



LONDON BOROUGH OF HILLINGDON

HEALTH AND SOCIAL CARE OVERVIEW AND SCRUTINY COMMITTEE

2005/6

THE IMPACT OF HEATHROW AIRPORT ON THE HILLINGDON HEALTH & SOCIAL CARE ECONOMY

Members of the Committee

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Chairman's foreword



Heathrow Airport, the largest industrialised site in London, clearly plays an important role in Hillingdon's economy. However, I have increasingly felt that these benefits must be considered alongside the costs the airport places upon local people and public service providers. As we as a society enjoy increasing opportunities for air travel and Heathrow continues to expand, it is perhaps timely to consider the balance between the benefits and costs of having the world's busiest airport located in the Borough.

The Committee are aware that Heathrow has an impact on local residents' quality of life and also places costs on a wide range of statutory organisations in Hillingdon. However, given the timescale and terms of reference for this review we have focused upon the impact on the providers of health and social services in Hillingdon – principally the Council's Social Services Department and Hillingdon Primary Care Trust (PCT).

During this review we have heard that both the Council and PCT incur significant costs as a result of Heathrow. At a time when both organisations are under serious budgetary pressures I hope the attempts already underway to lobby for additional funding are successful. In addition, given the large profits Heathrow generates for BAA, I hope BAA can be persuaded to engage actively in the Local Strategic Partnership and address these issues.

Finally, I would like to thank all those who contributed to this review, including the Officers who advised the Committee and provided evidence. I commend this report to all relevant parties and hope that a solution can be found to ensure the costs and benefits of Heathrow to Hillingdon are more closely matched.

Cllr Catherine Dann

1. Background

- 1.1. Following a recommendation from Hillingdon Primary Care Trust (PCT), in June 2005 the Committee first decided to undertake a review into the impact of Heathrow Airport on the Hillingdon health and social care economy.
- 1.2. The Committee originally intended to undertake this review immediately, followed by a second review into the PCT's financial position. However, in September the Committee heard that the PCT's financial situation had significantly worsened, and proposed measures to address this were likely to have a significant impact on Hillingdon residents.
- 1.3. We also heard that Hillingdon Partners, the Local Strategic Partnership (LSP), had commissioned external consultants to produce an assessment of the impact of Heathrow on the people and services in the London Borough of Hillingdon. This assessment was due to cover a range of impacts including environmental, economic, and health. To identify the health impact, the consultants undertook much of the information gathering and analysis which the Committee had originally proposed for this review. Given the uncertainty at the top of the PCT at that time we also felt it may be difficult to receive the information we required.
- 1.4. We therefore agreed to primarily focus on the PCT's financial position and agreed a substantial report on this issue. Additionally, once we received the information from the LSP report we found out that the Council was already undertaking work to seek further funding to cover the Heathrow incurred costs. A combination of these factors means this report is less substantial than may have been originally envisaged in June.

Terms of Reference

- 1.5. Our review sought to investigate the impact of Heathrow airport upon health and social services provision in Hillingdon. We sought to understand the impact of Heathrow upon the budgets of these organisations which are primarily funded to meet the needs of Hillingdon residents.
- 1.6. Specifically we sought to answer the following questions:
 - What is the financial cost of Heathrow to Social Services and local NHS organisations?
 - Do these organisations receive extra funding from Central Government to take account of the costs arising from Heathrow?

- If Central Government does not provide adequate additional funding to cover the costs arising from Heathrow, what is the impact of such a funding shortfall on services provided to Hillingdon residents?
 - Do other Social Services authorities and NHS organisations incur additional costs arising from their location and do they receive additional funding to cover these?
 - What steps are being taken to lobby Central Government to receive extra funding? How successful has this been so far?
- 1.7. Given the timescale for this review and the Committee's terms of reference we did not look at the impact of Heathrow on the health of Hillingdon residents or the impact on other service providers (e.g. the Metropolitan Police and other parts of the Council).

Evidence gathering process

- 1.8. We held two evidence witness sessions as part of this review. On the 31st January we heard about the impact on the local health service from Dr Hilary Pickles, Hillingdon PCT's Director of Public Health. On the 28th February we heard about the impact on Social Services from Kamini Rambellas, Head of Children's Services at Hillingdon Council.
- 1.9. We have also made use of the LSP commissioned report referred to earlier.

2.

Evidence

Heathrow Airport: Background

- 2.1. According to its owners BAA, Heathrow is the world's busiest international airport. 88 airlines serve 186 destinations, with 67.7 million passengers passing through the airport each year.¹
- 2.2. We heard that research undertaken as part of the LSP commissioned report found that Heathrow creates about 123,000 jobs within the region; approximately 89,000 of these jobs are within the boundaries of Hillingdon Council. This same research estimates that Hillingdon residents take only 14,100 (or 16%) of these 89,000 jobs.²
- 2.3. A new fifth terminal is currently being built at Heathrow. The first stage will open in 2008 and the terminal will be fully open by 2011. This will increase the number of people passing through Heathrow. In addition, a third runway may be added which again would significantly increase Heathrow's passengers. Given the timescale and resources available for this review we have not looked at the impact of any future expansion at Heathrow. However, it would seem sensible to assume that the burden placed on health and social services providers is likely to increase as the number of people passing through Heathrow rises.

What is the financial cost of Heathrow on local NHS organisations?

- 2.4. We heard that the Department of Health allocates funding to Hillingdon PCT using a formula that is primarily based on the number of people registered with local GPs. This is then adjusted to take account of several factors influencing the demand for health services (e.g. age and deprivation). This calculation takes no account of the number of people temporarily in the Borough. However, we heard that on a busy day up to a quarter of a million people can pass through Heathrow – roughly equivalent to the population of the Borough.
- 2.5. We heard that the cost pressures placed upon the local health service as a result of Heathrow can be divided into five areas: the PCT's mental health service, the Hillingdon Hospital NHS Trust, the London Ambulance Service, the Health Control Unit, and miscellaneous costs.

The PCT's mental health service

- 2.6. We heard that 46 patients required admission to the PCT's mental health service from Heathrow in 2003/4. Of these, 31 were non-UK residents. The average length of stay was 10 days. 18 patients had to be placed for a period of time in private hospitals due to lack of available beds in the

¹ www.heathrowairport.com

² Roger Tym & Partners Final Report Executive Summary

Riverside Centre. We heard that non-UK residents often have to be repatriated to their home country accompanied by PCT mental health staff.

- 2.7. We heard that the total cost of treating admissions from Heathrow was estimated to be £395,000 in 2003/4. We heard that central NHS funding sources compensate most of these costs. However, the PCT told us that they were unable to recover approximately £16,500 of these costs in 2003/4.

The Hillingdon Hospital Trust

- 2.8. We heard that London Ambulance Service figures indicate that around 4,000 patients attend Hillingdon Hospital's Accident and Emergency (A&E) Department from Heathrow each year. These figures suggest that Heathrow passengers account for approximately 5% of the total A&E attendances. We heard that approximately 336 overseas visitors were admitted to the hospital from Heathrow in 2004/5.
- 2.9. We heard that Heathrow related A&E attendances cost the PCT £432,000 in 2003/4. We heard that the PCT is currently unable to reclaim these costs. However, we heard that hospital admissions for overseas visitors are not paid for by the PCT, but should be reclaimed by the hospital either from central NHS sources, or from the patients themselves. In 2004/5 Hillingdon Hospital wrote off £41,000 in bad debts as charges were unable to be reclaimed from some patients.

London Ambulance Service

- 2.10. We heard that between July 2004 and June 2005 the London Ambulance Service (LAS) attended 7,944 calls at Heathrow. This represents approximately 24% of all attendances from Hillingdon ambulances. We heard that 40% of these Heathrow attendances required onward transport.
- 2.11. The PCT advised us that net of contributions from BAA, Heathrow attendances cost the LAS £603,000. We heard that due to the complicated funding mechanism for the LAS it is not possible to identify the exact amount Hillingdon PCT contributes towards Heathrow related work. We heard that the PCT estimate these costs could vary from between £54,000 and £540,000.

Health Control Unit

- 2.12. We heard that Hillingdon PCT provides medical and radiographer staffing to the Heathrow Health Control Unit (HCU). Most of the activity of the Unit is the medical inspection of immigrants, a non-NHS activity. In 2003/4 the Unit saw 175,276 people.

2.13. We heard that the PCT allocates £800,000 to cover the operation of the HCU each year. Until 2005/6, the PCT received no extra central funding for providing this service. However, we heard that the Department of Health have agreed to provide the PCT with funding for the HCU in 2005/6 and subsequent years. The PCT told us that they believe the HCU will incur additional costs of £40,000 that are not covered by the Department of Health funding.

Miscellaneous health service costs

2.14. We also heard that the presence of Heathrow creates a number of other financial pressures for local health service providers. These include emergency planning, preparedness and response; hospital care for those at Colnbrook and Harmondsworth Detention Centres; health care for unaccompanied child asylum seekers and refugees; and administrative arrangements to claim charges from overseas visitors. The PCT advise us that these costs amount to £115,000 for the PCT and £50,000 for the Hillingdon Hospital.

Overall financial impact on the local health service

2.15. The PCT estimates the current net annual impact on the PCT from Heathrow to be between £657,000 and £1,143,000 depending on the estimate used for the PCT's contribution towards Heathrow ambulance services.

2.16. We heard that the actual financial impact on the PCT could be higher as the research commissioned by the LSP only considered those costs that could be identified and quantified.

What is the financial cost of Heathrow to Social Services?

2.17. We heard that although Heathrow is the principal gateway for asylum seekers entering the UK, the number of asylum seekers and refugees in Hillingdon is similar to elsewhere in London.

2.18. However, we heard that a significant impact upon Social Services is the number of Unaccompanied Asylum Seeking Children (UASCs) in the Council's care, which is a direct consequence of Heathrow being located within Hillingdon. We heard that since the airport is a 'port of entry' within the borough's boundaries, immigration officers refer all UASCs arriving at Heathrow to Social Services. We heard that Social Services currently have a caseload of over 1,400 UASCs in their care.³

2.19. We heard that the Government recognises the unusual financial burden of UASCs and pays a special grant. However, we heard that there is a

³ Roger Tym & Partners Report – Executive Summary

shortfall of approximately £3.3m for 2005/6. We heard that the Council is currently forced to cover this shortfall.

- 2.20. We also heard that Social Services have additional costs arising from Heathrow through its duties as the responsible authority for 'port of entry' child protection for under 16 year olds arriving at Heathrow. Social Services advised us that their on-going monitoring of non-UASC referrals from Heathrow indicate that 161 children have been looked-after to date. 27 were still being looked after as at 1st December 2005. We heard that this accounts for over 930 weeks of care being provided by the Council at a projected unfunded cost pressure of £600,000 for the current year.
- 2.21. We also heard about the introduction of the Kingston Pilot, which commenced in October 2005. This joint Immigration and Metropolitan Police Service pilot scrutinises the adequacy arrangements for every accompanied and unaccompanied child arriving from Jamaica. We heard that this will almost certainly lead to a further rise in children coming into Social Services' care from Heathrow, as will the intention to roll-out the pilot further to many other countries.
- 2.22. Social Services incur further costs as a result of Heathrow. We heard Social Services must pay to look after other client groups referred from Heathrow, including UK citizens who return to the Country after a long period of absence and require care as a result of their age or disability. For example, we heard that the assessment of Older People and People with Physical and/or Sensory Disabilities who are referred from Heathrow results in a forecasted 420 weeks of social care. These care requirements cost the Council approximately £130,000 which is unfunded by Central Government. Therefore, in addition to the costs arising from asylum-seeking children, we heard Heathrow leads to additional pressures for Social Services of approximately £750,000 for 2005/6. Central Government support does not cover these non unaccompanied asylum seeking children costs.

What is the impact of these cost pressures on services provided to Hillingdon residents?

- 2.23. We have heard that Hillingdon PCT and Council are funded according to their population size. However, we also heard that on a busy day the number of people passing through Heathrow can equal the Hillingdon population. We have heard that these large passenger flows incur significant costs for health and social services providers yet these organisations do not receive enough additional funding to cover this service provision.
- 2.24. Given this situation, we were pleased to hear that both the PCT and Social Services do not believe the additional Heathrow costs mean

Hillingdon residents receive a reduced service. The PCT assured us that no PCT services have ceased purely because of Heathrow incurred expenditure. However, we heard that both Social Services and the PCT are operating under intense financial strain and the additional expenditure at Heathrow is a significant factor.

Do other service providers face similar costs elsewhere?

2.25. Having heard about the significant extra financial burden Heathrow places on local health and social services providers, we sought to discover whether other similar organisations incur costs as a result of their location. We heard that Gatwick, Stansted, and Manchester airports incur much lower costs for their PCTs given their smaller size. In addition, many of the passengers using these airports are British nationals travelling on holiday, which means any healthcare costs can be reclaimed from the patient's local PCT. In contrast, many Heathrow passengers requiring healthcare are foreign nationals disembarking long haul flights. In relation to Social Services, we heard that it is believed other port-of-entry councils such as Kent (Dover) and West Sussex (Gatwick) have much smaller non-UASC costs than Hillingdon.

What attempts have been made to address this situation?

2.26. We have heard that both the Council and PCT have sought recognition of the substantial burdens generated by Heathrow. We heard that the previous permanent Chief Executive at the PCT and the Borough's three MPs have lobbied for additional funding to cover the health costs.

2.27. In relation to the Social Services costs, we heard that the leaders of the three political groups in Hillingdon met with the Minister for Asylum & Immigration in late January. We heard they received a degree of reassurance in relation to the funding of services to UASCs under 18. However, we also heard that as of mid February the DfES has been unwilling to meet Council representatives and had provided no reassurance in relation to meeting the full costs of funding care leaving services to UASC, nor in relation to the costs arising from meeting the social care needs (non-UASC) arising from Heathrow. We heard that further representations are being made in relation to these issues.

3. Conclusions and recommendation

- 3.1. We therefore heard Hillingdon has significant additional costs arising from Heathrow. Although Central Government provides additional funding for some of these services, much of the cost of providing these services must be met from the money which is allocated to the PCT and Social Services according to the size of their population. We heard that due to the size of Heathrow as the world's busiest airport, the situation in Hillingdon is anomalous and no other authority has such large costs.
- 3.2. From the work commissioned by the Local Strategic Partnership we can see that Heathrow, the largest industrialised site in London, provides some economic benefit to the Borough. However, we are also clear that as the busiest international airport in the world Heathrow generates a significant and expensive amount of work for the Council's Social Services department and local health service. It is with regret we hear that the funding from Central Government in recognition of the Heathrow burden is not adequate and the Council's additional costs fall upon a Council Tax under ever-increasing pressure.
- 3.3. We have heard that attempts by local service providers to lobby for additional funding to resolve this situation have met with some success. We fully support this lobbying and hope that the costs and benefits arising from Heathrow may be more closely matched in the near future.
- 3.4. Given that we understand work is already underway to develop an effective lobbying strategy, we simply recommend that this continues and

That the statutory partners in the LSP jointly lobby Central Government for recognition of the costs that arise from Heathrow as a major port of entry to the UK and that additional funding is required from Central Government to ensure that services for local residents do not suffer.

Bibliography

Roger Tym & Partners Final Report – *The Impacts of Heathrow Airport on Hillingdon* – Executive Summary

Glossary

A&E – Accident & Emergency

DfES – Department for Education & Skills

HCU – Health Control Unit

LAS – London Ambulance Service

LSP – Local Strategic Partnership

PCT – Primary Care Trust

UASC – Unaccompanied Asylum Seeking Children