

## ➔ Economy and society: National economic contribution

As well as directly providing over 180,000 UK jobs, aviation benefits the UK economy by facilitating trade and attracting investment.

### National economic contribution

The air transport industry makes a critical economic contribution as an enabler of business. It influences decisions on where businesses locate, helps improve productivity throughout industry and promotes foreign investment and international trade. The UK's investment in aviation has helped the country become one of Europe's leading destinations for foreign investment and corporate headquarters.

A 2008 study by York Aviation, an aviation policy consultancy, for the City of London confirmed that 'aviation services are a critical and expanding requirement for the City and for London as a whole'.

In 2006, Oxford Economic Forecasting, an economic forecasting and policy organisation, updated its 1999 report, 'The Contribution of the Aviation Industry to the UK Economy'. This found that the aviation industry contributes £11.4 billion to the UK economy, supporting more than 520,000 direct and indirect jobs – over a quarter of which are within airport boundaries.

Although BAA does not currently pay corporation tax because of interest payments arising from debt, we remain a significant UK tax payer.

### The contribution to tourism

The UK is the world's sixth largest international tourism destination, in terms of the number of visitors. In 2007, over three-quarters of the 33 million overseas visitors to the UK arrived by air, accounting for 86% of the UK's tourism revenue of £16 billion. Tourism accounts for around 3.5% of UK GDP.

Air fares and convenience at airports influence decisions about where to visit. It is important to maintain sufficient airport capacity, both to support continued airline competition and affordable fares for passengers, and to ensure that passengers have positive experiences as they travel.

### Regional economic role

Air travel helps the economies of Scotland, Wales, Northern Ireland and the English regions. Airports, as employers, providers of services and investors in infrastructure, are important economic generators in their own right and facilitate and attract other business activities. Good connections to international markets ensure these regions benefit from inward investment and help businesses in the regions compete.

### Maintaining the UK's position

This economic and social contribution is at risk. As illustrated in Figure 5, by 2010, Heathrow will have slipped to seventh in the international airport ranking by number of destinations served, from second in 1990. Heathrow's two runways are 95% full, whereas our main competitors have 25% spare capacity. This will affect the UK's ability to respond to international business demand.

The potential damage to the UK's economy if we are unable to meet the demands of trading with emerging economies should be clearly evaluated. If the UK constrains aviation growth while our European competitors encourage it, the country will be disadvantaged.

Figure 5: Number of destinations served



## → Economy and society: Heathrow's contribution

As the UK's largest airport, Heathrow has significant impacts at a regional and local level. We work to optimise these benefits.

### Our approach

We invest in economic and community development activities that benefit people living around Heathrow, involving other companies operating at the airport to maximise the opportunities available to local communities.

We focus our support on:

- Education and employment programmes that increase local skills.
- Training programmes that help airport staff.
- Programmes that create business links between local companies and Heathrow.
- Projects to improve the environment.
- Programmes run by charities, local schools and community groups that benefit the environment and encourage community development.

We encourage our employees to volunteer and fundraise in their local communities. Six days' paid annual leave is offered to employees for volunteering activities.

### Involvement in regional and local partnerships

We participate in and financially support a number of partnerships and agencies to support Heathrow's local economy. We provided funding support of over £150,000 in 2008.

We are represented at senior level on:

- Think London.
- West London Business.
- The Thames Valley Economic Partnership.

We chair:

- The Hillingdon Sustainable Economy Taskforce.
- Heathrow City Partnership.
- The Feltham Area Regeneration Steering Group.

We are board members of:

- West London Working.
- Slough Business Community Partnership.
- CBI London Council.
- The Staines Town Partnership.
- The Hayes Town Partnership.
- The Hillingdon Local Strategic Partnership.

Figure 6: Importance of Heathrow to local jobs

	Total number of people in employment		Number of people employed at Heathrow		Percentage of people in employment who work at Heathrow		Proportion who work at Heathrow	
	2007	2008	2007	2008	2007	2008	2007	2008
Ealing	153,400	153,200	5,338	5,300	3.5%	3.5%	1 in 29	1 in 29
Hillingdon	120,000	116,000	8,295	8,300	6.9%	7.2%	1 in 14	1 in 14
Hounslow	105,000	111,000	10,748	10,700	10.2%	9.6%	1 in 10	1 in 10
Slough	60,000	58,200	3,029	3,000	5%	5.2%	1 in 20	1 in 10
Spelthorne	41,900	44,800	5,265	5,100	12.6%	11.4%	1 in 8	1 in 9

### Our performance

#### Heathrow

#### Compensation and community investment across our airports

Our 2008 total contributions to mitigation schemes, skills programmes and community projects, including donations from the BAA Communities Trust, amounted to nearly £8 million. This total figure includes £6 million spent on mitigation schemes at our airports.

The BAA Communities Trust has made grants of over £4 million since 1996. In 2008, the Trust invested £220,000 in education, skills, environment and charitable support schemes around Heathrow.

#### Youth training and careers

In 2008 we supported a range of programmes to help local pupils and teachers find out about Heathrow jobs and the skills required by airport employers, including:

- The updated Heathrow Careers and Economy teacher resource pack, available at [www.baa.com/education](http://www.baa.com/education)
- The primary schools Build a Terminal challenge, involving 2,095 pupils from 38 schools learning basic construction principles and teamwork.
- The Surrey retail merchandising challenge, where 446 pupils created a visual merchandising display for a Heathrow retail outlet.

- Understanding Airport Employment training days, helping local teachers and career advisers find out about Heathrow jobs and skills.
- An intern programme where seven students from Thames Valley University's Airline Relations and Airport Management course spent six weeks on paid BAA work placements.

#### Jobs for local residents

As illustrated in Figure 6, the airport provides jobs for a high proportion of people living near Heathrow. We support Routes to Work – a scheme largely funded by the London Development Agency and managed by Heathrow City Partnership – helping residents to find construction and retail jobs at Heathrow. In 2008, the project helped 134 residents access jobs.

#### Apprentice and NVQ programmes

As illustrated in Figure 7, BAA is committed to providing local people with access to training opportunities

- BAA's engineering advanced apprenticeship has been running for over 30 years. In 2008, 20 apprentices completed the programme at Heathrow and were given permanent jobs.
- We manage apprenticeships and NVQs on behalf of other Heathrow companies as part of our Retail Academy. Programmes are funded by the Learning and Skills Council and delivered in partnership with VT Training. In 2008, 58 employees of companies operating at Heathrow gained apprenticeships and 131 people received NVQs as a result of Retail Academy programmes.

- We provided financial support to the West London Construction Training Centre, established by Carillion Construction Training during the construction of T5, which helped 49 young people to complete apprenticeships in 2008.
- Our Retail Academy won Business in the Community's National Example of Excellence for Total Talent through our approach to developing skills in the community and the workplace.



**Supporting local business**

We lead Heathrow Meet the Buyers, an annual event helping local businesses to promote their goods and services directly to major companies and public sector agencies based in and around the airport. As illustrated in Figure 7, 260 suppliers attended the 2008 event.

A survey of Heathrow's 2007 Meet the Buyers estimated that £5.1 million of new business was generated.

**Supporting community programmes**

**Fulcrum Challenge**

The BAA Communities Trust funded the Fulcrum Challenge, a youth development charity, for a third year. Through this, 22 schoolchildren aged between 16 and 18 from around Heathrow spent two weeks rebuilding a Himalayan primary school in the remote Spiti Valley, Nepal. The scheme contributed towards an ASDAN personal development qualification.

**Sustainability in schools**

In partnership with Green Corridor, an environmental charity, we launched an education programme to get local students thinking about the environment. 150 students from five secondary schools spent two days at Heathrow learning about the airport's environmental features. Back at school, they explored the environmental impact of their school building and developed action plans to reduce energy use. The programme was supported by £20,000 from the BAA Communities Trust.

**BAA Heathrow Community and Environment Awards**

We launched the BAA Heathrow Community and Environment Awards, in conjunction with the charity Groundwork Thames Valley. Local schools, community groups and

Figure 7: Economy

	2006	2007	2008
Number of suppliers attending Heathrow Meet the Buyers	303	332	260
Estimated value of business generated by Heathrow Meet the Buyers (£m)	2.6	5.1	not yet published
Number of people accessing airport jobs as a result of BAA training programmes	156	154	134
Number of people completing apprenticeships managed or supported by BAA	83	108	127
Number of people completing NVQs managed by BAA 	0	122	131

voluntary organisations can apply for grants of up to £2,500 to support local projects. The awards are funded with donations from BAA, the BAA Communities Trust and passenger foreign coin collections. Around 60 organisations across the boroughs around Heathrow received awards worth £115,000.

**Young Firefighters**

The Heathrow Fire Service launched Young Firefighters, which brought 12 students aged 11 to 17 to the airport to learn about firefighting. The scheme emphasises the fire service's principles of communication, teamwork, motivation and leadership. All students received a personal achievement certificate. The participants were selected for the scheme through Connexions, an organisation supporting young people at risk from social exclusion and unemployment.

**Other key charities supported in 2008**

- Our employees selected Marie Curie Cancer Care as the first Heathrow charity of the year. We raised £240,000 through events and passenger donations. This will help Marie Curie provide 12,000 nurse hours. Employees have chosen Age Concern and Help the Aged as the 2009 charity of the year.
- We provide £1 million each year to the Hillingdon Community Trust, a charity funding community projects in the south of Hillingdon.
- We provide office accommodation and core funding for Green Corridor.

**Supporting volunteering**

The I-Volunteer awards give BAA volunteers and fundraisers the chance to win between £2,000 and £5,000 for their chosen charity. A total of 93 Heathrow employees entered

the awards, up a third from 2007, winning a total of £34,000 from the BAA Communities Trust.

**Our plans**

**Heathrow**

In 2009, we will:

- Align our community investment and economic development programmes to ensure they are maximising local value.
- Work with local authorities and other partners to secure public funding to sustain programmes supporting unemployed local residents into Heathrow jobs.
- Increase the number of airport staff (BAA and non-BAA) benefiting from recognised training programmes by at least 10%.
- Deliver programmes that help at least 4,000 school pupils to understand more about airport skills and careers.
- Raise over £200,000 for our charity of the year, Age Concern and Help the Aged.
- Launch a grants scheme to fund local projects from money collected from aircraft noise infringements.



Read more about our efforts to support local communities in our individual airport corporate responsibility reports, available at [www.baa.com](http://www.baa.com)

→ Case study 3  
**Heathrow Apprenticeship Fair**



The first ever Heathrow Apprenticeship Fair was held in February 2008. The Fair helps young people from schools around Heathrow to find out about employment and training opportunities offered by companies based at the airport or within BAA's supply chain.

The Fair was attended by over 600 young people, parents and teachers from 32 schools and colleges within the boroughs of Ealing, Hillingdon, Hounslow, Slough and Spelthorne. Twenty companies offering over 200 apprenticeships attended the event.