td>14,400 (16%)</td>
<td>74,000 (82%)</td>
</tr>
<tr>
<td>Maidenhead</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core study area</td>
<td>848,000 (80%)</td>
<td>211,300 (20%)</td>
<td>815,100 (77%)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>32,277,500 (78%)</td>
<td>8,939,700 (22%)</td>
<td>30,898,000 (75%)</td>
</tr>
</tbody>
</table>

3.1.3 Residents in the ‘Core Study Area’ tend to be relatively well-educated. Data for 2017 indicates almost half of ‘Core Study Area’ residents aged 16-64 hold higher-level qualifications (47%) compared to 38% for the UK as a whole. The proportion of degree-holders is highest in Elmbridge (59%) and lowest in Spelthorne (36%) and Slough (39%). About 6% of ‘Core Study Area’ residents hold no formal

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8 See Chapter 18 of the PEIR, Section 18.9 ‘Current Baseline’ for data quality information for this measure.
qualifications, compared to 8% in the UK as a whole. The lowest rate is in Elmbridge (2%) and the highest in Hillingdon (10%).

3.1.4 There are 860,000 jobs and 82,400 businesses in the ‘Core Study Area’, with key employment locations at Heathrow, Uxbridge, Chiswick/Brentford, Ealing and Slough. The transport and storage sector is relatively strong compared to the rest of Great Britain (5%), likely driven by businesses supported by Heathrow and its supply chain.

3.1.5 Modelling undertaken by Oxford Economics suggests that population and employment are all expected to grow in the future (independently of Heathrow expansion). This modelling suggests that by 2040 there are likely to be an additional 213,000 residents in the ‘Core Study Area’ compared to 2017 (an increase of 13%), and between 73,000 and 82,000 additional jobs (an increase of 8%).

Table 3.2: Future employment and population in the ‘Core Study Area’

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2025</th>
<th>2027</th>
<th>2035</th>
<th>2040</th>
<th>Growth 2017 to 2040 (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1,605,000</td>
<td>1,700,000</td>
<td>1,718,000</td>
<td>1,780,000</td>
<td>1,818,000</td>
<td>+213,000</td>
</tr>
<tr>
<td>Employment (Lower)</td>
<td>966,000</td>
<td>1,005,000</td>
<td>1,013,000</td>
<td>1,035,000</td>
<td>1,047,000</td>
<td>+82,000</td>
</tr>
<tr>
<td>Employment (Higher)</td>
<td>860,000</td>
<td>895,000</td>
<td>902,000</td>
<td>922,000</td>
<td>933,000</td>
<td>+73,000</td>
</tr>
</tbody>
</table>

3.1.6 While the ‘Core Study Area’ overall performs relatively well on many socio-economic indicators, there are geographical variations within the area. One measure of this is the 2015 Indices of Multiple Deprivation (IMD). Graphic 3.1 shows that there are areas of concentrated deprivation (areas within the top 10%, 20% or 30% most deprived areas in the country) particularly within Ealing, Hounslow, Hillingdon and Slough.
3.1.7 Overall the area has a strong and growing labour market with relatively high skill levels. The Project will provide opportunities for jobs for a growing population in the area, but also for existing residents who are excluded from the labour market. This is likely to require focused targeting on the places and people that currently face barriers to employment including low skills, childcare, ill health, discrimination and poor accessibility. To reach these people Heathrow will need to work with local partners to provide pathways to the jobs that will be available at the expanded Airport.
4. **EDUCATION, EMPLOYMENT AND SKILLS**

4.1 **Introduction**

4.1.1 The Project will have a peak construction workforce of 14,100 in 2023 and by 2035 there will be just under 100,000 people employed in operating the airport.

4.1.2 The scale of the programme creates a once in a generation opportunity to impact positively on the communities that surround the airport, as well as beyond, and contribute to improving the UK’s capacity and capability to deliver the large infrastructure projects required for our future prosperity through developing a skilled construction workforce. The ‘Transport Infrastructure Skills Strategy’ highlights the challenges faced by the sector including low productivity and skills shortages and gaps and the key role of collaboration and partnership across the sector to tackle these issues

4.1.3 With a phased construction programme there is an ideal opportunity to create sustained employment and develop an adaptable workforce, able to respond to future skills requirements and opportunities created by new technologies and new ways of working.

4.1.4 The Airports NPS has also identified employment and skills as a key opportunity of airport expansion. It states that the Examining Authority and the Secretary of State will take into account of ‘potential benefits, including the facilitation of economic development (including job creation)’ in considering any proposed development.

4.1.5 Specifically in relation to apprenticeships the Airports NPS states that:

‘**Heathrow Airport should set out the timetable for delivering the apprenticeships, provide information on the areas and skills to be covered by these apprenticeships, the breakdown between opportunities to be created within the core airport and those being offered by companies within its supply chain and other airport-related businesses, and the qualification level and standards which they will need to achieve. Heathrow Airport should also set out how it will publicly report progress against the target.**’

4.1.6 We recognise that a skilled and agile workforce is crucial to the success of the Project in delivering our vision ‘to give passengers the best airport service in the world’ and will require a step change in employment and training delivery. This will require a high degree of collaboration with our stakeholders, including: employers;

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9 Transport Infrastructure Skills Strategy, Department for Transport, 2016
10 Paragraph 5.265 Airports National Policy Statement
training providers; educational institutions; public authorities; and the community with Heathrow playing the leadership role in drawing all partners together.

4.2 **The Heathrow Skills Taskforce**

4.2.1 To provide strategic direction we invited Lord Blunkett to chair an independent Heathrow Skills Taskforce which drew membership from across industry, education, training providers and trade unions. Its remit was to identify practical solutions to tackle the productivity gap through a renewed focus on vocational skills and better partnership.

4.2.2 It produced recommendations under five themes in September 2018\(^\text{11}\).

1. **Leading Business Change**

Influencing the behaviour and actions of other organisations is crucial for Heathrow to achieve real lasting change, and to maximise the employment and skills opportunities offered by expansion.

2. **Embracing Diversity & Inclusion**

The scale of expansion creates the opportunity for Heathrow to set the benchmark for workplace diversity, inclusion and social mobility.

3. **Maximising Apprenticeships**

By working together Heathrow, its supply chain and commercial partners can provide a catalytic change in promoting apprenticeships as a rewarding career choice.

4. **Promoting careers and working with the education sector**

Expansion provides the opportunity to collaborate with the education sector, to promote a range of career choices, delivery of high quality training and reskilling to support progression and sustainable careers.

5. **Enabling a lasting skills legacy**

Working with suppliers and commercial partners, Heathrow can pioneer new approaches that address skills gaps, align with other infrastructure projects and build a flexible workforce which is adaptable to future skills requirements.

4.3 Leadership

4.3.1 The first recommendation of the Heathrow Skills Taskforce relates to our role in influencing behaviour and actions of other organisations. In order to drive change, we have set up two key forums to embed our vision and support collaborative working:

4.3.2 People Leadership Forum (PLF) has been established with the goal of developing the skills required by the airport in the future and to drive responsible employment practices.

4.3.3 Membership of the PLF is drawn from businesses of all sizes, representing the breadth of sectors represented at the airport and will oversee the co-ordination of the ‘demand side’ activities related to current and future operational jobs including: overview of the delivery of the education, employment and skills activities; identification of skills gaps; and responding to emerging skills trends.

4.3.4 The PLF is also the forum to support our commitment to a sustainable economy and to encourage behavioural change across ‘Team Heathrow’ particularly in relation to the London Living Wage and zero hours contracts.

Strategic Skills Forum - Construction (SSFC)

4.3.5 The construction phase creates its own specific challenges and opportunities, as the structure of the supply chain is often different to other sectors and the construction workforce is characterised by its mobility. The SSFC has therefore been established, chaired by Balfour Beatty, one of our main construction partners and will play a similar role to the PLF for operational jobs bringing together Heathrow and its contractors to plan and deliver construction training and apprenticeships.

Skills Implementation Steering Group (SISG)

4.3.6 In order to oversee the implementation of the recommendations of the Heathrow Skills Taskforce, the SISG will be established, chaired by Lord Blunkett and drawing on membership from across industry, the skills sector and trade unions.

4.3.7 In the rest of this section, we outline Heathrow’s response to the Heathrow Skills Taskforce recommendations, outlined in 4.2, as well as further proposals across three interrelated areas: Employment and Skills; Apprenticeships; and Education.
4.4 Employment and Skills

Heathrow Employment and Skills Academy

4.4.1 As recognised in the Airports NPS, Heathrow ‘already makes a significant contribution to local employment and already has a number of skills and employment initiatives’.

4.4.2 In particular, the Heathrow Employment and Skills Academy has been operating since 2004 to meet the recruitment and employee development needs of employers and to help people in the communities around the airport access these jobs. It does this in three ways: through recruitment services; skills development for existing colleagues; and apprenticeships for both new and existing colleagues.

4.4.3 The Heathrow Employment and Skills Academy currently places around 500 people a year into employment across the full range of jobs at the airport. The Heathrow Employment and Skills Academy’s job brokerage service offers candidates: information, advice and guidance; interview training and customised training, whilst for employers it offers: advertising vacancies and screening of applicants.

4.4.4 A key additional element of the Heathrow Employment and Skills Academy offer is the pre-employment training programme which develops core skills, including work readiness and targets to groups that might otherwise face barriers to the labour market. The Heathrow Employment and Skills Academy has been working with the SSFC to develop a bespoke construction pre-employment programme and is rolling out digital literacy support as part of the programme in response to an identified skills gap.

4.4.5 The Heathrow Employment and Skills Academy, working with Local Authority partners is also piloting a Care Leavers programme to create direct referrals into bespoke pre-employment support which responds to their specific needs.

Employment and Skills Proposals

Enhanced recruitment and job brokerage

4.4.6 The Project creates a significant opportunity to increase the number of local people accessing employment in both operational and construction roles. This will involve expanding the current activities of the Heathrow Employment and Skills Academy but also the need to work more collaboratively with our stakeholders, including Jobcentre Plus, local authorities, community groups and ‘Team Heathrow’ to develop a delivery model which matches demand with local labour supply.
4.4.7 Through the SSFC we are adapting the existing pre-employment programme for the construction sector to improve the skills of new entrants.

Address barriers for disadvantaged groups

4.4.8 As identified in Section 3, the local population is very diverse and has areas of concentrated deprivation. A significant proportion of those who are unemployed or economically inactive face barriers to the labour market including: lack of basic skills; lack of employability skills, health problems and care responsibilities. These groups, without additional support, may not be in a position to directly access employment or existing job brokerage services.

4.4.9 We intend to develop a community-based programme of support to tackle barriers and provide those targeted with the tools to gain access to services such as the job brokerage.

4.4.10 We are also aware that previous major infrastructure projects across the UK have struggled to achieve construction jobs targets for some equalities groups. We will work with partners to develop programmes that reflect the full diversity of the local workforce and ensure job readiness for construction skills.

Upskilling the workforce

4.4.11 The UK is seeking to improve its track record on infrastructure delivery. The ‘Transport Infrastructure Skills Strategy’ identifies the dual issue of skills gaps and skills shortages as well as lagging productivity as impacting on the ability to deliver infrastructure projects\(^\text{12}\). The Project will require significant recruitment across the construction sector as well as the need to upskill and retrain the existing workforce to meet the skills challenges of a large scale infrastructure project and the need to create a more flexible and adaptable workforce.

4.4.12 In line with the Heathrow Skills Taskforce recommendations we will, in partnership with other major infrastructure projects, explore a collaborative approach to ‘skills passporting’ to develop the transferable skills for the infrastructure sector of the future.

4.4.13 In parallel, working through the PLF, we will identify the transferable skills across airport operations in order to respond to the changes that automation and flexibility will bring to roles across the airport. We will pilot activity in this area with the aim of rolling a programme out cross-airport.

\(^\text{12}\) Transport Infrastructure Skills Strategy, Department for Transport, 2016
Develop the skills infrastructure

4.4.14 The success of the activities identified in this section will be dependent on how local training provision can respond to the needs of employers across Heathrow.

4.4.15 In response, we have established a skills partnership formed of the following colleges and universities: West Thames College, Harrow and Uxbridge College, West London College, Windsor Forest Colleges Group, Brooklands College, Brunel University, University of West London and Buckinghamshire New University. We will also engage with other relevant providers as the workforce profile is refined (e.g. West London Construction Academy) to develop relevant training provision.

4.4.16 Key to our delivery model is building partnerships between ‘Team Heathrow’ employers and the construction supply chain and our training partners to inform the curriculum offer and adapt training methods to modern techniques including through: development of bespoke certification programmes and short courses; and through on the job learning.

4.5 Apprenticeships

Heathrow’s commitment

4.5.1 We are committed to achieving the target of 10,000 apprenticeships and are currently defining in more detail the opportunities in construction and operational phases and by types of employer. This will form the basis of the detailed Apprenticeships Plan that will form part of the Economic Development Strategy which will be submitted with the application for Development Consent.

4.5.2 We have already set out how such a step change will require the involvement of our stakeholders, to increase apprenticeships from across all age ranges and at different levels. That will also involve ensuring the relevance and quality of provision, including identifying gaps in existing frameworks and improving completion rates.

What Heathrow has done

4.5.3 Already employers from across Heathrow employ significant numbers of apprentices, from large operators such as British Airways, Mitie and Ferrovial to some of our smaller contractors who are supported to engage through a shared apprenticeship scheme.

4.5.4 Heathrow Airport Limited has run an engineering apprenticeship scheme since 1977 with over 80% of our current engineering employees having been trained under it. As well as the relationships that our supply chain and commercial partners have with training providers, the Heathrow Employment and Skills
Academy has developed a suite of apprenticeship training, which includes a shared apprenticeship scheme for the construction sector to address some of the barriers which prevent SMEs employing apprentices.

4.5.5 The Heathrow Employment and Skills Academy offers apprenticeships across a range of disciplines and at different qualification levels (from basic level 2 qualifications through to level 7, which is equivalent to a Master's degree). The Heathrow Employment and Skills Academy has also been instrumental in developing apprenticeship solutions including two new trailblazers (new apprenticeship standards developed by employers) in Aviation Ground specialists and Security and Customer Care.

Proposals

4.5.6 Heathrow intends to build on this work based on the following strategic priorities:

- Leading business change, in relation to training policies, through collaboration with Team Heathrow and Supply Chain, using the PLF and the SSFC to increase the profile of apprenticeships, encourage new opportunities and drive their implementation;

- Integrate apprenticeships into workforce planning, by considering the fit between planned roles and current apprenticeships and working with employers and providers, including Heathrow Employment and Skills Academy, to design new bespoke apprenticeships for identified roles;

- Raise awareness of apprenticeships (with employers and potential candidates) and address barriers (such as limited information about apprenticeship opportunities) through the Forums described above but also through direct engagement with HR and recruitment teams;

- Increase apprenticeship opportunities through strategic partnerships both with employers and providers, identifying critical areas of intervention to achieve the apprenticeship targets and designing programmes on a scale that can achieve them;

- Use profiled workforce projections to shape apprenticeship delivery, undertaking long term but flexible and responsive workforce planning at a sufficient level of detail to inform long term opportunities;

- Reduce barriers to apprenticeship applications and work with education providers through the education programme to promote the apprenticeship route to school leavers, returners to the labour market, and those aiming for progression.
4.5.7 Over the coming months, we will have the workforce profile to enable us to finalise an Apprenticeship Plan, to be incorporated into the Economic Development Strategy which will:

- Provide an analysis of labour force needs across Heathrow, our contractors and our commercial partners
- Identify target groups including diversification of the labour force to increase apprenticeships from under-represented groups
- Establish an apprenticeship plan to deliver our strategic priorities across sectors, qualifications and skill levels
- Provide a mechanism for managing and monitoring delivery and enforcement of the apprenticeship plan in order to meet the requirements set out in the Airports NPS

4.6 Education

Aspiration

4.6.1 With the Project due to last over 25 years, this gives Heathrow a real opportunity to create a pipeline of skilled and motivated young people for the jobs of the future in all sectors and across all skills levels. The aim is to strengthen the link between ‘Team Heathrow’ and the local community, to improve educational attainment and make working at Heathrow airport a career of choice for local people.

4.6.2 The proposed education programme will take a demand led approach focusing on preparing young people for careers across the airport and will feed into, and complement, our employment and skills initiatives, including the apprenticeship programme.

What Heathrow has done

4.6.3 We currently deliver an annual programme of Primary and Secondary School Challenges, which encourage local students to think of Science, Technology, Engineering and Maths (STEM) as a rewarding career path, and build their skills in coding, teamwork and communication. Challenges are half day events targeting Year 6 and Year 8 students in local schools, supported by Heathrow volunteers and have accessed over 50,000 young people over 10 years. Our focus has been on STEM subjects given the particular shortages of skilled young people coming through the education system with these skills.

4.6.4 We run an annual Jobs, Apprenticeships and Careers Information Fair for young people and adults seeking employment, reaching out to over 5,000 people each year. This is supported by, in excess of, 60 ‘Team Heathrow’ employers who have
‘live’ career opportunities. We also deliver an active School Governor programme with 25 governors providing schools with a wider understanding of the expectations of the business community.

World of Work

4.6.5 In collaboration with local education partners, we are developing a new ‘World of Work’ education programme to raise aspirations of young people, improve attainment and enable access to employment opportunities with us and across wider ‘Team Heathrow’. As well as focusing on STEM skills, which are particularly relevant for careers in construction and engineering, ‘World of Work’ will have a broader remit to develop pathways into all careers at the airport. The programme is also designed to support schools to meet the Gatsby Benchmarks.

4.6.6 The following section provides an overview of the key principles of the ‘World of Work’ programme, target groups and potential initiatives.

4.6.7 The key principles of the ‘World of Work’ programme are to:

- Excite and inspire young people about working at Heathrow
- Raise awareness of career opportunities and facilitate pathways into employment
- Focus on providing an ‘experience of work’
- Develop core skills and behaviours as well as technical skills

4.6.8 In order to deliver against these principles, we propose developing a programme of activity that cuts across four core target groups as set out in the table below:

Table 4.1 World of Work proposed measures

<table>
<thead>
<tr>
<th>Target group</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary School</td>
<td>The aim is to engage and inspire young people:</td>
</tr>
<tr>
<td></td>
<td>- make learning fun</td>
</tr>
<tr>
<td></td>
<td>- challenge stereotypes</td>
</tr>
<tr>
<td></td>
<td>- develop core skills and problem solving</td>
</tr>
<tr>
<td></td>
<td>- site visits</td>
</tr>
<tr>
<td>Secondary Schools</td>
<td>The aim is to enable young people to make the right career choices:</td>
</tr>
<tr>
<td></td>
<td>- raise attainment</td>
</tr>
<tr>
<td></td>
<td>- embed core skills; technical skills; and work readiness</td>
</tr>
<tr>
<td></td>
<td>- identify career pathways either through an apprentice or graduate</td>
</tr>
<tr>
<td></td>
<td>route</td>
</tr>
<tr>
<td></td>
<td>- work experience, careers fairs, work placements (for new T Levels)</td>
</tr>
<tr>
<td></td>
<td>- Informal interface between employers and young people (e.g. ‘Big</td>
</tr>
<tr>
<td></td>
<td>Conversation’)</td>
</tr>
</tbody>
</table>

13 Gatsby Benchmarks are a framework of 8 guidelines which define best practice in careers provision.
| **Special Educational Needs and Disability (SEND); Not in Education, Employment or Training (NEET) and those in danger of becoming NEET** | **Focused interventions for specific needs:**  
- support attainment,  
- re-engagement activities  
- mentoring  
- bespoke support measures |
|---|---|
| **Influencers – Teachers and Parents** | **Raise awareness of teachers and parents of the range of career opportunities at the airport:**  
- Industry Learning for teachers  
- Tackle misconceptions  
- Raise awareness of apprenticeship route and opportunities  
- Address structural barriers for vocational pathways |

4.6.9 The ‘World of Work’ programme will be accessible across the UK through an online platform which will include career learning resources and teaching resources, supported by social media. More targeted interventions will be focussed within the core study area identified in the PEIR.

4.6.10 Key to delivery will be the level of engagement of employers from across ‘Team Heathrow’ and a new ‘World of Work’ Ambassador programme to create an airport-wide resource of volunteers to bring work at the airport to life.

4.6.11 In order to refine the ‘World of Work’ programme we will work with a range of partners including: the education sector; education business partnerships; careers and enterprise company; Teach First; and community groups.
5. **BUSINESS AND INNOVATION**

5.1 **Supplier engagement**

*Introduction*

5.1.1 To deliver the Project, we are looking to effect a positive change in the construction industry. We recognise that we need to engage the supply chain in the right way to harness their skills and expertise. To do this, we will create an inclusive supplier environment that can foster innovation, stimulate value creation and provide focus on outcomes.

5.1.2 As well as building more efficiently and safely, we are equally determined to delivering positive outcomes for UK plc and our communities. For us, this means ‘procuring for value’ which gives an improved deal for passengers, industry and society as a whole. Our role is to set the right challenges, to select our partners based on their contribution to creating value, and to build the right environment for purposeful collaboration to flourish. We will collaborate with our suppliers to meet the challenges of how to deliver better economic, social and environmental outcomes from expansion.

5.1.3 Our sustainability strategy, Heathrow 2.0, sets out our vision for social value and we will work with our direct supply chain to deliver our pledges:

- to support the London Living Wage;
- to reducing carbon emissions in the supply chain;
- to tackling modern slavery and human trafficking.

5.1.4 We will also work with our proposed partners to ensure they invest in the workforce, supporting us in delivering our education, employment and skills objectives, as well as engaging with small businesses.

*Small and Medium-sized Enterprise (SME) engagement*

5.1.5 We are committed to ensuring that small businesses get a fair deal when working with Heathrow and that there is the opportunity for businesses that have not previously worked with Heathrow (new entrants) to access opportunities. To level the procurement playing field, we will flex our contracting approach to proactively identify new suppliers, to become more accessible to the market and to remove hurdles for smaller suppliers.

5.1.6 The Project will involve a multi billion-pound investment. Alongside delivering a runway and airport facilities, including new terminal buildings, construction programme will involve the diversion and repositioning of roads and rivers, the
provision of new space for offices, hotels and warehousing. These core construction activities will require a range of supporting services including security; catering; logistics; and professional and technical support. This provides a major opportunity to scale up existing relationships and encourage new entrants.

5.1.7 Heathrow 2.0, outlines our current approach to SMEs and is outlined in the table below:

**Table 5.1 Existing SME initiatives**

<table>
<thead>
<tr>
<th>The Next Economy – A place that nurtures SMEs</th>
<th>Develop our successful Heathrow Business Summits across the UK. The Heathrow Business Summit provides British SMEs access to Heathrow’s procurement team and wider supply-chain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Offer SMEs access to the millions of international passengers at Heathrow, by brokering deals between stockists, World Duty Free and other retail business partners to include SMEs that offer sustainable products and services</td>
</tr>
<tr>
<td></td>
<td>Establish a grants programme offering awards up to £2k for SMEs to spend on travel and trade missions to help SMEs reach new markets. The grant for trade missions has a maximum spend of £50k per annum. It will be reviewed on an annual basis</td>
</tr>
</tbody>
</table>

5.1.8 Heathrow’s Business Summits have enabled SMEs to meet face-to-face with some of Heathrow’s largest suppliers for over 20 years. The Business Summits connect SMEs to new contacts, advice and opportunities.

5.1.9 We are committed to extend the Business Summit programme to every region and nation by 2025, whilst developing our flagship Heathrow Business Summit, allowing more SMEs the opportunity to meet with our procurement team and win Heathrow contracts today and in the future.

5.1.10 Alongside the networking opportunity that the Business Summits provide, through Heathrow’s e-portal – MySource – SMEs and new entrants can register with us to access alerts for relevant procurement opportunities.

**Proposed activities**

5.1.11 Expansion offers an opportunity to develop a more coordinated approach to engaging with Small and Medium-sized Enterprises (SMEs) and new entrants to unlock opportunities at all levels in the supply chain.

5.1.12 In order to build on our existing initiatives, we will develop a supplier engagement strategy to provide a clear route map for new entrants, including SMEs, to contracts with Heathrow Airport Limited and with our supply chain for airport expansion.
5.1.13 We have identified a number of key challenges faced by SMEs and new entrants in accessing contracts with large organisations and some potential measures, which could be delivered by Heathrow or other stakeholders to mitigate these:

Table 5.2 SME challenges and potential measures

<table>
<thead>
<tr>
<th>Challenge/Opportunity</th>
<th>Potential Measures for Heathrow and partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying opportunities for SMEs/new entrants</td>
<td>- Explore opening up more opportunities on Heathrow’s ‘Mysource’ portal</td>
</tr>
<tr>
<td></td>
<td>- Explore how to ensure that expansion supply chain is accessible including through:</td>
</tr>
<tr>
<td></td>
<td>o Establishing a Supply Chain Board to identify opportunities – ‘SME Challenge’</td>
</tr>
<tr>
<td></td>
<td>o Setting of proportionate contractual requirements to encourage SME engagement</td>
</tr>
<tr>
<td></td>
<td>o Establishing a clear process for engaging with SMEs/new entrants</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>- Explore methods to provide more clarity on opportunities including through:</td>
</tr>
<tr>
<td></td>
<td>o ‘one stop shop’ for tender information</td>
</tr>
<tr>
<td></td>
<td>o Support for SMEs in ‘Identifying the customer’</td>
</tr>
<tr>
<td></td>
<td>o Early engagement to allow SMEs to put response measures in place</td>
</tr>
<tr>
<td></td>
<td>o Contract maps</td>
</tr>
<tr>
<td></td>
<td>o Targeted sector-specific meet the buyer events</td>
</tr>
<tr>
<td>Improved interface between main contractors and supply chain</td>
<td>- Simplify the process for main contractors to identify SMEs potentially via Business database /register</td>
</tr>
<tr>
<td>Addressing barriers</td>
<td>- Simplify/ streamline procurement process where possible including in relation to:</td>
</tr>
<tr>
<td></td>
<td>o Tendering</td>
</tr>
<tr>
<td></td>
<td>o Contracts</td>
</tr>
<tr>
<td></td>
<td>o Minimise duplication of pre-qualification</td>
</tr>
<tr>
<td>Business support</td>
<td>- Range of support measures including:</td>
</tr>
<tr>
<td></td>
<td>o Assessment of business readiness</td>
</tr>
<tr>
<td></td>
<td>o Procurement and tendering</td>
</tr>
<tr>
<td></td>
<td>o Strategic and planning</td>
</tr>
<tr>
<td></td>
<td>o Accreditation and certification</td>
</tr>
<tr>
<td></td>
<td>o Advice to create consortia</td>
</tr>
<tr>
<td>Measuring success</td>
<td>- Reporting of supply chain spend by business size and geography at all tiers in the supply chain to monitor performance and measure success</td>
</tr>
</tbody>
</table>

5.2 Logistics Hubs

5.2.1 We are committed to enhancing the regional and national economic benefits to Britain through expansion. One mechanism for delivering these national and regional benefits is through Logistics Hubs. These can be used as points of
consolidation of goods/products, or through off-site construction and manufacture. The desired outcomes and benefits of Logistics Hubs are:

- Deliver efficient and affordable expansion by reducing build and transportation costs
- Enable quicker delivery to unlock the benefits of an expanded airport sooner by improved productivity in a factory environment
- Create a platform for excellence in sustainability by utilising local supply chain to support the hubs, thereby reducing road movements
- Support our existing operation by removing works and products from the airport to help enable a smooth running of our operation

5.2.2 It is anticipated that Logistics Hubs will spread the benefits of construction across the UK and our approach to supplier engagement will be mirrored in the locations identified. This will include in relation to delivering our wider commitments including those related to employment and skills. An expression of interest process was launched in April 2017, where we received over 120 responses. To date, we have just completed the pre-qualification stage of the procurement and will be inviting the 18 shortlisted suppliers into the formal tender process in the autumn of this year with a view to selecting our final four hubs in early 2020.

5.3 **Innovation**

5.3.1 Innovation is central in driving efficiency and cost savings as we transition to a three-runway airport and in order to deliver our sustainability aspirations set out in Heathrow 2.0.

5.3.2 In June 2018, as part of this process, we launched a procurement process for ‘Innovation Partners’ to drive innovation in the expansion programme. We wanted external partners to bring forward proposals to ‘demonstrate capabilities, knowledge, commitment and innovation capability’ in order to support delivery of the Heathrow masterplan.

5.3.3 The programme was driven by a desire to work collaboratively with new partners to develop improved solutions for the Project. The programme is on-going but following an initial response of 160 Expressions of Interest, the number of potential partner projects has been shortlisted with a focus at this stage on commercial viability and partnership options.

5.3.4 As a result of our learning from the Innovation Partners initiative, Heathrow is exploring the development of an open innovation process to establish collaborative approaches to develop innovative ideas. These may be through the academic system, SMEs or joint ventures.
5.3.5 Alongside this, Heathrow has established the Centre of Excellence for Sustainability (CoES) to act as a focal point for new ideas in the field of sustainable airports bringing together academia, Heathrow and industry. As part of the work of the CoES, Heathrow currently runs an annual Sustainability Innovation Prize which supports entrepreneurial ideas to reduce the impacts of carbon.

5.3.6 Through a partnership bid led by Brunel University we are seeking to develop a Sustainable Airport Research Centre located at the airport, involving a £10m capital investment. If successful the bid would bring a significant investment to the airport to support sustainable solutions across construction, development and operation of the airport. Our ambition, focused on sustainable airports, demonstrates the potential, through partnership work to act as a catalyst for wider economic development and stimulate the creation of high-level jobs.

5.4 **Inward investment**

5.4.1 There are significant opportunities to capture wider catalytic employment through inward investment. Catalytic benefits result from increased connectivity that is derived from the increased flights generated by the third runway. Employment growth is created through increased trade and Foreign Direct Investment and through additional tourism expenditure.

5.4.2 The opportunity to capture catalytic benefits will result, in the main, from wider policy decisions of policy makers. We will work with our local partners to support a range of potential inward investment initiatives such as: sectoral initiatives (e.g. tourism); marketing initiatives; town centre improvements and placemaking.

5.5 **Land use and planning**

5.5.1 The expansion of the airport will have impacts on businesses and demand for business floorspace outside of the airport boundary. Heathrow has been working with HSPG to produce evidence that will help the local authorities in the Core Study Area identify and plan for this growth.

5.5.2 This has already included studies considering the future demand for commercial floorspace including industrial and logistics, offices, hotels and other related uses.

5.5.3 Expansion is taking place in the context of an area that is rapidly growing and also has high housing delivery targets which will provide an increased labour force who will in part work at Heathrow.

5.5.4 The local authorities will have strategic decisions to take as to how much of the potential commercial growth they wish to capture and in what locations and they intend to produce a Joint Strategic Planning Framework which considers these issues.
5.5.5 We will continue to work with HSPG to support their strategic planning for the area, recognising that ultimate decisions are the role of the authorities rather than Heathrow. Heathrow is also working with its major potential developers and operators for example on logistics and hotels to consider both on and offsite provision with the authorities. This work will potentially link in to work on supply chains and inward investment in the final Economic Development Strategy.

5.6 Managing adverse impacts on businesses

5.6.1 The Socio-Economics and Employment PEIR chapter identifies potential adverse impact on some business through re-location or on their operations.

5.6.2 We will seek to minimise effects of the Project on business through our property and land acquisition and compensation policies. We have prepared interim policies to help those whose properties are potentially within the area most affected by the proposed expansion to understand Heathrow’s offers of compensation and support. These interim policies explain our general approach to buying properties and land and set out the enhanced compensation offers for eligible properties (in addition to the statutory requirement to compensate for the compulsory acquisition of land).

5.6.3 The Economic Development Strategy will set out how we will seek to minimise the effects on displaced businesses.
6. **GOVERNANCE AND DELIVERY**

6.1.1 We will consider responses to our proposals in this consultation document, alongside our engagement with key partners to finalise the Economic Development Strategy. This will set out our final proposals including detailed arrangements for delivering our apprenticeships commitment as required by the Airports NPS. It will also set out the legal mechanisms through which delivery of the proposals will be secured.

6.1.2 As we have noted above, essential to the successful achievement of our objectives will be partnership working with a wider range of partners. It is therefore essential that they are involved in the production, delivery and monitoring of the strategy. This will involve both formal decision-making structures and day to day working arrangements.

6.1.3 We currently work with a range of partners in taking forward our economic development activity.

6.1.4 In relation to ‘internal’ employment and recruitment at the airport this includes the Construction Skills Forum the People Leadership Forum.

6.1.5 Externally Heathrow has established a Skills Partnership with local colleges and universities. In order to take forward the recommendations of the Heathrow Skills Taskforce, a new body, the Skills Implementation Steering Group is being set up to ensure delivery. We also work with local authorities and Local Enterprise Partnerships through the Economic Development Forum and HSPG.

6.1.6 HSPG involves eight of the nine local authorities in the ‘Core Study Area’, as well as the three Local Enterprise Partnerships and Colne Valley Regional Park. It works to co-ordinate strategic planning activity between the authorities and intends to take a similar role in relation to Economic Development.

6.1.7 There is also a range of other bodies in the area such as West London Business and chambers of commerce as well as individual businesses who will have an interest in the strategy.

6.1.8 As part of the production of the Economic Development Strategy Heathrow will continue to engage with this wide group of external people and organisations. Through this Heathrow is keen to try and simplify structures so that there are clear roles and responsibilities between Heathrow and its partners and proper monitoring and review of delivery.

6.1.9 This will also need to relate to wider project aspects including future detailed planning approvals and compliance and potentially associated infrastructure funding, planning and delivery arrangements. Such arrangements could involve a
variety of structures from continued voluntary groupings to more joint working and partnership arrangements. We would like to know what you think about the principles and objectives as set out in this Economic Development Framework, particularly in relation to the proposals outlined and our approach to working in partnership. Please refer to the Feedback Form to submit your response.
There are lots of ways you can contact us or find out more

- Find all the consultation information on our website [aec.heathrowconsultation.com](http://aec.heathrowconsultation.com)
- Email any questions about the consultation to [info@heathrowconsultation.com](mailto:info@heathrowconsultation.com)
- Follow @LHRconsultation to stay up to date on event details
- Call our freephone number 0800 307 7996 (open Monday to Friday, 9am-6pm)

If you would like a large text or alternative format of this document, please contact 0800 307 7996 or email info@heathrowconsultation.com