

HEARING STATEMENT – THANET LOCAL PLAN EXAMINATION

Matter 10 (Economic Development) : Issue 7 – Manston Airport

On behalf of

Riveroak Strategic Partners Limited (RSP)



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Contents

1	INTRODUCTION.....	1
2	THE RSP CASE FOR MANSTON AIRPORT	3
3	NO BASIS FOR ALLOCATING THE MANSTON AIRPORT SITE FOR ANY OTHER USE	7
4	QUESTIONS RAISED BY THE INSPECTORS ON MANSTON AIRPORT	9

Appendices

Appendix 1	Manston Airport DCO Examination Timetable	15
Appendix 2	Manston Airport DCO – Statement of Reasons (July 2018)	16
Appendix 3	Manston Airport DCO – Planning Statement (July 2018)	17
Appendix 4	Manston Airport DCO – Azimuth Report (Volumes I to IV) (July 2018)	18
Appendix 5	Northpoint Aviation Services Report “ <i>The Shortcomings of the Avia Solutions Report and a Review of RiverOak’s Commercial Opportunities for an Airport Operation at Manston</i> ” (March 2017)	19
Appendix 6	A Letter from the Rt Hon James Brokenshire MP to Thanet District Council dated 28 th January 2019.....	20

1 INTRODUCTION

- 1.1 This Hearing Statement has been prepared by RPS Consulting Services Limited (RPS) on behalf of RiverOak Strategic Partners Limited (RSP) in connection with the Thanet Local Plan Examination and Matter 10 Economic Development – Issue 7 : Manston Airport (Questions Q1 to Q8).
- 1.2 Manston Airport closed in May 2014. The airport is currently owned by Stone Hill Park Limited (SHP). RSP proposes to reopen Manston Airport as an air freight hub with associated business aviation and passenger services, creating in excess of 23,000 jobs within East Kent and the wider economy by the airport's 20th year of operation (expected to be in 2039).
- 1.3 RSP submitted a Development Consent Order (DCO) application to the Planning Inspectorate (PINS) on 17th July 2018. The DCO includes compulsory acquisition powers as RSP do not currently own the airport site. PINS formally accepted the DCO on 14th August 2018 (PINS reference TR020002) and it is currently the subject of Examination which commenced on 9th January 2019. The Examination of the DCO is expected to conclude on 9th July 2019. A copy of the DCO Examination Timetable is provided as Appendix 1.

APPENDIX 1

- 1.4 SHP have their own aspirations to redevelop the Manston Airport site for a new settlement which RSP believes is not needed; nor can it be implemented/delivered; nor is it viable. The SHP proposals are the subject of two separate and pending hybrid planning applications that have been submitted to Thanet District Council (TDC) (application references OL/TH/16/0550 and OL/TH/18/0660). The first application was submitted in May 2016 and the second application was submitted in May 2018. Both planning applications remain undetermined as they are both missing key environmental information. SHP's failure to progress their planning applications over a period of nearly three years puts into question the seriousness of their intentions.
- 1.5 RPS have acted on behalf of RSP as both planning consultants and Masterplanners on the Manston Airport DCO Project since 2016. During this time, RPS has submitted representations on behalf of RSP to inform the preparation of the new Thanet Local Plan. These representations have been made prior to the DCO Examination having commenced and are as follows:
- Response to Pre-Submission Regulation 19 Version of the Thanet Local Plan (August 2018) dated 4th October 2018
 - Response to the Proposed Revisions to the draft Thanet Local Plan (Preferred Options) (January 2017) dated 17th March 2017
- 1.6 RSP strongly welcomes the decision by TDC no longer to allocate land at Manston Airport for a mixed-use settlement. RSP's position is that land at Manston Airport should be retained and protected for aviation uses only by policies in the new Thanet Local Plan and that until the outcome of the DCO is known (expected 9th January 2020), no other uses should be permitted at Manston Airport.
- 1.7 Regardless of if the DCO is granted or refused, the Local Plan will need to be reviewed to reflect the decision made. In its present state, the new Local Plan is not written in a way that sufficiently addresses the spatial planning and environmental implications of the airport reopening. Similarly,

and if the DCO is refused, the new Local Plan is not written in a way which makes it clear to interested parties, exactly how the future of the airport site will be dealt with or indeed, how decision-makers should react to any proposals for new development at the airport in planning terms.

1.8 RSP contends that a new policy should be added to the new Thanet Local Plan as follows:

“The area shown on the Policies Map as Manston Airport should be retained and protected as an airport and for related aviation uses. Non-aviation uses will not be permitted within this area. Permission will be granted for the further development of the airport and for related aviation buildings and uses provided satisfactory safeguards are in place to mitigate the impact of the operation of the airport on the environment including noise, air quality, flooding, surface access, visual impact and climate change.”

1.9 The essence of RSP's case is that:

- i. Whilst the determination of the case for reopening Manston Airport is a matter entirely for the DCO process, it is appropriate to recognise that there is a strong case for so doing and this Local Plan Examination should proceed on that basis.
- ii. By contrast, there is no demonstrated or demonstrable case to suggest that the housing which would be provided by the SHP scheme (or any other foreseeable residential redevelopment of Manston Airport) is either needed, desirable or viable.
- iii. It is inappropriate for the Local Plan as currently drafted to leave what is, in effect, a policy vacuum with respect to Manston Airport. Should the Local Plan as currently drafted be adopted, any development proposal with respect to Manston Airport would be able to demonstrate that there are no relevant development plan policies within the meaning of paragraph 11 of the NPPF. As such, any such application would benefit from the “tilted planning balance” provided for by that paragraph, making the site very vulnerable to development which would cause the loss of a potential nationally significant piece of infrastructure, namely much-needed airport facilities. The local plan as currently drafted, therefore, does not even meet its own stated objection of maintaining the status quo whilst the DCO application is determined.
- iv. Given that it is highly likely that the Local Plan, even if adopted, will in any event be reviewed within a very short period of time, it is appropriate to preserve for that short period the ability of the Manston Airport site to deliver a nationally important piece of infrastructure namely additional airport capacity in the south-east of England.

2 THE RSP CASE FOR MANSTON AIRPORT

2.1 The RSP case for reopening Manston Airport is contained in a series of documents that have been submitted as part of the Manston Airport DCO. These are provided with this statement to demonstrate that there is a reasonable prospect of the airport reopening and therefore, and until the outcome of the DCO is known, that the Manston Airport site should be safeguarded for airport use by policies in the new Thanet Local Plan. The relevant documents are as follows:

- Statement of Reasons July 2018 (document reference TR020002/APP/3.1) and especially Sections 4 (Need and Benefits) and 9 (Compelling Case in the Public Benefit)

APPENDIX 2

- Planning Statement July 2018 (document reference TR020002/APP/7.2)

APPENDIX 3

- Azimuth Report (Volumes I to IV) July 2018 (document reference TR020002/APP/7.4)

APPENDIX 4

2.2 There is a strong commercial case for reopening Manston Airport as planned by RSP. The London airports system is overcrowded and there is an urgent need for alternative facilities to serve the air freight market. Air freight is increasingly being bumped from the belly holds of passenger aircraft. In addition, this lack of air freight capacity means that goods bound to and from UK businesses and consumers are flown into mainland European airports and trucked across the English Channel. This adds unnecessary cost and delays to businesses and customers. The proposed development will deliver a focussed solution to address the demands of air cargo operators. Reopening Manston Airport would provide almost immediate relief to the pressing situation that is causing the UK economy to lose more than £2bn in trade every year (figures compiled by the Centre for Economics and Business Research (CEBR, 2016) for the Let Britain Fly campaign – see paragraph 2.1.5 of Volume I of the Azimuth Report in **Appendix 4**). The shortage of runway capacity across the South East airports remains unaddressed.

2.3 In comparison to its congested neighbours in the South East, (Heathrow, Gatwick and Stansted) Manston Airport will, with the right investment, have ample capacity and all the characteristics of an ideal freight-focused airport.

2.4 Manston Airport has an existing and lengthy runway; it is close to London but not part of the London airspace control zone; and has easy road access to the national motorway network, Channel Tunnel and mainland Europe. This, together with its ability to focus on providing a dedicated, rapid handling and turnaround service for air freight, makes Manston Airport both an attractive prospect for freight forwarders and cargo airlines and the strongest option available to Government to quickly and easily increase runway capacity in the South-East by making best use of existing runway infrastructure.

2.5 A revived Manston Airport would provide a realistic complement to the overcrowded London airports, reduce the volume of freight trucked through the Channel Tunnel to mainland European airports, improve the resilience of the UK's airport network, and boost economic growth and jobs in Kent. The impact of the UK leaving the European Union will only serve to make these challenges greater as border controls are reinforced and the logistics of trucking freight in and out of the UK become more complex and the solution that Manston provides more attractive.

- 2.6 In addition, there is evidence that the current absence of a specialist outsized cargo security clearing facility at other UK airports is slowing down the handling of air freight, again providing an opportunity for Manston Airport to provide a unique specialist service for air freight.
- 2.7 The UK has an urgent need to develop international trade and the proposed development would encourage future trade growth by helping to address the urgent need for additional airport capacity in the South-East of England. In addition:
- Development of the site as an airport is the only viable use for it
 - The UK is losing market share to continental airports
 - Manston is the most suitable site to develop a cargo-focussed airport in the UK
 - East Kent is in desperate need of skilled employment and training. The proposal will create a total of 23,235 jobs by Year 20 of its operation (direct, indirect and catalytic jobs)
 - A valuable and significant national asset will otherwise be lost
 - The proposed development will provide the UK with modern air cargo customs facilities
 - Manston will provide a valuable reliever function for the main London airports
 - The landowner's plans for the site will never come to fruition
 - The proposed development will bring substantial socio-economic benefits both locally and nationally
 - There is strong support for the proposed development in the Government's policy on aviation and it is consistent with the NPPF and the requirements of other relevant planning policy
 - The established use for the site is for airport uses. Key airport related infrastructure already exists and the runway in particular is in very good condition. The airport site continues to be protected for airport uses in the adopted Thanet Local Plan and these policies have been confirmed recently by a Planning Inspector to carry significant weight in the overall planning balance (see Appendix 4 of the RPS Planning Statement July 2018 which is provided as **Appendix 3** of this statement)
 - Even in the longer term, and after the proposed opening of Heathrow's third runway and to 2050, Manston provides the only airport infrastructure in the South East that can provide the capacity needed to support the demand predicted
 - Reopening Manston Airport will help deliver significant socio-economic benefits including economic prosperity and employment across Kent of an unprecedented scale. It will become a catalyst for much-needed growth especially for East Kent but across the UK. The proposed development offers the opportunity for Manston Airport to develop as a business and employment destination and to deliver significant socio-economic benefits. It could become 'one of the largest single generators of economic activity in the County' and is a genuine economic asset.
 - Unlike the proposals to redevelop the airport for non-airport uses, there is considerable local support for the proposed development with the economic, employment and regeneration benefits being highlighted as key beneficial impacts. The considerable

support for the proposals including from the new leadership at Thanet District Council and adjoining authorities carries significant weight

- Reopening Manston Airport is very much in the public's interest. It is sustainable development
- There will not be any adverse effects after mitigation which would outweigh the benefits of the proposed development which include bringing the site back into beneficial use
- Connectivity is vital to economic regeneration and the development of Manston Airport would create a nationally significant logistics gateway, synergies with similar gateways at Dover and Folkestone (Channel Tunnel) resulting in Kent becoming the UK's primary trade corridor to Europe; a major county/sub regional employment cluster generating a substantial number of new jobs, a focal point for other related inward investment in East Kent, and a range of spin-off benefits to the County's economy including significant supply chain opportunities, enhanced potential to increase domestic and overseas visitor numbers, a strategically important and highly connected business location and a significant stimulus to the commercial property market and through that to the viability of other regeneration schemes being held back by low rental values
- Manston is an under-utilised infrastructure asset of significant scale, potential and importance that is strategically located in the primary trade corridor linking London and the South East to Europe. It is one of only half a dozen airports in the UK with a runway longer than 2,700m in commercial use.
- The London Airports System (defined as Heathrow, Gatwick, Stansted, Luton, London City Airport and Southend) is complex and in places highly congested (and in others likely to become so of the next decade), with supporting airspace which is constrained and in need of a major re-structure. Manston benefits from sitting outside that constrained airspace system, is completely un-constrained, with the ability to handle any kind of aircraft and with access to central London by rail with an hour and by truck to the M25 within 90 minutes

2.8 In light of the above, the new Thanet Local Plan should contain a specific policy covering the Manston Airport site and this policy should continue to safeguard land at Manston Airport for aviation uses. As such, this policy would be a continuation of saved Policy EC4 in the adopted Thanet Local Plan (2006). A policy safeguarding Manston Airport for aviation uses will be entirely consistent with national policy and in particular, the Government's Aviation Policy Framework (2013); the Airports NPS (June 2018) and the NPPF all of which fully recognises the major contribution made by the aviation sector to the national economy.

2.9 There needs to be a continued application of policy which safeguards the airport for aviation uses to prevent it from becoming anything other than an airport. The site will otherwise be left vulnerable to development proposals if no safeguarding policy is included. In accordance with paragraph 16(d) of the NPPF, a policy would make things perfectly clear for how TDC and others as decision makers should react to development proposals.

2.10 The evidence base that TDC are relying upon, namely the Avia Solutions Report (September 2016 and related update reports) is not adequate, up-to-date, relevant or reflective of market signals (paragraph 31 of the NPPF) for the reasons as set out in RSP's representations to the Proposed Revisions to the draft Thanet Local Plan (Preferred Options) January 2017 (RPS letter

dated 17th March 2017). These representations included a report from Northpoint Aviation Services called *“The shortcomings of the Avia Solutions Report and a Review of River Oak’s Commercial Opportunities for an Airport Operation at Manston”* (March 2017). This report is re-appended to this statement for ease as Appendix 5 and demonstrates why the evidence from Avia Solutions Limited should not be relied upon in the preparation of the new Local Plan. The evidence that has been submitted by RSP as part of the Manston Airport DCO application, namely the Azimuth Report (Volumes I to IV) (July 2018)¹ is a more reliable evidence base which demonstrates that aviation uses at Manston Airport are viable in the future and why there should be a policy in the new Thanet Local Plan that safeguards the airport for airport uses.

APPENDIX 5

- 2.11 In accepting the Manston Airport DCO, PINS have accepted that RSP’s proposals for development are nationally significant infrastructure. In light of the above, a new policy should be included in the new Local Plan which safeguards land within the Manston airport boundary for aviation uses. This policy would remain in place until such time that a decision on the Manston Airport DCO prompts a review of the Local Plan and new policies are devised.

3 NO BASIS FOR ALLOCATING THE MANSTON AIRPORT SITE FOR ANY OTHER USE

- 3.1 TDC have not sought to allocate the Manston Airport site for any particular use in the new Local Plan so as not to prejudice the outcome of RSP's DCO. They are correct not to have done so, although there is a need for a positive policy to safeguard Manston Airport for aviation use. To allocate the site for non-airport uses before the RSP DCO is determined would be premature. Government policies support aviation growth in recognition of the benefits that this delivers which are essential to economic wellbeing. It is for the DCO Inspectors to decide whether they are able to support a proposal for aviation development and whether it supports the Government's aviation policy objectives.
- 3.2 In not allocating the Manston Airport site for any particular use, TDC has demonstrated that the land is not needed to meet land supplies for housing, employment or any other land uses as required over the Local Plan period to 2031. Appendix 1 of RSP's representations to the Pre-Submission Regulation 19 Version of the new Thanet Local Plan is a report by RPS called "*Thanet District Local Plan: Updated Review of Housing Supply and Housing Need*" (October 2018). This report specifically concludes that there is currently sufficient deliverable housing land capacity within Thanet District which is capable of delivering the Council's housing need for the plan period 2011-2031. Furthermore, TDC have allocated 53 hectares of employment land in the new Local Plan where only a requirement for 15 hectares has been identified. The Council could therefore consider the option to give more of this land over to housing if required. Consequently, the Manston Airport site is not needed to meet the Council's housing or employment land requirements.
- 3.3 Any decision to allocate the Manston Airport site for alternative, non-aviation related uses will need to be the subject of a Local Plan review in the event that the Manston Airport DCO is not granted and only once all the relevant evidence to substantiate an alternative approach has been collected, assessed and accepted.
- 3.4 Furthermore, the status of the hybrid planning applications currently before TDC suggest that any allocation for residential use (or a mixed-use development with a large residential component) would be inappropriate. The proposals presented in the hybrid planning applications represent a departure from the Development Plan and are unacceptable in planning terms for the following reasons:
- There is no demonstrated, or demonstrable, need for the housing being sought;
 - Insufficient infrastructure exists and is not being sought at this isolated site to support such a significant increase in population, including road access, gas, electricity, water and sewerage services;
 - There are environmental issues that have not been adequately dealt with. The Applicant has promised to submit an addendum to their Environmental Statement to include additional transport modelling data; updated ecological survey results and the results of further archaeological work but has failed to deliver this despite requests being made by TDC since August 2018;

HEARING STATEMENT

- The applications have attracted several significant objections from statutory bodies, including the Ministry of Defence, who will not allow housing to be built near its equipment; and
- It is a high cost project in a low value area and could never be financially viable. A Viability Assessment in connection with the proposals has not been made available to the public to date.

4 QUESTIONS RAISED BY THE INSPECTORS ON MANSTON AIRPORT

Question 1 – What is the justification for including reference to Manston Airport alongside policies related to the allocation of employment land? Are paragraphs 1.38 to 1.45 intended to represent supporting text to Policy SP04

- 4.1 For the reasons set out in Section 2 of this statement, there needs to be a new policy (or policies) included in the new Local Plan which safeguards land within the Manston Airport boundary for aviation uses. This policy would remain in place until such time that a decision on the Manston Airport DCO prompts a review of the Local Plan and new policies are devised.
- 4.2 Manston Airport is not needed as an allocated employment site in the new Local Plan nor should it be presented in a section of the Local Plan that deals with employment. Paragraphs 1.38 to 1.45 are not supporting text to Policy SP04. A new policy safeguarding the airport needs to feature in the new Local Plan in its own right. It should not sit in Section 1 of the new Local Plan (Job Growth Strategy) as it does not fulfil this objective. There should simply be a short new section covering Manston Airport with an explanation of the current status of the site; an explanation of the Council's preferred strategy to safeguard the site until the outcome of the DCO is known and what the Council's strategy will be for the site once the DCO decision is known and the relevant policy (policies) that the Council needs to safeguard the airport for aviation uses to prevent it from becoming anything other than an airport. This approach will make things perfectly clear for how TDC and others as decision makers should react to development proposals for the airport.

Question 2 – What is the status regarding the proposed Nationally Significant Infrastructure Project? How does its timescales align with the Local Plan Examination?

- 4.3 A decision on the DCO is expected by 9th January 2020. The TDC Local Development Scheme 2018 (document reference CD7.1) states that the Local Plan is expected to be adopted in Summer 2019. This is out of date. TDC's submissions to the Manston Airport DCO have stated that adoption is more likely to happen by the end of 2019 therefore at a very similar time to a decision on the Manston Airport DCO.
- 4.4 There is significant overlap in terms of the matters concerning Manston Airport that will be considered at the DCO and Local Plan Examination processes. It is important that the matters are considered in the correct forum without prejudice to the outcome of either process.
- 4.5 RSP agree with TDC that the outcome of the Manston Airport DCO, whether it is granted or refused, will prompt a review of the Local Plan. Indeed, it is noted from the letter from The Rt Hon James Brokenshire MP (Secretary of State for Housing, Communities and Local Government) to Thanet DC dated 28th January 2019 in relation to the Local Plan Intervention (see Appendix 6) that the Secretary of State has in any event directed TDC to review their Local Plan within six months of adoption to "*ensure full and effective coverage of housing provision to give clarity to communities and developers about where homes should be built.*"

APPENDIX 6

- 4.6 If the Local Plan is to be reviewed by Summer 2020 as anticipated, the review can also address the future of the Manston Airport site with the benefit of the RSP DCO decision.

Question 3 – What are the implications for the Local Plan should the DCO be approved

- 4.7 If the DCO is approved, a review of the Local Plan will be required as the current Plan does not include policies which assume and plan for this scenario. Paragraph 1.44 of the draft Thanet Local Plan rightly states that a review will be needed in relation to aviation and environmental matters. It also states that housing land supply provisions would need to be reviewed albeit that the RPS Employment and Housing Land Technical Report (March 2018) provided as Appendix 6 to the DCO Planning Statement (see **Appendix 3** of this statement) concludes that there is no need for new housing to support the new workforce as a result of a reopened Manston Airport.
- 4.8 New policies will need to be drafted to include, amongst other things:
- Definition of the airport boundary including on the Policies Map
 - Details of what types of development will be permitted at the airport (both within the airport boundary) and close to it and what development will be prevented
 - Airport safeguarding and control of development
 - Controls over development at the airport (noise, visual impact, design etc,)
 - Requirements for mitigation, pollution control and environmental protection
 - Surface access and car parking requirements
- 4.9 It is common place, and also good planning policy practice, for Local Planning Authorities with aerodromes within their administrative area to include such policy provisions in their Local Plans. Indeed, the DfT/ODPM Circular 1/2003 - *Advice to local planning authorities on safeguarding aerodromes and military explosives storage areas* states in Annex 2 that Local Plans should include a policy stating that officially safeguarded areas have been established for a particular airport or technical site, and that certain planning applications will be the subject of consultation with the operator of that aerodrome or technical site and that there may be restrictions on the height or detailed design of buildings or on development which might create a bird hazard (as described in the Circular). The Circular further states that the outer boundary of safeguarded areas should be indicated on proposals maps accompanying Local Plans and that a plan should state why an area has been safeguarded.
- 4.10 There may also be a need to review the Local Plan's strategic objectives and policies in light of the positive role that the reopened airport will undoubtedly play in TDC's strategies for growth, economic development and regeneration.
- 4.11 TDC's employment land requirements may also need to be reviewed in response to an assessment of the likely impacts of reopening the airport.
- 4.12 The sites allocated in the Local Plan for development will need to be reviewed to ensure that any planned development could still be delivered viably in full recognition that the airport will be operational in accordance with the conditions of the DCO decision.

- 4.13 The Local Plan Review will also need to plan for/incorporate the infrastructure and transport requirements prompted by the DCO. RSP's proposals already fully mitigate against any impacts and commitments are included for improvements in this sense and for environmental improvements in general.
- 4.14 If the DCO is approved, there will need to be a substantial review of the Local Plan which would be tantamount to a wholesale review of the Local Plan given the strategic implications that reopening the airport would prompt.
- 4.15 Any review of the Local Plan will need to be conducted very quickly after the DCO decision has been received so that the Local Planning Authority has a policy framework that can deal with matters that will very quickly become relevant as the DCO scheme is implemented. RSP anticipate that the full reopening of the airport would therefore take place in Year 2 (2022) with the first full year of freight operations expected in Year 3 (2023). Passenger services are anticipated to start in Year 4 (2024).
- 4.16 The Local Plan review would need to be carried out in accordance with the requirements of paragraphs 16-34 of the NPPF 2019 and in particular, it should be shaped by early, proportionate and effective engagement between planmakers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees given the strategic considerations and cross-boundary issues that reopening Manston Airport would prompt (paragraphs 16 and 24 of the NPPF 2019). It also needs to be prepared and underpinned relevant and up-to-date evidence (paragraph 31 of the NPPF 2019).

Question 4 – What are the implications for the Local Plan should the DCO be refused

- 4.17 There will need to be a review of the Local Plan if the DCO is refused not least so that it is perfectly clear to decision-makers, how they should react to any proposals for development at Manston Airport and to potential developers, how their proposals are likely to be considered in planning policy terms.
- 4.18 If the DCO is refused because the need case for keeping the airport in aviation use is not accepted, then TDC will need to consider what the future of the airport will be in spatial planning terms and to address objectively assessed needs. This is unlikely to be a quick or easy decision and will need to be properly and robustly considered and assessed to ensure that any planned development can be viably delivered within the Plan period.
- 4.19 There cannot be any assumption made at this stage that the airport site could come forward for housing development. This scenario would need to be properly assessed based on full and up-to-date evidence. Just because TDC allocated the airport site for a new settlement in their 2017 version of the draft Local Plan doesn't mean that it automatically qualifies as a suitable housing site now. Indeed, SHP's experience of promoting a new settlement at the airport site through the submission of two planning applications has demonstrated that this option is not straightforward.
- 4.20 Until a decision is made about whether the site should be allocated and for what purpose, the Local Plan review will need to include policies about how future development at the airport will be guided and this will need to address the very real prospect that development may not be able to come forward in the next Local Plan period.

- 4.21 As with the response to Question 3 above, the Local Plan review will need to be prepared in accordance with the requirements of the NPPF 2019 and shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees. Redeveloping Manston Airport will give rise to cross-boundary issues given its close proximity to Dover District and its status as a strategic site.

Question 5 – If a Local Plan Review is required, is it clear to decision-makers, developers and local communities when this would happen? Is there a clear mechanism to ensure a timely review of the Plan, which currently refers to a ‘minimum’ period of 2 years?

- 4.22 The letter from The Rt Hon James Brokenshire MP (Secretary of State for Housing, Communities and Local Government) to Thanet DC dated 28th January 2019 in relation to the Local Plan Intervention (see **Appendix 6**) has directed TDC to review their Local Plan within six months of adoption to “ensure full and effective coverage of housing provision to give clarity to communities and developers about where homes should be built.” This needs to be included in the new Local Plan. The DCO decision will be known within six months of the currently planned adoption of the new Thanet Local Plan (by June 2020) so the review can include measures to reflect the outcome.

Question 6 – Is it clear how a decision-maker would react to a proposal for new development at Manston Airport prior to a review of the Plan?

- 4.23 No, it is not clear, and this is precisely why RSP are insisting that there needs to be a continued application of policy which safeguards the airport for aviation uses to prevent it from becoming anything other than an airport until at least the outcome of the Manston Airport DCO is known. The site will otherwise be left vulnerable to development proposals if no safeguarding policy is included particularly as the Local Plan as currently drafted would ensure a situation “where there are no relevant development plan policies” thus triggering the application of the tilted planning balance in favour of any application, pursuant to paragraph 11 of the NPPF. In accordance with paragraph 16(d) of the NPPF, a policy would make things perfectly clear for how TDC and others as decision makers should react to development proposals.
- 4.24 The Manston Airport DCO project has been accepted as a Nationally Significant Infrastructure Project (NSIP). Whilst this confirms that the proposal would deliver significant infrastructure that would be in the national interest if permitted, and by inference, that there can be a reasonable prospect of the airport reopening, this does not carry sufficient weight in the planning balance. Consequently, and until such time that a decision on the DCO is made, clear and unambiguous policies on Manston Airport need to be included in the Local Plan to avoid any uncertainty and these policies should safeguard the site for aviation uses.

Question 7 – What is the justification for paragraph 1.44? If a Development Consent Order for aviation use is granted, what “housing land supply provisions” would need to be reviewed and why?

- 4.25 In paragraph 4.2.6 of the TDC Local Impact Report (February 2019)¹ to the DCO examination, the Council states that *“the implications of the job creation purported from this project would significantly affect the OAN for housing within the East Kent region. The impact is a likely significant increase in housing requirements in Thanet. This may result in indirect effects, such as additional loss of countryside through increased housing developments and significant new infrastructure demands.”* However, TDC has not provided any evidence to the DCO examination, or the Local Plan examination to substantiate this claim including as justification for requiring any Local Plan review to consider housing land supply provisions in the event that the DCO is granted as set out in paragraph 1.44.
- 4.26 If the DCO is granted, TDC would need to carry out a full assessment to enable them to properly consider whether the jobs created by a reopening of the airport would prompt any need for additional housing and if so, the Local Plan review will need to properly plan for this. As set out in the response to Question 3 (see above), RSP’s evidence to the DCO examination is that there is no need for new housing to support the new workforce as a result of a reopened Manston Airport (see RPS Employment and Housing Land Technical Report (March 2018) provided as Appendix 6 to the DCO Planning Statement (see **Appendix 3** of this statement).

Question 8 – What are the implications of The Town and Country Planning (Manston Airport) Special Development Order 2019 No. 86 on the soundness of the submitted Local Plan and its strategy for the airport?

- 4.27 The 2019 Order augments the Town and Country Planning (Operation Stack) Special Development Order 2015. Operation Stack allows part of the runway at Manston Airport to be used for non-aviation uses, namely the stationing of goods and vehicles, the use of the control tower as a co-ordination centre and the erection of temporary structures. To date, it has not been used for that purpose. The 2019 Order grants temporary planning permission for development at Manston Airport to facilitate ‘Operation Stack’ until the end of 31st December 2020 and immediately thereafter, the land reverts to its previous lawful use (as an airport). The 2019 Order does not impact on RSP’s planned programme for the reopening of Manston Airport and in the event that the DCO is granted, including compulsory acquisition powers, RSP are committed to honouring the requirements of the 2019 Order.
- 4.28 ‘Operation Stack’ is a short-term, temporary measure of expediency to alleviate a specific traffic congestion problem until a longer solution is found. It does not grant permanent planning permission and certainly should not be viewed as granting planning permission for non-aviation uses at the airport. This was the conclusion of the Planning Inspector (Matthew C J Nunn) in his July 2017 decision on the appeals by Lothian Shelf (718) Limited which proposed non-aviation uses at Manston Airport (see paragraphs 45 and 46 of the appeal decision which is provided as

¹ <https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR020002/TR020002-003135-Thanet%20District%20Council%20-%20Local%20Impact%20Report%20Manston%20Airport.pdf>

- Appendix 4 of the RPS Planning Statement (July 2018) in support of the Manston Airport DCO – **Appendix 3** of this statement).
- 4.29 The draft Local Plan is silent on the 2019 Order. This is an omission and the 2019 Order should be referenced to fulfil the soundness test of ‘being positively prepared’ or informed by agreements with other authorities.
- 4.30 TDC’s strategy for the airport is not to allocate it for any specific purpose. To make the plan ‘sound’ the Manston Airport site does not need to be allocated for ‘Operation Stack’ in the Local Plan but policies in the Local Plan do need to be included to safeguard the Manston Airport site from inappropriate, non-airport related development that may prevent it from being used for the purposes intended in the 2019 Order prior to 31st December 2020, and thereafter, by uses that would prevent it from being used for its lawful use which is as an airport.

Appendix 1

Manston Airport DCO Examination Timetable

Examination Timetable

The Examining Authority (ExA) is under a duty to **complete** the examination of the application by the end of the period of six months beginning with the day after the close of the Preliminary Meeting.

Item	Matters	Due Dates
1	Preliminary Meeting	9 January 2019
2	Issue Specific Hearing 1 Dealing with matters relating to the draft Development Consent Order (dDCO)	10 January 2019 (Daytime)
3	Open Floor Hearing 1	10 January 2019 (Evening)
4	Open Floor Hearing 2	11 January 2019 (Daytime)
5	<p>Deadline 1</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> Relevant material requested by the ExA as specified in Annex F to the Rule 6 letter¹ Written summaries of oral submissions put at the Preliminary Meeting or/ and hearings held on 10 and 11 January 2019 <p>Issue by the ExA of:</p> <ul style="list-style-type: none"> Examination Timetable <p>Publication of:</p> <ul style="list-style-type: none"> The ExA's Written Questions 	18 January 2019
6	<p>Deadline 2</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> Notification of wish to speak at a Compulsory Acquisition Hearing Notification of wish to speak at a subsequent Open Floor Hearing Notification of wish to attend the Accompanied 	6 February 2019

¹ Your invitation to the Preliminary Meeting, available here:
<https://infrastructure.planninginspectorate.gov.uk/document/TR020002-002816>

	<p>Site Inspection on 19 March 2019</p> <ul style="list-style-type: none"> • Notification by Statutory Parties of wish to be considered an Interested Party • Comments on any submissions made to Deadline 1 • Applicant's draft itinerary for the Accompanied Site Inspection to be held on 19 March 2019 (see Annex B) 	
7	<p>Issue by the ExA of:</p> <ul style="list-style-type: none"> • Notification of date, time and place of hearings to be held between 20 and 22 March 2019 • Notification of date, time and meeting place for Accompanied Site Inspection on 19 March 2019 <p>Publication of:</p> <ul style="list-style-type: none"> • ExA's itinerary for the Accompanied Site Inspection on 19 March 2019 	8 February 2019
8	<p>Deadline 3</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> • Comments on Relevant Representations (RRs) • Summaries of all RR's exceeding 1500 words • Written Representations (WRs) • Summaries of all WRs exceeding 1500 words • Local Impact Reports from any Local Authorities • Initial Statements of Common Ground requested by the ExA • Responses to the ExA's Written Questions • An updated version of the Application Document Tracker • First version of the Compulsory Acquisition Status Report • An updated Book of Reference • Applicant's first revised dDCO • Any further information requested by the ExA under Rule 17 of the Exam Rules² 	15 February 2019
9	<p>Deadline 4</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> • Comments on WRs and responses to comments 	8 March 2019

² The Infrastructure Planning (Examination Procedure) Rules 2010

	<p>on RRs</p> <ul style="list-style-type: none"> • Comments on Local Impact Report(s) • Comments on responses to the ExA's Written Questions • Comments on any further information requested by the ExA and received to Deadline 3 • An updated version of the Application Document Tracker • An updated version of the Compulsory Acquisition Status Report • Progressed Statements of Common Ground requested by the ExA • Any further information requested by the ExA under Rule 17 of the Exam Rules 	
10	Accompanied Site Inspection	19 March 2019
11	<p>Dates reserved for:</p> <ul style="list-style-type: none"> • Any other Issue Specific Hearing(s) on matters that may be required • Any further Open Floor Hearing(s) that may have been requested • Any Compulsory Acquisition Hearing(s) that may have been requested or is required 	18 to 22 March 2019
12	<p>Deadline 5</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> • Written summaries of oral submissions put at any hearings held between 20 and 22 March 2019 • Applicant's second revised dDCO • An updated version of the Application Document Tracker • An updated version of the Compulsory Acquisition Status Report • Comments on any further information requested by the ExA and received to Deadline 4 • Any further information requested by the ExA under Rule 17 of the Exam Rules 	29 March 2019
13	<p>Publication of:</p> <ul style="list-style-type: none"> • The ExA's Written Questions (if required) 	5 April 2019

14	<p>Deadline 6</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> • Responses to the ExA's Written Questions (if issued on 5 April 2019) • An updated version of the Application Document Tracker • An updated version of the Compulsory Acquisition Status Report • Comments on any further information requested by the ExA and received to Deadline 5 • Any further information requested by the ExA under Rule 17 of the Exam Rules <p>Issue by the ExA of:</p> <ul style="list-style-type: none"> • Notification of any further hearings to be held in the week beginning 3 June 2019 (if required) 	3 May 2019
15	<p>Publication of:</p> <ul style="list-style-type: none"> • The ExA's dDCO (if required to facilitate the Examination) 	10 May 2019
16	<p>Deadline 7</p> <p>Deadline for receipt by the ExA of:</p> <ul style="list-style-type: none"> • Comments on responses to the ExA's Written Questions (if issued on 5 April 2019) • Comments on the ExA's dDCO (if issued on 10 May 2019) • Final Statements of Common Ground requested by the ExA • Comments on any further information requested by the ExA and received to Deadline 6 • Any further information requested by the ExA under Rule 17 of the Exam Rules 	17 May 2019
17	<p>Dates reserved for:</p> <ul style="list-style-type: none"> • Any further Issue Specific Hearing(s) that may be required • Any further Open Floor Hearing(s) that may have been requested • Any further Compulsory Acquisition Hearing(s) that may have been requested or is required • A second Accompanied Site Inspection (if 	4 to 7 June 2019

	required)	
18	<p>Deadline 8</p> <p>Deadline for receipt by ExA of:</p> <ul style="list-style-type: none"> • Written summaries of oral submissions put at any hearings held in week beginning 3 June 2019 • An updated version of the Application Document Tracker • An updated version of the Compulsory Acquisition Status Report • Comments on any further information requested by the ExA and received to Deadline 7 • Any further information requested by the ExA under Rule 17 of the Exam Rules <p>Issue of:</p> <ul style="list-style-type: none"> • The ExA's dDCO (if required to facilitate the Examination) 	14 June 2019
19	<p>Publication of:</p> <ul style="list-style-type: none"> • Report on the Implications for European Sites (RIES) (if required) 	17 June 2019
20	<p>Deadline 9 (if required)</p> <p>Deadline for receipt by ExA of:</p> <ul style="list-style-type: none"> • Comments on ExA's dDCO (if issued on 14 June 2019) • Comments on any further information requested by the ExA and received to Deadline 8 • Any further information requested by the ExA under Rule 17 of the Exam Rules 	28 June 2019
21	<p>Deadline 10</p> <ul style="list-style-type: none"> • Comments on the RIES (if issued on 17 June 2019) • An updated version of the Application Document Tracker • An updated version of the Compulsory Acquisition Status Report 	2 July 2019
22	<p>Deadline 11</p> <ul style="list-style-type: none"> • The ExA is under a duty to complete the examination of the application by the end of the period of 6 months 	9 July 2019

Appendix 2

Manston Airport DCO – Statement of Reasons (July 2018)



RiverOak Strategic Partners

3.1

Statement of Reasons

TR020002/APP/3.1

Project Name:

Manston Airport Development Consent Order

Regulation:

Regulation 5(2)(h) of the Infrastructure Planning
(Applications: Prescribed Forms and Procedure)
Regulations 2009, as amended

Date:

July 2018

Manston Airport Development Consent Order

Statement of Reasons

July 2018

Application draft

Scheme Name Manston Airport DCO
Promoter's Name RiverOak Strategic Partners Ltd
Author Bircham Dyson Bell
Document Number TR020002/APP/3.1
2009 Regulations 5(2)(h)

1 INTRODUCTION

- 1.1 This Statement of Reasons has been prepared on behalf of RiverOak Strategic Partners Ltd ('RiverOak'). It relates to the application for a development consent order ('DCO') by RiverOak to the Planning Inspectorate ('PINS') under the Planning Act 2008 ('the PA 2008') for their proposal for powers to acquire, construct, operate and maintain an international air freight hub on the former site of Manston Airport in the South East of England.
- 1.2 RiverOak are proposing to reopen Manston Airport as an international air freight hub ('the Proposed Development'). The history of the site is briefly described in section 6 of this Statement and more detailed description can be found in the Planning Statement (**Document TR020002/APP/7.2**) which accompanies this application.
- 1.3 The Proposed Development would include both the use of the existing airport infrastructure and the introduction of new facilities and in summary, would include:
- 1.3.1 an area for cargo freight operations, including 19 cargo stands; and
 - 1.3.2 facilities for other airport-related development, including:
 - (a) a passenger terminal and associated facilities;
 - (b) an aircraft teardown and recycling facility;
 - (c) a flight training school;
 - (d) a base for at least one passenger carrier;
 - (e) a fixed base operation for executive travel; and
 - (f) business facilities for aviation related organisations.
- 1.4 The Proposed Development is an airport-related nationally significant infrastructure project ('NSIP') under sections 14(1)(i), 23(4) and 23(5)(b) of the PA 2008 as the alteration of an airport, the effect of which *'is to increase by at least 10,000 per year the number of air transport movements of cargo aircraft for which the airport is capable of providing air cargo transport services'*. In summary, the Proposed Development will be capable of handling at least 10,000 air cargo movements per year, indeed it is forecast that it will be capable of handling more than 8 times the threshold in the Planning Act 2008. Further explanation of this is included in NSIP and Associated Development Justification (**Document TR020002/APP/2.3**).
- 1.5 As an NSIP, the Proposed Development requires a DCO under the PA 2008. This statement forms part of the application for a DCO that has been submitted to PINS for their consideration.
- 1.6 The following chapters contained within this Statement of Reasons provide the justification for the application, including a description of the proposal and the need for the development. The document provides further detail about the compulsory powers being sought under the DCO and the reasoning behind those powers being sought.

2 PURPOSE OF DOCUMENT

- 2.1 This Statement has been prepared in compliance with the requirements of Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 (the APR 2009) and the PA 2008, both as amended; and Guidance related to procedures for compulsory acquisition produced by the Department for Communities and Local Government as updated September 2013 (the Guidance).
- 2.2 This Statement is required because the DCO will authorise the compulsory acquisition of land and/or rights in land as described in section 8 and Appendix 1 of this document.
- 2.3 Paragraphs 31 and 32 of the Guidance acknowledge that the APR 2009 require a statement of reasons and Paragraph 32 advises that:
- “The statement of reasons should seek to justify the compulsory acquisition sought, and explain in particular why in the applicant’s opinion there is a compelling case in the public interest for it. This includes reasons for the creation of new rights”.*
- 2.4 This Statement sets out the reasons for seeking powers for the compulsory acquisition of land and/or rights in land, or for the temporary use of land. These powers are being sought to ensure that RiverOak has the requisite powers to construct, operate and maintain the Proposed Development.
- 2.5 This statement shows that there is a compelling case in the public interest for the relevant land to be subject to the powers of compulsory acquisition and certain other powers within the DCO.
- 2.6 The use of powers of compulsory acquisition in these circumstances is legitimate and proportionate, and any interference with the human rights of those with interests in the land proposed to be acquired is justified.
- 2.7 This Statement forms part of a suite of documents accompanying the application submitted in accordance with section 55 of the PA 2008 and Regulation 5 of the APR 2009 and should be read alongside those documents. In particular, RiverOak has submitted the following documents relating to the compulsory acquisition powers sought as part of the Proposed Development:
- 2.7.1 this document;
- 2.7.2 plans showing the land over which the various interests or rights over land would be acquired. The Land Plans (**Document TR020002/APP/4.2**);
- 2.7.3 a Book of Reference containing details of the interests or rights in land which may be acquired and the names and addresses of all those who may be affected by the proposed acquisition of those interests or rights. The Book of Reference (**Document TR020002/APP/3.3**);
- 2.7.4 a statement to explain how the proposals contained in the DCO will be funded. The Funding Statement (**Document TR020002/APP/3.2**); and
- 2.7.5 a report setting out a detailed explanation of the justification for the Proposed Development. (**Document TR020002/APP/7.4**).

- 2.8 The following paragraphs provide a step by step guide to enable a person with an interest in land affected by the proposals to use the DCO documentation to find out how RiverOak's proposals may affect the land in which they have an interest.
- 2.9 **Step 1:** Look at the **Land Plans (Document TR020002/APP/4.2)** and find the area (plot(s)) of land in which you have an interest.
- 2.10 **Step 2:** Note the colour of the plot and the number of the plot.
- 2.11 The **colour of the plot** will give you an initial indication of the purpose for which the land in that plot is required:
- 2.11.1 **pink plots** - compulsory acquisition of land
 - 2.11.2 **blue plots** – compulsory acquisition of new rights over land / imposition of restrictive covenants restricting use of land
 - 2.11.3 **green plots** - temporary possession and use of land
 - 2.11.4 **orange plots** – permanent acquisition of subsoil only
 - 2.11.5 **orange plots with blue hatching** – permanent acquisition of subsoil and acquisition of permanent rights over land
 - 2.11.6 Note the **plot number** – this will enable you to identify the land where it is referred to in other DCO documents – see Step 3 below.
- 2.12 **Step 3:** Use the plot number(s) to find references to the land in other DCO documents, such as
- 2.12.1 this **Book of Reference (Document TR020002/APP/3.3)** - this provides a brief description of each plot (including an approximate area measurement) and details of persons who own, lease or otherwise occupy or have an interest in the land; and
 - 2.12.2 the draft DCO (**Document TR020002/APP/2.1**).
- A condensed version of the 3-step guide, to assist with using the DCO documentation is set out at Appendix 2 of this document.
- 2.13 This Statement is structured as follows:
- 2.13.1 section 3 outlines the description of the proposal;
 - 2.13.2 section 4 outlines the need for and the benefits of the Proposed Development;
 - 2.13.3 section 5 summarises the scope of the compulsory acquisition powers and certain other powers set out in the DCO;
 - 2.13.4 section 6 is a description and location of the land over which the compulsory purchase powers are sought;
 - 2.13.5 section 7 sets diligent inquiry process/methodology

- 2.13.6 section 8 sets out the purpose for which compulsory acquisition powers are sought;
- 2.13.7 section 9 provides the justification for seeking powers of compulsory acquisition and certain other powers which are set out in the DCO;
- 2.13.8 section 10 outlines RiverOak's approach to the acquisition of land and rights by agreement;
- 2.13.9 section 11 identifies other consents which are or may be required in addition to the powers sought in the DCO;
- 2.13.10 section 12 covers special considerations and impediments;
- 2.13.11 section 13 provides justification of the interference with the Human Rights; and
- 2.13.12 Section 14 comprises summary and conclusions.

3 DESCRIPTION OF THE PROPOSED DEVELOPMENT

- 3.1 Full details of the land to be subject to compulsory acquisition powers are set out in the Land Plans (**Document TR020002/APP/4.2**) and in the Book of Reference (**Document TR020002/APP/3.3**) accompanying the application for the DCO.
- 3.2 Chapter 3 of the Environmental Statement (ES) (**Document TR020002/APP/5.2-1**) sets out full description of the Proposed Development. The Proposed Development shall consist of the following principal components:
 - 3.2.1 Runways and taxiways suitable for the take-off and landing of a broad range of cargo aircraft;
 - 3.2.2 An area for cargo freight operations able to handle at least 10,000 movements per year and associated infrastructure, including:
 - (a) A new Air Traffic Control (ATC) tower;
 - (b) A new fire station; and
 - (c) A new fuel farm.
 - 3.2.3 Facilities for other airport related development, including:
 - (a) A new passenger terminal and associated facilities;
 - (b) An aircraft teardown and recycling facility;
 - (c) A flight training school;
 - (d) A base for at least one passenger carrier;
 - (e) A fixed base operation for executive travel; and
 - (f) Business facilities for airport related organisations.

- 3.2.4 A detailed description of the Proposed Development is provided in **Chapter 3 of the ES (Document TR020002/APP/5.2-1)**.
- 3.3 The aims and purpose of the Proposed Development are to reopen and develop Manston Airport as a dedicated air freight facility, which also offers passenger, executive travel, and aircraft engineering services. The facilities for air freight and cargo operations would be able to handle a minimum of 10,000 air freight air traffic movements per year, and the airport and facilities at the airport would be compliant with European Aviation Safety Agency (EASA), or other relevant licensing organisation standards.
- 3.4 A glossary of airport and aviation related terminology is included as part of the DCO application in document (**Document TR020002/APP/1.4**).
- 3.5 A summary of the works to be undertaken as part of the Proposed Development are presented below:
- 3.5.1 upgrade of Runway 28 to allow CAT II/III operations;
 - 3.5.2 realignment of the parallel taxiway (Alpha) to provide EASA compliant clearances to runway operations;
 - 3.5.3 construction of 19 EASA compliant Code E stands for air freight aircraft;
 - 3.5.4 installation of new high mast lighting for aprons and stands;
 - 3.5.5 construction of 65,500m² of cargo facilities;
 - 3.5.6 construction of a new air traffic control tower;
 - 3.5.7 refurbishment and improvement of the existing airport fuel farm;
 - 3.5.8 existing fire station replacement;
 - 3.5.9 complete fit-out of airfield navigational aids (nav-aids);
 - 3.5.10 construction of new aircraft maintenance hangars;
 - 3.5.11 development of the 'Northern Grass Area' for airport related businesses;
 - 3.5.12 demolition of the redundant 'old' Air Traffic Control Tower;
 - 3.5.13 highway improvement works, both on and off site; and
 - 3.5.14 extension of passenger service facilities including an apron extension to accommodate an additional aircraft stand and doubling of the current terminal size.

4 THE NEED FOR AND THE BENEFITS OF THE PROPOSED DEVELOPMENT

4.1 The legislative and national policy statement context

- 4.2 Section 104 (3) of the PA 2008 states that the Secretary of State must decide an application in accordance with any “relevant policy statement”, unless the circumstances in subsections (4) to (8) apply.
- 4.3 Section 104(2)(a) of the PA 2008 makes clear that a “relevant national policy statement” for the purposes of section 104(3) is one that “has effect” in relation to the development.
- 4.4 Paragraph 1.40 of the Airport NPS (June 2018) states that it: “has effect in relation to the delivery of additional airport capacity through the provision of a Northwest Runway at Heathrow Airport” and at paragraph 1.41 that it “does not have effect in relation to an application for development consent for an airport development not comprised in an application relating to the Heathrow”
- 4.5 The Proposed Development, not being the provision of a Northwest Runway at Heathrow, is not therefore the development for which relevant national policy has effect. Where no NPS has effect, section 105 provides that in examining an application under this section, the SoS must have regard to—
- “(a) any local impact report (within the meaning given by section 60(3)) submitted to the [Secretary of State] before the deadline specified in a notice under section 60(2),*
- (b) any matters prescribed in relation to development of the description to which the application relates, and*
- (c) any other matters which the Secretary of State thinks are both important and relevant to the Secretary of State’s decision.”*
- 4.6 Paragraph 1.41 of the Airports NPS states, in terms, that the Airport NPS will be “important and relevant” in relation to other airport development as per section 105 of the PA 2008.
- 4.7 The policy context is covered in further detail in the Planning Statement **Document TR020002/APP/7.2** accompanying the DCO application and a summary of the policy context that supports the need for the Proposed Development is set out briefly below.

Airports NPS (June 2018)

- 4.7.1 The Airports NPS gives the following support for air freight at paragraph 2.7:

Air freight is also important to the UK economy. Although only a small proportion of UK trade by weight is carried by air, it is particularly important for supporting export-led growth in sectors where goods are of high value or time critical. Heathrow Airport is the UK’s biggest freight port by value. Over £178 billion of air freight was sent between UK and non-European Union countries in 2016, representing over 45% of the UK’s extra-European Union trade by value. This is especially important in the advanced manufacturing sector, where air freight is a key element of the time-critical supply chain. By 2030, advanced manufacturing industries such as pharmaceuticals or chemicals, whose components and products are predominantly moved by air, are expected to be among the top five UK export markets by their share of value. In the future, UK manufacturing competitiveness and a successful and diverse UK economy will drive the need for quicker air freight.

4.7.2 There is further support at paragraph 3.23:

The aviation sector can also boost the wider economy by providing more opportunities for trade through air freight. The time-sensitive air freight industry, and those industries that use air freight, benefit from greater quantity and frequency of services, especially long haul. By providing more space for cargo, lowering costs, and by the greater frequency of services, this should in turn provide a boost to trade and GDP benefits

Aviation Policy Framework (2013)

4.7.3 The Aviation Policy Framework, which contains the government's current aviation policy until it is replaced by the emerging Aviation Strategy, contains support for air freight, such as in paragraphs 1.2 and 1.6-1.8:

We believe that aviation infrastructure plays an important role in contributing to economic growth through the connectivity it helps deliver. For example, it provides better access to markets, enhances communications and business interactions, facilitates trade and investment and improves business efficiency through time savings, reduced costs and improved reliability for business travellers and air freight operations.

Although air freight carries a small proportion of UK trade by weight, it is particularly important for supporting export-led growth in sectors where the goods are of high value or time critical. Air freight is a key element of the supply chain in the advanced manufacturing sector in which the UK is looking to build competitive strength. Goods worth £116 billion are shipped by air between the UK and non-EU countries, representing 35% of the UK's extra-EU trade by value.

The express air freight sector alone contributed £2.3 billion to UK GDP in 2010 and facilitates £11 billion of UK exports a year. Over 38,000 people are directly employed in the express industry, which supports more than 43,000 jobs in other sectors of the economy.

A successful and diverse economy will drive a need for quicker air freight. Key components to keep factories working are often brought in from specialist companies in North America and the Far East. To keep production lines rolling this often has to be done at short notice. Access to such services is crucial to keeping UK manufacturing competitive in the global marketplace.

4.7.4 There is further support in paragraph 1.46:

In addition to passengers, goods worth £115 billion were shipped by air freight between the UK and non-EU countries. Although air freight carries a small proportion of UK trade by weight, it accounted for 35% of the UK's extra-EU trade in 2011 by value. It is particularly important for supporting export-led growth in sectors where the goods are of high value or time critical. Air freight is a key element of the supply chain in the advanced manufacturing sector in which the UK is looking to build competitive strength.

4.7.5 The draft UK Aviation Strategy (2017)

4.7.6 The Government has recently consulted on the draft UK Aviation Strategy (*Beyond the Horizon: The Future of UK Aviation Strategy*) which set out the long-term direction for aviation policy making for 2050 and beyond. The final Aviation Strategy is anticipated to be published by the end of 2018 and recognises that aviation is an important vehicle for growth and crucial to building a strong economy, creating jobs and supporting growth right across the UK.

4.7.7 Paragraph 2.10 of the draft strategy states:

'There is a need for existing runways throughout the UK to be more intensively utilised, provided environmental issues are fully addressed'

4.7.8 Paragraph 7.20 further states that:

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

4.7.9 The Government received 372 responses to its consultation and in April 2018, it published a document entitled '*Beyond the Horizon: The Future of Aviation in the UK – Next steps towards an Aviation Strategy*'¹¹ which sets out how the Government will take account of the responses to the call for evidence through the next phase of development of the Aviation Strategy. Paragraph 1.29 states that: "...the Government is supportive of airports beyond Heathrow making best use of their existing runways"

4.8 **Need and benefits case**

4.9 In summary, there is an urgent need for dedicated air cargo capacity in the south east of England, for the following reasons:

4.9.1 There is significant unmet need for local air cargo capacity which is currently either not being met at all or being met by trucking cargo through the Channel Tunnel to and from airports on mainland Europe;

4.9.2 The existing airports in the region are primarily passenger airports with few cargo-only flights, which are often first to be displaced when there is disruption or delay; and

4.9.3 The main airport to carry cargo is Heathrow, which carries around 95% in the holds of passenger aircraft, restricting it to the destinations and timetables served by passenger flights;

4.10 A cargo-focused airport at Manston Airport would meet that need as it has several advantages:

4.10.1 A long runway that can accommodate all types of aircraft;

4.10.2 Close to London but outside congested London airspace;

4.10.3 A focus on freight rather than passenger flights and significant airport capacity will provide a reliable and thus attractive service to freight companies; and

- 4.10.4 Dual carriageway or better access to the M25, London and the Channel.
- 4.11 A detailed explanation of the need for and the benefits of the Proposed Development is contained in 'Manston Airport – A Regional and National Asset, Volumes I-IV: an analysis of air freight capacity limitations and constraints in the South East and Manston's ability to address these and provide for future growth' (**Document TR020002/APP/7.4**) (The Azimuth Report). The following paragraphs summarise the findings of the Azimuth Report.
- 4.12 There is a current and growing problem with airport capacity in the UK, which the Proposed Development, if authorised, would help to address (The Azimuth Report, Volume 1 **Document TR020002/APP/7.4**).
- 4.13 The aviation sector is of vital importance to the UK economy, and has been estimated to contribute an annual £52 billion or 3.4% to UK GDP¹. In addition, the UK aviation services sector supports the wider UK economy, including British manufacturing, by carrying high value exports around the world, including to emerging markets. The total value of tradeable goods carried through UK airports in 2014 exceeded £140 billion, and an estimated 40%, by value, of the UK's trade with economies outside of the EU is carried by air².
- 4.14 The increase in demand for air transport seen over the preceding years is also forecast to continue in the period up to 2035. There are forecast to be 50% more flights in Europe in 2035 compared with 2012³. The demand for air freight is also set to increase by more than 50% across the period 2015 to 2035, with particularly strong growth forecast for the longer distance routes such as Europe-Asia (4.6% annually) and Europe-Africa (3.8% annually)⁴.
- 4.15 Globally, 56% of air freight is carried by dedicated freighters. However, in the UK the figure is between 22 and 30% with the remaining 70 to 78% of air freight currently carried as 'belly hold' freight, i.e. in the hold of passenger aircraft. When coupled with evidence that air freight from and for the UK is being trucked to and from mainland European airports, the disparity between global and UK figures indicates that airport capacity constraints are already impacting the air freight sector. The advantages of transporting air freight by dedicated air freighters, particularly for high-value goods, has led to a forecast increase in the number of aircraft in the worldwide freighter fleet of 70% from 2016 to 2035 (Boeing 2016 p4)⁵.
- 4.16 Without additional airport capacity, the UK may be unable to meet the increased demand for air freight and air freighters and, some 2.1 million tonnes of freight would be diverted elsewhere by 2050, mainly to Northern European airports (York Aviation, 2015, p. 19)⁶.
- 4.17 London's six airports, Heathrow, Gatwick, Stansted, Luton, London City and Southend, facilitate around 76% of the UK's air freight (with only Heathrow and Stansted carrying substantial amounts). However, the Airports Commission report shows that all major London airports will be at capacity by 2040, and the Airports NPS states that four of those airports will

¹ Oxford Economics (2015), Economic Benefits from Air Transport in the UK. Available from <http://www.oxfordeconomics.com/my-oxford/projects/281929> (accessed 16 August 2016).

² Airports Commission (2015), Airports Commission: Final report.

³ Eurocontrol (2013), Challenges of Growth 2013: Summary Report. European Commission: Brussels. Available from <http://www.eurocontrol.int/sites/default/files/content/documents/official-documents/reports/201307-challenges-of-growthsummary-report.pdf> (accessed 16 August 2016).

⁴ Boeing (2016) World Air Cargo Forecast 2016-2017. Available from <http://www.boeing.com/resources/boeingdotcom/commercial/about-ourmarket/cargo-market-detail-wacff/download-report/assets/pdfs/wacff.pdf> (accessed 30 January 2017).

⁵ Boeing (2016a), Current Market Outlook 2016-2035. Available from http://www.boeing.com/resources/boeingdotcom/commercial/about-ourmarket/assets/downloads/cmo_print_2016_final_updated.pdf (accessed 11 February 2017).

⁶ York Aviation (2015), *Implications for the Air Freight Sector of Different Airport Capacity Options*. Available from <http://content.tfl.gov.uk/air-freight-implications-from-new-capacity.pdf> (accessed 2 April 2016).

be at capacity by the mid-2020s (paragraph 2.12). The South East is particularly hard hit by the lack of airport capacity with sustained losses in potential trade running at £2bn/year without additional runway capacity (Centre for Business Research, 2016⁷).

- 4.18 Airport capacity is a problem not just in the UK but also in Europe, where capacity is forecast to increase by 17% to 2035 but leave a shortfall of around nine runways' worth of capacity. In the UK, non-EU trade accounts for just under half of all UK trade and 35% of these goods are air freighted⁸. Both figures could increase following the UK's withdrawal from the EU.
- 4.19 Forecasts show that by 2050, the value of air cargo lost to London due to capacity constraints would equate to £106 billion per annum with net national losses of around £3.9 billion per annum. The number of dedicated freighter movements that will be unmet by London airports is forecast to be 79,712 with no additional runways, amounting to some 2.1 million tonnes of freight, which would be diverted elsewhere, mainly to Northern European airports, putting huge additional pressure on the road network and Channel crossings (Azimuth Report, Volume 1, p. II, **Document TR020002/APP/7.4**).
- 4.20 In summary, the data presented in the Azimuth Report demonstrates that UK requires additional airport capacity to meet its political, economic, and social aims and that this additional capacity is most needed in the south east of England.
- 4.21 Volume 1 of the Azimuth Report sets out the reasons and justification as to how the Proposed Development helps to address the need for capacity identified above.
- 4.22 In summary:

The strategic location of the Proposed Development

- 4.22.1 The Proposed Development is located in the South East where aviation industry demand is highest and most constrained.
- 4.22.2 Manston Airport is located outside of the CTR and flights approaching from the south and east, i.e. from Africa, or Europe, the Middle East and Asia, can save up to 45 minutes in flying time compared with other airports
- 4.22.3 From an airspace perspective, the location of the Proposed Development is ideal. The airport is sufficiently close to the confluence and convergence of major routes, such as those that converge on the Dover beacon, to be able to exploit them whilst sufficiently far away for aircraft to gain height safely before doing so. Aircraft departing from Manston can climb to 6,500 feet (and higher if routed to the north) before having any impact on the efficiency of the Air Traffic Management network (section 6.4, Volume 1 of the Azimuth Report, **Document TR020002/APP/7.4**).
- 4.22.4 Although any proposed changes to airspace would be subject to extensive public and aviation stakeholder consultation, development at Manston would have no

⁷ Centre for Business Research (2016), The Importance of Air Freight to UK Exports: The impact of delaying the runway capacity decision on UK international trade growth. Report for Let Britain Fly Campaign. Available from <http://londonfirst.co.uk/wp-content/uploads/2016/09/Importance-of-air-freight-to-UK-exports-PDF-FINAL.pdf> (accessed 7 September 2016)

⁸ Eurocontrol (2013), *Challenges of Growth 2013: Summary Report*. European Commission: Brussels. Available from <http://www.eurocontrol.int/sites/default/files/content/documents/official-documents/reports/201307-challenges-of-growth-summary-report.pdf> (accessed 16 August 2016).

adverse impact on either civil or military aviation in the area (section 6.4, Volume 1 of the Azimuth Report, **Document TR020002/APP/7.4**).

- 4.22.5 The Proposed Development is outside the London Terminal Manoeuvring/Control Area (TMA) and can therefore provide landing facilities for emergency incidents without causing disruption to the London airports.

Runway Length

- 4.22.6 Manston Airport has an existing 2,748m long paved runway, which, with only minor alterations and new navigational aids and equipment (please see Section 3.2, Chapter 3 of the ES, Volume (**Document TR020002/APP/5.2-1**) would be able to obtain a Aerodrome Certificate from the EASA to allow it to handle the larger classes of aircraft, that are used and operated by air freight carriers.

Potential to accommodate all necessary infrastructure

- 4.22.7 As is shown in Section 3.2 of Chapter 3 of the ES (**Document TR020002/APP/5.2-1**), the Proposed Development has sufficient space for the construction of new air freight handling, storage and processing facilities, alongside the new aircraft stands and aprons. This would provide a significant advantage as it allows the freight handling, forwarding and integrating to be undertaken airside on the airport site, and minimises the need for the transfer of freight off the airport site for processing. In addition, it has sufficient space on the northern grass to accommodate the airport-related businesses that can be seen occupying premises in and adjacent to the vast majority of UK and European airports together with the airports surveillance radar systems.
- 4.23 Furthermore, other unique advantages of the Proposed Development include: dedicated air freight stands, aprons, handling, storage and processing facilities; prioritisation of freight with quick turnaround and unloading time of aircraft; and availability and flexibility of slots none of these advantages are likely to be sustained by any of the other airports in the south east of England.
- 4.24 The Proposed Development would provide almost immediate relief to the pressing situation that is causing £2 billion in potential trade from being lost to the South East each year if it remains without additional runway capacity (Centre for Business Research, 2016)⁹. The Azimuth report shows that the addition of a third runway at Heathrow Airport is not likely to change the need for a freight-based airport at Manston.
- 4.25 Taking the above into consideration, the Proposed Development is considered to be the most viable choice for the location of a freight-focused airport in the south east of England due to its size, location and lack of airspace constraints. Indeed, the 2003 White Paper, The Future of Air Transport, acknowledged that Manston '*could play a valuable role in meeting local demand and could contribute to regional economic development*'.

⁹ Centre for Business Research (2016), The Importance of Air Freight to UK Exports: The impact of delaying the runway capacity decision on UK international trade growth. Report for Let Britain Fly Campaign. Available from <http://londonfirst.co.uk/wp-content/uploads/2016/09/Importance-of-air-freight-to-UK-exports-PDF-FINAL.pdf> (accessed 7 September 2016)

5 SCOPE OF COMPULSORY ACQUISITION

5.1 Introduction

5.2 The application for the Proposed Development is made under sections 23, 114, 115, 117(4), 120 and 122 of the PA 2008 and in accordance with the APR 2009.

5.3 RiverOak seeks to permanently acquire land and rights in land in the draft DCO to construct, operate and maintain the Proposed Development. For these purposes, RiverOak seeks authority for the compulsory acquisition of land and rights over land.

5.4 The Land Plans and Book of Reference submitted with the application set out the land subject to outright compulsory acquisition, the land subject to compulsory acquisition of permanent rights and the imposition of restrictive covenants, and the land subject to powers of temporary occupation only. This document seeks to justify the inclusion of such rights and powers in the DCO.

5.5 Description of compulsory acquisition and other powers sought that interfere with third party rights

5.6 The DCO (**Document TR020002/APP/2.1**) includes the following articles that relate to compulsory acquisition or the interference with third party rights :

5.6.1 *Article 19 - Compulsory acquisition of land*

RiverOak would have the power to compulsorily acquire so much of the Order land which is necessary to construct, operate and maintain the authorised development or is incidental to it or necessary to facilitate it.

5.6.2 *Article 20 - Compulsory acquisition of land – incorporation of the mineral code*

This effectively exempts existing rights in minerals from the scope of compulsory acquisition and provides for a procedure for the owner wishing to work mines or minerals.

5.6.3 *Article 21 - Time limit for exercise of authority to acquire land compulsorily*

This limits the ability to serve a notice to treat or a general vesting declaration to a period within five years from the granting of the order.

5.6.4 *Article 22 - Compulsory acquisition of rights and restrictive covenants*

This article allows RiverOak to compulsorily acquire rights, or impose restrictions, over the Order land insofar as they are necessary to construct, operate and maintain the authorised development or is incidental to it or necessary to facilitate it.

5.6.5 *Article 23 – Subsoil only or new rights only to be acquired in certain land*

This article limits the exercise of compulsory acquisition powers in respect of certain land.

5.6.6 *Article 24 - Private rights over land*

This Article allows for the extinguishment of private rights over land.

5.6.7 *Article 25 – Application of the Compulsory Purchase Act 1965*

This Article provides for the application, with modifications, of the Compulsory Purchase Act 1965 which contains provisions in respect of compulsory purchase.

5.6.8 *Article 26 - Application of the Compulsory Purchase (Vesting Declarations) Act 1981*

This Article grants RiverOak the power to acquire land below a certain depth under the ground or above a certain height above it, rather than having to acquire all of the land.

5.7 Rule 5(2)(h) of the APR 2009 requires a statement of reasons for seeking a DCO to authorise “the compulsory acquisition of land or an interest in or right over land”. Regulation 5(2)(h) does not therefore require the statement of reasons to extend beyond the outright acquisition of land or interests in or rights over land.

5.8 This, however, does not capture other compulsory powers sought in the DCO which similarly relate to land and will or may interfere with property rights and interests.

5.9 Additional powers which the DCO confers on RiverOak are:

5.9.1 *Article 11 - Construction and maintenance of new, altered or diverted streets*

This article would allow RiverOak to carry out certain specified kinds of works in certain streets. The exercise of the powers in article 11 could potentially interfere with private rights. The right in question could be suspended, extinguished or otherwise interfered with. A person suffering loss as a result would be entitled to compensation.

5.9.2 *Article 12 - Temporary stopping up and restriction of use of streets*

This article would enable to temporarily stop up, alter or divert streets and public rights of way and to use any such street as a temporary working site. The power would only be exercisable for the purpose of constructing the Proposed Development. Any stopping up could be for a reasonable time only.

The power to prevent pedestrian access would be subject to the obligation to provide reasonable access for pedestrians going to or from premises abutting a street affected by the temporary stopping up, alteration or diversion if there would otherwise be no access.

The exercise of article 12 could potentially interfere with private rights (i.e., rights vested in a person rather than the public at large), such as rights to drive vehicles along a stopped up street. In that event the right in question would be suspended. A person suffering loss due to such suspension would be entitled to compensation. The amount of compensation, if not agreed, would be determined in the same way as compensation for outright acquisition.

5.9.3 *Article 13 - Permanent stopping up of public rights of way*

This Article allows public rights of way named in Parts 1 and 2 of Schedule 3 to the DCO to be stopped up (i.e. the legal right of way along them to be extinguished).

5.9.4 *Article 15 – Traffic Regulations*

Article 15 allows RiverOak to prohibit vehicular access, prohibit waiting of vehicles and regulate vehicular speed for the purposes of the construction of the Proposed Development.

The powers set out in this Article may only be exercised with the consent of the traffic authority in whose area the road is situated. RiverOak must comply with the relevant notice and advertising periods as set out in Article 15(4)(a) and (b).

5.9.5 *Article 16 - Discharge of water*

Under Article 16, RiverOak may use any watercourse or any public sewer in connection with the carrying out or maintenance of the Proposed Development. This may include laying down, taking up or altering pipes and making openings into and connections with the watercourse, public sewer or drain.

Consent from the owner of the relevant watercourse, public sewer or drain must be obtained before any water is discharged into it. RiverOak must ensure that as far as reasonably practicable, steps are taken to secure that water discharged into the watercourse, public sewer or drain is as free as possible from gravel, soil or other solid materials.

5.9.6 *Article 17 - Protective work to buildings*

Article 17 enables RiverOak to carry out such protective works to buildings lying within the Order Limits as it considers necessary or expedient. Protective works may be carried out prior to commencing construction of the Proposed Development, during construction of the Proposed Development or up to five years after the Proposed Development has been completed.

RiverOak may enter and survey any building for the purpose of determining how the functions under Article 17 are to be exercised.

Relevant notices must be served on the owners and occupiers of the building or land as set out in Article 17(5). An owner or occupier suffering loss would be entitled to compensation.

5.9.7 *Article 28 - Rights under or over streets*

Article 28 would enable RiverOak, where required for the construction of the Proposed Development, to use the subsoil of, or airspace over, any highway (i.e. any way of any sort over which the public have a right to pass). The powers would not extend to a subway or underground building or to cellars or similar structures forming part of a building fronting the street but would nonetheless interfere with property rights. A person suffering loss due to such interference would be entitled to compensation.

5.9.8 *Article 29 - Temporary use of land for carrying out the authorised development*

The purpose of this Article is to allow the land set out in Schedule 8 to be occupied temporarily while the works are carried out. This is land which is required during construction of the scheme but is not required permanently. This Article also allows for the temporary occupation of any of the land for permanent acquisition that has not yet been taken possession of.

Paragraph 1(a)(i) of Article 29 allows the land set out in Schedule 8 to be occupied temporarily while the works are carried out. This is land which is required during construction of the scheme but which is not required outright permanently, and includes land which will be occupied temporarily and then subject to permanent rights (e.g. diversion of utilities apparatus). Paragraph (9) prevents this land from being acquired permanently, although confirms that acquisition of rights over this land, or of subsoil/airspace only, is not prevented and is required in respect of certain parcels. Likewise some land taken temporarily will have permanent works undertaken to it, e.g. accommodation works (see further paragraph (4)(b), and Schedule 6).

Paragraph 1(a)(ii) of Article 29 allows for the temporary occupation of any of the land that is subject to the powers of permanent acquisition, but in respect of which no process for acquisition has yet been commenced. The rationale for this is that it [potentially] reduces the amount of land that is required to be subject to outright acquisition. Thus Article 19 in conjunction with Article 29(1)(a)(ii) makes it possible for RiverOak to occupy land temporarily initially and only proceed to acquire permanently that part which is necessary for the scheme as constructed. The benefits of this are lesser impacts on landowners and lower costs to RiverOak, which is in the public interest. In line with this, paragraph (1)(d) confirms that the authorised development as listed in Schedule 1 can be undertaken on land that has been temporarily occupied.

5.9.9 *Article 30 - Temporary use of land for maintaining the authorised development*

Article 30 would enable RiverOak to take temporary possession of certain land at any time during the maintenance period i.e. in relation to any part of the Proposed Development, 5 years from the date on which that part is first opened for public use. The land to which Article 30 applies is any land within the Order Limits of the DCO.

Article 30(1)(b) would allow the construction of temporary works and buildings on the land, so far as is reasonably necessary for maintenance purposes.

The powers are subject to a time limit with RiverOak only able remain on the land for so long as reasonably necessary to carry out the maintenance works. Before giving up possession there is a requirement to remove all temporary works and restore the land to the owner's reasonable satisfaction.

The exercise of the powers would interfere with the property rights of owners and occupiers. An owner or occupier suffering loss or damage would be entitled to claim compensation.

5.9.10 *Article 31 - Statutory undertakers*

Article 31 allows RiverOak to acquire land, or rights over land, belonging to statutory undertakers in so far as it falls within the Order Limits. RiverOak can extinguish the rights of, or remove or reposition apparatus belonging to, statutory undertakers. Schedule 9 of the DCO sets out the protective provisions for the statutory undertakers.

5.9.11 *Article 34 – Felling or lopping of trees and removal of hedgerows*

Article 34 allows RiverOak to fell or lop any tree or shrub within, or overhanging, the Order Limits. It also enables RiverOak to remove hedgerows within the Order Limits.

6 DESCRIPTION OF LAND SUBJECT TO THE COMPULSORY ACQUISITION AND OTHER POWERS

Site History

- 6.1 Aircraft activity began at Manston in 1915 when military aircraft used the site for emergency landings. There has been an operational airport at the site since 1916. Until 1998 it was operated by the Royal Air Force as RAF Manston and for a period in the 1950s was also a base for the United States Air Force (USAF).
- 6.2 From 1989 Manston became known as Kent International Airport and a new terminal was officially opened that year. Operations at the airport continued with range of services including scheduled passenger flights, charter flights, air freight and cargo, a flight training school, flight crew training and aircraft testing. In the most recent years it was operating as a specialist air freight and cargo hub servicing a range of operators.
- 6.3 In 2004, the airport was operating some low-cost airlines and Irish airline EUJet began scheduled flights in September 2004 to a number of destinations across the UK. In July 2005, all EUJet operations were suspended along with all non-freight operations because of financial difficulties with the airport and airline's operating company.
- 6.4 The airport was purchased by Infratil in August 2005 who operated a select number of charter passenger flights to specialised destinations.
- 6.5 In October 2013, Infratil sold Manston Airport to a company owned by Ann Gloag, co-founder of Stagecoach Group. Manston Skyport Ltd took over running the former airport on 29 November 2013. The airport was closed in May 2014. Despite the airport's closure, much of the airport infrastructure, including the runway, taxiways, aprons, cargo facilities and passenger terminal remain as well as continuing some freighter operations.

The Site

- 6.6 The Proposed Development is on the existing site of Manston Airport, west of the village of Manston and north east of the village of Minster, in Kent as shown on the Location Plan (**Document TR020002/APP/4.1**). The town of Margate lies approximately 5km to the north of the site and Ramsgate is approximately 4km to the east. Sandwich Bay is located approximately 4-5km to the south east. The northern part of the site is bisected by the B2050 (Manston Road), and the site is bounded by the A299 dual carriageway (Hengist Way) and Canterbury Road West to the south, and the B2190 (Spitfire Way) to the west. The existing site

is accessed in the west near the junction of the B2050 with the B2190 whilst the existing passenger terminal, hangar facilities and the 'Northern Grass', are all accessed from the B2050 west of the junction with Manston Court Road.

- 6.7 The site covers an area of approximately 296 hectares (732 acres) and comprises a combination of existing buildings and hardstanding, some areas of grassland, scrub land and landscaping, as well as areas which historically formed part of Manston Airport and its associated facilities. This includes the 2,748m long and 60m wide runway, which is orientated in an east-west direction across the southern part of the site. The existing buildings are clustered along the east and west boundaries of the site and include:
- 6.7.1 a cargo handling facility comprising two storage warehouses 6 - 8m high, and one hangar 12m high, all finished with metal cladding, on an area of 5,200m², with gated entrances and a security box;
 - 6.7.2 a 12m high fire station building, constructed of brick and with a corrugated metal roof, on an area of 2,200m²;
 - 6.7.3 a helicopter pilot training facility comprising two 10m high hangars with metal cladding, on an area of 950m²;
 - 6.7.4 two 5m high museum buildings of brick construction, on an area of 2,000m²;
 - 6.7.5 a 4m high terminal building, on an area of 2,400m²;
 - 6.7.6 a 6m high air traffic control building, including a 9m high viewing tower, on an area of 700m²;
 - 6.7.7 a 12m high airplane maintenance hangar, with a taller 16m high movable section to enclose an airplane tail fin, on an area of 4,700m²; and
 - 6.7.8 a fuel farm.
- 6.8 A network of hard surfacing, used for taxiways, aprons, passenger car parking, and roads connects the buildings to the runway and to the two main airport entrance points that are located in the east and west of the site.
- 6.9 The part of the site to the north of Manston Road (B2050), which bisects the centre of the site in a roughly east to west direction, is referred to as the 'Northern Grass'. This part of the site is predominantly grassland, with some areas of hard standing, including a stretch of taxiway that formerly linked across to the main taxiway network and runway. The two museums, the Spitfire and Hurricane Memorial Museum, and the RAF Manston Museum, are located in the southwestern corner of the 'Northern Grass'. A small number of other redundant buildings, such as the former RAF air traffic control tower, are also located on the 'Northern Grass'.
- 6.10 There is also an underground pipeline which leads from the south-east corner of the airport site in a south-easterly direction towards an outfall located in Pegwell Bay, south of Ramsgate. This was historically used for the discharge of treated water from the airport when it was open and is required for the Proposed Development to continue to discharge treated surface water run-off. Further information as to compulsory acquisition powers in respect of the pipeline can be found in paragraphs 8.25-8.27 of this Statement.

7 DILIGENT INQUIRY/PROCESS/METHODOLOGY

- 7.1 As required in accordance with the PA 2008, RiverOak was required to identify individuals in one or more of the categories set out in sections 44 and 57 of the PA 2008. This included undertaking “diligent inquiry” to identify parties within Categories 1, 2 and 3, as defined in sections 44 and 57 of the PA 2008.
- 7.2 Category 1 includes owners, lessees, tenants and occupiers of the land within the Order limits. Category 2 includes parties that are interested in the land or have the power to sell, convey or release the land within the Order limits. Category 3 includes parties who RiverOak thinks would or might, if the DCO were made and fully implemented, be entitled to make a relevant claim for compensation under section 10 of the Compulsory Purchase Act 1965 and/or Part 1 of the Land Compensation Act 1973 and/or section 152(3) of the PA 2008.
- 7.3 A professional land referencing firm was employed to undertake diligent inquiry to identify these land interests. The following processes were undertaken as part of the methodology to identify and consult with those with an interest in affected land. This is further set out in Appendix 20 of the Consultation Report (**Document TR020002/APP/6.1**).
- 7.4 *Setting the Land Referencing Limits (“the Land Referencing Limits”)*
- 7.5 The Land Referencing Limits were set to include the following:
- 7.5.1 All land within the Order limits required for the proposals; and
- 7.5.2 All properties and buildings that were identified as those that might be entitled to make a “relevant claim” as a Category 3 interest. These were identified following an assessment of noise that was developed exclusively for the proposal to reopen the airport and which created a 'wider referencing zone' in which properties and affected interests were identified. This 'wider referencing zone' was sufficiently wide to also incorporate those parties who could might be entitled to make a “relevant claim” in relation to effects from vibration, smell, fumes, smoke, artificial lighting and discharge, and those who could make a claim under section 10 of the Compulsory Purchase Act 1965.
- 7.6 With regards to the noise assessment, RiverOak commissioned professional environmental consultants to calculate the noise footprint of the airport based on the types of aircraft expected to use it and have also taken advice from valuation consultants as to the decibel contour that a landowner could make a compensation claim. The result of this assessment was the creation of noise contour mapping. This was provided by the environmental consultants to the land referencing team who conducted diligent inquiry to identify potentially affected parties prior to consultation.
- 7.7 The advice received was that that the appropriate contour to use was the levels that government guidance suggests airport operators should offer to subsidise sound insulation for affected properties^[1].
- 7.8 *Desktop Referencing*

[1] Aviation Policy Framework (2013), paragraph 3.39

- 7.9 Land Registry data was received in the form of a digital shape file (a GIS layer) and digital copies of the Official Copy Registers and Title Plans were obtained and reviewed. All relevant freehold and leasehold title information, together with the beneficiaries of relevant mortgages, charges, private rights, easements and restrictive covenants were identified within the Land Referencing Limits and stored in a land referencing database.
- 7.10 Updates were requested from Land Registry on a regular basis, ensuring updates were received ahead of key milestones and this ensured that any changes that occurred prior to section 42 consultation, and again before the submission of the Book of Reference, were captured, with follow up undertaken where new interests were revealed.
- 7.11 Additional desktop activities were undertaken to confirm, verify and further investigate interests in land. For example, Companies House searches were undertaken to ensure registered companies' details were verified and the registered office was appropriate for the service of notices and other correspondence. Online data sources were also investigated to identify further potential occupiers and interests. Where occupiers were unconfirmed, "The Occupier" of that address was added to the database to ensure the property was contacted in order to confirm interests and they received notification of the consultation.
- 7.12 *Other Land referencing activities*
- 7.13 Consultation with landowners has been ongoing throughout the development of the proposals. The identification of potentially affected parties has been an ongoing process since March 2017 above and beyond the desktop searches explained above.
- 7.14 In addition to the desktop referencing detailed above, formal land referencing questionnaires were issued to all identified affected parties within the Order limits and the 'wider referencing zone' in March 2017. Further formal land referencing questionnaires were issued to all identified potentially affected parties to confirm and fully understand their interests as they became known to the land referencing team and this is an ongoing exercise.
- 7.15 Further letters were sent to potential statutory utilities/undertakers in April 2017 that were believed to possibly hold an interest in the area to determine their interests. Site visits and follow up enquiries were undertaken to chase the completion of these questionnaires and confirm the validity of information held. To further confirm the accuracy of information held, a round of formal confirmation of interest questionnaires were sent in October 2017 to all identified affected parties within the Order limits and the 'wider referencing zone'. Another round of formal confirmation request were issued in February 2018 to ascertain the currency and accuracy of information held prior to the submission of the Book of Reference.
- 7.16 In the case of unregistered land, where information could not be obtained from HM Land Registry and other referencing processes, site notices were affixed on or adjacent to the land inviting persons with an interest in this land to come forward. Site notices were checked and replaced as necessary.
- 7.17 The combination of the above land referencing activities produced a list of interests for the initial round of statutory consultation under the PA 2008, which commenced in June 2017. A further round of statutory consultation was carried out in January 2018. As any new interests were identified they were included in the next round of consultation. A more detailed description of

the abovementioned consultation activities can be found in the Consultation Report (TR020002/APP/6.1).

8 PURPOSE FOR WHICH POWERS ARE SOUGHT

- 8.1 In broad terms, the purpose for which compulsory acquisition powers are sought is to enable RiverOak to construct, operate and maintain the Proposed Development. The majority of the land included within Order limits (apart from the underground pipeline), consists of the land forming part of the former Manston Airport site. The need for the proposals is explained in the Azimuth Report submitted with the DCO application (**Document TR020002/APP/7.4**). For that purpose, it is necessary for the DCO to include a range of compulsory acquisition powers (see section 5 above). Due to the nature of the Proposed Development powers are sought to acquire outright the main airport site, the Northern Grass and the subsoil where the Pipeline is positioned. Powers are also sought to acquire part of the B2050 (Manston Road) to allow it to be realigned, although it will remain at least partly open to traffic at all times.
- 8.2 Powers are sought for the permanent creation of rights in the two areas of landing lights to the east and west of the airport and access from the public highway to the pipeline at various points. Powers are also sought for temporary occupation of the B2190 (Spitfire Way) to allow it to be improved, although it will remain at least partly open to traffic at all times.
- 8.3 Whilst the majority of the land included within Order limits consists of the land forming part of the former Manston Airport site, the extent and the nature of the Proposed Development (including the consequential CAA and EASA requirements) would necessitate reconfiguration of some of the existing facilities/infrastructure and the construction of new ones as well as some, although minor, changes to the existing site boundary.
- 8.4 As stated in paragraph 8.1 above, powers of compulsory acquisition are sought for the construction, operation and maintenance of the Proposed Development (detailed description of this can be found in Chapter 3 of the ES, Volume 1, **Document TR020002/APP/5.2-1**) including the following components:
- Runway, Taxiway, Apron and Stands*
- 8.5 The existing 2,748m east-west aligned runway would be retained for the reopened airport but may require rehabilitation to improve the load bearing capacity for future aircraft operations and in order to be compliant to allow CAT II/III operations¹⁰,
- 8.6 There will be some runway pavement improvements.
- 8.7 A new parallel taxiway plus associated taxiways to serve the new cargo stands, would be required as the existing one is not compliant with EASA guidelines.
- 8.8 A total of 19 Code E¹¹ stands would be created to service the air freight operations, with new taxiways to service the stands and connect them to the runway.

¹⁰ Category II and III runway operations refer to category of instrument landing systems (ILS) equipment which support the different categories of approach/landing operations. Category II is the minimum requirement to allow an airport to obtain EASA certification (see Box 3.1 below).

¹¹ Alphabetic code for defining aircraft size based on wingspan from A (smallest) to F (largest).

- 8.9 The existing passenger apron, which can accommodate 3 passenger aircraft stands, would be retained but may require some rehabilitation or refurbishment required for compliance with EASA guidelines. If required, this apron would be extended during construction phase 4 to provide an additional passenger aircraft stand.
- 8.10 Earthwork operations will be required in order to provide a suitable and compliant building platform for the taxiway, aprons and stands.

Air Traffic Control, Navigations Aids, Radar and Lighting

- 8.11 Much of the equipment formerly required to operate the airport has been removed, and many of the existing facilities and buildings would require refurbishment or replacing. Therefore, in order to allow the airport to obtain a CAA aerodrome licence, and to comply with relevant EASA guidance new equipment and facilities are required, comprising:
- 8.11.1 new Air Traffic Control (ATC) facility (subject to the findings of a study regarding the provision of an offsite ATC facility) will be located in the northwest of the main airport site adjacent to the airfreight cargo stands.
- 8.11.2 A new radar would be required to replace the previous radar which was sold when the airport was closed. The new radar would be installed using the existing radar tower located in the 'Northern Grass' area.
- 8.11.3 The former approach lights within the airport have been removed so would need replacing. For the Runway 28 end, additional approach lights would be required to meet the requirements for CAT II/III operations. The existing airfield ground lighting, located within the runway and taxiway surface would be replaced and additional lights installed on the new taxiways to comply with appropriate requirements.

Air Freight and Cargo Facilities

- 8.12 The primary focus of the reopened airport will be airfreight, and in order to meet the anticipated demand from the airfreight forecast, new cargo facilities would be required.
- 8.13 The cargo facilities, would be constructed on the new building platform to be created for the taxiways and stands.
- 8.14 Each cargo facility would have associated HGV parking, storage and car parking. The new cargo facilities would cover approximately 65,500m² in total, with maximum building heights of 15m with a total storage and parking area of approximately 120,000m².

Passenger Terminal and Parking Facilities

- 8.15 The primary focus of the Proposed Development would be on air freight and cargo operations, but as detailed below it is anticipated that there would be passenger services from Year 2 of the airport's operation.
- 8.16 The existing terminal building is in a poor state of repair, and it is therefore considered that a new passenger terminal and other facilities would be required and that the old building would be demolished during Construction Phase 1. The new terminal would be located on the site of

the existing terminal, and would be designed with sufficient capacity to meet the demands of the passenger forecast.

- 8.17 The existing terminal car park, which provides approximately 860 spaces, would be extended to provide parking for another 826 cars. A new long stay car park will also provide a further 760 parking spaces. Land is already available adjacent to the existing car park having been set aside for a previous airport masterplan proposal. Some general maintenance and new access/exit barriers would be needed to the existing car park. Parking facilities to the west of the site entrance from Manston Road (B2050) would provide staff parking.
- 8.18 The car park would also include new areas for taxi ranks, drop off/pick up, buses and coaches.

Fuel Farm

- 8.19 The airport would require a new fuel farm facility to replace the existing facility, which is located on the Northern Grass area and does not include sufficient storage or other facilities to meet the Proposed Development's needs. For operational reasons, the new fuel farm would need to be located airside, i.e. not on the Northern Grass area.
- 8.20 The currently preferred site for the new fuel farm is in the southeast of the airport, on the site of the existing Jentex fuel facility subject to ongoing discussions with the Environment Agency.

Site Access, Highway and Junction Improvements

- 8.21 A new network of internal roads for the air freight and cargo operations would be constructed. These would include lorry and car parking areas for the air freight operations.
- 8.22 The roads in the vicinity of the Proposed Development site, including Manston Road, Spitfire Way and the Manston Road/Spitfire Way junction, requires improvement and are likely to include a new roundabout at the Manston Road/Spitfire Way junction, and other improvements to the local road network in the vicinity of the site.
- 8.23 A new airport access for the cargo/aircraft maintenance facility is required. This is proposed on the B2190 (Spitfire Way) to the west of the existing and will be designed with sufficient capacity for the proposed airport operations. Current proposals include for a new roundabout to provide access to the airport. The detailed design of this and other highways and junction improvements would be undertaken following the completion of the Transport Assessment and in consultation with KCC Highway Department and Highways England.

Drainage Facilities

- 8.24 The surface water network would include interception, attenuation and pollution control facilities designed in accordance with industry best practice and agreed with the key stakeholders. A new foul drainage network will be required for the new cargo facilities.
- 8.25 RiverOak is also proposing to acquire an underground pipeline which leads from the south-east corner of the airport site in a south-easterly direction towards an outfall located in Pegwell Bay. This was historically used for the discharge of treated water from the airport when it was open and is required for the Proposed Development to continue to discharge treated surface water run-off. It is understood that this pipeline may have been installed when the airport was an

operational RAF. However, despite RiverOak's diligent inquiries, it has not been possible to ascertain the exact nature of rights or interests in land in respect of this pipeline.

8.26 In the absence of clarity as to the ownership of this piece of infrastructure and responsibility for its maintenance, there would be uncertainty for the use of the pipeline for the Proposed Development.

8.27 Therefore to harmonize the legal position and ensure the safe operation of the pipeline to serve the airport when reopened, RiverOak is proposing to permanently acquire the subsoil in which the pipeline is located, together with permanent rights of access to and from existing manholes and access points on the route. This would also have the additional benefit of removing the uncertainty as to the ownership and potential burden of maintenance of the pipeline for the owners of the land in which the pipeline is located.

Landscaping

8.28 The Proposed Development will include areas for landscape mitigation. The details of the landscape strategy can be found in section 4 of the Design and Access Statement (**Document TR020002/APP/7.3**).

Airside Fire Facilities

8.29 The airport will require the provision of suitable firefighting facilities in order to meet its operational, safety and regulatory needs.

Other Development

8.30 The Proposed Development will require new offices, workshops, stores, welfare, security, and facilities for staff. The exact requirements for these will be determined as part of the detailed design, but these would be located within or alongside other airport buildings and facilities, for example the air freight and cargo facilities, passenger terminal or air traffic control tower.

8.31 The area north of Manston Road, the 'Northern Grass' area would be utilised for other airport related purposes such as warehousing, offices and airport related business units, but will have no direct access for aircraft. The requirements for facilities airside mean that there will be limited available space within the main site for any expansion of airport-related businesses, and any activities that can be located landside would be located in the 'Northern Grass' area. This may include any of the businesses or tenants located on the existing airport site.

8.32 A safeguarding zone around the airport radar installation will be retained. The size of this area will be dependent on the type and specifications of the radar.

8.33 The airport would continue to provide facilities for aircraft maintenance, repair and overhaul (MRO). A new MRO facility, with hangars capable of accommodating the largest types of aircraft (Code F), would be constructed in Construction Phase 2; the old hangar would be demolished at this stage. The MRO facility would be further extended in each of Construction Phases 3 and 4 to provide an additional hangar in each phase.

8.34 The current business aviation terminal and hangar, south of the passenger terminal, would be refurbished for use for Fixed Base of Operations (FBO), including for helicopter and heli-charter

operations. The facilities for the flight school and training centre would also be retained in their existing location.

Utilities and Services

- 8.35 In order to support the increased level of activity and development on the site additional services will be required; this is likely to include additional internal electrical substations, communication networks, and foul and potable water connections.
- 8.36 Appendix 1 to this Statement explains in more detail the purposes for which each plot of land is needed for the Proposed Development and how each plot of land is proposed to be used.
- 8.37 RiverOak do not own the land comprising the application site. Most of the land within the existing airport perimeter is owned by Stone Hill Park Limited, who have been unwilling to date to enter into meaningful negotiations with RiverOak, despite RiverOak's attempts to acquire this land by agreement. Furthermore, without the powers to acquire rights and interests in land compulsorily there would be insufficient certainty about RiverOak ability to deliver the proposals in totality and within the necessary timescale. RiverOak therefore requires such powers to be included in the DCO, notwithstanding its preference to acquire the necessary interests in land and acquisition/extinguishment of rights by voluntary agreement.
- 8.38 At this stage, all the land included in the Order land is considered to be necessary to enable the delivery of the Proposed Development; however, due to the nature of the design process and the timing of the consenting process, RiverOak requires a degree of flexibility as to where certain sections of the proposals can be constructed within the defined limits of deviation which are provided for in the draft Order. RiverOak is satisfied that all the land included in the Order land is necessary to enable the delivery of the proposals.
- 8.39 In common with other projects, detailed design may avoid acquisition of some of the land that is within the scope of compulsory acquisition powers in the application; only land that is required for the development will be acquired.

9 JUSTIFICATION FOR POWERS OF COMPULSORY ACQUISITION

- 9.1 The requirements of section 122 of the PA 2008
- 9.1.1 Section 122 of the PA 2008 provides that a DCO that includes compulsory acquisition powers may be granted only if the conditions in sections 122(2) and 122(3) of the PA 2008 are met.
- 9.1.2 The first condition (s.122(2)) requires one of three criteria to be met, as follows:
- (a) the land is required for the development to which the development consent relates; or
 - (b) the land is required to facilitate or is incidental to that development; or
 - (c) the land is replacement land to be given in exchange under section 131 or 132 of the PA 2008.

- 9.1.3 The second condition (s.122(3)) is that there is a compelling case in the public interest for compulsory acquisition.
- 9.1.4 Paragraphs 12 and 13 of the Guidance also identify that for the second condition to be met the SoS will need to be persuaded that the public benefits that would be derived from the compulsory acquisition will outweigh the private loss that would be suffered by those whose land is to be acquired.
- 9.1.5 The Guidance sets out the following general matters which a promoter of the proposed development must be able to demonstrate to the satisfaction of the SoS so as to justify an order granting development consent:
- (a) that all reasonable alternatives to compulsory acquisition (including modifications to the scheme) have been explored – this is dealt with in paragraphs 9.13 -9.26 below;
 - (b) that the proposed interest in the land is for a legitimate purpose and is necessary and proportionate – this is dealt with in paragraphs 9.34-9.38 below;
 - (c) that it has a clear idea of how it intends to use the land which it is proposing to acquire – this is dealt with in paragraphs 9.39-9.40 and Appendix 1 to this Statement;
 - (d) that there is a reasonable prospect of the requisite funds becoming available- this is dealt with in paragraphs 9.41-9.42 below; and
 - (e) there is justification for interfering with the human rights of those with an interest in the land affected – this is dealt with in paragraphs 9.43-9.45 and in section 13 of this Statement.
- 9.1.6 The following paragraphs explain how the section 122 conditions are met in the case of the proposed development.
- 9.2 The land subject to permanent acquisition includes the existing Manston airport site, the Northern Grass and the subsoil in which the pipeline leading to an outfall in Pegwell Bay. This land is required for the reconstruction and operation of the Proposed Development.
- 9.3 Compulsory powers to acquire permanent rights over land are sought in respect of the eastern and western runway approach lights and access rights leading to and from the underground pipeline referred to in paragraph 9.4 below. The rights in respect of the landing lights are required for installation, operation, access and maintenance of the landing lights for the Proposed Development. The purpose for which compulsory acquisition is being sought in respect of the land and rights in land comprised within the Order limits is described above in section 8 and in Appendix 1 to this document.
- 9.4 The ownership of the pipeline is unknown, but it is presumed that the owners of land above it have an interest as freehold owners, along with other unknown third parties. As discussed in paragraphs 8.25-8.27 above, to ensure continuous operation, use and maintenance of the pipeline for the Proposed Development, compulsory acquisition is sought in respect of the subsoil in which the pipeline is located, together with permanent rights of access to and from

existing manholes and access points. Further details regarding access and maintenance to the pipeline can be found in in the Masterplan (**Document TR020002/APP/7.1**).

9.5 The land subject to temporary occupation consists of parcels of land located on the northern edge of the Order limits, being Spitfire Way and Manston Road required to improve the public highway.

9.6 Together with this Statement, the Land, Crown Land, Works and Special Category Land Plans (**Documents TR020002/APP/4.5**) and the Book of Reference (**Document TR020002/APP/3.3**) show how and why the land included in the draft DCO is required and how such land would be used. In the case of each plot of land, the powers sought by RiverOak are necessary to deliver the proposals and are proportionate to the degree of interference with any private rights.

9.7 **Alternatives to compulsory acquisition**

9.8 In order to construct, operate and maintain the Proposed Development, land and rights in the ownership of parties other than RiverOak would need to be acquired. Given the location and the nature of the site, acquisition and/or use of third party land cannot be avoided.

Alternatives to the proposed site and layout

9.9 As set out in Chapter 2 of the ES (**Document TR020002/APP/5.2-1**) and the Consultation Report (**Document TR020002/APP/6.1**) a, RiverOak has considered various alternatives both in terms of an alternative sites and internal layouts of the site prior to the making of the Application.

9.10 In terms of the alternative site layouts, there are existing physical and most importantly regulatory constraints as to where and how various elements of the Proposed Development can be located. Therefore, having considered various alternatives, as set out in Chapter 2 of the ES (**Document TR020002/APP/5.2-1**) in the context of the relevant aviation and other regulations, the layout for the Proposed Development is the most viable option.

9.11 Furthermore, in the consideration of the need case for the Proposed Development and through the project evolution and design, a set of characteristics for a dedicated air freight airport have been established. These have formed the basis for both the consideration of alternatives and the design of the Proposed Development.

9.12 The characteristics of an optimal air freight airport, based on the developing or enhancing of an existing airport site **Error! Bookmark not defined.**, would include:

- 9.12.1 A 2500m+ (non-grass) runway capable of supporting CAT II/III runway operations;
- 9.12.2 Existing airport infrastructure with the capacity to provide facilities for new airfreight operators according to demand;
- 9.12.3 Certified, or the ability to obtain an Aerodrome Certificate from the EASA, or other relevant licensing organisation, for the operation of the types of aircraft currently used, and likely to be used in the future, by airfreight operators;
- 9.12.4 Capacity to accommodate dedicated air freighters and hold freight;

- 9.12.5 Availability of new slots for airfreight operators, and a flexibility of existing slots;
 - 9.12.6 Air freight operations not constrained by passenger and other operations;
 - 9.12.7 Airspace that is outside of the London Control Zone (also known as the Controlled Traffic Region (CTR)) to provide maximum flexibility and capacity for airport operations;
 - 9.12.8 Good surface access to the strategic road network, with no bottlenecks to access in or around the airport, with an additional advantage of a good connection to high quality public transport infrastructure; and
 - 9.12.9 Located in the south-east of England close to the main significant population and commercial centres, with an additional advantage of a good connection to continental Europe.
- 9.13 Alternative options for increasing air freight capacity in the south-east have been identified. However, as shown in Table 2.1 of Chapter 2 of the ES (**Document TR020002/APP/5.2-1**) each are subject to fundamental constraints on their development and on their ability to meet the requirements outlined above and in Section 2.2 of Chapter 2 of the ES (**Document TR020002/APP/5.2-1**)
- 9.14 In summary, all alternative sites are either too small to support the operation that is planned, are already developed as passenger-focused facilities, or have no existing infrastructure or history of operating as an airport.
- 9.15 In addition to the assessment of alternative sites for a dedicated air freight airport in the south-east, the masterplanning process has also given consideration to on-site alternatives for individual elements and components of the Proposed Development (as part of the on-going project evolution. Please see Section 5.5 of the **ES (Document TR020002/APP/5.2-1)**)
- 9.16 A number of alternative layouts, designs and configurations were considered for the air freight and cargo facilities. This included examining the number of aircraft stands, apron design, taxiway layout and configuration, and size, location and layout of the associated freight handling and parking facilities. Whilst these were constrained by the need to provide sufficient capacity to meet the demands of the airfreight forecast and to allow for the safe and efficient operation of the airport, opportunities to incorporate environmental measures into the design of the Proposed Development have been considered.
- 9.16.1 As is shown in Section 3.2 of the ES, Manston Airport has sufficient space for the construction of new air freight handling, storage and processing facilities, alongside the new aircraft stands and aprons. This would provide a significant advantage as it allows the freight handling, forwarding and integrating to be undertaken airside on the airport site, and minimises the need for the transfer of freight off the airport site for processing. In addition, it has sufficient space on the Northern Grass to accommodate airport - related businesses that can be seen occupying premises in and adjacent to the vast majority of UK and European airports together with the airports surveillance radar systems.
 - 9.16.2 Manston's airport existing 2,748m paved runway; dedicated air freight stands, aprons, handling, storage and processing facilities; prioritisation of freight with quick

turnaround and unloading time of aircraft; and availability and flexibility of slots provide a suitable site for the Proposed Development, which is unlikely to be sustained by any of the other airports in the south of England.

9.16.3 Taking the above into consideration, Manston Airport is considered to be the most viable choice for the location of a freight-focused airport in the south-east of England due to its size, location and lack of airspace constraints. Indeed, the 2003 White Paper, *The Future of Air Transport*, acknowledged that Manston ‘*could play a valuable role in meeting local demand and could contribute to regional economic development*’.

9.17 RiverOak therefore considers that all reasonable alternatives have been considered prior to the making of the DCO Application and such consideration has included reasonable factors at relevant stages, such as consultee comments, technical feasibility and the anticipated capacity forecasts in the south east.

Alternatives to compulsory acquisition

9.18 The Book of Reference and the Land Plans show the land and rights in land that are required for the Proposed Development and identify purpose. In each case the land and/or rights sought are necessary to deliver the Proposed Development and are proportionate to the degree of interference with the interests and rights of landowners.

9.19 RiverOak has already acquired some land and rights in land and will continue to seek to acquire all land and rights it needs by voluntary agreement, subject to the DCO being made. RiverOak has undergone consultation and is pursuing engagement with all persons with an interest in the relevant land in order to try to avoid the need for compulsory acquisition. For further details, please see section 10 below.

9.20 This approach to making the application for the DCO in parallel to conducting negotiations to acquire rights in land by agreement is in accordance with paragraph 25 of the Guidance.

9.21 Notwithstanding its preference to acquire all land by agreement, RiverOak still seeks to acquire land and rights compulsorily through the DCO in circumstances where the voluntary acquisition of land or rights is ultimately unsuccessful.

9.22 RiverOak seeks compulsory powers to acquire land and rights in land under the DCO from all relevant landowners, notwithstanding that voluntary agreements for purchase of land and/or the grant of rights may have, or will be, entered into, for the following reasons:

9.22.1 An option may be obtained by agreement prior to the DCO application or during the DCO application process, rather than the substantive right itself. The compulsory powers therefore provide a fallback should the voluntary agreements fail and cover instances where the person with an interest in land is unwilling to, or cannot, grant the relevant land interest or right at the time when the option is exercised.

9.22.2 Including all interests in the DCO allows all required land or rights to be obtained in the same way and through one process, potentially through General Vesting Declaration (“GVD”).

- 9.22.3 Compulsory acquisition by GVD is effective against all interests in the land, so avoiding the risk of a failure to disclose a relevant interest; the GVD is effective even against unknown interests.
- 9.23 Compulsory powers are also more readily enforceable, so reducing additional risk, cost and delay.
- 9.24 Without the powers of compulsory acquisition, the national need for the Proposed Development could not be met because the land and rights required in the land subject to the Order may not be assembled, uncertainty as to construction will continue and RiverOak considers that its objectives would not be achieved.
- 9.25 **The proposed interest in the land is legitimate, necessary and proportionate**
- 9.26 The need for the Proposed Development has been explained in the Azimuth Report (**Document TR020002/APP/7.4**) and compulsory acquisition of land and rights in land is necessary to enable RiverOak to meet that need and deliver the Proposed Development.
- 9.27 Without the compulsory acquisition of the necessary interests in land, the delivery of the Proposed Development cannot be guaranteed. As contemplated by the PA 2008 it is a proportionate use of compulsory acquisition powers to acquire land and rights in land for the Proposed Development.
- 9.28 Steps have been taken to ensure that the land and interests acquired are proportionate. Where appropriate, RiverOak has sought to take powers to temporarily use land, rather than the compulsory acquisition of land or rights. However, due to the nature of the Proposed Development and the fact that the majority of the Order Land comprises an existing airport site, RiverOak requires most of the land to be acquired outright. Where lesser interests or rights are sufficient, this is identified in the Book of Reference.
- 9.29 Compensation is payable for the compulsory acquisition of land or rights under the foregoing powers. Compensation is also payable for loss or damage caused by the exercise of any power of temporary use of land. Any dispute in respect of the compensation payable is to be determined by the Lands Chamber of the Upper Tribunal.
- 9.30 **Clear idea of intentions of how land proposed to be acquired will be used**
- 9.31 RiverOak has a clear idea of how the land is intended to be used. This Statement sets out at Appendix 1 the particular purposes for which each plot of land is proposed to be compulsorily acquired or used temporarily. The table in Appendix 1 demonstrates, as advocated by the 2013 DCLG Guidance (at paragraph 9), that RiverOak has "*a clear idea of how [it intends] to use the land which [it proposes] to acquire.*" RiverOak has included within the Order limits no more land than is reasonably required for the purposes described in the table in Appendix 1 such that its proposed use of land, for the purpose of delivering the proposals, is proportionate and justifiable.
- 9.32 **Availability of funds for compensation**
- 9.33 The Guidance indicates that an applicant should be able to demonstrate that there is a "reasonable prospect" of the requisite funds becoming available. The Funding Statement (**Document TR020002/APP/3.2**) which accompanies the application sets out how the

Proposed Development would be funded and demonstrates that there is a reasonable prospect of the requisite funds being available both to pay any compensation arising from the exercise of the compulsory purchase and temporary use powers and, indeed, to construct the Proposed Development.

9.34 **Justification for interfering with the human rights of those with an interest in the land affected**

9.35 In making the application for the draft DCO, including the seeking of powers to acquire land compulsorily and to use land temporarily, RiverOak has had regard to the relevant provisions of the European Convention on Human Rights (see section 13 below).

9.36 In particular, as is explained in detail in section 13 of this Statement of Reasons, RiverOak has given consideration to the purposes for which the land is required, namely the delivery of the Proposed Development, in the context of the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and Article 8 of the Convention. The particular reasons why the proposed acquisition of land and interference with private property rights are considered to be legitimate and proportionate, and therefore justified, are set out in section 13 below, and are matters on which the SoS will need to be satisfied in deciding whether powers of compulsory acquisition should be included in any grant of development consent for the proposals.

9.37 **Compelling case in the public interest**

9.38 The crux of this Statement of Reasons is that there is a compelling case in the public interest for the land described in the application plans and Book of Reference to be acquired.

9.39 This follows on from the following:

The Proposed Development would encourage future trade growth by helping to address the urgent need for additional airport capacity in the South-East of England

9.40 As summarised above in paragraphs 4.22 - 4.25 and discussed in more detail in the Azimuth Report (Volume 1, **Document TR020002/APP/7.4**), there is an identified need for increased capacity for airfreight and for dedicated air freighters in the UK aviation sector. Whilst some additional capacity can be provided at existing passenger focused airports, including the 6 main London airports, there is insufficient capacity to meet both the existing forecast demand, or to allow the UK aviation sector and wider UK economy, to grow and to capture new market share.

9.41 Providing sufficient aviation capacity to meet future airfreight demand is, as stated in a study by Oxford Economics, a first step to encouraging future trade growth.

9.42 Following the EU referendum result in June 2016, the need to access export and import markets outside the EU, for which a significant mode for transferring goods is by air, has become much more significant. While large passenger airports such as Heathrow transport a large amount of cargo in the holds of passenger aircraft, there is a complementary need for dedicated air cargo capacity to access the destinations that passenger flights do not serve and to carry the cargo that cannot be carried or is less suitable for carriage by passenger aircraft such as hazardous or time-sensitive goods. The airport would provide almost immediate relief to the pressing situation that is causing £2 billion in potential trade from being lost to the South East

each year if it remains without additional runway capacity (Centre for Business Research, 2016).

- 9.43 A large amount of cargo is currently flown to and from airports on mainland Europe and driven through the Channel Tunnel to reach the UK. This is cargo that could and should be flown directly to and from the UK, contributing to the local economy rather than that of the Netherlands, Germany etc., reducing pressure on the Channel Tunnel and not at the mercy of an unnecessary and increased customs burden once the UK leaves the EU. The case for Manston will not substantially affect other UK airports but will meet unmet demand and reduce reliance on airports in mainland Europe.

The Proposed Development will bring substantial socio-economic benefits both locally and nationally

- 9.44 East Kent and specifically Dover, Shepway, Swale and Thanet have relatively high rates of unemployment at 2.8%, 2.2%, 2.2% and 4.0% respectively. Rates are particularly high for young people between the ages of 18 and 24. Kent ranks within the 50% least deprived of all counties and unitary authorities in England but East Kent fairs worse. Indeed, Thanet continues to rank as the most deprived local authority in Kent, and Ashford and Swale have experienced the largest increase in deprivation relative to other areas in Kent (KCC, 2015)¹²
- 9.45 Since the closure of the Pfizer plant near Sandwich in 2012 and Manston Airport itself in 2014, East Kent has not been host to a significant high-tech employer. East Kent is in need of skilled employment and training.
- 9.46 The importance of air freight operations to the creation of jobs and to increasing economic and social prosperity has been demonstrated frequently around the world. The Proposed Development is predicted to create 2,150 direct on-site jobs by year 5, of which the airport operator will create 697 posts. The direct employment figure is forecast to rise with increasing freight tonnage and passenger numbers. By year 5, the indirect and induced and the catalytic jobs forecast to result from the operation at Manston Airport are 4,500 and 8,600 respectively, and 9,000 and 17,000 by year 20.
- 9.47 These figures represent a wide range of long-term, aspirational career opportunities (Azimuth Report, Volume IV, page II document reference number). The numbers of construction workers required is forecast to be between 600 and 700. There are also likely to be additional jobs created for off-site work by local construction companies ((Azimuth Report, Volume IV, page II, **Document TR020002/APP/7.4**).
- 9.48 Reopening Manston is predicted to bring 4,000 direct jobs and a total of 30,000 jobs (direct, indirect, induced and catalytic) to the local and national economy by year 20 RiverOak is also working with local educational institutions to establish complementary education and training programmes.
- 9.49 Along with hi-tech jobs comes the requirement for hi-tech education, and RiverOak will be working with local education institutions to develop courses that will equip local people with the skills needed to be able to work at the airport or in related employment. RiverOak are keen

¹² Kent County Council, Caxtons, and Locate in Kent (2015), *2015 Kent Property Market: The annual guide to investment and development in Kent*. Available from <http://www.locateinkent.com/settings/resources/files/documents/1446729231.3363.pdf> (accessed 1 April 2016).

to promote the establishment of an aviation training and education facility in partnership with higher education and further education providers.

9.50 The job figures represent a wide range of long-term opportunities for aspiring local school leavers, college graduates, and those at all stages of their careers. Construction jobs required in the redevelopment of Manston Airport are shown separately since these are (temporary?) impermanent positions. Before RiverOak reopens Manston Airport, a total of eight freight stands and three passenger stands for aircraft will be constructed as well as warehousing and fuel storage to meet the forecast demand. Further construction will take place in Years 2 to 4, Years 4 to 10 and Years 11 to 17 (see Volume III of the Azimuth Associates report for details). The redevelopment project across the 15-year timeframe is forecast to require 1,475 people working years. From this figure, the number of construction workers required is forecast to be between 600 and 700. There are also likely to be additional jobs created for off-site work by local construction companies.

9.51 In addition to job creation, there are numerous other socio-economic benefits to arise from aviation operations including the following which will be realised through the Proposed Development:

9.51.1 **Training and education:** Working with Higher Education (HE) and Further Education (FE), RiverOak can leverage opportunities associated with Manston Airport's operation.

9.51.2 **Raising the aspirations of young people:** Manston Airport can stimulate the desire to continue in education and training, encouraging young people to improve their life chances and realise their full potential.

9.51.3 **Connectivity:** Increased connectivity improves the GDP of a region and Manston Airport would dramatically improve the connectivity of the area, which is even more essential with the advent of the UK's exit from the EU.

9.51.4 **Attracting inward investment:** The presence of an airport supports inward investment and business location decisions.

9.51.5 **Tourism:** Passenger services will support both inbound and outbound tourism.

9.51.6 **Generating wealth:** GDP figures based on the airport's impact have been calculated together with the tax revenues the projected job creation is likely to produce.

Development of the site as an airport is the only viable use for it

9.52 The main landowner of the airport site, Stone Hill Park Ltd, made a planning application to the local planning authority Thanet District Council (reference OL/TH/16/0550) to redevelop the site as a mixed-use development including 2500 dwellings, on 31 May 2016. The application was acknowledged to be incomplete as it was without certain information such as environmental surveys and a statement of housing need. Revised plans were submitted on 31 October 2017, but the original missing information has yet to be supplied over 21 months later, calling into question the seriousness of the applicant's intentions.

9.53 Even if the intentions were serious, the application is very unlikely to be granted planning consent as:

- 9.53.1 There is no demonstrated, or demonstrable, need for the housing being sought;
 - 9.53.2 Insufficient infrastructure exists and is not being sought at this isolated site to support such a significant increase in population, including road access, gas, electricity, water and sewerage services;
 - 9.53.3 There are environmental issues that have not been dealt with such as the existence of a chalk aquifer under the site, which the Environment Agency consider to be of strategic and local importance and which is not compatible with a large number of people living above it;
 - 9.53.4 It conflicts with local plan policies, particularly policy EC4 restricting airport land to airside development, recently confirmed as having substantial weight in a Planning Inspectorate appeal decision on 13 July 2017;
 - 9.53.5 It has attracted several heavyweight objections from statutory bodies, including the Ministry of Defence, who will not allow housing to be built near its equipment;
 - 9.53.6 It is a high cost project in a low value area and achieving viability is considered to be an extremely remote possibility.
- 9.54 A hybrid planning application was submitted to Thanet District Council on 4th May 2018 and was made valid on 9th May 2018 (reference OL/TH/18/0660). This application has not replaced planning application OL/TH/16/0550 as this application remains live pending a decision.
- 9.55 The proposals presented in the new hybrid planning application still represent a departure from the Development Plan and are equally unacceptable in planning terms for the reasons set out above in connection with planning application OL/TH/16/0550. The 2018 application has attracted several significant objections from statutory bodies including many who objected to the 2016 application often because they have not been satisfied that the Applicants have overcome previous concerns in submitting their alternative scheme.

The project would safeguard a valuable and significant national asset from being otherwise lost and provide UK with modern air cargo customs facilities

- 9.56 There are only seven commercial airports in England with runways longer than Manston (Heathrow, Gatwick, Birmingham, Stansted, Manchester, East Midlands and Doncaster Sheffield). The scarcity of existing airport infrastructure, and the difficulties in progressing new airport infrastructure, mean that it is vital that this runway and its potential for trading capacity is not lost as a national asset. The current owners' aspiration to turn it into a housing development make the need to preserve it as an airport all the more pressing.
- 9.57 Not only would flying cargo from outside the EU to continental airports and then driving it to the UK be likely to become increasingly difficult when the UK leaves the EU, but the UK also lacks modern facilities to vet its exports. This means that when it should be flown out of the UK, cargo often has to be driven in HGVs to continental airports to be screened and then exported from there, because the UK lacks such facilities. This is not only wasteful and adds considerable time to delivery but misses an opportunity for work to be carried out in the UK. RiverOak is working with the government to meet its specifications for UK-based vetting facilities.

10 APPROACH TO ACQUIRING LAND AND RIGHTS IN LAND BY AGREEMENT

- 10.1 To date, RiverOak has sought to progress negotiations with the principal landowner of the airport site and Northern Grass, Stone Hill Park Ltd since July 2016. RiverOak has sought to engage with Stone Hill Park Ltd on numerous occasions, both formally and informally in order to acquire the site by agreement. However, to date, Stone Hill Park Ltd have made it very clear verbally and in their consultation responses that they are not prepared to sell the site to RiverOak.
- 10.2 RiverOak has also agreed and entered into a lease with the freehold owners in respect of the landing lights to the east of the airport. This is for a term of 25 years expiring 9 October 2041, but as it is contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954, further agreement would be required as to any extension. Therefore, to put the arrangement on a permanent footing, RiverOak are seeking permanent acquisition rights, consistent with the terms of the lease.
- 10.3 As part of its approach to acquiring land and rights by agreement, RiverOak has also engaged with the landowners and occupying company to acquire an interest in the fuel farm located on the south side of the airport. Documents detailing the acquisition of the property are in agreed form and have been circulated for signature. It is anticipated contracts will be exchanged shortly.
- 10.4 An area of approximately 3ha has been safeguarded in the DCO application for operation of the RAF Manston History Museum, Spitfire & Hurricane Memorial Museum and memorial garden. This area encompasses the current museum and memorial grounds and allows for additional areas in which the museums could be expanded or relocated. A decision on whether to proceed with any relocation works will only be made after consultation with the museum operators to ensure that the museums' needs are reflected. A preliminary meeting was held between RiverOak and the museums on the 26 March 2018 and the parties are now in the process of [agreeing a statement of common ground](#).
- 10.5 RiverOak have also been corresponding with and had a conference call on the 27 March 2018 with representatives from the Met Office, who lease and use a small area within the Order limits as a weather station. It was a positive discussion and a statement of common ground will be prepared documenting the parties discussions.
- 10.6 RiverOak has also liaised with representatives for the Crown bodies, as detailed below at paragraphs 12.7 -12.18.
- 10.7 During the pre-application procedures, RiverOak has issued a total of 124 letters to Category 1 persons within the Order limits (including statutory undertakers and the parties referred to above at paragraphs 10.1 and 10.2, seeking to advance engagement as to the land and rights required and over which compulsory powers are sought. These letters were timed to coincide with the second statutory consultation in early 2018. The intention was to commence commercial negotiations with willing parties as soon as possible and parties were directed to liaise with Colin Smith, Senior Director of CBRE – Planning & Compulsory Purchase. RiverOak will provide updates to the Examining Authority during the examination period. Following final design and engineering checks, the extent of highway requirements for temporary possession works on the Northern side of the Order limits was fixed and a further 54 letters and e-mails have been issued to Category 1 parties affected on these plots. As before, parties were directed

to liaise with Colin Smith, Senior Director of CBRE. Updated checks were undertaken with the Land Registry in July 2018, prior to submission and this revealed some changes to affected parties, with follow up letters being issued.

- 10.8 There has been contact from several parties affected on the pipeline plots, with queries raised. In response to this, RiverOak will be arranging a meeting to be held at the Cliffsend Village Hall, or other suitable local venue, to discuss the proposals further.
- 10.9 RiverOak has contacted the owners of 1-18 Manston Court Road, who have access rights over land to the rear of their properties, over land currently in Stone Hill Park's ownership. Originally, it was intended that this land would be included within the Order limits and RiverOak carried out the second statutory consultation, showing this area on the plans. In response to concerns raised and with some adjustments by the design team, it has been possible to remove the area from the Order limits, although these parties will remain in the Book of Reference as Category 2 interests due to potential rights relating to services located within the Order limits.

11 RELATED APPLICATIONS, ORDERS, CONSENTS

- 11.1 The DCO will be the principal consent required to allow the proposed development to proceed. In addition there are other consents, licences and permissions that RiverOak will require from authorities such as the Environment Agency, Natural England and CAA to allow certain elements of the development to proceed.
- 11.2 RiverOak is in discussion with all relevant bodies and is not aware of anything that is likely to prevent the grant of consent. The need for these other consents does not therefore present any obstacle to the implementation of the proposed development.
- 11.3 These additional consents are listed in the Details of other Consents and Licences document (**TR020002/APP/7.5**).

12 SPECIAL CONSIDERATIONS AFFECTING THE LAND

- 12.1 *Special Category Land – Open Space*
- 12.2 The proposed Order limits include a small area of open space (plots numbers 185b, 185c, 185d and 185f), where it is proposed that the subsoil in which the existing underground pipeline is located will be permanently acquired and a permanent right of access, in common with other users, for maintenance will be required.
- 12.3 Section 132 of the PA 2008 provides that a DCO is subject to special parliamentary procedure to the extent that it authorises the compulsory acquisition of a right over land by the creation of a new right, forming part of a common, open space or fuel or field allotment, unless the SoS is satisfied that one of sub-sections (3) to (5) of section 132 applies and that fact and the sub-section concerned are recorded in the DCO.
- 12.4 Section 132(3) of the PA 2008 applies if the order land, when burdened with the order right, will be no less advantageous than it was before to the persons in whom the land was vested, other persons, if any, entitled to rights of common or other rights over that land and the general public.
- 12.5 Given that RiverOak are:

- 12.5.1 only acquiring land below the surface where the existing pipeline is located; and
- 12.5.2 only proposing to compulsory acquire a right of access, in common with other users, at surface level for maintenance of the pipeline;

the recreational use of that land which forms public open space will be able to carry on, public access to the land will not be detrimentally affected and none of the land will cease to be open space.

- 12.6 The remaining land that is the subject of the application is in private ownership and fenced off with notices and a security presence.

12.7 *Crown Land*

12.7.1 The Order limits contains Crown Land – see Crown Land Plans (**Documents TR020002/APP/4.5**) described in Part 4 of the Book of Reference doc ref (**Document TR020002/APP/3.3**). Title checks have revealed that a small amount of land is owned by Crown bodies and it is believed that the Crown also benefits from rights and restrictions over a larger extent of the Order limits. For clarity, the Crown Land Plans have differentiated colouring:

- (a) dark blue to identify where the Crown have a “Freehold / Leasehold / Beneficiary of Legal Charges” interest; and
- (b) light blue to identify “Other Rights / Interests”.

12.7.2 Where a plot covers both types of interests outlined at 12.7.1 above, then the dark blue colour has been utilised on the Crown Land Plans.

12.7.3 In respect of plots at 018, 044 and 045, the Crown’s interest is presumed and they have been included as an adjoining owner of land abutting the highway, by applying the ‘ad medium filum’ rule that they own up to the half width of the highway.

12.7.4 For plots 018 and 045, whilst the entire plots are shown coloured on the Crown Land Plans, the Crown’s presumed ownership is only in respect of part, in relation to the areas where they have an adjoining ownership.

- 12.8 Section 135 of the PA 2008 provides protection for Crown Land against compulsory acquisition. Crown Land is not limited to land owned and managed by the Crown Estate. Section 227 of the PA 2008 defines ‘Crown Land’ as any land in which there is a Crown interest. A Crown interest includes, amongst others, an interest belonging to a government department or held in trust for Her Majesty for the purposes of a government department. The proposed development includes land where government departments own freehold and leasehold interests and have the benefit of charges, private rights and easements. For the purposes of the PA 2008 all this land is categorised as Crown Land.

- 12.9 There has been engagement with the affected Crown bodies from December 2017 onwards comprising communication with the following bodies:

Secretary of State for Defence – Plots 017, 018, 018a, 018b, 018c, 019b, 020, 020a, 023, 025, 026, 027, 038, 040, 040a, 041, 042, 042a, 044, 045, 045a, 045b.

12.10 The Secretary of State for Defence owns the freehold or leasehold interest in these plots, or is presumed to own through the 'ad medium' principle referred to at paragraph 12.7.2 above. They include Ministry of Defence infrastructure retained on site when the airfield was sold to a private operator in 1999. RiverOak has engaged with the Ministry of Defence regarding the possible relocation of infrastructure, including the High Resolution Direction Finder ('HDRF'), to alternative locations nearby and the freehold purchase of these plots. RiverOak has identified suitable locations for the HDRF nearby, outside of the Order limits. This list also includes reference to plots where the Secretary of State for Defence benefits from legal charges.

12.11 Discussions are continuing with the Ministry of Defence and third-party landowners at the time of application and RiverOak expects to enter in to an agreement with the Secretary of State for Defence, for the purposes of acquiring the freehold interest in these plots, during the examination period. In addition RiverOak will seek consent in accordance with Section 135 of the PA 2008 for the inclusion of compulsory acquisition powers in the draft DCO within these plots, for exercise against all interests held by other persons.

Secretary of State for Defence – Plots 014, 015, 015a, 016a, 017, 019b, 019c, 020, 020a, 023, 024, 026a, 027, 028, 036, 037, 039, 040, 040a, 041a, 043, 043a, 046, 047, 047a, 048, 048a, 048b, 049, 049a, 049b, 050, 050a, 050b, 050c, 050d, 050e, 051b, 053a, 053b, 053d, 054, 055, 058, 068, 069, 070, 070a, 102, 103, 114, 114a

12.12 The Secretary of State for Defence is the beneficiary of a number of third party rights and easements across these Order limits pursuant to a number of documents dating back to the 1960s. Checks have revealed that these relate to rights of access to services and pre-existing conduits. However, it has not been possible to confirm the location of all of the pre-existing services or specific routes of access and enquiry has been raised with the Ministry of Defence's Land Management Services for assistance in narrowing the affected area.

12.13 The majority of these rights and restrictions were retained to benefit neighbouring land (still owned by the Secretary of State for Defence) when the airfield was sold to a private operator in 1999. RiverOak intends to acquire or extinguish these interests by private agreement. RiverOak has sought consent in accordance with Section 135 of the PA 2008 for the inclusion of compulsory acquisition powers in the draft DCO within these plots for exercise against all interests held by other persons. It has not been possible to obtain this consent prior to application however RiverOak intends to pursue this during the examination period and is in communication with the Ministry of Defence regarding this issue.

Secretary of State for Housing, Communities and Local Government – Plot 027

12.14 The Met Office, who have a leasehold interest in the Order limits, advised by e-mail dated 29 January 2018 that their title has been transferred by operation of law to the Secretary of State for Communities and Local Government, from the Secretary of State for Defence, as part of The Transfer of Functions (Her Majesty's Land Registry, the Meteorological Office and Ordnance Survey) Order 2011. It is understood that the Secretary of State for Housing, Communities and Local Government has overall responsibility for the property assets of the Met Office and correspondence has been issued to them to clarify and advance discussions, with a response awaited. Clarification has similarly been sought from the Ministry of Defence. The Met Office have a leasehold interest in this plot where an automatic weather station is located. RiverOak has consulted with the Met Office and entered in to discussions

with them as outlined at paragraph 10.5 above. It has not been possible to obtain consent in accordance with Section 135 of the PA 2008 prior to application however RiverOak intends to pursue this during the examination period.

Bona vacantia – Plots 019c and 050b.

- 12.15 As part of the due diligence undertaken, checks revealed that the Order limits include land parcels where the Bona Vacantia Division of the Government Legal Department have an interest, relating to two dissolved companies, namely:
- 12.15.1 **019c Advance Laundries Limited**, dissolved, as beneficiary of Licence dated 14 February 1949, in respect of a small slither of land on the southern end of the Order Limits; and
- 12.15.2 **Plot 050b - Manston Developments Limited**, dissolved, as beneficiary of an Agreement dated 29 July 1999. This relates to an option to acquire part of the land known as the 'Taxiway Land', affecting an area within the Order limits.
- 12.16 Correspondence has been issued to the Bona Vacantia Division as regards the above interests and there are ongoing exchanges. They are looking into the two dissolved companies, so as to establish jurisdiction and have advised that at which point, they will decide whether to hold, sell or disclaim any assets discovered.
- 12.17 RiverOak will continue to liaise with the Government Legal Department or the Crown Estate's representatives, as appropriate, and will update the Examining Authority during the examination period.

Secretary of State for Transport

- 12.18 RiverOak believes that the SoS for Transport may have previously entered in to a contractual arrangement with Stone Hill Park Ltd in relation to using the Manston Airport site as part of a project to maintain a contingency lorry park in Kent. This project is sometimes referred to as 'Operation Stack'. Following diligent inquiry RiverOak has received no evidence to suggest that any interest in land is still in being and there is no evidence that the Secretary of State for Transport is in occupation. RiverOak has therefore not pursued consent in accordance with Section 135 of the PA 2008 as these provisions are not applicable where no interest exists.

13 JUSTIFICATION FOR INTERFERENCE WITH HUMAN RIGHTS

13.1 The Human Rights Act: Relevant Convention Rights

- 13.1.1 The European Convention on Human rights (the Convention) was applied within UK domestic law by the Human Rights Act 1998 (the HRA).
- 13.1.2 The articles of the Convention that are relevant when determining whether a DCO should be made which includes powers of compulsory acquisition are Article 1 of the First Protocol to the Convention, Article 6 and Article 8.
- 13.1.3 The SoS must be persuaded that the purposes for which an order authorises the compulsory acquisition of land are sufficient to justify interfering with the human rights of those with an interest in the land.

- 13.1.4 Article 1 of the First Protocol to the Convention protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the conditions provided by relevant national and international laws. Any interference with possessions must be proportionate and in determining whether a particular measure is proportionate, a “fair balance” should be struck between the demands of the general interest and the protection of the individual's rights.
- 13.1.5 Article 6 entitles those affected by powers sought for the proposed development to a fair and public hearing by an independent and impartial tribunal. These requirements could be secured by the availability of judicial review if the decision making is not considered to be independent within the meaning of Article 6.
- 13.1.6 Article 8 protects the right of the individual to respect for his private and family life, his home and his correspondence. No public authority may interfere with these interests except if it is in accordance with the law and is necessary in the interests of, inter alia, national security, public safety or the economic well-being of the country. As with Article 1 of the First Protocol to the Convention, any interference if justified, must be proportionate.
- 13.1.7 The proposed development has the potential to infringe the human rights of persons who own property within the Order limits or have rights over the land within the Order limits. Such infringement is authorised by law provided that;-
- (a) The statutory procedures for making the DCO are followed and there is a compelling case in the public interest for the inclusion of powers of compulsory acquisition in the DCO; and
 - (b) Any interference with any Convention right is proportionate to the aim served.

13.2 **Compliance with the Convention and the Human Rights Act**

- 13.3 RiverOak is satisfied that, although Convention rights are likely to be engaged, the proposed development will not conflict with Convention rights and will be proportionate in that there is a compelling case in the public interest for the proposed development which outweighs the impact on individual rights. In this context, it is relevant that those affected will be entitled to compensation.
- 13.4 With regard to Article 1, First Protocol and Article 8, RiverOak has weighed any interference with these Convention rights as a result of including compulsory powers within the DCO with the potential public benefits if the DCO is made. First, RiverOak considers that there would be very significant public benefit arising from the grant of the DCO. That benefit can only be realised if the DCO includes the grant of powers of compulsory acquisition and temporary use. RiverOak has concluded that the significant public benefits outweigh the effects of the DCO upon persons who own property in the Order limits such that there would not be a disproportionate interference with their Article 8 and Article 1, First Protocol rights. The need for the Proposed Development is clear and is of national importance, as detailed in the Azimuth Report. Second, those affected by the exercise of compulsory acquisition or temporary use

powers will be entitled to compensation and RiverOak has the resources to provide such compensation.

- 13.5 As for Article 6, third parties have been able to make representations on the application for the DCO whilst it is being prepared. In accordance with Part 5 of the PA 2008, RiverOak consulted persons set out in the categories contained in section 44 of the PA 2008. This included the known owners and occupiers of land within the Order limits and those who might be able to make claims either under section 10 of the Compulsory Purchase Act 1965 in respect of injurious affection, or under Part 1 of the Land Compensation Act 1973. The beneficiaries of restrictive covenants and other rights that would be overridden by the exercise of powers in the DCO would be capable of making claims under section 10 of the Compulsory Purchase Act 1965.
- 13.6 Furthermore, representations can be made by way of objections to the application in response to any notice given under section 56 of the PA 2008 ('Notifying persons of accepted application'). The PA 2008 provides for a detailed examination of any application for a DCO by an independent Examining Authority. The examination includes careful scrutiny of any powers of compulsory acquisition or other compulsory powers, to ensure that they are justified and proportionate. Although the examination is a process mainly conducted in writing, where the Examining Authority received one or more requests for a compulsory acquisition hearing from affected persons within the date specified, it must cause a hearing to be held. All affected persons are invited to these compulsory acquisition hearings, and have the opportunity to make oral representations about the compulsory acquisition requests.
- 13.7 Should the DCO be made, a person aggrieved may challenge the DCO by judicial review in the High Court if they consider that the grounds for doing so are made out. In relation to disputes about compensation, affected persons have the right to apply to the Upper Tribunal (Lands Chamber), an independent tribunal.
- 13.8 For these reasons, RiverOak considers that the inclusion of powers of compulsory acquisition would not breach the Convention rights of those whose are affected and that it would be appropriate and proportionate to make the DCO, including the grant of powers of compulsory acquisition.

14 CONCLUSIONS

- 14.1 RiverOak submits, for the reasons explained in this Statement, that the inclusion of powers of compulsory acquisition in the DCO for the purposes of the Proposed Development meets the conditions of Section 122 of the PA 2008 as well as the considerations in the Guidance.
- 14.2 The acquisition of land and rights (including restrictive covenants) and the temporary use of land, together with the overriding of interests, rights and restrictive covenants and the suspension or extinguishment of private rights is no more than is reasonably required to facilitate or is incidental to the Proposed Development.
- 14.3 Furthermore, the land identified to be subject to compulsory acquisition is no more than is reasonably necessary for that purpose and is proportionate, as is shown in the DCO (**Document TR020002/APP/2.1**), the Works Plans (**Document TR020002/APP/4.4**) and other information both in this Statement and in other document accompanying the Application.

- 14.4 The need for additional airport capacity in the South East which the Proposed Development can help to address, suitability of the Order Limits, the benefits that the Proposed Development would bring and the support for such project in the relevant policy demonstrate that there is a compelling case in the public interest for the land to be acquired compulsorily.
- 14.5 All main reasonable alternatives to compulsory acquisition have been explored. Given the national and local need for the Proposed Development and the support for it found in policy, as well as the suitability of the Order Land (for the reasons outlined above), compulsory acquisition of the land and rights and the temporary use of land, together with the overriding of interests, rights and restrictive covenants and the suspension or extinguishment of matters affecting the Order Land identified by RiverOak for the Proposed Development is justified.
- 14.6 The proposed interference with the rights of those with an interest in the Order Land is for a legitimate purpose, namely the Proposed Development, and is necessary and proportionate to that purpose. RiverOak considers that the very substantial public benefits to be derived from the proposed compulsory acquisition of the Order Land would decisively outweigh the private loss that would be suffered by those whose land is to be acquired.
- 14.7 RiverOak has set out clear and specific proposals regarding how the Order Land will be used.

**APPENDIX 1: DETAILS OF THE PURPOSE FOR WHICH COMPULSORY ACQUISITION AND
TEMPORARY POSSESSION POWERS ARE SOUGHT**

Plot Number (s)	Extent of Acquisition	Purpose for which Plots are required
001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014	Acquisition of permanent rights over land	Work No. 5
015	Permanent acquisition of land	Works Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 19, 20, 21, 22, 24 and 25
015a, 050d, 051b, 051c, 053a, 053b, 058, 059, 068, 069, 072a	Permanent acquisition of land	Maintaining integrity of the existing airport site and its boundary; associated development
015b, 017, 020, 021, 022, 023, 024, 025	Permanent acquisition of land	Glide path safeguarding
016, 016a, 016c,	Permanent acquisition of land	Associated development including construction, operation and maintenance of emergency route
018	Temporary possession of land	Works Nos. 25, 26, 28 and 30
018a	Temporary possession of land	Works Nos. 26 and 30
018b	Temporary possession of land	Work No. 26
018c	Permanent acquisition of land	Work No. 26
019	Permanent acquisition of land	Emergency access to airfield
019a, 019b, 019c, 020a	Acquisition of permanent rights over land	Emergency access to airfield
026	Permanent acquisition of land	Work No. 25
026a	Permanent acquisition of land	Work No. 25 and associated development
027	Permanent acquisition of land	Work No. 25
028	Permanent acquisition of land	Works Nos. 8, 9, 14, 22 and 25
036	Permanent acquisition of land	Work No. 22
037	Permanent acquisition of land	Works Nos. 9, 20, 22
038	Permanent acquisition of land	Works Nos. 3, 20, 22
039	Permanent acquisition of land	Works Nos. 1, 22

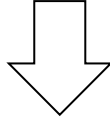
040	Permanent acquisition of land	Associated development
040a	Temporary possession of land	Work No. 26
041	Permanent acquisition of land	Work No. 8
041a	Permanent acquisition of land	Works Nos. 8 and 13
042	Permanent acquisition of land	Work No. 26
042a	Temporary possession of land	Work No. 26
043	Permanent acquisition of land	Work No. 22
043a	Permanent acquisition of land	Work No. 22
044	Temporary possession of land	Work No. 26
045	Temporary possession of land	Works Nos. 26, 29, 31 and 32
045a	Temporary possession of land	Work No. 26
045b	Temporary possession of land	Works Nos. 26 and 31
046	Permanent acquisition of land	Work No. 22
047, 047a, 048	Permanent acquisition of land	Work No. 23
048a, 048b	Permanent acquisition of land	Associated development
049	Permanent acquisition of land	Works Nos. 4, 15, 16 and 23
049a	Permanent acquisition of land	Works Nos. 16 and 29
049b	Permanent acquisition of land	Work No. 4
050	Permanent acquisition of land	Works Nos. 4, 15, 16, 17 and 27
050a	Permanent acquisition of land	Work No. 27
050b	Permanent acquisition of land	Works Nos. 15, 16 and 23
050c	Permanent acquisition of land	Works Nos. 16 and 23
050e	Permanent acquisition of land	Works Nos. 17 and 27
053	Permanent acquisition of land	Work No. 27
054, 054a, 56a, 57	Permanent acquisition of land	Work No. 21
055	Permanent acquisition of land	Work No. 18
056	Permanent acquisition of land	Works Nos. 2 and 8
060, 061, 062, 063, 064, 065, 066, 067	Acquisition of permanent rights over land	Work No. 6
070, 070a	Permanent acquisition of land	Access to Work No 19

071	Permanent acquisition of land	Work No. 19
072	Permanent acquisition of land	Work No. 19
073	Acquisition of permanent rights over land	Access to Work No 19
077	Permanent acquisition of land	Work No. 19
078,079, 080, 083, 084, 085, 086, 088, 090, 092, 094, 096, 097, 098, 099, 100, 101, 102, 103, 104, 107, 109, 113, 114, 114a, 115, 116, 123, 124, 127, 130, 134, 136, 144, 145, 147, 152, 153, 154, 162, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 185a, 185e	Permanent acquisition of subsoil only	Operation and maintenance of the existing underground pipeline
081, 095, 108, 111, 117 128 133, 142, 143, 146, 149, 155, 159, 160, 177c, 185b, 185f, 186	Permanent acquisition of subsoil and acquisition of permanent rights over land	Overground access to existing pipeline manhole to inspect, operate and maintain existing pipeline
082, 110, 112, 118, 119, 120, 129, 131, 132, 138, 140, 141, 148, 150, 151, 156, 157, 158, 161, 177a, 177b, 185c, 185d, 187, 188 188a	Acquisition of permanent rights over land	Overground access to existing underground pipeline manhole

APPENDIX 2: CONDENSED GUIDE TO USING THE DCO DOCUMENTATION

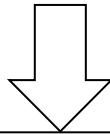
Step 1:

- See the **Land Plans** and find the land in which you have an interest.



Step 2:

- Using the **Land Plans**, note the plot number of the plot in which you have an interest.



Step 3:

- Using the **plot number**, look up the plot in **Appendix 1 to the Statement of Reasons**. This will tell you the purposes for which the plot is required.
- You can also look the plot up in
 - the **Book of Reference**; and
 - the **draft DCO**.

ⁱ The Department for Transport (April 2018) Beyond the horizon: The future of UK aviation. Next steps towards an Aviation Strategy. Available online at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698247/next-steps-towards-an-aviation-strategy.pdf [Accessed 03/07/18]

Appendix 3

Manston Airport DCO – Planning Statement (July 2018)

RSP

RiverOak Strategic Partners

7.2 Planning Statement

TR020002/APP/7.2



Project Name: Manston Airport Development Consent Order
Regulation: Regulation 5(2)(c) of the Infrastructure Planning
(Applications: Prescribed Forms and Procedure)
Regulations 2009, as amended
Date: July 2018

RPS

Planning Statement

In respect of

A Development Consent Order
application to reopen Manston
Airport, Kent

On behalf of

RiverOak Strategic Partners
Limited

RPS Ref: AS/JCG21463

PINS Document Reference Number:
TR020002/APP/7.2

July 2018

Secure & Stable
ADDING VALUE

QUALITY MANAGEMENT

Prepared by:	Angela Schembri
Authorised by:	David Cowan
Date:	16 July 2018
RPS Project Number/Document Reference:	AS/JCG21463
PINS Document Reference Number	TR020002/APP/7.2

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CONTENTS

1	INTRODUCTION	1
	a) Overview of the Manston Airport Project	2
	b) Why Manston Airport?	3
	c) Requirement for Development Consent	4
	d) Non-statutory and Statutory Consultation.....	6
	e) Other consents being sought by the DCO	8
	f) Other licences and permits	9
	g) Airspace Route and Operating Procedures.....	10
	h) Controls and Conditions.....	10
	i) Approach to Planning Appraisal	10
	j) The Approach to Environmentally Assessing the Proposed Development	10
	k) Plans and Drawings	11
	l) Purpose and Structure of the Planning Statement	11
2	SITE CONTEXT AND HISTORY	13
	a) Site History.....	13
	b) The DCO Application Site.....	13
	c) The Surrounding Area.....	15
	d) Planning History	15
3	THE PROPOSED DEVELOPMENT	21
	a) Detailed Description of Development	21
	b) Passenger and Freight Forecast	34
	c) Programme and Phasing	35
	d) Airport Hours of Operation.....	36
	e) Airport Staff	37
4	FORMULATING THE PROPOSALS.....	39
	a) The application of planning policies.....	39
	b) Masterplan Design Principles	41
	c) Process for Selecting the Development Proposal and Alternatives	42
5	THE RELEVANT CONSENTING REGIME	44
	a) The Planning Act 2008.....	44
	b) The Airports National Policy Statement (NPS) – New Runway Capacity and Infrastructure at Airports in the South East of England (June 2018).....	45
	c) Assessment Principles.....	48
6	THE GOVERNMENT’S AVIATION POLICY	50

a)	Context.....	50
b)	The Aviation Policy Framework (March 2013).....	51
c)	Airports NPS (June 2018)	60
d)	'Beyond the Horizon : The Future of Aviation in the UK' (July 2017) – a consultation on the new Aviation Strategy White Paper (expected 2018)	68
e)	Other considerations.....	70
f)	National Infrastructure Delivery Plan 2016-2021 (March 2016)	70
7	NATIONAL PLANNING POLICY FRAMEWORK	73
8	STRATEGIC AND LOCAL FIT	92
9	PLANNING ASSESSMENT	114
10	THE ACCEPTABILITY OF THE PROPOSED DEVELOPMENT : CONCLUSIONS	181
	APPENDIX 1 : DCO APPLICATION SITE BOUNDARY PLAN.....	184
	APPENDIX 2 : ILLUSTRATIVE MASTERPLAN SHOWING THE PROPOSED DEVELOPMENT ..	185
	APPENDIX 3 : MANSTON AIRPORT PLANNING HISTORY.....	186
	APPENDIX 4 : JULY 2017 LOTHAIN SHELF (718) LIMITED PLANNING APPEAL DECISION.....	195
	APPENDIX 5 : LOCAL PLANNING POLICIES – SAVED POLICIES FROM THE 2006 ADOPTED THANET DISTRICT LOCAL PLAN AND EMERGING POLICIES IN THE NEW THANET DISTRICT LOCAL PLAN (2015 AND 2017 CONSULTATION VERSIONS).....	196
	APPENDIX 6 : RPS EMPLOYMENT AND HOUSING LAND TECHNICAL REPORT (MARCH 2018)	

1 INTRODUCTION

- 1.1 RiverOak Strategic Partners Limited ('RiverOak') proposes to reopen Manston Airport as an air freight hub with associated business aviation and passenger services, creating in excess of 23,000 jobs within East Kent and the wider economy by the airport's 20th year of operation (expected to be in 2039).
- 1.2 This Planning Statement has been prepared to accompany an application by RiverOak for a Development Consent Order (DCO). Its purpose is to consider the extent to which the proposals for development comply with the requirements of relevant planning policy.
- 1.3 The proposals to reopen Manston Airport ("the Proposed Development") are classified as a Nationally Significant Infrastructure Project (NSIP) by the Planning Act 2008 ("the Act") because they constitute a capacity increase of more than 10,000 air transport movements of cargo aircraft each year.
- 1.4 This NSIP will help to provide much needed additional air freight and cargo handling capacity in the south-east of England in accordance with the Government's stated aim to maintain the UK's status as a global hub for aviation and making the most use of existing runways.
- 1.5 As the Proposed Development is an NSIP, it therefore requires the grant of development consent by the making of a DCO. An application for development consent must be submitted to the Planning Inspectorate (PINS) and, where that development is 'Environmental Impact Assessment (EIA) Development,' that application must be supported by an Environmental Statement (ES) reporting on the findings of the EIA process. An ES is provided with this DCO application.
- 1.6 RiverOak is a UK-registered company which has acquired all rights and interests and assumed financial and operational responsibility for the DCO in respect of Manston Airport and the anticipated reopening and operation of the airport. RiverOak is fully resourced and funded to accommodate all costs arising from the DCO application to acquire and reopen Manston as a fully operational airport. The DCO includes compulsory acquisition powers as RiverOak do not currently own the airport site. Currently, the site is mostly owned by Stone Hill Park Limited who have their own aspirations to redevelop the Manston Airport site for a new settlement which RiverOak believes is not needed; nor can it be implemented/delivered; nor is it viable.
- 1.7 The Proposed Development responds specifically to established demands for additional cargo capacity within the South East of England and envisages re-establishing passenger services. The Proposed Development complies entirely with the Government Framework for UK Aviation as set out in the Aviation Policy Framework (APF) (2013); the Airports National Policy Statement (NPS) (June 2018) and the emerging new Aviation Strategy "*Beyond the Horizon : The Future of UK Aviation*" (July 2017).
- 1.8 Manston Airport is a unique and important strategic transport asset to the UK that is currently unused since its closure in May 2014. Located in the South East where aviation industry demand is highest and most constrained, the airport already has an illustrious history as a Battle of Britain airfield and more than 40 years' experience of commercial operations.

- 1.9 An estimated £2 billion or more is lost to the UK economy each year due to capacity constraints in the London airports system. This figure is set to rise to £3.9 billion by 2050 even with an additional runway at Heathrow. Manston Airport is ideally placed to help recapture the cargo traffic which is being displaced to mainland Europe.
- 1.10 Reopening Manston Airport as a hub for international air freight will help deliver economic prosperity and employment across Kent; address the chronic shortage of runway capacity in the South East and protect a vital aviation resource for the nation.
- 1.11 RiverOak has secured the necessary investment, has the right strategy and the commitment to deliver the Proposed Development, which has been in development since 2014/5. The Proposed Development will help Manston Airport to realise its economic potential and, in doing so, become a vibrant catalyst for economic growth not only in East Kent but across the UK.

a) Overview of the Manston Airport Project

- 1.12 RiverOak's plans are anchored by a significant and much-needed international air freight hub able to handle at least 10,000 air freight movements a year. To achieve this, RiverOak is proposing a multimillion-pound, four-phase construction and redevelopment plan which will be delivered across an estimated 15 years.
- 1.13 The area within the DCO application site boundary is 311.7 hectares (770 acres) of land predominantly inside the existing airport boundary. The DCO application site boundary is shown on the plan provided as Appendix 1 [document number TR020002/APP/4.1].

APPENDIX 1

- 1.14 The proposals include both the use of the existing airport infrastructure and the introduction of new facilities. In summary, the proposals include:
- Upgrade of Runways 10 & 28 to allow CAT II/III operations;
 - Construction of 19 European Aviation Safety Agency (EASA) compliant Code E stands for air freight aircraft with markings capable of handling Code D and F aircraft in different configurations;
 - Re-alignment of the parallel taxiway (Alpha) to provide EASA compliant clearances for runway operations;
 - Installation of new high mast lighting for aprons and stands;
 - Construction of 65,500m² of cargo facilities;
 - Construction of a new ATC tower;
 - Construction of a new airport fuel farm;
 - Construction of a new airport rescue and firefighting service (RFFS) station airport fire station;
 - Complete fit-out of airfield navigational aids;

- Construction of new aircraft maintenance/recycling hangars;
- Development of the 'Northern Grass' area for airport related businesses;
- Demolition of the redundant 'old' ATC Tower;
- Safeguarding of existing facilities for museums on the site;
- Highway improvement works, both on and off site; and
- Extension of passenger service facilities including an apron extension to accommodate an additional aircraft stand and increasing the current terminal size.

1.15 The application proposals are described in full in Chapter 3 of the Environmental Statement (ES) [document reference TR020002/APP/5.2-1] and explained further in the Design and Access Statement [document reference TR020002/APP/7.3]. A copy of the illustrative Masterplan [document reference TR020002/APP/7.1] which shows how the Proposed Development could be provided is provided in Appendix 2.

APPENDIX 2

1.16 Development consent is being sought for the airport development, comprising new buildings and related components and structures. Development consent is also being sought for the principal engineering works and infrastructure works which are required. These works are described in the accompanying Design and Access Statement [document reference TR020002/APP/7.3] and defined on the Works Plans [document reference TR020002/APP/4.4] which include detailed drawings showing the associated earthworks, water infrastructure and landscaping proposals.

b) Why Manston Airport?

1.17 The London airports system is overcrowded and there is an urgent need for alternative facilities to serve the air freight market. Air freight is increasingly being bumped from the belly holds of passenger aircraft. In addition, this lack of air freight capacity means that goods bound to and from UK businesses and consumers are flown into mainland European airports and trucked across the English Channel. This adds unnecessary cost and delays to businesses and customers. The Proposed Development will deliver a focussed solution to address the demands of air cargo operators.

1.18 The London airports handle 76% of the UK's total air freight. It is clear that freight operators prefer to fly in and out of the South East and this is where the additional capacity needs to be provided. In comparison to its congested neighbours in the South East, (Heathrow, Gatwick and Stansted) Manston Airport will, with the right investment, have ample capacity and all the characteristics of an ideal freight-focused airport.

1.19 Manston Airport has an existing and lengthy runway; it is close to London but not part of the London airspace control zone; and has easy road access to the national motorway network, Channel Tunnel and mainland Europe. This, together with its ability to focus on providing a dedicated, rapid handling and turnaround service for air freight, makes Manston Airport both an attractive prospect for freight forwarders and cargo airlines and the strongest option available to Government to quickly and easily increase runway capacity in the South-East by making best use of existing runway infrastructure.

- 1.20 Reopening Manston Airport would provide almost immediate relief to the pressing situation that is causing the UK economy to lose more than £2bn in trade every year. The shortage of runway capacity across the South-East airports system remains unaddressed. By Year 6, RiverOak's projections show that Manston Airport will be handling more than 10,000 cargo movements which together would carry more than 180,000 tonnes of inbound and outbound freight.
- 1.21 A revived Manston Airport would provide a realistic complement to the overcrowded London airports, reduce the volume of freight trucked through the Channel Tunnel to mainland European airports, improve the resilience of the UK's airport network, and boost economic growth and jobs in Kent. The impact of the UK leaving the European Union will only serve to make these challenges greater as border controls are reinforced and the logistics of trucking freight in and out of the UK become more complex and the solution that Manston provides more attractive.
- 1.22 In addition, there is evidence that the current absence of a specialist oversized cargo security clearing facility at other UK airports is slowing down the handling of air freight, again providing an opportunity for Manston Airport to provide a unique specialist service for air freight.
- 1.23 A Statement of Reasons [document reference TR020002/APP/3.1] is provided to support the DCO application. This statement sets out the justification for seeking compulsory purchase powers within the DCO and why there is a compelling case in the public interest for the inclusion of the compulsory purchase within the DCO. In summary, the principle reasons are as follows:
- The UK has an urgent need to develop international trade and the Proposed Development would encourage future trade growth by helping to address the urgent need for additional airport capacity in the South-East of England.
 - Development of the site as an airport is the only viable use for it.
 - The UK is losing market share to continental airports.
 - Manston is the most suitable site to develop a cargo- focussed airport in the UK.
 - East Kent is in desperate need of skilled employment and training.
 - A valuable and significant national asset will otherwise be lost.
 - The Proposed Development will provide the UK with modern air cargo customs facilities.
 - Manston will provide a valuable reliever function for the main London airports.
 - The landowner's plans for the site will never come to fruition.
 - The Proposed Development will bring substantial socio-economic benefits both locally and nationally.

c) Requirement for Development Consent

- 1.24 The Proposed Development is considered to be a Nationally Significant Infrastructure Project (NSIP) in accordance with The Planning Act 2008 for the reasons set out in the NSIP justification document

submitted with the DCO application [document reference TR020002/APP/2.3]. The Act defines what types of projects constitute NSIPs. Under section 14(1)(i) of the Act, an NSIP includes 'airport-related development'. Section 23(3)(b) of the Act states that the 'airport-related development' mentioned within section 14(1)(i) includes *'the alteration of an airport in a case within subsection (4)'*. Section 23(4) states that an airport is within this subsection only if *'(a) the airport is in England, or in English waters and (b) the alteration is expected to have the effect specified in subsection (5)'*. One of the effects specified in section 23(5) is *'to increase by at least 10,000 per year the number of air traffic movements (ATMs) of cargo aircraft for which the airport is capable of providing air cargo transport services'*.

- 1.25 It is considered that the Proposed Development is the alteration of an existing airport rather than the construction of a new one. Although the airport closed in May 2014 and no longer has an aerodrome certificate to allow it to operate, the runway, although unmaintained, is still in existence and will be re-used, and the airport did operate from 1916 until 2014. It would be difficult to justify the premise that Manston was not already 'an airport'.

Current Capability

- 1.26 The case presented in support of this DCO application is that the current capability of the airport is zero because, due to the current state of the airport, planning permission would be required for development as defined by Section 55 of the Town and Country Planning Act 1990 and Section 32 of the Planning Act 2008 either to replace, re-establish or introduce infrastructure for the first time, so that it could provide air cargo transport services. Full details are provided in the NSIP Justification Document [document reference TR020002/APP/2.3]
- 1.27 Permitted development rights cannot be relied upon because they are only available to the holder of an aerodrome certificate for at least two years. Part 8, Class F of Schedule 2 to the Town and Country Planning (General Permitted Development)(England) Order 2015 grants permitted development rights to a 'relevant airport operator' or its 'agent of development' on operational land. The term 'relevant airport operator' is defined in Part 8, Class O as meaning a relevant airport operator within the meaning of Section 57A of the Airports Act 1986. That section makes it clear that an airport and a relevant airport operator has to have the benefit of a 'certificate' granted by the CAA on behalf of EASA (Section 57A(2)) and that the CAA may only grant a certificate to an 'eligible airport' (Section 57A(3)(c)). An 'eligible airport' must have an annual turnover of business carried out at the airport by the airport operator exceeding £1 million in a least two of the last three financial years ending before the application for the certificate is made (Section 57A(4)(a)) and that the airport is not excluded by Section 57A(5) (which Manston Airport is not). As the previous aerodrome licence was revoked more than four years ago on 15 May 2014 and no licence has been granted since then, Manston does not satisfy this criterion and, indeed, could not satisfy this criterion until at least two years after re-opening.
- 1.28 The measure of cargo capability of a facility is therefore the number of air transport movements of cargo aircraft for which the airport, together with any improvements that did not need planning permission, was capable of providing air cargo transport services (Planning Act 2008 Section 23(8)(b)). Cargo aircraft are those designed to transport cargo but not passengers and that are engaged in the transport of cargo on commercial terms (Section 23(9)).

- 1.29 In particular, infrastructure items that are currently missing or unusable at the airport including the fuel farm; air traffic control tower and navigational aids would require planning permission to be built to a standard to allow even the most rudimentary airport operations. The NSIP Justification Document [document reference TR020002/APP/2.3] provides full details of the development that would need planning permission to enable the airport to provide air cargo transport services.
- 1.30 Therefore without the replacement, reinstatement or introduction of the essential airport facilities and infrastructure which requires planning permission, and in the absence of an airport operator who has an EASA certificate, the capability of the airport to provide any air cargo transport services is currently zero.

Applied-for Capability

- 1.31 No limit on daytime flights is being applied for, and therefore the applied-for capability is the physical capability of the Proposed Development to handle flights during the day. For the avoidance of doubt, night-time restrictions are being proposed. Applied-for capability is a measure of the number of aircraft movements requiring cargo services that can be facilitated by the Proposed Development.
- 1.32 The factors that could potentially constrain the capability of a cargo airport are the throughput of the runway, the number of aircraft that can simultaneously be handled, and the ability to handle cargo at the airport safely and to transport it over the surface transport network.
- 1.33 As the threshold in the Planning Act 2008 is for air cargo movements rather than tonnage of cargo, the ability to handle substantial quantities of cargo is not relevant to capability.
- 1.34 This leaves the critical factor as the ability to handle aircraft safely and simultaneously. RiverOak's aviation expert advice is that on a conservative basis, a single cargo stand can turn around an aircraft every 2.5 hours, i.e. six aircraft or 12 movements between 0700 and 2300 per day.
- 1.35 The Proposed Development is to reconstruct the airport with 19 cargo stands (and some passenger stands, which will not handle cargo aircraft), the construction of which will involve development in planning terms. Using the figure of six arriving and departing aircraft per stand per day (i.e. between 0700 and 2300 – as only limited night flights are contemplated), one arrives at a theoretical maximum capability figure of $(19 \times 12 \times 365 =)$ 83,220 movements per year, and therefore the capability of the airport will be at that level, noting that this is theoretical capability rather than predicted operation.
- 1.36 The increase in capability is therefore 83,220 movements per year of cargo aircraft, more than eight times the required threshold, assuming the existing capability is zero, as demonstrated above.

d) Non-statutory and Statutory Consultation

- 1.37 Prior to submitting the DCO application, RiverOak undertook a series of statutory and non-statutory consultations which invited comments from the general public, local authorities and key stakeholders. Full details are provided in the accompanying Consultation Report [document reference TR020002/APP/6.1].
- 1.38 A series of informal and non-statutory consultation events took place in July 2016. 90% of local people who took part in the informal consultation supported proposals for reviving Manston Airport as an air freight hub with complementary passenger and engineering services. A further 8% of

respondents said they opposed the plans and 2% were not sure. More than 800 responses were received.

During June and July 2017, RiverOak formally consulted on their development proposals in preparation for the Development Consent Order application. The consultation fulfilled the requirements set out in the Planning Act 2008 and allowed the scheme to be refined prior to submission of the DCO application. Seven public consultation events were held across the consultation period, with over 1,350 attendees. An additional four evening parish events were held which were attended by over 570 people. A total of 2,174 responses were received to the consultation. Within the consultation Feedback Form, RiverOak asked respondents 'to what extent do you agree or disagree with our proposals for Manston Airport?' Of the 1,806 responses, 51.8% either strongly agreed or tended to agree and 29.4% either strongly disagreed or tended to disagree. 0.3% indicated no opinion. The main themes from the consultation responses were:

- Health, noise and air quality impacts
- Impact of night flights
- Flight paths
- Consultation process
- Economic and employment opportunities

1.39 In January and February 2018, a second statutory consultation was held building on the statutory consultation that took place in Summer 2017. This consultation allowed the public and all stakeholders an additional opportunity to comment upon the scheme proposals following further scheme developments including updates to the environmental assessment that had been made in line with the latest EU Directive. The consultation event included the launch of the proposed Noise Mitigation Plan. Two public consultation events were held across the consultation period, in Ramsgate and Herne Bay, with nearly 900 attendees. A total of 1,318 responses were received to the consultation. The main themes from the consultation responses were:

- Noise and air quality impacts
- Other environmental impacts
- Impact of night flights, including comments on the draft Noise Mitigation Plan
- Flight paths
- Consultation process
- Economic and employment opportunities

1.40 The Consultation Report submitted with the DCO application [document reference TR020002/APP/6.1] provides a full analysis of the key themes that were raised in both the formal and informal consultations and how the scheme has responded to the feedback. It also provides full details of the numerous presentations that were given to the local authorities, key stakeholders and local organisations prior to the DCO application being submitted.

1.41 It is evident from all three consultation events that there remains considerable local support for the Proposed Development with the economic, employment and regeneration benefits being highlighted as key beneficial impacts. This has been a consistent theme throughout the consultation events and generally amongst the local community. Indeed community support for growth at the airport has remained consistent even from as far back as 2005 when there were proposals to expand the then operational airport. At that time, a MORI research report for Thanet District Council ‘*Section 106 Agreement Consultation*’ (March/April 2005) recorded that 85% of residents surveyed supported airport expansion with 63% being strongly in support of such proposals. The considerable support for the Proposed Development carries significant weight.

1.42 RiverOak has been developing a Statement of Common Ground (SoCG) with a number of statutory consultees, statutory undertakers and interested parties during the preparation of the DCO. The SoCGs seek to identify matters on which parties agree and to track progress towards the resolution of any matters where agreement has not yet been reached. The SoCGs will be updated in consultation with the relevant bodies throughout the DCO determination process and they will be submitted to the Examining Authority at the appropriate time.

e) Other consents being sought by the DCO

Compulsory Purchase

1.43 The DCO includes compulsory acquisition powers. The Land Plans [document reference TR020002/APP/4.2] identify the land interests which are required for the construction and operation of the Proposed Development and the Statement of Reasons [document reference TR020002/APP/3.1] sets out the reasons why powers of compulsory purchase are necessary.

1.44 Powers are sought to acquire outright the main airport site, the land to the north of the B2050 (hereon in referred to as the ‘Northern Grass’) and the subsoil where the pipeline to Pegwell Bay is positioned. Powers are also sought to acquire part of the B2050 (Manston Road) to allow it to be realigned.

1.45 Powers are sought for the permanent creation of rights in the two areas of landing lights to the east and west of the airport and access from the public highway to the pipeline at various points. Powers are also sought for temporary occupation of the B2190 (Spitfire Way) to allow it to be improved, although it will remain at least partly open to traffic at all times.

1.46 Whilst the majority of the land included within the Order limits consists of the land forming part of the former Manston Airport site, the extent and the nature of the Proposed Development (including the consequential Civil Aviation Authority (CAA) and EASA requirements) would necessitate reconfiguration of some of the existing facilities/infrastructure and the construction of new ones as well as some, although minor, changes to the existing site boundary.

1.47 The Statement of Reasons concludes that there is a ‘compelling case in the public interest’ to satisfy the tests set out in Section 122 of the Planning Act 2008 and therefore, to justify the use of powers of compulsory purchase within the DCO. Its principal reasons for reaching that conclusion are set out below.

- The Government in its draft Aviation Strategy make it clear that there is an urgent need for additional runway capacity in the South East of England and specifically for air freight. Without

new airport infrastructure, the objectives of the Government's aviation policy cannot be fulfilled.

- In order to secure airport infrastructure that will enable the UK to meet its identified demand to 2030 and beyond, there is a requirement for more intensive use of existing airport capacity especially in light of the very important role that aviation will play in the UK's economic success in a post-Brexit world. As the UK shifts towards more global trade, the importance of air freight to the economy will increase. British exporters will be looking to capitalise on new trade agreements and reach countries further afield. Similarly, the country's changing relationship with the EU will make current practices of trucking air freight to and from continental airports across the Channel even more difficult with the introduction of border checks and potentially new tariffs.
- Aviation has a key role to play in achieving the Government's ambitions to increase productivity and grow the economy (Government's draft Aviation Strategy, July 2017). However, London and the South East are now facing longer term capacity problems. Heathrow Airport is operating at full capacity today, Gatwick Airport is operating at capacity at peak times, and the whole London airports system is forecast to be full by 2040. In view of the urgent need for additional runway capacity in the South East and especially additional air freight capacity, it is important that additional runway capacity is made available as soon as possible and significantly earlier than 2030 and the new runway provision at Heathrow Airport. Significant weight should be attached to the considerations of need and the weight to be attributed to need in any given case should be proportionate to the anticipated extent of the Manston Airport Project's contribution to meeting that need.
- There is no other airport or airfield in the South East that could realistically be able to provide a service like that which could be provided at Manston Airport. The existing runway is both lengthy and wide and places no immediate restrictions on the number or type of aircraft that could be handled. The airport is sufficiently located away from other London airports which avoid issues of airspace congestion, but with convenient road access to London and beyond. The focus on handling air freight will mean that dedicated services can be provided without passenger services taking priority. Additionally, the capacity of the surface access networks dictate that freight transportation will not be hampered by congestion issues. Furthermore, the socio-economic benefits that would be delivered including economic prosperity through direct and indirect airport employment; tourism; tax revenues and inward investment and education benefits.

1.48 These public benefits in the timescale envisaged are therefore clear, very substantial and compelling. Additional and substantial local and sub-regional economic benefits of the project further contribute to the compelling case (see Section 8 of this statement).

f) Other licences and permits

1.49 Additionally, the DCO replaces the need to seek consent for some of the licences and permits which will enable the proposed development to be constructed and operated and for which the Planning Inspectorate is not the authorising body. Document reference TR020002/APP/7.6 provides details of other consents and licences that may be required.

g) Airspace Route and Operating Procedures

- 1.50 In addition to obtaining approval for development consent, approval will also be required for the new airspace and operating procedures from the Civil Aviation Authority (CAA). This approval is obtained via submission of an Airspace Change Proposal in accordance with regulations laid down by the CAA. Preliminary discussions on this and other related topics have been held between RiverOak, the project team and the CAA.
- 1.51 It will be the airspace change process that ultimately provides permission for the detailed operating procedures and airspace required by the airport and not the DCO. Following discussions with the CAA, it is anticipated that the airspace change application will be submitted as soon as the DCO has been accepted. In this way the consenting regimes will remain complimentary and duplication of effort for RiverOak, the respective regulators and other interested parties, will be minimised.
- 1.52 The final decision on exactly where aircraft will be routed will be decided as part of the CAA's Airspace Change Process. A number of factors will influence this decision including, but not limited to, flight testing, connectivity to the wider air traffic network and route development together with a further round of environmental assessment and public consultation. So that an assessment of the operational effects of the proposed development can be undertaken as part of the ES, a set of expected flight routes and procedures have been prepared for the project. These provide a 'route swathe' which represent a worst case scenario for the operational airspace effects of the proposed development; the final refined design will then be agreed with the CAA through the Airspace Change Process. The ES submitted with this DCO application contains the worst-case assessment of the environmental effects of flights, noise being the principal effect, and the CAA will then approve flightpaths within the swathes assessed in the ES. This approach of developing initial 'route swathes' which allow public engagement to inform subsequent detailed route design and refinement is entirely in line with best practice and will be reflected in the CAA's revised airspace change process which was introduced in December 2017.
- 1.53 The DCO includes document reference TR020002/APP/7.5 which is the CAA Interface Document. This document provides further information about the airspace change process and aerodrome certification process used by the CAA which are of relevance to the DCO and the processes and regulations that the airport will need to comply with prior to commencement of operations.

h) Controls and Conditions

- 1.54 The draft DCO [document reference TR020002/APP/2.1], and the Register of Environmental Actions and Commitments [document reference TR020002/APP/2.5] lists the requirements which are intended to condition and control the development that is being proposed. The Register of Environmental Actions and Commitments includes measures which RiverOak suggest may be appropriately imposed on the grant of development consent in order to regulate the design, construction and operation of Manston Airport.

i) Approach to Planning Appraisal

- 1.55 This is discussed in greater detail in Section 5 of this statement in the context of the appropriate consenting regime as set out in the Planning Act 2008.

j) The Approach to Environmentally Assessing the Proposed Development

- 1.56 As the development will be delivered on a phased basis over a number of years, the permission that is being sought is based on clearly defined parameters which establish the framework within which the development will take place. The Environmental Impact Assessment (EIA) takes account of the need for the project to evolve over a number of years within the parameters, and reflects the likely significant effects of such a flexible project. The flexibility that is sought for the project will be reflected in appropriate development consent provisions and requirements. This approach is an acknowledged way of dealing with an application comprising EIA development where details of a project cannot be resolved at the time when the application is submitted. This approach is entirely acceptable and in accordance with the PINS Advice Note 9 on the 'Rochdale Envelope' (February 2011).
- 1.57 Where details will not be known until the detailed design stages of the development process, for example the exact location of buildings that will be demand-led, the ES sets out the relevant design parameters used for the assessment and explains, with reference to the parameters, what the maximum extent of the proposed development may be (the 'worst case'), and assesses the potential adverse effects which the project could have, to ensure that the impacts of the project as it may be constructed have been properly assessed. Other details such as the length and width of the runway and taxiways are 'fixed' for the purposes of the DCO.

In the event that development consent is granted and at a later stage RiverOak wishes to construct it in such a way that it is outside the terms of what has been consented (and assessed), it will be necessary for RiverOak to apply for a change to be made to the development consent provided under the Planning Act 2008. Again, this is an accepted approach set out in the PINS Advice Note 9.

k) Plans and Drawings

- 1.58 There are 14 different types of plans and drawings each showing different elements of the Proposed Development. The plans that are most relevant to understanding the proposals for development are as follows:
- **TR020002/APP/4.1** – Location Plan which shows all the land required by the Proposed Development.
 - **TR020002/APP/4.4** – Works Plans which show the proposed limits of the DCO.
 - **TR020002/APP/4.6** – Access and Rights of Way Plans which show any proposed changes to public roads, footpaths, bridleways and rights of access to these.
 - **TR020002/APP/4.9** – Traffic Regulation Measures Plans which show the traffic management measures which are proposed to be implemented during the construction of the Proposed Development.
 - **TR020002/APP/4.14** – Design Drawings which provide details on the size and height of the new infrastructure being proposed.

l) Purpose and Structure of the Planning Statement

- 1.59 This Planning Statement draws upon the conclusions of many of the documents that support the DCO and interprets them against the relevant planning policies. It should therefore be read alongside these documents especially the Draft Development Consent Order [document reference

TR020002/APP/2.1] and the Environmental Statement [document reference TR020002/APP/5.2-1 to 2-15].

1.60 The remainder of this statement is structured as follows:

- **Section 2:** Describes the site context and the history of the Manston Airport site.
- **Section 3:** Describes the Proposed Development.
- **Section 4:** Sets out the relevant principles that have informed the development proposal.
- **Section 5:** Sets out the relevant consenting regime under which the DCO will be determined.
- **Section 6:** Sets out the Government's aviation policy against which the development proposals will need to be considered.
- **Section 7:** Sets out the relevant national planning policy against which the development proposals need to be considered.
- **Section 8:** Describes how the Proposed Development 'fits' within key strategic and local plans and frameworks.
- **Section 9:** Is the planning assessment of the development proposals against the relevant planning policies.
- **Section 10:** Sets out the conclusions and why the scheme is acceptable in planning policy terms.

2 SITE CONTEXT AND HISTORY

a) Site History

- 2.1 Aircraft activity began at Manston in 1915 when military aircraft used the site for emergency landings. There has been an operational airport at the site since 1916. Until 1998 it was operated by the Royal Air Force as RAF Manston and for a period in the 1950s was also a base for the United States Air Force (USAF).
- 2.2 The airfield was extensively used during World War II, notably to test bouncing bombs at Reculver and by Hawker Typhoon and Meteor squadrons. The airport was also the set off point for the famous Channel Dash mission. Its location in East Kent meant it was critical during wartime operations as the first airport available for damaged aircraft returning home from Europe.
- 2.3 In the 1950s the United States Air Force (USAF) used Manston as a Strategic Air Command base for its fighter and bomber units. The USAF withdrew from Manston in 1960 and the airfield became a joint civilian and RAF airport.
- 2.4 From 1989 Manston became known as Kent International Airport and a new terminal was officially opened that year. In 1998 the Ministry of Defence announced plans to sell off RAF Manston. Operations at the airport continued with range of services including scheduled passenger flights, charter flights, air freight and cargo, a flight training school, flight crew training and aircraft testing. In the most recent years it was operating as a specialist air freight and cargo hub servicing a range of operators.
- 2.5 In 2004, works began to make the airport a low cost airline hub and Irish airline EUJet began scheduled flights in September 2004 to a number of destinations across the UK. EUJet operated flights from Sept 2004 until July 2005. In July 2005, all EUJet operations were suspended along with all non-freight operations because of financial difficulties with the airport and airline's operating company.
- 2.6 The airport was purchased by Infratil in August 2005 who operated a select number of charter passenger flights to specialised destinations. By 2010, Flybe began operating daily flights from Manston to Edinburgh, Kirkwall, Sumburgh, Belfast, and Manchester. These flights ceased from March 2012. Subsequently, KLM Royal Dutch Airlines operated double daily flights from Manston to Amsterdam from April 2013.
- 2.7 In October 2013, Infratil sold Manston Airport to a company owned by Ann Gloag, co-founder of Stagecoach Group. Manston Skyport Ltd took over running the former airport on 29 November 2013. The airport was closed in May 2014. Despite the airport's closure, much of the airport infrastructure, including the runway, taxiways, aprons, cargo facilities and passenger terminal remain.

b) The DCO Application Site

- 2.8 The DCO application site is on the existing site of Manston Airport, west of the village of Manston and north east of the village of Minster, in Kent. The town of Margate lies approximately 5km to the north of the site and Ramsgate approximately 4km to the east. Sandwich Bay is located

approximately 4-5km to the south east. The northern part of the site is bisected by the B2050 (Manston Road) and the site is bounded by the A299 dual carriageway to the south and the B2190 (Spitfire Way) to the west. The existing site access is from the junction of the B2050 with the B2190.

2.9 The DCO application site covers an area of approximately 311.7 hectares (770 acres) and comprises a combination of existing buildings and hardstanding, large expanses of grassland, and some limited areas of scrub and/or landscaping. This includes the 2,748m long, 60m wide runway, which is orientated in an east-west direction across the southern part of the site. The existing buildings are clustered along the east and northwest boundaries of the site and include:

- a cargo handling facility comprising two storage warehouses 6 - 8m high, and one hangar 12m high, all finished with metal cladding, on an area of 5,200m², with gated entrances and a security box;
- a 12m high fire station building, constructed of brick and with a corrugated metal roof, on an area of 2,200m²;
- a helicopter pilot training facility comprising two 10m high hangars with metal cladding, on an area of 950m² ;
- two 5m high museum buildings of brick construction, on an area of 2,000m²;
- a 4m high terminal building, on an area of 2,400m²;
- a 6m high Air Traffic Control (ATC) building, including a 9m high viewing tower, on an area of 700m²;
- a 12m high airplane maintenance hangar, with a taller 16m high movable section to enclose an airplane tail fin, on an area of 4,700m²; and
- a fuel farm.

2.10 A network of hard surfacing, used for taxiways, aprons, passenger car parking, and roads connects the buildings to the runway and to the two main airport entrance points that are located in the east and west of the site. The buildings and facilities are generally surrounded by grassland and during previous operations this was kept closely mown. Landscape planting is limited to lines of ornamental trees and shrubs along some sections of the boundary such as with the B2190, around some buildings and in car parking areas on the eastern edge. Post and wire security fencing of varying height runs alongside most of the airport perimeter.

2.11 The Northern Grass – the part of the site to the north of Manston Road (B2050), which bisects the centre of the site in a roughly east to west direction, is predominantly grassland, with some areas of hard standing, including a stretch of taxiway that formerly linked across to the main taxiway network. The two museums, the Spitfire and Hurricane Memorial Museum, and the RAF Manston Museum, are located in the south-western corner of the Northern Grass. A small number of other redundant buildings, such as the former RAF air traffic control tower, are also located on the Northern Grass.

2.12 RiverOak do not own the land comprising the application site. Most of the land within the existing airport perimeter is owned by Stone Hill Park Limited. Consequently, the DCO application also includes an application for powers of compulsory acquisition.

c) The Surrounding Area

- 2.13 The site is located within National Landscape Character Area 113: North Kent Plain. This encompasses an approximately 90km long strip of land bordering the Thames Estuary to the north and the chalk of the Kent Downs to the south. The site is also within the Thanet Landscape Character Area. This features a centrally domed ridge on the crest of which the airport is dominant. The area is generally characterised by open, large scale arable fields with long views.
- 2.14 The surrounding area is generally characterised by a moderate density of villages, small groups of residential properties and individual properties. These include:
- properties at Bell Davies Drive and Esmonde Drive to the north;
 - properties at the southern end of Manston Court Road to the east of the airport;
 - properties on the north side of the B2190 Spitfire Way;
 - properties on the north-west side of Manston Road;
 - properties along either side of Manston Court Road;
 - properties at the southern end of Manston High Street; and
 - those parts of Cliffsend adjacent to Canterbury Road West.
- 2.15 Not immediately adjacent but within 0.5km to 1km are several smaller settlements including Manston, Minister, Cliffsend, Acol, All and Grange Lane and Woodchurch.
- 2.16 The site is located 4.3kms west of Ramsgate railway station; 5.5kms north-east of Minster railway station and 7.2kms south-west of Margate railways station.
- 2.17 The entire site is in Flood Zone 1 where the risk from flood is low. The Manston Airport site is underlain by a chalk aquifer which the Environment Agency (EA) considers to be of strategic and local importance.
- 2.18 There are no statutory environmental designations that apply within the DCO application site. However, the outfall corridor goes through/under the Sandwich Bay Special Area of Conservation (SAC) and its constituent Site of Special Scientific Interest (SSSI) (Sandwich Bay to Hacklinge Marshes). The outfall discharges into the Thanet Coast and Sandwich Bay Special Protection Area (SPA) and Ramsar site.

d) Planning History

- 2.19 The Manston Airport site has a lengthy planning history. A summary is provided in Appendix 3. More detail is provided below on key planning permissions and decisions that have been granted in respect of the Manston Airport site as they are relevant to the consideration of this DCO application.

APPENDIX 3

Planning application by Stone Hill Park Limited (Thanet District Council application number OL/TH/16/0550) (May 2016)

- 2.20 Stone Hill Park Limited submitted a hybrid planning application to Thanet District Council on Tuesday 31st May 2016 for the comprehensive redevelopment of the Manston Airport site to create a new, mixed-use settlement comprising up to 2,500 new homes; an advanced manufacturing focused business park with some distribution/storage and office space; large scale – indoor and outdoor – sports and recreational facilities with the former runway becoming part of a network of parkland, trails and outdoor space; and a new heritage hub which will accommodate the Spitfire and Hurricane Memorial Museum and RAF Museum.
- 2.21 The outline element comprises an outline planning application (with all matters except access reserved for future determination) for the provision of buildings/floorspace for the following uses; Employment (Use Classes B1a-c/B2/B8), Residential (Use Classes C3/C2), Retail (Use Classes A1-A5), Education and other non-residential institutions (Use Class D1), Sport and Recreation (Use Class D2), Hotel (Use Class C1), Open space/landscaping (including outdoor sport/recreation facilities), Car Parking, Infrastructure (including roads and utilities), site preparation and other associated works.
- 2.22 The full/detailed element of the application comprises change of use of retained existing buildings, Development of Phase 1 comprising four industrial units (Use Class B1c/B2/B8) with ancillary car parking and associated infrastructure and access.
- 2.23 Revisions to the planning application were submitted to Thanet District Council in October 2017 following additional work by the Applicants and in response to representations made by the Council and other statutory consultees. The main changes to the scheme relate to the boundaries of the various development zones of the Masterplan; relocation of the special outdoor water based recreation zone; introduction of additional land use controls including controls against ground works in certain areas; an amendment to the development zone north of Manston Road to allow options for strategic highways improvements; revisions to road layouts and the western access to the site; and introduction of footpath/cycle connections to Canterbury Road West.
- 2.24 The description of development is unchanged by the revisions but the phasing for delivery of the Masterplan over the next 15-20 years has changed.
- 2.25 At the time of writing, the planning application was missing key environmental and other information (including a Financial Viability Assessment) that had still not been supplied by the Applicants in over two years since submission. This puts into question the seriousness of the Applicants intentions. The application is some way off from being determined. Thanet District Council is unable to confirm when a decision on the planning application is likely. The planning application represents a departure from the Development Plan as it conflicts directly with saved Policy EC4 of the 2006 Thanet Local Plan. For this and the following reasons, it is highly unlikely that planning permission would be granted:
- There is no demonstrated, or demonstrable, need for the housing being sought;
 - Insufficient infrastructure exists and is not being sought at this isolated site to support such a significant increase in population, including road access, gas, electricity, water and sewerage services;

- There are environmental issues that have not been adequately dealt with;
- It has attracted several significant objections from statutory bodies, including the Ministry of Defence, who will not allow housing to be built near its equipment; and
- It is a high cost project in a low value area and could never be financially viable.

2.26 Stone Hill Park Limited confirmed that they would be progressing a planning application for an enhanced masterplan for the new settlement, incorporating feedback from a consultation process held in November 2017. A hybrid planning application was submitted to Thanet District Council on 4th May 2018 and was made valid on 9th May 2018. This application has not replaced planning application OL/TH/16/0550 as this application remains live pending a decision.

2.27 The May 2018 application (reference OL/TH/18/0660) proposes the comprehensive redevelopment of the site for the provision of a mixed use development. The outline element comprises an outline planning application (with all matters except access reserved for future determination) for the provision of buildings/floorspace for the following uses; Employment (Use Classes B1a-c/B2/B8), Residential (Use Classes C3/C2), Retail (Use Classes A1-A5), Aviation (Sui Generis), Education and other non-residential institutions including museums (Use Class D1), Sport and Recreation (Use Class D2), Hotel (Use Class C1), Open space/landscaping (including outdoor sport/recreation facilities), Car Parking, Infrastructure (including roads and utilities) are also proposed, The full/detailed element of the application comprises a change in the use of retained existing buildings and their means of access. The statutory expiry date for the application is quoted as 15th August 2018 although officers have confirmed that it is 29th August 2018 (16 weeks from the date of validation).

2.28 The proposals comprise the following:

- Up to 3,700 new residential dwellings, across a wide range of housing types, sizes and tenures, with up to 250 units age-restricted for elderly persons;
- Up to 46,000 sqm (GIA) of employment floor space, with a focus on advanced manufacturing with some storage/distribution/office use;
- Retention and re-use of the western 1,199m of the existing runway for use by heritage, vintage and classic aircraft, alongside relocation of the existing RAF Manton Museum and Spitfire and Hurricane Museum to new facilities directly adjoining the runway;
- 'East Kent Sports Village' directly adjoining the new heritage aerodrome, including provision for a 50m swimming pool, outdoor 'wave garden', outdoor sports pitches, hotel and other ancillary development;
- One main new Local Centre, with provision for shops (including a small/medium-sized foodstore), services, cafes/restaurants, GP and pharmacy, community hall, hotel and other leisure facilities, with smaller satellite village centre to serve the immediate needs north of Manston Road;
- Two new primary schools, with combined capacity of up to six forms of entry;

- Potential for a small-scale campus for higher/further education located in close proximity to the employment hub, which will train people in the skills needed to support future businesses;
- 133 hectares of green infrastructure (45% of the total site area), including a repurposed runway recreational area at the eastern extent of the runway, habitat and ecological areas and structural planting, and community orchard and allotments, all connected by a network of local green spaces;
- Retention and integration of a number of existing buildings on Site through proposed Change of Use; and
- A network of new streets, pedestrian/cycle routes, associated car parking, and site preparation/enabling/landscaping/infrastructure works.

2.29 The Applicants state that the proposed development will be built in three 'stages' over the next 15-20 years. The three stages are as follows:

- Stage 1 - up to 1,100 homes (of which a maximum of 300 will be provided north of Manston Road) alongside up to 10,500 sqm of employment floorspace (limited to 5,661sqm if the wave garden is also delivered in Stage 1); the wave garden; museums; aviation uses; a proportion of main town centre uses; and one primary school.
- Stage 2: up to 1,400 homes (south of Manston Road) alongside up to 10,500 sqm employment floorspace (plus an additional 4,839sqm if the wave garden is provided in Stage 1); the remainder of the East Kent Sports Village; hotel; and a proportion of main town centre uses;
- Stage 3: remaining balance of 1,200 homes; one primary school; and the balance of all other proposed uses.

2.30 The proposals presented in the new hybrid planning application still represent a departure from the Development Plan and are equally unacceptable in planning terms for the reasons set out above in connection with planning application OL/TH/16/0550. The 2018 application has attracted several significant objections from statutory bodies including many who objected to the 2016 application often because they have not been satisfied that the Applicants have overcome previous concerns in submitting their alternative scheme.

Operation Stack

2.31 The Town and Country Planning (Operation Stack) Special Development Order 2015 (as amended by The Town and Country Planning (Operation Stack) Special Development (Amendment) Order 2017 came into force on 2nd September 2015 and which following an extension of the time period that it covers, now expires on 31st December 2019. This Order allows for part of the runway at Manston Airport to be used for non-aviation use namely the stationing of goods and vehicles and use of the control tower as a co-ordination centre and the erection of temporary structures. Despite the special development order, Manston Airport has never been used in connection with Operation Stack, and Operation Stack has not been invoked at all since 4 August 2015.

2.32 The very special reasons in the local, regional and national interest that justified this temporary departure from the preferred use of the land as an airport are set out in full in the House of Commons

Transport Committee Operation Stack (First Report of Session 2016-17), 1st June 2016. It is very clear from this report that using the Manston Airport site was only ever a short-term measure (paragraph 23) as a result of the Government coming under pressure to find a way of mitigating the negative effects of Operation Stack by way of a temporary off-road lorry park.

- 2.33 The Town and Country Planning (Operation Stack) Special Development (Amendment) Order 2017 granted planning permission for a freight holding area at Manston Airport until 31st December 2019. After this time, the land reverts to its previous lawful use which is as an airport.
- 2.34 Public views on a proposed permanent solution to avoid the need for Operation Stack were invited as part of a six-week listening exercise that was launched on 11th June 2018 by Highways England. A series of public information events across Kent will be the start of a longer-term consultation process aimed at identifying permanent improvements to how freight traffic is managed when there is disruption to cross channel services in future.

Lothian Shelf (718) Limited appeals decision (July 2017)

- 2.35 In July 2017, the Planning Inspectorate provided their decision on four planning appeals that were submitted by Lothian Shelf (718) Limited following a Public Inquiry that was held between 14th and 17th March 2017. Lothian Shelf (718) Limited has been renamed as Stone Hill Park Limited who are the landowners of Manston Airport. RiverOak appeared at the Public Inquiry as a 'Rule 6' party to provide evidence for why the appeals should not be granted.
- 2.36 The appeals were refused. They related to four planning applications that proposed the change of use of four existing buildings on the Manston Airport site from *sui generis*, airport related uses to flexible B1(b-c), B2 and B8, non-airport related uses. A copy of the appeal decision (reference APP/Z2260/W/15/3140995) is provided as Appendix 4.

APPENDIX 4

- 2.37 The appeal decision is very important to the determination of the DCO application. The Inspector confirmed that significant weight should be attached to the relevant planning policies that seek to protect the airport for aviation uses. The decision also confirms that the relevant local planning policies that protect the airport for such uses are entirely consistent with the Government's Aviation Policy Framework which fully recognises that the aviation sector is a major contributor to the national economy which facilitates trade and investment.
- 2.38 It is important to set out in the context of this DCO application, the very significant and recent conclusions that the Inspector established within his appeal decision. These are as follows:
- The draft new Thanet Local Plan is in its early stages and the latest version is still subject to various outstanding objections including in respect of Policy SP05 (Manston Airport);
 - Little weight can be afforded to the draft new Thanet Local Plan at this time – the policies may change;
 - Closure of the airport should not mean that the saved policies in the adopted Thanet Local Plan (2006) should automatically be accorded less weight or that they are out-of-date;

- Policy EC4 in the adopted Thanet Local Plan is consistent with the NPPF, national aviation policy notwithstanding its age;
- Policy EC4 continues to carry significant weight in the overall planning balance;
- Until a new policy framework exists at the airport, Policy EC4 should not be disregarded;
- Granting permission for non-aviation uses would undermine the current policy protection afforded to the airport land be seen as setting a precedent; and
- Consistent application of Policy EC4 is required to prevent the site becoming anything other than an airport.

3 THE PROPOSED DEVELOPMENT

- 3.1 The proposal is to reopen Manston Airport as an air freight hub with associated business aviation and passenger services.
- 3.2 The Design and Access Statement [document reference TR020002/APP/7.3] and Environmental Statement (Chapter 3) [document reference TR020002/APP/5.2-1] describe the proposed development in detail in accordance with PINS Advice Note 9 which provides guidance in the use of the Rochdale Envelope approach in the case of an application for a NSIP and the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017. The proposals for development are further illustrated on the plans submitted with the DCO application. A summary of the Proposed Development is provided in Section 1 of this statement. A fuller description of the proposed development is provided below and should be read alongside other DCO application documents.
- 3.3 A Masterplan showing an illustrative layout for the Proposed Development [document reference TR020002/APP/7.1] is provided in Appendix 2 of this statement. The Masterplan is 'zoned' into different areas depending on the proposed land use. A series of indicative visuals of the Proposed Development have also been prepared and are provided in the Design and Access Statement [document reference TR020002/APP/7.3] and Chapter 3 of the ES.

a) Detailed Description of Development

- 3.4 A detailed description focussing on each element of the works to be undertaken as part of the Proposed Development is presented below:

Runway, Taxiway, Apron and Stands

- 3.5 It is proposed that the existing 2,748m, east-west aligned runway is retained. Following the granting of the DCO, and prior to commencements of any construction activities, a full assessment of the runway condition would be undertaken. It is likely that rehabilitation would be required to improve the load bearing capacity for future aircraft operations and in order to ensure compliance for CAT II/III operations. This is likely to require a minimum 150mm overlay of bituminous materials across the runway- see drawing numbers NK018417 RPS-MSE-XX-DR-C-2005 and NK018417 RPS-MSE-XX-DR-C-2073.
- 3.6 The operational part of the runway paved area is currently 60m wide. The original concrete paving for the Second World War runway was built to accommodate safe landing for damaged aircraft and is up to 230m wide in places. The area of the runway to be refurbished for aircraft traffic covers a standard operational width of 45m with 7.5m shoulders (60m paved total).
- 3.7 The total paved area each side of the runway extends 80m to the south and 150m to the north of the runway centreline. This paved area is not considered to provide an aviation benefit and could represent a risk to aircraft operations if loose material was dislodged and migrated onto the runway surface. Although it would be possible to remove the excess paved areas, the EA have indicated that as little of the existing hardstanding as possible should be removed. The existing parallel taxiway (Taxiway Alpha) is currently not compliant with EASA guidelines due to the separation distance from the runway to allow for the taxiing of larger classes of aircraft. Therefore, a new taxiway Alpha, plus

associated taxiways to serve the new cargo stands, will be required. It is proposed that the new taxiways will be constructed through either asphalt, concrete or a composite combination of these materials.

- 3.8 A total of 19 Code E stands would be created to service the air freight operations, accompanied new taxiways to service the stands and connect them to the runway. The total area for the new taxiway and aircraft stands is anticipated to be approximately 574,500m².
- 3.9 The existing passenger apron, which can accommodate four Code C passenger aircraft stands, will be retained. Rehabilitation or refurbishment may be required to ensure compliance with EASA guidelines. If required, this apron will be extended during Construction Phase 4 to provide an additional passenger aircraft stand.
- 3.10 Positive drainage, where the drainage has been designed so that all surface water run off flows into the airport drainage network, will be provided on all stand areas. High mast lights would provide the required lighting for operational aircraft stands; it is expected these will vary in height from 15m to 25m depending on Obstacle Limitation Surface (OLS) requirements.
- 3.11 It is assumed that all airport stands would incorporate fixed electrical ground power (FEGP) units, making the requirements for auxiliary power units (APU) minimal.
- 3.12 The area north of the existing runway, where the new stands and taxiways will be constructed, currently has a gradient of more than 1.5%. In order to comply with the EASA guidance on airport design, the gradient for longitudinal slopes on taxiways should not exceed 1.5%, while on aircraft stands the slope should not exceed 1% in any direction.
- 3.13 Therefore, earthwork operations will be required to provide a suitable and compliant building platform for the taxiway, aprons and stands. The majority of this work would be completed during Construction Phase 1 in order to minimise disruption to live airport operations. It is estimated that approximately 300,000m³ of material will be required. At this stage, a cut dispose-import solution is assumed by importing the required engineering fill material. Excavated material from the site will likely be disposed of off-site, with new engineering fill material imported for the construction. The re-use of site won material, (e.g. from the removal of existing taxiways and areas of hardstanding), will be considered, where deemed viable. However, until an assessment of the suitability of this material is undertaken, it has been assumed that all engineering fill material will be imported.

Air Traffic Control, Navigations Aids, Radar and Lighting

- 3.14 In order to gain a CAA aerodrome licence and compliance with EASA guidance, new equipment and facilities are required. Much of the equipment required to operate the airport is inadequate or has been removed.
- 3.15 The existing ATC building (north of the runway) will not allow controllers to safely and easily operate the new configuration of the re-opened airport, owing to the requirement for a new ATC facility.
- 3.16 A study is currently being completed regarding the provision of an offsite ATC facility. This could result in the removal of the ATC building and its replacement with a series of Closed-circuit television (CCTV) cameras which are linked to a remote ATC service. Until investigations are complete and discussions have been held with the CAA, it is assumed that a replacement ATC facility and

associated equipment is required. Current proposals present a replacement facility north-west of the main airport site, adjacent to the air freight cargo stands. Here, the controllers will have uninterrupted views of the runways, taxiways, both thresholds and cargo stands.

- 3.17 The passenger stands would be obscured by the cargo facility. In order to minimise the height of the proposed structure, the management of aircraft movements on the passenger apron will be via a network of CCTV cameras linked backed to the new ATC.
- 3.18 The proposed facility will have a diameter of approximately 6m with an overall footprint of approximately 500m², inclusive of the adjacent building annex. The tower will include an operational room with a viewing height of 23m above ground level, with the roof of the tower at 27m above ground level. Options for construction of the tower could include a steel frame or slip form concrete.
- 3.19 An annex to the tower will provide space for the additional airfield operation equipment and departmental offices. This will be a two-storey structure steel frame construction with suitable cladding and profiled roof. Aesthetically the building will be in keeping with the adjacent structures and the ATC tower.
- 3.20 Indicative visuals of the ATC Tower are provided in Chapter 3 of the ES. The final tower design will be developed at detailed design stage to suit the design aesthetic of the site. The annex will be a two storey structure. Options for construction of the tower could include steel frame or slip formed concrete.
- 3.21 The former approach lights within the airport boundary have been removed and require replacement. Outside the airport boundary the approach lights remain and at this stage it is anticipated that these would not require replacing, accepting that additional approach lights would be required to meet the requirements for CAT II/III operations, but existing lights will be reused where possible.
- 3.22 The existing airfield ground lighting (AGL), located within the runway and taxiway surface will be replaced and additional lights installed on the new taxiways to comply with appropriate requirements – see drawing numbers NK018417 RPS-MSE-XX-DR-C-2095 and NK018417 RPS-MSE-XX-DR-C-2096.

Air Freight and Cargo Facilities

- 3.23 The main operational role of the re-opened airport is to facilitate air freight movements. To meet the anticipated demand from the airfreight forecast, new cargo facilities will be required – see drawing numbers NK018417 RPS-MSE-XX-DR-C-2001, NK018417 RPS-MSE-XX-DR-C-2060, NK018417 RPS-MSE-XX-DR-C-2063 and NK018417 RPS-MSE-XX-DR-C-2085.
- 3.24 The cargo facilities, which will be constructed on the new building platform to be created for the taxiways and stands, would be constructed in phases to meet the demand and requirements of the air freight forecast.
- 3.25 Each cargo facility will have associated Heavy Goods vehicle (HGV) parking, storage and car parking. The facilities will cover approximately 65,500m² in total, with maximum building heights of 20m above ground level (agl) and used for the airside/landside management of cargo. The units will have a landside and airside frontage. A total storage and parking area of approximately 120,000m² will be provided. This will include a yard area for goods access with HGV dock levellers and includes

space for parking of goods vehicles. Office space will be accommodated within this frontage with associated staff parking.

- 3.26 The airside elevation looks directly south onto an access road with adjacent aircraft stands. The airside frontage will have a mixture of industrial access doors and windows. This airside frontage is facing away from the nearest residential areas further reducing the noise and visual impact.
- 3.27 The principles for the visual appearance of the development will be to achieve site-wide consistency with a contemporary and light industrial aesthetic. External wall finishes will be tailored to suit the end user requirements but a typical construction methodology would be for a steel portal framed building. Coloured cladding could be used to signify key areas, for example, office units or the division between facilities. Conceptual visualisations of the cargo facility are included in the Design and Access Statement [document reference TR020002/APP/7.3].
- 3.28 The existing cargo facilities located in the north east of the site would be retained during Construction Phase 1 and used for airport operational buildings i.e. vehicle storage, as well as equipment, storage, laydown and working areas. These buildings would be demolished during Construction Phase 3 in order to accommodate the new cargo facilities that would be built during this phase.

Passenger Terminal and Parking Facilities

- 3.29 It is anticipated that there will be passenger services from Year 3 of the airport's operation – see drawing numbers NK018417 RPS-MSE-XX-DR-C-2060, NK018417 RPS-MSE-XX-DR-C-2064, and NK018417 RPS-MSE-XX-DR-C-2083.
- 3.30 The existing terminal building is in a poor state of repair. A new terminal building and its associated ancillary facilities will replace the existing terminal, which will be demolished in Construction Phase 1. The new terminal would be located on the site of the existing terminal, and would be designed with sufficient capacity to meet the demands of the future passenger forecast. Indicative designs of the new terminal building have been provided.
- 3.31 The initial terminal will provide airside/landside access and will be served by three refurbished Code C aircraft stands. A later expansion of the building and addition of a fourth passenger stand will accommodate the demands of the passenger forecast.
- 3.32 On the landside frontage, the existing surface car park will be extended. A new internal highway network, including a one-way system, will be constructed to provide taxi, bus and pickup facilities for passengers. Strategic placement of bollards and hard areas will be provided to create a 30m clear area in front of the terminal building to comply with security regulations.
- 3.33 The terminal building will have a maximum elevation of 15m above ground level. The initial footprint will be 2,200m² with the ability to increase to 4,500m² to meet growth demands. The approximate dimensions of the initial footprint will be 75m x 30m.
- 3.34 Structurally, the building will comprise a steel frame with cladding and appropriate glazing. Architecturally the building will be consistent with the cargo buildings.
- 3.35 The existing terminal car park, which provides approximately 860 spaces, would be extended to provide parking for a total of 1,815 spaces for passenger spaces and 842 spaces for staff (see

Appendix N of the TA). The carpark area would be divided up to include staff and long stay parking. The construction will comprise of asphalt, concrete and granular material. The layout will include pedestrian walkway, trolley bays and pay on foot machines. Signed access will be provided from the car park to the terminal building. Land is already available adjacent to the existing car park having been set aside for a previous airport masterplan proposal. Some general maintenance and new access/exit barriers would be needed to the existing car park. Parking facilities to the west of the site entrance from the B2050 (Manston Road) would provide staff parking.

- 3.36 The car park would also include new areas for taxi ranks, drop off/pick up, buses and coaches; the number of spaces for these modes of transport is detailed in the Transport Assessment (Volume 14).

Fuel Farm

- 3.37 The airport will require a new fuel farm facility to replace the existing facility, which is located on the Northern Grass area and does not include sufficient storage or other facilities to meet the Proposed Development's needs. The new fuel farm will need to be located airside (i.e. not on the Northern Grass area) for operational reasons. This will allow for the safe and efficient transport and delivery of fuel around the site. At present, it is assumed that fuel would be delivered to the airport via road tanker, however the viability of alternatives, such as delivery via rail will be investigated as potential longer-term options.
- 3.38 The preferred location for the new fuel farm is in the south-east of the airport, on the site of the existing Jentex fuel facility – see drawing numbers NK018417 RPS-MSE-XX-DR-C-2093 and NK018417 RPS-MSE-XX-DR-C-2094. Currently, this is an independently operated fuel facility, however historically it was part of the airport site, and was the main fuel farm for the RAF airbase. Whilst the fuel farm would use the existing site, new tanks and associated infrastructure would be required to meet the needs of the Proposed Development, and to ensure that the facility is adequately designed and fit for purpose.
- 3.39 Prior to construction, decommissioning of existing tanks and infrastructure is required, alongside remediation of contaminated land, as deemed necessary. A number of old tanks have already been decommissioned.
- 3.40 The new fuel farm facility will be designed and constructed using best available techniques and will incorporate features such as above ground double skinned and bunded fuel tanks.
- 3.41 The new facility would also incorporate suitable protection and other measures to control and mitigate any risks to nearby residential and other property from an incident at the fuel farm. The design of these measures will be discussed and agreed with the Health and Safety Executive (HSE).
- 3.42 The site will be divided into a landside delivery area, a bunded area for airfield fuel tanks and an airside area for the filling of fuel bowsers and maintenance of the airfield fuel bowser fleet.
- 3.43 It is expected that a minimum of three 700,000l cylindrical fuel tanks will be required to meet the expected fuel farm requirements. An additional tank has been allowed for to accommodate lighter aircraft fuel used for general aviation aircraft.

- 3.44 The existing buildings will be retained and refurbished as part of the development area where possible. The total building quantum, not including the tank or tank bunds, will be approximately equal in height and floor area of the existing buildings.
- 3.45 For ease of access, the facility will have a separate access road from the local road network, and will utilise an existing but improved access from Canterbury Road West. A new airside/landside security facility would be installed in the location of the existing 'emergency access gate' adjacent to the Jentex facility to provide direct airside access for the fuel farm.
- 3.46 The EA and Southern Water (SW) have been consulted on several occasions throughout the development and the principles surrounding the design of the fuel farm have been agreed. Both the EA and SW will continue to be consulted on the design of the fuel farm facility, and on the scope of any site investigations and remediation, that may be required.

Site Access, Highway and Junction Improvements

- 3.47 Roads in the vicinity of the Proposed Development, including B2050 (Manston Road), B2190 (Spitfire Way) and the Manston Road/Spitfire Way junction, have been identified as requiring improvement. Kent County Council (KCC) Highways Department has in place proposals to improve the public highway in this area as part of its Thanet Transport Strategy. Work will be undertaken in conjunction with KCC to provide improvements, which will require a signalised junction at the Manston Road/Spitfire Way junction, and other improvements to the local road network in the vicinity of the site.
- 3.48 A new airport access for the cargo/aircraft maintenance facility is proposed on the B2190 (Spitfire Way) to the west of the existing access. This will be designed with sufficient capacity for the Proposed Development's operations. Current proposals include a new roundabout to provide access to the airport. The detailed design of this and other highways/junction improvements will be undertaken following consultation with KCC Highway Department and Highways England.
- 3.49 A new network of internal roads for the air freight and cargo operations will also be constructed, inclusive of parking facilities for vehicles involved in air freight operations. These facilitate the internal movement of all vehicles, ground service equipment and staff working in the air freight services, and minimise the number of movements on the public road network. Suitable security, customs and border check point facilities would be constructed at the site access points and at cargo building facilities.
- 3.50 A landscaping zone between new internal access roads and the local road network, and along the boundary with B2190 (Spitfire Way) and B2050 (Manston Road) will be provided. The landscaping scheme will be designed so that is acceptable within the constraints of the aviation environment.
- 3.51 A Preliminary Construction Traffic Management Plan (PCTMP), Car Park Management Plan, Travel Plan, Airport Surface Access Strategy and Public Rights of Way Management Strategy (PRoWMS) have been developed as part of the TA; these will identify suitable embedded measures which should be incorporated into the design of the Proposed Development. The new elements to be considered as part of this are likely to include:
- Offsite junction improvements;

- Improvements to the core route along Spitfire Way and Manston Road from the A299 including road widening;
- Increased and enhanced facilities for taxis, buses and coaches for passengers and staff;
- Management of construction traffic vehicles
- Diversions for any road closures required to construction highways infrastructure and accesses;
- Closure and diversion of local PRow;
- Provision of a shuttle service to Ramsgate rail station;
- A network of internal footpaths and cycle paths for staff use;
- Upgrade and/or enhancement of existing pedestrian and cycle provisions within the vicinity of the Site; and
- Amended public service bus stops, and public bus service frequency and route changes (to be agreed with the local authority and bus route operators).

Outline Drainage Strategy

- 3.52 The surface water network would include interception, attenuation (winter and summer ponds) and pollution control facilities designed in accordance with industry best practice and agreed with the key stakeholders. Where appropriate this will utilise Sustainable Drainage Systems (SUDS) for the discharge to ground, existing connections to the public drainage system, or permitted discharge to Pegwell Bay. The outline Drainage Strategy is discussed further below.
- 3.53 The site is situated on an existing aquifer with a chalk subgrade a surface runoff for the site will ultimately discharge into Pegwell Bay, therefore drainage and surface water treatment has been a priority in development of the drainage strategy.
- 3.54 The outline drainage strategy for the site is to provide positive drainage following the site's natural contours, discharging into two adjacent attenuation ponds. Apart from providing attenuation, the ponds will also provide pollution control facilities. These ponds are located in the northern landside area at the natural site low point. Prior to discharging into the ponds, the water would flow through interceptors (existing and new). The first of these attenuation ponds would treat contaminated runoff through the use of mechanical aerators, before discharging into the second pond. Flow into the 'clean' pond would be limited; the spillway will have a storage capacity of greater than a 1 in 30-year flood event. From the second pond, the clean water will be conveyed towards the existing pumping station to be discharged from site.
- 3.55 Contaminated water is considered to be any runoff from the airfield or vehicle pavements. This includes roads, taxiways, yard areas and airfield aprons (i.e. de-icer and oil susceptible areas). 'Clean' runoff (i.e. from roof areas) may discharge into the second pond directly.
- 3.56 The location of the ponds is approximately 850m from the runway centreline and allows the ponds to be developed into a potential aesthetically attraction. An assessment will be undertaken during the detailed design stage to determine if further bird mitigation is required.

- 3.57 From the attenuation ponds, clean or treated water will be pumped around the site to be discharged into Pegwell Bay via the existing discharge outfall; this runs from the airport site to a discharge point within the former Ramsgate Hoverport site – see drawing number NK018417 RPS-MSE-XX-DR-C-2091. The first part of this system requires the pumping of water, but from the edge of the airport boundary the outfall is positive, i.e. gravity fed flow, following the natural land contours.
- 3.58 A survey of the existing storm drainage pipe has been conducted from the Proposed Development boundary to the Pegwell Bay outfall. The pipe was found to be in good repair and of a size expected to be sufficient to meet the site's discharge requirements.
- 3.59 Should the existing pumping system be unable to accommodate the proposed drainage volumes, two alternative options are available. The first is an upgrade to the existing pumping system, while the second is an alternative pump system which could follow the eastern site boundary before connecting to the existing outfall into Pegwell Bay. The detailed design of the drainage, including of the pumping system, will be completed following receipt of consent for the Proposed Development, if granted.
- 3.60 Ongoing consultation with the EA and Southern Water is informing the drainage strategy and design. An application for a new environmental permit to discharge may be made to the EA following the detailed design of the drainage strategy following DCO consent.

Outline Lighting Strategy

Airport Lighting

- 3.61 The scheme has been designed to achieve compliance with the International Commission on Illumination (CIE) Guide: CIE 150:2003 Guide on the Limitation of the Effects of Obtrusive Light from Outdoor Lighting Installations for Environmental Zone E2: Rural Low district brightness - Village or relatively dark outer suburban locations.
- 3.62 The luminaires use high efficiently low energy light-emitting diode (LED) lamps and the luminaires are designed to shine their light down, and by carefully controlling cut off angles the luminaires minimise any upward light pollution to less than 2.5% of luminaire flux for the total installation that goes directly into the sky. Lighting levels are minimised with higher lighting levels only used where they are needed to comply with the minimum recommend lighting standards such as for the airport aprons.

Business Park Lighting (Northern Grass)

- 3.63 The scheme has been designed to achieve compliance with the International Commission on Illumination (CIE) Guide: CIE 150:2003 Guide on the Limitation of the Effects of Obtrusive Light from Outdoor Lighting Installations for Environmental Zone E2: Rural Low district brightness - Village or relatively dark outer suburban locations.
- 3.64 The luminaires use high efficiently low energy LED lamps and the luminaires are designed to shine their light down, and by carefully controlling cut off angles the luminaires minimise any upward light

pollution to less than 2.5% of luminaire flux for the total installation that goes directly into the sky. The lighting design will meet a boundary condition of a maximum of 1 Lux in order to avoid any obtrusive light into adjoining properties.

Airport Fire Safety

3.65 The Proposed Development will require the provision of suitable firefighting facilities in order to meet its operational, safety and regulatory needs. The detailed design will consider the specific regulatory and end user requirements, but the preliminary design has identified the following areas that need to be considered:

- Airside fire facilities;
- Public firefighting team requirements; and
- Internal building fire suppression systems.

Airside Fire Facilities

3.66 The airport will require new airside firefighting facilities to meet the increased level of airport operations and activities. The existing fire station, which can accommodate four fire tenders and has associated offices, welfare facilities and an observation tower, will be replaced with a new facility constructed in the same approximate location. This facility will be larger than the existing facility, in order to incorporate the required number and size of fire tenders – see drawing number NK018417 RPS-MSE-XX-DR-C-2080.

3.67 The proposed structure will comprise two distinct elements, an area for vehicle maintenance and storage plus welfare and offices for staff. The building footprint is expected to be approximately 1,550m² with a building height of approximately 10m. The estimated roof level will be approximately 60m AOD. It will comprise a steel framed structure with concrete floor and wall cladding. Building aesthetics will be in keeping with the new airfield developments.

3.68 The aim of this facility is to provide on-shift accommodation for the airfield fire team which is adjacent to the equipment and vehicles. It also allows rapid access to the runway in order to meet the required emergency response times, plus access to the aircraft stands and buildings.

3.69 The structure will be capable of accommodating over 15 operatives at any one time with space for offices and personal storage for a total of 60 staff.

3.70 The garage has front and rear access doors to allow for 'drive through' parking. This avoids potentially dangerous reversing operations. The front elevation of the building is aligned perpendicular to the runway orientation to provide the required rapid response. Additional space has been allocated in the building for ancillary operational vehicles i.e a bird scaring vehicle.

3.71 The existing Emergency Water System (EWS) tanks, of which there are two; each with a posted volume of 45,000L, would be reused. An assessment of their condition will be undertaken and if required new tanks installed using best available techniques.

3.72 The regulatory training of airport firefighting personnel will be undertaken off site at approved facilities. This means that an on-site fire training ground will not be required.

Public Firefighting Team Requirements

- 3.73 As part of the detailed design process, fire hydrant locations would be provided around the perimeter of the cargo, terminal and hangar buildings. These buildings would also require potable water connections as part of their general use so provision of these hydrants would utilise this supply.

Internal Building Fire Suppression Systems

- 3.74 As a minimum, a mains-fed sprinkler system will be required in each new cargo facility. Additional or improved facilities may be required depending on end user requirements and the type of operations occurring. These could include, for example, chemical additives to the water supply providing increased fire suppression if a large quantity of plastics is being stored in a facility.
- 3.75 For the proposed new hangar facilities, bespoke fire systems may need to be designed and installed.

Northern Grass

- 3.76 The Northern Grass area will accommodate infrastructure critical to the running of the airport including airport related businesses which do not require an airside location. Additional areas are safeguarded for the continuing use of the existing museums and the retention of the existing memorial garden.
- 3.77 The Northern Grass will comprise multiple business units of various sizes and layouts with a total floor space of 105,100m². Two new accesses would be provided from B2050 (Manston Road) to this 'Northern Grass' area, and a new internal highway network created. Loading and turning areas for HGVs, sufficient staff and visitor parking, including disabled parking, to meet the relevant design standards, and associated pedestrian and cycle infrastructure will all be provided – see drawing number NK018417 RPS-MSE-XX-DR-C-2089. A new radar will be required to replace the previous radar which was sold when the airport closed. The new radar would be installed using the existing radar tower located in the Northern Grass area or a new tower and radar installed at the same location. An area around the radar has been safeguarded to allow safe operation.
- 3.78 The development will comprise the following key elements:
- A Business Park consisting of B1 and B8 units accommodating airport related businesses. These will be zoned in accordance with DCO submission drawing no. NK018417 RPS-MSE-XX-DR-C-2089. The sum of the new B1 and B8 building footprints within the Northern Grass area will not exceed 105,100m² with a 25/75 split of B1 and B8 development;
 - Highways infrastructure to provide access to facilities within the business park area;
 - Areas of planting, bunding or other screening to the outer areas of the site acting as visual and noise mitigation to adjacent residential receptors;
 - The Manston airfield radar tower and associated infrastructure, including an area safeguarded for safe operations of the radar facility;
 - Attenuation ponds and related drainage infrastructure; and

- An area safeguarded for continued operation of the RAF and Spitfire & Hurricane Museums, plus memorial ground.
- 3.79 A selection of B1 and B8 airport related businesses will be located on the Northern Grass area within a new business park comprising Zones 1, 2 and 3 with a 'buffer zone' to provide visual screening. The exact footprint and orientation of each business unit will be tailored to meet end user requirements. A zonal development approach has been taken with each zone adopting design parameters for maximum building heights and total building footprint.
- 3.80 Typically the buildings will be steel framed structures with panel cladding. Some buildings will include roller shutter doors. Small and medium sized office units may be developed as brick and block structures. Office annexes and individual office buildings will be sympathetically designed in either brick or suitable aesthetic cladding. It is envisaged that roofs will be predominately flat or of low pitch to mitigate visual impact.
- 3.81 The overall footprint for new B1 and B8 units has a maximum footprint of development broken down for each zone. It is intended that the negative impact of larger buildings can be offset with increased areas of non-building use, landscaping and open space, by using a restricted footprint approach. The maximum footprint of buildings within each area will be as follows:
- Zone 1: <30,000m² of B1 building development;
 - Zone 2: <60,000m² of B1/B8 building development;
 - Zone 3: <26,000m² of B8 building development; and
 - Total: <105,100m² of B1/B8 building development.
- 3.82 Maximum building heights above finished ground level have also been defined within each zone as follows:
- Zone 1: <16m; and
 - Zone 2 and Zone 3: <18m.
- 3.83 A more detailed description of each zone is given below:
- Zone 1 – This is the building zone considered to be of highest sensitivity to residential receptors. Buildings in this area will be limited in height to a maximum of 16m above finished ground level, which is comparable to a building height of approximately 2-3 storeys. Buildings will be limited to usage class B1.
 - Zone 2 – This area is considered to be less sensitive from the perspective of residential receptors. Buildings will be either B1 or B8 usage class and limited in height to a maximum of 18m above finished ground level.
 - Zone 3 – This area is considered to have the least sensitivity to local residential receptors. B8 development will be prioritised in this area with a maximum building height of 18m above finished ground level.

- Buffer Zone – This comprises a 45m strip along the east and north-west boundaries of the Northern Grass area. No industrial buildings will be constructed within this strip and use will be limited to landscaping, visual screening, retention of existing accesses and ground level pavement. It is accepted that some services infrastructure may be required in this area such as substations and hydrants. Some existing pavement infrastructure will also be retained to provide access to the rear of housing on Manston Road.
- Internal Highways – The highways network will be a single carriageway estate road with a 30mph speed limit designed to accommodate both light vehicles and HGV traffic with street lighting to adoptable standards. Two accesses have been provided onto the local highways network. The western access will be from Manston Road and the southern access will be from the B2050 Manston Road. A pedestrian footpath will be provided and constructed in accordance with KCC standard details so that it can be adopted into the highway network.

Other Development

- 3.84 In addition to the core business of air freight, and the complimentary passenger services, Manston Airport would also serve as a base for a number of other airport related services. These are outlined below with full details being provided in the Design and Access Statement

Museums

- 3.85 The RAF Manston Museum and the Spitfire and Hurricane Memorial Museum will remain on site, with an area of land being safeguarded for these facilities. It is intended that these museums will be retained and continue to operate on the site. In support of this, a substantial area (30,000m²) encompassing the existing building locations has been safeguarded within the masterplan. The safeguarded area for the Spitfire and Hurricane Museum encompasses the Allied Air Forces Memorial Garden. The intention is that this is fully retained and protected as part of the site development.

Aircraft maintenance/Recycling Facilities

- 3.86 A new maintenance and recycling facility will be constructed to the east of the site. Conceptual visualisations are included in the Design and Access Statement [document reference TR020002/APP/7.3]. The facility will consist of hangar buildings and associated offices. Aircraft access will be via the existing taxiway and new apron areas in front of the hangars. Aircraft recycling will take place within the enclosed hangar. The height of the hangars will be typically 20m to building eaves and 23m to peak. Preliminary design modelling for the site suggests the building heights would have a finished level of 73m AOD. The footprint of the buildings will be 10,215m² including the offices. An office annex will be included on the landside frontage of the building with an associated car park. The offices will be two or three stories in total and maybe housed partially within the main body of the hangar. The primary use of this office space is to provide business and management areas. The existing Maintenance Repair and Overhaul (MRO) hangar, which is located to the south of the terminal building, will be retained for use during the initial years of operation. A new MRO facility, with hangars would be constructed in Construction Phase 2; the old hangar would be demolished at this stage. The MRO and recycling facility would be further extended in each of Construction Phases 3 and 4 to provide an additional hangar and associated apron in each phase – drawing number NK018417 RPS-MSE-XX-DR-C-2081.

Fixed Base Operations

- 3.87 The current business aviation terminal and hangar, south of the passenger terminal, would be refurbished for use for Fixed Base Operations (FBO). This will be incorporated into a new area for accommodating for light aircraft, business jets and helicopter stands. These operations are located south of the aircraft maintenance and recycling facilities and towards the eastern end of the runway.
- 3.88 The proposed facility could include eight light aircraft hangars of approximately 800m², two helipads and the FBO building. The maximum height of construction within this area is 15m due to proximity of the runway and the requirements of the Obstacle Limitation Surface (OLS). Aircraft access will be provided via new taxiways links from the existing parallel taxiway.
- 3.89 There are several design options for construction of the hangars; these could be the traditional steel frame hangar building or 'fabric' type hangar on a steel frame.
- 3.90 Access for passengers and public will be from the internal road network.

Utilities, Services and Use of Resources

- 3.91 In order to support the increased level of activity and development on the site additional services will be required. This is likely to include additional internal electrical substations, communication networks, and foul and potable water connections. A utility strategy has been developed in order to determine the requirements of the airport for each phase of operation and construction and will be completed in order to inform the final design of the Proposed Development for the DCO; the detailed design will be finalised following the completion of this strategy.
- 3.92 An assessment of the further load requirements has been prepared as part of the utility strategy; an initial assessment indicates that it is unlikely that an increase to the internal or external network will be required.
- 3.93 A new foul drainage network will be required for the new cargo facilities. This is currently being assessed within the utility strategy, which will take into account the removal of the existing foul drainage when the buildings along Spitfire Way are removed. Consultation with SW on the requirements of the Proposed Development have commenced, with a meeting and discussion held with SW as part of the consultation and stakeholder engagement. Following the completion of the utility strategy they will be further consulted on the requirements and suggested solutions.
- 3.94 The proposed requirement for potable water is also being assessed in the utility strategy. This is being undertaken in consultation with SW.

Waste

- 3.95 Best practice measures for the construction and operation of the Proposed Development are used to inform the implementation of a robust Construction Environmental Management Plan (CEMP) and Site Waste Management Plan (SWMP).
- 3.96 Waste material will be generated at all stages of the construction process. Construction waste will arise from the following key aspects of the Proposed Development:

- Demolition of existing buildings and infrastructure (including the ATC Tower; air freight facility, fire station, maintenance hangar and passenger terminal);
- Excavation and earthworks for preparation of foundations; and
- Construction of new buildings (ATC Tower; expanded cargo facilities, larger fire station, additional maintenance hangars and a new passenger terminal); runway refurbishment; asphalt pavement (access, storage and parking); concrete pavement (taxiway and aprons); and airport related business development (in the 'Northern Grass' area).

3.97 Indicative targets for the construction of the Proposed Development are to achieve an 87% diversion of waste from landfill, and 62% re-use of materials within the site.

3.98 Good practice segregation of waste will be followed during the construction phase of the development. Sufficient space should be allowed to allow segregation of demolition, construction and excavation wastes. However the location will be dependent on constraints in the working area of the site.

3.99 Following any grant of the DCO, RiverOak will develop a framework Waste Management Plan for the site that all occupiers will be expected to adopt as a condition of their tenancy. In broad terms, the airport itself as well as any occupiers of the Northern Grass area will be expected to manage waste in line with the waste hierarchy below.

- Minimise raw materials consumed and the volume of waste produced i.e. prevent creating waste;
- Re-use any waste produced, where practicable;
- Recycle waste, where reuse is not practicable;
- Recover waste, where feasible; and
- Dispose of any remaining waste streams in accordance with legislative requirements.

3.100 The provision of effective storage and segregation of waste materials at the site will be a key element to ensure waste is managed safely and efficiently to maximise the potential for reuse and recycling. With respect to the airport related business development, waste management may be organised by individual businesses.

b) Passenger and Freight Forecast

3.101 The proposals for development are classified as a NSIP by the Act because they anticipate a capacity for at least 10,000 air transport movements of cargo aircraft each year. From the forecasts predictions provided below (see Volume III of the Azimuth Associates report), it is predicted that the 10,000 capacity will be reached by Year 6. Air freight and cargo operations are planned to resume at the airport in Year 2 (2021) with passenger services expected to follow in Year 3 (2022). Table 3.1 contains information about the forecast figures:

Table 3.1 Forecast passenger and freight movement numbers (2019 to 2039)

Year	Freight Moves	PAX Moves	Total Moves	Inbound Tonnage	Outbound Tonnage	Total Tonnage	Passenger Numbers
Y1	0	0	0	0	0	0	0
Y2	5,252	0	5,252	39,865	56,687	96,553	0
Y3	5,804	4,932	10,736	47,335	61,218	108,553	662,768
Y4	9,700	5,024	14,724	76,326	90,765	167,092	679,868
Y5	9,936	5,064	15,000	81,455	92,286	173,741	686,672
Y6	10,144	6,702	16,846	85,832	95,604	181,436	965,295
Y7	10,872	6,754	17,626	92,357	100,551	192,908	975,591
Y8	11,184	6,754	17,938	96,979	103,694	200,673	975,591
Y9	11,392	6,754	18,146	98,585	104,660	203,245	975,591
Y10	11,600	6,754	18,354	102,609	109,742	212,351	975,591
Y11	12,064	6,966	19,030	107,592	114,785	222,377	1,011,587
Y12	12,547	7,186	19,733	114,034	120,473	234,508	1,049,022
Y13	13,048	7,416	20,464	118,691	125,999	244,690	1,087,954
Y14	13,570	7,654	21,224	125,949	131,039	256,989	1,128,444
Y15	14,113	7,902	22,015	133,064	137,515	270,579	1,170,553
Y16	14,678	8,160	22,837	140,889	143,015	283,904	1,214,347
Y17	15,265	8,428	23,693	146,524	150,070	296,594	1,259,892
Y18	15,875	8,707	24,582	156,271	156,073	312,344	1,307,259
Y19	16,510	8,997	25,507	162,522	162,316	324,838	1,356,521
Y20	17,171	9,298	26,469	171,949	168,809	340,758	1,407,753

c) Programme and Phasing

- 3.102 The expectation is that the DCO may be granted in Autumn 2019 and this timescale has been assumed when developing the construction/operational programme which is the basis for the ES assessment. Full details of the works to be completed in each construction phase of development (including earthworks) are provided in Chapter 3 of the ES.
- 3.103 The forecasting of the air freight and passenger movements for the airport, as discussed above, has been conducted across a 20 year period from the granting of the DCO. This section outlines the programme for construction and then operation of Manston Airport from over this 20-year period.
- 3.104 The main activities to be undertaken during Year 1 would be the construction activities required to return the airport to full operational use. There may be some limited airport services, for example helicopter and heli-charter services, flight school and training services, and fixed base of operation services; however these will be dependent on the level of work required to rehabilitate the runway and to construct other essential services and utilities.
- 3.105 The full reopening of the airport would therefore take place in Year 2, currently expected to be 2020. The first full year of freight operations is expected in Year 3 (2021). Passenger services are anticipated to start in Year 4, currently 2022.
- 3.106 Three further phases of construction, as described in more detail in Table 3.2 below, would then follow in Years 2-5 (Phase 2), Years 5-12 (Phase 3) and Years 12-18 (Phase 4). During these three phases of construction the airport would remain operational.

Table 3.2 Proposed Outline Project Programme and Phasing

Component	Start Date	End Date	Airport Year of Operation
DCO granted	Q3 2019	n/a	Year 1
Construction Phase 1	Q3 2019	Q4 2020	Years 1-2
Opening of the airport	Q4 2020	n/a	Year 2
First Full Year of Freight Operations	Q1 2021	Q4 2021	Year 3
Construction Phase 2	Q4 2020	2023	Years 2-5
Start of passenger services	Q1 2022	n/a	Year 4
Construction Phase 3	2023	2030	Years 5-12
Construction Phase 4	2030	2036	Years 12-18

3.107 Table 3.3 below summarises the construction phasing for the key elements of the development proposal in line with the forecast demands as set out above.

Table 3.3 Proposed Construction Phasing

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Aircraft Stands	8 (cargo)	6 (cargo) 3 (passenger) 1 (recycling hangar)	2 (cargo) 1 (recycling hangar)	3 (cargo), 1 (passenger) 1 (recycling hangar)	19 (cargo), 4 (passenger) 3 (recycling hangars)
Cargo Facilities	12,000m ²	16,500m ²	14,000m ²	23,000m ²	65,500m ²
Non aircraft pavement (new and rehabilitated)	758,000m ²	95,000m ²	59,000m ²	72,500m ²	984,500m ²
Aircraft Pavement (new and rehabilitated)	394,000m ²	103,000m ²	43,500m ²	34,000m ²	574,500m ²

d) Airport Hours of Operation

3.108 It will be necessary for the airport to be staffed continuously. Airport operations staff will need to be available during both day and night periods and a permanent security presence in the airport control room is required. It is also anticipated that staff, including air traffic controllers, rescue staff and firefighting staff and security will be rostered on a 12 hour shift programme, with a week of four days on/three days off followed by three days on and four days off.

3.109 However, operating times of the airport and ATMs will be dependent on the anticipated air traffic, and the rostering of the staff will be flexible to meet this demand. As outlined above the normal operating hours, or 'daytime', will be 07.00 to 23.00, but with limited exceptions during a shoulder period from 06.00 to 07.00 for certain passenger flights departing to Europe or arriving from the United States of America. There could be flights during the night-time period which is from 23.00 to 07.00 but they will be restricted and based on 'quota counts', which are common at other UK airports, where aircraft are given an independently assessed score known as a quota count according to how noisy they are, and then a quota is imposed. Consequently, there is a control of the total amount of noise from aircraft rather than the total number of aircraft. Full details of the aircraft quota count restrictions are set out in the Noise Mitigation Plan [document reference TR020002/APP/2.4].

- 3.110 The remaining direct airport and other direct staff will be rostered according to the needs of the airport and the hours of operation. These are likely to be rostered evenly across the daytime hours of 07.00 to 23.00.
- 3.111 The airport administration staff, alongside staff based in the aviation related business units on the 'Northern Grass' area will work traditional working hours, typically 08.00 to 18.00.

e) Airport Staff

- 3.112 The estimated total number of direct, indirect and catalytic jobs by airport year of operation is shown in Table 3.4 below.

Table 3.4 Total proposed direct, indirect and catalytic jobs by airport year of operation

Year of Operation	Freight Tonnage	Passenger Numbers	Direct Jobs	Indirect/Induced Jobs	Catalytic Jobs	Total
Y1	0	0	116	0	0	116
Y2	96,553	0	856	1,592	0	2,398
Y3	108,553	662,768	1,551	2,791	6,203	10,545
Y4	167,092	679,868	2,085	3,753	8,341	14,179
Y5	173,741	686,672	2,150	3,870	8,601	14,621
Y6	181,436	965,295	2,466	4,438	9,862	16,766
Y7	192,908	975,591	2,576	4,638	10,306	17,520
Y8	200,673	975,591	2,645	4,762	10,581	17,988
Y9	203,245	975,591	2,668	4,803	10,673	18,143
Y10	212,351	975,591	2,749	4,948	10,996	18,693
Y11	222,377	1,011,587	2,812	5,062	11,249	19,124
Y12	234,508	1,049,022	2,890	5,202	11,561	19,653
Y13	244,690	1,087,954	2,947	5,305	11,789	20,042
Y14	256,989	1,128,444	3,018	5,432	12,072	20,522
Y15	270,579	1,170,553	3,094	5,570	12,378	21,042
Y16	283,904	1,214,347	3,164	5,695	12,656	21,515
Y17	296,594	1,259,892	3,224	5,802	12,894	21,920
Y18	312,344	1,307,259	3,301	5,942	13,205	22,448
Y19	324,838	1,356,521	3,349	6,029	13,397	22,775
Y20	340,758	1,407,753	3,417	6,151	13,668	23,235

- 3.113 The direct jobs would be in a range of positions. The full range of the types of direct airport jobs would include the following. The percentages provided suggest what proportion of jobs would be provided in each type of airport job as per the evidence provided in paragraph 5.1.8 of Volume IV of the Azimuth Report [document reference TR020002/APP/7.4]:

- airlines (28%);
- ground handling (14%);
- airport and Air Traffic Control (14%);
- retail and other in-terminal services (6%);
- airport security and passenger screening (6%);

- customs, immigration and government jobs (5%);
- ground transport (5%);
- food and beverage (8%);
- maintenance, Repair and Overhaul (6%); and
- other (7%).

3.114 Indirect jobs include those in the supply chain such as caterers, aviation fuel supply, travel agents, cleaners and maintenance contractors. Catalytic employment includes those jobs in organisations that are facilitated by the operation of the airport such as tourism and importers and exporters.

4 FORMULATING THE PROPOSALS

- 4.1 The proposals in the DCO application are based on an illustrative Masterplan [document reference: TR020002/APP/7.1] which has been developed by RPS and is submitted as one of the application documents. The Masterplan has been developed in line with a brief from RiverOak based on their requirements for the airport which includes retaining the existing runway and other key existing components found on the airfield.
- 4.2 A first principles approach to designing the Masterplan was to limit the environmental effects of construction and operation. The Masterplan has been refined to respond to comments made during the consultation exercises that have been undertaken including those made by statutory consultees. The Masterplan has been used as the basis for the Works Plans [document reference: TR020002/APP/4.4], the list of works in Schedule 1 of the DCO [document reference: TR020002/APP/2.1], and the description of works in Chapter 3 of the ES [document reference: TR020002/APP/5.2-1].
- 4.3 In preparing the Masterplan, RPS were guided by planning policy as well as environmental and operational considerations. National, regional and local level planning policies have been reviewed and where relevant, have informed the design stages. Key considerations that have also informed the design process have included the Government policies for sustainable development generally and sustainable aviation in particular.
- 4.4 Further explanation of the design approach taken by RPS in developing the Masterplan is set out in the Design and Access Statement [document reference: TR020002/APP/7.3].

a) The application of planning policies

- 4.5 In addition to the specific guidance set out in national aviation policy, planning policies at a national, regional and local level have enabled the following important themes to emerge to guide the content and layout of the proposals for development:
- Countryside protection and containment within the existing airport boundary
 - Clustering
 - Environment and sustainability

Countryside protection and containment within the airport boundary

- 4.6 Planning policies at a national and local level seek to reduce the impact of development on the open countryside but also to ensure that all development directly related to the airport is contained within the airport itself (see NPPF, Airport NPS, draft Aviation Strategy and Local Plan Policies EC2, EC4, EC5 and CC1). These policies have played an important part in the formulation of the airport masterplan.
- 4.7 Care has been taken to determine the likely scale of airport related development requirements and to accommodate these within the expanded airport boundary. The airport is expected to stimulate other development in the region but where those effects are not directly airport related, the

Masterplanning strategy has assumed that this will be located elsewhere. Accommodating directly related airport development within the airport boundary has the dual advantage of reducing unnecessary external airport trips consistent with policies that promote sustainable travel and ensuring that there would be no undue development pressure on surrounding settlements or the local countryside. This was a particular concern raised by Thanet District Council in the pre-application consultation which the Applicant has responded to in finalising the proposals for development.

- 4.8 In determining the appropriate quantum of supporting development including offices, employment floorspace and car parking, care has been taken to ensure that development directly related to or associated with the airport should be located within the new airport boundary in accordance with saved 2006 Thanet District Local Plan Policy EC4. The airport is in a countryside location and general employment or other development would not otherwise ordinarily be acceptable. Equally, however, it is important that the scale of development proposed for the airport is sufficient to ensure that unacceptable overspill impacts or pressures are not imposed on surrounding countryside.
- 4.9 Complementary to this approach is the strategy to contain the airport within existing boundaries where practical and to ensure that the expanded boundary is no larger than it needs to be to meet airport operational requirements. Importantly, the observance of planning policy has guided the development of a Masterplan solution which broadly retains the existing airport boundaries on all sides. The eastern and western boundaries of the airport have been principally informed by the airport's operational layout requirements with the existing drainage outfall to Pegwell Bay being retained as part of the site-wide drainage strategy. Close attention has been given to the detailed design of the airport boundary and its relationship with its immediate neighbours and those further afield. This approach is directly consistent with the policy encouragement in the adopted 2006 Thanet Local Plan to reduce impacts on the open countryside, to prevent coalescence of settlements and to plan as far as possible for development to be a good neighbour (Local Plan Policies CC1, CC5 and R1).
- 4.10 The newly proposed airport boundary has created an envelope within which all of the necessary development requirements (except for off-site highways improvements) can be met. In other words and importantly, whilst the airport boundary has not been driven by the specific needs for car parking, office development or employment floorspace, those development requirements can be nonetheless accommodated within the new boundary.

Clustering of development

- 4.11 A key component of the Masterplanning strategy has been to focus the more intensively occupied built environment in the centre of the airport for example the new air freight handling facilities and aircraft stands. 'Zones' make up the Masterplan and these clearly demonstrate how this approach has been taken. This central focus means that the principal buildings are away from the airport boundary, thereby reducing potential visual effects and minimising any impression of the coalescence of settlements, consistent with Local Plan policies. It also means that key facilities are located close to the main transport interchanges including the terminal building itself. This efficient and effective use of land accords directly with important principles of sustainability.
- 4.12 The proposals for development have been designed to increase access by modes of transport other than the car and planned positively to limit the use of the car in the interests of sustainability and to promote the efficient use of land. This approach is directly encouraged by NPPF policies.

Environment and Sustainability

4.13 A principal theme which has run throughout the development of the Masterplan has been the need to ensure that the scheme will be undertaken and delivered in an environmentally responsible way. This objective is consistent with Government policy set out in the NPPF. The Design and Access Statement examines this theme further but it is useful to identify some of these in this statement:

1. The Proposed Development has been fully informed by an assessment of the significance of environmental assets within the expanded airport boundary.
2. The reopened and redeveloped airport is planned to continue to enjoy a distinctive character, defined by the quality of its built form, as well as the relationship between that built form and the surrounding landscape.
3. Great importance is attached to ensuring that the expanded airport limits its impact on neighbouring settlements and countryside.
4. Detailed sustainability objectives and targets for the airport's development will be set out in a number of documents to be developed at the detailed design stage. Central to these objectives and targets will be a determination to ensure that the proposed airport development achieves efficiency in its consumption of energy and water and in its generation of waste (see Chapter 3 of the ES for more information).

b) Masterplan Design Principles

4.14 The design principles are set out in the Design and Access Statement and have been informed by the principles and criteria for good design for airports infrastructure as set out in Section 4 of the Airports NPS which advises on design as follows:

- Design as an integral consideration from the outset of a proposal;
- Visual appearance as an important factor in considering the scheme design, as well as functionality, fitness for purpose, sustainability and cost;
- Producing sustainable infrastructure sensitive to place, efficient in the use of natural resources and energy and matched by an appearance that demonstrates good aesthetics as far as possible;
- Eliminating or substantially mitigating the identified problems by improving operational conditions and simultaneously minimising adverse impacts;
- Mitigating any existing adverse impacts wherever possible, for example in relation to safety or the environment; and
- Sustains the improvements to operational efficiency for as many years as is practicable, taking into account capital cost, economics and environmental impacts.

4.15 The illustrative Masterplan has been developed closely with the technical consultant team to ensure that the project is sustainable and as aesthetically sensitive, durable, adaptable and resilient as it can reasonably be, having regard to regulatory and other constraints and including accounting for

natural hazards such as flooding. The Masterplan allows for the required security, customs and immigration measures.

- 4.16 The scheme takes into account both functionality, including fitness for purpose and sustainability, and aesthetics, including its contribution to the quality of the area in which it would be located. Good design principles are embedded into the proposals.
- 4.17 The Design and Access Statement explains how the design process was conducted and how the proposed design evolved as recommended in paragraph 4.35 of the Airports NPS.

c) Process for Selecting the Development Proposal and Alternatives

- 4.18 Chapter 2 (Section 2.3) of the ES [document reference TR020002/APP/5.2-1] sets out the reasonable alternatives for an air freight airport that were considered by the Applicants in line with The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 set out within Schedule 4, Part 2. In considering the reasonable alternatives, consideration has been given to the characteristics of an air freight airport and the information on the current airport capacity and constraints within the UK aviation sector.
- 4.19 The following options have been considered:
- 'Do Nothing' alternative: where the Proposed Development is not progressed;
 - Strategic alternatives for the Proposed Development; and
 - Alternative design/layout in the context of the design evolution.
- 4.20 The option to 'do nothing' will not help to meet the Government's aviation policy objectives especially as all six London airports will reach capacity by 2030. Sites within the UK capable of providing the facilities to meet the predicted air freight demand are limited and heavily constrained. Many sites that could have provided air freight capacity have been lost through redevelopment. To do nothing may result in the Manston Airport site being lost to the airport sector particularly given that there are development pressures to change its use. The 'do-nothing' option would result in a gradual deterioration of the existing infrastructure on the site – the implications of such decline are difficult to predict.
- 4.21 In terms of other strategic alternative locations for the Proposed Development, and for the following reasons, Manston Airport is considered to be the most viable choice for the location of a freight-focused airport in the south-east of England due to its size, location and lack of airspace constraints. Indeed, Indeed, the 2003 White Paper, The Future of Air Transport, acknowledged that Manston 'could play a valuable role in meeting local demand and could contribute to regional economic development' (Department for Transport, paragraph 11.99):
- Manston Airport is located outside of the Controlled Traffic Region (in terms of airspace) and flights approaching from the south and east, i.e. from Africa, or Europe, the Middle East and Asia, can save up to 45 minutes in flying time compared with other airports;
 - Manston Airport has an existing 2,748m long paved runway, which, with only minor alterations and new navigational aids and equipment would be able to obtain a Aerodrome Certificate from

the EASA to allow it to handle the larger classes of aircraft, that are used and operated by air freight carriers;

- As shown in the Masterplan and in Section 3.2 of the ES, Manston Airport has sufficient space for the construction of new air freight handling, storage and processing facilities, alongside the new aircraft stands and aprons. This would provide a significant advantage as it allows the freight handling, forwarding and integrating to be undertaken airside on the airport site, and minimises the need for the transfer of freight off the airport site for processing. In addition, it has sufficient space on the Northern Grass to accommodate the airport related businesses that can be seen occupying premises in and adjacent to the vast majority of UK and European airports together with the airports surveillance radar systems; and
- Whilst there are some constraints to the Proposed Development at Manston Airport, for example being located to the south-east of London with greater road journey times to the north and west of London and the centres along the M4 corridor than for example Heathrow, these are offset by the unique advantages of the proposals which include: an existing 2,748m paved runway; dedicated air freight stands, aprons, handling, storage and processing facilities; prioritisation of freight with quick turnaround and unloading time of aircraft; and availability and flexibility of slots - none of which are likely to be sustained by any of the other airports in the south of England.

- 4.22 Section 2.4 of Chapter 2 of the ES [document reference TR020002/APP/5.2-1] sets out what considerations have been taken for on-site alternatives for individual elements and components of the Proposed Development as part of the masterplanning process. This has been undertaken as part of the on-going project evolution. A number of alternative layouts, designs and configurations were considered for the air freight and cargo facilities. This included examining the number of aircraft stands, apron design, taxiway layout and configuration, and size, location and layout of the associated freight handling and parking facilities. Whilst these were constrained by the need to provide sufficient capacity to meet the demands of the air freight forecast and to allow for the safe and efficient operation of the airport, opportunities to incorporate environmental measures into the design of the Proposed Development have nonetheless been considered. Further information is provided in the Design and Access Statement [document reference: TR020002/APP/7.3].
- 4.23 Alternatives for the operating procedures of aircraft that will use the airport have been considered with a view to mitigating potential impacts whilst also ensuring that the safety of aircraft taking off and landing is not compromised (see Chapter 2, Section 2.5 of the ES).
- 4.24 Given that the development being proposed can only be located at the existing Manston Airport site in order to capitalise on the existing runway, and because of the strong planning and aviation policy support for retaining the site in aviation use, the alternative proposal to redevelop the site for a mixed-use settlement which is being promoted by SHP, does not represent a better alternative use of the site.

5 THE RELEVANT CONSENTING REGIME

a) The Planning Act 2008

- 5.1 The proposals to reopen Manston Airport are classified as a Nationally Significant Infrastructure Project (NSIP) by the Planning Act 2008 ('the Act') because they anticipate a capacity for at least 10,000 air transport movements (ATMs) of cargo aircraft each year.
- 5.2 As the Proposed Development is an NSIP, it therefore requires the grant of development consent by the making of a Development Consent Order (DCO). An application for development consent must be submitted to the Planning Inspectorate (PINS) and, where that development is 'Environmental Impact Assessment (EIA) Development' – as this project is – that application must be supported by an Environmental Statement (ES) reporting on the findings of the EIA process; as required by the Act, The Infrastructure Planning (Environmental Impact Assessment) Regulations 2009 and The Infrastructure Planning (Applications: Prescribed Forms and Procedures) Regulations 2009.
- 5.3 The Planning Act 2008 requires that in deciding DCO applications, regard must be had to any National Policy Statement (NPS) which has 'effect' in relation to development of the description to which the application relates (a "relevant national policy statement") (Section 104(2)).
- 5.4 On 26th June 2018, the Government designated the Airports NPS. The Airports NPS makes it clear that it only has 'effect' in relation to the delivery of additional airport capacity through the provision of a new north-west runway at Heathrow Airport, new terminal capacity between the new Northwest Runway and the existing Northern Runway at Heathrow Airport as well as the reconfiguration of terminal facilities in the area between the two existing runways at Heathrow Airport (paragraph 1.40). Paragraph 1.41 of the NPS makes it clear that the Airports NPS does not have 'effect' in relation to an application for development consent for an airport development (such as this DCO application) which does not comprise an application relating to the Heathrow Northwest Runway and proposals for new terminal capacity between the new Northwest Runway and the existing Northern Runway at Heathrow Airport and reconfiguration of terminal facilities in the area between the two existing runways at Heathrow Airport. Nevertheless, the Secretary of State considers that the contents of the Airports NPS will be only 'important and relevant' considerations in the determination of an airport development (such as this DCO application) particularly where it relates to London and the South-East of England – which this development does (Airports NPS paragraph 1.41).
- 5.5 Section 104 of the Planning Act 2008 deals with how DCO applications should be determined where national policy statements have 'effect'. Section 104(2) states that in deciding the application, the Secretary of State must have regard to:
- (a) any national policy statement which has effect in relation to development of the description to which the application relates (a "relevant national policy statement");
 - (aa) the appropriate marine policy documents (if any), determined in accordance with section 59 of the Marine and Coastal Access Act 2009;
 - (b) any local impact report (within the meaning given by section 60(3)) submitted to the Secretary of State before the deadline specified in a notice under section 60(2);

- (c) any matters prescribed in relation to development of the description to which the application relates; and
- (d) any other matters which the Secretary of State thinks are both important and relevant to the Secretary of State's decision.

5.6 Section 104(3) of the Planning Act 2008 states that the Secretary of State must decide the application in accordance with any relevant national policy statement, except to the extent that one or more of subsections (4) to (8) applies. These subsections do not apply in this instance.

5.7 Just because the Airports NPS has been designated, it does not directly cover airport development other than a new runway at Heathrow Airport and proposals for new terminal capacity between the new Northwest Runway and the existing Northern Runway at Heathrow Airport and reconfiguration of terminal facilities in the area between the two existing runways at Heathrow Airport. Consequently, Section 105 of the Planning Act 2008 is deemed to apply. This section deals with how DCO applications should be determined in the absence of a designated NPS. Section 105 (2) of the Act states that the Secretary of State must have regard to:

- a) any local impact report (within the meaning given by Section 60(3)) submitted to the Commission before the deadline specified in a notice under Section 60(2),
- b) any matters prescribed in relation to development of the description to which the application relates, and
- c) any other matters which the Secretary of State thinks are both important and relevant to the Secretary of State's decision.

5.8 The Local Impact Report (LIR) is a report in writing giving details of the likely impact of the proposed development on the authority's area (or any part of that area). The expectation is that the Planning Inspectorate will invite the host authorities (Thanet District Council and Kent County Council) plus the neighbouring authorities (Surrey County Council, East Sussex County Council, Dover District Council, Canterbury City Council, Medway Council, Thurrock Council, the London Borough of Bexley and the London Borough of Bromley) to submit a LIR. The Applicant did benefit from consultation responses from Thanet, Kent, Canterbury and Dover Councils following the June/July 2017 and January/February 2018 statutory consultations and are therefore aware of the principal likely impacts of the proposed development on the authorities' areas and these are considered in more detail against the relevant planning policies further in later sections of this statement along with other matters that relate to the type of development being proposed by the DCO application and their likely impacts. The Consultation Report [document reference TR020002/APP/6.1] provides further details of these consultation responses and where relevant, where the proposals for development have been amended as a result of comments made.

5.9 The Planning Act 2008 does not incorporate Section 38(6) of the Planning and Compulsory Purchase Act 2004 which provides the principle basis in law for the determination of planning applications namely that they must be determined in accordance with the Development Plan unless material considerations indicate to the contrary. The local Development Plan, therefore is not the starting point for the consideration of a DCO. Nevertheless, the strong policy support for the Proposed Development in the adopted Thanet Local Plan is likely to be both relevant and important.

b) *The Airports National Policy Statement (NPS) – New Runway Capacity and Infrastructure at Airports in the South East of England (June 2018)*

- 5.10 On 26th June 2018, the Government designated the Airports NPS which provides the primary basis for decision making on development consent applications for a Northwest Runway at Heathrow Airport but which is important and relevant to other airport developments especially those in London and the South-East.
- 5.11 The Government (paragraph 1.12) made it clear that the Airports NPS *“will be an important and relevant consideration in respect of applications for new runway capacity and other airport infrastructure in London and the South East of England.”*
- 5.12 The Airports NPS sets out in paragraph 1.13 the particular considerations relevant to a development consent application to which the Airports NPS relates.
- 5.13 Paragraph 1.14 specifically states that the Airports NPS sets out planning policy in relation to applications for **any** airport nationally significant infrastructure project in the South East of England, and its policies will be important and relevant for the examination by the Examining Authority, and decisions by the Secretary of State in relation to such applications. The use of the phrase ‘important and relevant’ confirms that, the NPS is only indirectly relevant to this project and Section 105 of the Planning Act 2008 applies to decision-making rather than Section 104.
- 5.14 The Airports NPS applies to schemes at Heathrow Airport. The Secretary of State’s policy in relation to other airport infrastructure in the South East of England is set out at paragraph 1.41 of the Airports NPS which states:
- “The Airports NPS does not have effect in relation to an application for development consent for an airport development not comprised in an application relating to the Heathrow Northwest Runway, and proposals for new terminal capacity located between the Northwest Runway at Heathrow Airport and the existing Northern Runway and reconfiguration of terminal facilities between the two existing runways at Heathrow Airport. Nevertheless, the Secretary of State considers that the contents of the Airports NPS will be both important and relevant considerations in the determination of such an application, particularly where it relates to London or the South East of England. Among the considerations that will be important and relevant are the findings in the Airports NPS as to the need for new airport capacity and that the preferred scheme is the most appropriate means of meeting that need.”**
- 5.15 Paragraph 1.38 confirms that the Airports NPS sets out Government policy on expanding airport capacity in the South East of England, in particular by developing a new Northwest Runway development at Heathrow but that other Government policy on airport capacity has been set out in the Aviation Policy Framework published in 2013. Consequently, the Airports NPS does not affect Government policy on wider aviation issues for which the 2013 Aviation Policy Framework and any subsequent policy statements still apply. Paragraph 1.39 of the Airports NPS confirms that having analysed the responses to the call for evidence on a new Aviation Strategy, The Government is supportive of airports beyond Heathrow making best use of their existing runways.
- 5.16 It is not entirely clear which parts of the NPS would be ‘important and relevant’ to non-Heathrow Northwest Runway DCOs. The next sections of this statement aim to capture which parts of the NPS are deemed to be ‘important and relevant’ to the determination of this DCO application.

- 5.17 Whilst the Airports NPS is still a relevant consideration for other applications for airports infrastructure in London and the South East of England such as this DCO application, it will not form the basis for determination of DCO applications as set out at Section 104(3) of the Planning Act 2008.
- 5.18 The fact that there is no directly applicable Airports NPS - because the Airports NPS applies to schemes at Heathrow Airport only - does not mean that an airport-related DCO application cannot be promoted. The absence of a directly applicable Airports NPS simply means that until up-to-date Government policy on aviation is published, the Aviation Policy Framework (March 2013) will remain Government policy until it publishes its new Aviation Strategy (paragraphs 1.38 and 1.42 of the Airports NPS). This was further confirmed in the recent appeal decision on the Lothian Shelf (718) Limited proposals at Manston Airport (see Appendix 4). However, this policy is generally considered to be out of date on matters relating to airport expansion in the South East since the conclusions of the Airports Commission's brief (July 2015) to find an effective and deliverable solution to increase aviation capacity in the South East as well as supporting the UK.
- 5.19 Consequently, the Secretary of State is not prevented from taking a decision on this DCO application and the Planning Act 2008 contains powers for the Secretary of State to take such a decision.
- 5.20 Unlike the regime for the granting of planning permission under the Town and Country Planning Act 1990, Paragraph 1.20 of the Airports NPS does not fully recognise that there is no provision in the Planning Act 2008 for the making of an 'outline' application for development consent, followed by 'reserved matters' approval. This does not mean, however, that development cannot be phased so that particular parts are brought forward at different times, or that the details of a proposal cannot be reserved for determination later – as is proposed by this application. Guidance by the Department for Communities and Local Government (DCLG) recognises that development projects advanced through the development consent order process may be phased, but emphasises that every phase of the project contained in a development consent application must be considered in the application for the order and the order itself.

Relationship between the Airports NPS and the Aviation Policy Framework

- 5.21 Paragraphs 1.38 and 1.39 of the Airports NPS explain the position for the purposes of decision making. The NPS sets out Government policy on expanding airport capacity in the South East of England, in particular by developing a Northwest Runway at Heathrow Airport or through proposals for new terminal capacity located between the Northwest Runway at Heathrow Airport and the existing Northern Runway or reconfiguration of terminal facilities between the two existing runways at Heathrow Airport and any applications for this development at Heathrow will be considered under the Airports NPS.
- 5.22 Other Government policy on airport capacity has been set out in the Aviation Policy Framework, published in 2013. The Airports NPS does not affect Government policy on wider aviation issues, for which the 2013 Aviation Policy Framework and any subsequent policy statements still apply. Although service provided by Heathrow for freight is mentioned in the NPS, non-Heathrow freight aviation would be a 'wider aviation issue'.
- 5.23 The APF sets out Government's high-level objectives and policy on the impacts of aviation. Unlike the 2003 Air Transport White Paper which set out in detail which specific developments would be supported at particular airports across the UK, the APF does not do this. Instead, it sets out the

Government's objectives and principles to guide plans and decisions at the local and regional level, to the extent that it is relevant to that area.

- 5.24 The APF recognises that aviation benefits need to be balanced against its local impact. It reaffirms that the Government believes that aviation needs to grow, delivering the benefits essential to economic wellbeing, whilst respecting the environment and protecting quality of life but that the right balance needs to be struck to ensure that the UK's long-term economic prosperity is safeguarded. It therefore follows that a balanced view needs to be reached in making decisions on whether to support specific airport developments and that development which achieves the Government's aviation policy objectives should be strongly supported. The main APF objectives for aviation are set out in the next section of this report.
- 5.25 On 21 July 2017, the Government issued a call for evidence on a new Aviation Strategy (see the following section of this report). The Government stated that in light of the Airports Commission's findings on more intensive use of existing airports, it was minded to be supportive of all airports who wish to make best use of their existing runways, including those in the South East (with the exception of Heathrow, whose proposed expansion is addressed in the Airports NPS). However such airports would still need to submit an application (for planning permission or development consent) to the relevant authority, which would need to be judged on the application's individual merits. The Government's policy on this issue will continue to be considered in the context of developing its new Aviation Strategy, and in light of responses to the call for evidence. However it is firmly recognised that the Airports NPS specifically states in paragraph 1.39 that :

“Having analysed the responses to the Government's call for evidence on a new Aviation Strategy, the Government has confirmed that it is supportive of airports beyond Heathrow making best use of their existing runways. However, we recognise that the development of airports can have positive and negative impacts, including on noise levels. We consider that any proposals should be judged on their individual merits by the relevant planning authority, taking careful account of all relevant considerations, particularly economic and environmental impacts.”

- 5.26 It is not clear if the Aviation Strategy will cover other non-Heathrow airport infrastructure although this is the expectation. However, it is recognised that it will not have the primary status that a NPS has when it comes to decision-making.

c) Assessment Principles

- 5.27 The determination of this DCO application will be made in the absence of a directly applicable Airports NPS (Section 104(2) of the Planning Act 2008) in accordance with Section 105 of the Planning Act 2008. A decision on the application can be taken on this basis and needs to be taken by the Secretary of State who must have regard to any LIR submitted to the Planning Inspectorate; any matters prescribed in relation to development of the description to which the application relates, and any other matters which the Secretary of State thinks are both important and relevant to the Secretary of State's decision.
- 5.28 Furthermore, and in the absence of a relevant NPS, the primary policy basis for determining the DCO application is the Government's National Policy on Aviation as contained within the Aviation Policy Framework (March 2013).

5.29 The next sections of this statement consider those matters that are 'important and relevant' to the decision against the relevant planning policy framework.

6 THE GOVERNMENT'S AVIATION POLICY

6.1 This chapter sets out the aviation policy basis at national level for determination of the DCO application.

a) Context

6.2 The starting point and the primary policy basis for determining the DCO application should be the policy framework set out in the Airports NPS. However, as the Airports NPS only has effect in relation to the delivery of additional airport capacity through the provision of a Northwest Runway at Heathrow Airport, proposals for new terminal capacity located between the new Northwest Runway and the existing Northern Runway at Heathrow Airport, as well as the reconfiguration of terminal facilities in the area between the two existing runways at Heathrow Airport, and until up-to-date Government policy on airports is set out in the Government's new Aviation Strategy (assuming this to be the case), then the most up to date policy framework is set out in the Aviation Policy Framework (March 2013) (APF).

6.3 This is further confirmed by paragraph 33 of the NPPF which states that when planning for ports, airports and airfields that are not subject to a separate national policy statement, plans should take account of their growth and role in serving business, leisure, training and emergency service needs. Plans should take account of the NPPF as well as the principles set out in the relevant national policy statements and the Government Framework for UK Aviation which is set out in the APF. The Airports NPS states that it does not affect wider aviation issues '*for which the 2013 Aviation Policy Framework and any subsequent policy statements still apply*' (Paragraph 1.38).

6.4 This section of the Planning Statement contains a review of the Government's Framework for UK Aviation, namely the APF. It also identifies those elements of policy which may be particularly significant for the consideration of this DCO application and the tests which they set for the determination of the application. It demonstrates how the Proposed Development achieves the objectives of the Government's Framework for UK Aviation with reference to other documents submitted with the DCO.

6.5 Since publication of the APF, significant progress has been made by the Government on addressing matters relating specifically to airport expansion in the South East especially through the work of the Airports Commission. Consequently, the APF is considered to be out-of-date in relation to this particular matter and due consideration needs to be made to the conclusions and emerging guidance contained in the following documents insofar as they relate to airport expansion in the South East pursuant to Section 105(2) of the Planning Act 2008 which requires the Secretary of State to have regard to other matters that are important and relevant when making his decision:

- Airports Commission Interim Report (2013)
- Airports Commission Final Report (2015)
- National Infrastructure Delivery Plan (2016)

- Airports NPS (June 2018) (insofar as it relates to nationally significant airport infrastructure projects excluding the new Northwest Runway at Heathrow)
- *'Beyond the Horizon : The Future of Aviation in the UK'* (July 2017) – a consultation on the new Aviation Strategy White Paper (expected 2018) and the update reports produced by the Government following an analysis of the consultation responses

6.6 In this regard, the Airports NPS is a material consideration. Similarly, the information presented in the Government's July 2017 consultation on the new Aviation Strategy White Paper is material to any decision taken on this DCO application.

b) The Aviation Policy Framework (March 2013)

6.7 As set out in the preceding section, the Airports NPS does not affect Government policy on wider aviation issues, for which the 2013 Aviation Policy Framework and any subsequent policy statements still apply. This section sets out the Government's policy on wider aviation issues.

6.8 The Aviation Policy Framework (APF) has fully replaced the 2003 Air Transport White Paper as Government's national policy on aviation, alongside any decision the Government makes following the recommendation of the independent Airports Commission, and is therefore silent on specific policies either in support of or against further airport expansion in the South East. The Airports Commission was established in September 2012 with the remit of recommending how the UK can maintain its status as a global aviation hub and maintain our excellent international connectivity for generations to come, as well as making best use of our existing capacity in the shorter term.

6.9 In the absence of any specific commentary on regional airport expansion in the South East or Manston Airport itself, the Aviation Policy Framework does state that the Government recognises the very important role airports across the UK play in providing domestic and international connections and the vital contribution they can make to the growth of regional economies. It is acknowledged that for more remote parts of the UK, aviation is not a luxury, but provides vital connectivity. It states that many airports act as focal points for business development and employment by providing rapid delivery of products by air and convenient access to international markets and cites the success of East Midlands Airport which acts as a hub for freight. The Proposed Development will complement East Midlands Airport and other South East airports, strengthen connectivity and once again develop Manston Airport into a business and employment destination delivering a number of social and economic benefits.

6.10 In terms of air freight, the APF recognises its importance for supporting export-led growth in sectors where the goods are of high value or time critical. It goes on to state that air freight is a key element of the supply chain in the advanced manufacturing sector in which the UK is looking to build competitive strength. Goods worth £116 billion are shipped by air between the UK and non-EU countries, representing 35% of the UK's extra-EU trade by value. The express air freight sector alone contributed £2.3 billion to UK GDP in 2010, and facilitates £11 billion of UK exports a year. Over 38,000 people are directly employed in the express industry, which supports more than 43,000 jobs in other sectors of the economy. The APF further states that a successful and diverse economy will drive a need for quicker air freight. Key components to keep factories working are often brought in from specialist companies in North America and the Far East. To keep production lines rolling this often has to be done at short notice. Access to such services is crucial to keeping UK manufacturing

competitive in the global marketplace. The need for the Proposed Development is compelling as set out in the Azimuth Associates Report [document reference TR020002/APP/7.4].

- 6.11 The Aviation Policy Framework sets out Government's high-level objectives and policy on aviation. As a framework, it brings together many related and discrete policies and work streams.
- 6.12 The APF sets out the role of the planning system in the operation of small and medium-sized aerodromes. It states that the underlying planning principles in respect of airfields remain unaltered in the NPPF which states that (Paragraph 1.90):

“When planning for ports, airports and airfields that are not subject to a separate national policy statement, plans should take account of their growth and role in serving business, leisure, training and emergency service need. Plans should take account of this framework as well as the principles set out in the relevant national policy statements and the Government Framework for UK Aviation.”

- 6.13 By defining Government's objectives and policies on the impacts of aviation, the APF sets out the framework within which decisions on aviation ought to be made to deliver a balanced approach to securing the benefits of aviation and to support economic growth. The main objectives of the APF are summarised below:

1. **Support growth and the benefits of aviation** - to achieve long-term economic growth recognising that the aviation sector is a major contributor to the economy whose growth the Government supports; and to ensure that the UK's air links continue to make it one of the best connected countries in the world. This includes increasing our links to emerging markets so that the UK can compete successfully for economic growth opportunities. As set out in the Azimuth Associates Report [document reference TR020002/APP.7.4], the Proposed Development will help to achieve all these objectives thereby realising the significant economic benefits that the aviation sector brings to the UK on a regional and local basis.

- **Aviation's contribution to the UK economy;**

Paragraph 1.1 recognises that with the increasing globalisation of our economy and society, the future of the UK will undoubtedly continue to be shaped by the effectiveness of its international transport networks. In light of Brexit, the Proposed Development will especially help to achieve this objective.

Paragraph 1.2 recognises that aviation infrastructure plays an important role in contributing to economic growth through the connectivity it helps deliver, for example, by providing better access to markets, enhancing communications and business interactions, facilitating trade and investment and improving business efficiency through time savings, reduced costs and improved reliability for business travellers and air freight operations. The Proposed Development will especially realise this objective.

Paragraph 1.3 confirms that there is broad agreement that aviation benefits the UK economy, both at a national and a regional level and that the economic benefits are significant, particularly those benefits resulting from the connectivity provided by aviation. Additionally, paragraph 1.3 states that there are social and cultural benefits from aviation.

These benefits are fully explored and confirmed in Volume IV the Azimuth Associates Report [document reference : TR020002/APP.7.4].

Gross domestic product and jobs – paragraph 1.4 recognises that the air transport sector's turnover is around £28 billion, and the sector directly generates around £10 billion of economic output. It provides about 120,000 jobs in the UK and supports many more indirectly. Paragraph 1.5 rightly recognises that the economic importance of the aviation sector extends beyond its direct contribution to UK Gross Domestic Product (GDP) and employment, as an enabler of activity in many other sectors of the economy. By Year 20, the Proposed Development will deliver approximately 3,400 direct jobs with approximately 6,100 indirect/induced jobs and approximately 13,650 catalytic jobs in the same period. The total GDP from direct, indirect/induced and catalytic jobs at Manston is forecast to be between £1.2 and £1.3 billion. This is a significant economic benefit.

Imports and Exports - paragraph 1.6 recognises that although air freight carries a small proportion of UK trade by weight, it is particularly important for supporting export-led growth in sectors where the goods are of high value or time critical. Paragraph 1.7 states that the express air freight sector alone contributed £2.3 billion to UK GDP in 2010, and facilitates £11 billion of UK exports a year. Over 38,000 people are directly employed in the express industry, which supports more than 43,000 jobs in other sectors of the economy. Paragraph 1.8 recognises that a successful and diverse economy will drive a need for quicker air freight and that access to such services is crucial to keeping UK manufacturing competitive in the global marketplace. The Proposed Development with its focus on providing air freight facilities will provide the UK but importantly, the South East with significant new and dedicated air freight facilities thereby enabling significant economic benefits to be realised and UK competitiveness to be improved.

Manufacturing, skills and technology – paragraph 1.9 recognises that the UK has the second largest aerospace manufacturing industry in the world and the largest in Europe and that the growth prospects for the UK industry are sizeable based on global traffic growth predictions (£352 billion revenue up to 2030). Paragraph 1.11 recognises that new and emerging technologies, such as unmanned aerial vehicles (UAVs), offer significant opportunities in the civil aviation field, for example in oil, and mineral exploration, air freight, search and rescue, data gathering and scientific research, as well as opportunities for technology transfer to the wider aviation sector.

Value of business and general aviation – paragraph 1.12 recognises that business and general aviation (GA) is important to the UK and that its contribution to the economy has been estimated at £1.4 billion per annum. The sector covers a wide range of activities. A Civil Aviation Authority (CAA)-initiated and chaired strategic review of the sector has acknowledged its growing economic importance, particularly for the British and European manufacturing industry. The Proposed Development recognises the importance of business and general aviation and includes hangars and facilities for this to the south of the passenger terminal and car park (see Masterplan document reference TR020002/APP/7.1).

Greater productivity and growth – paragraph 1.13 confirms that the UK's aviation sector enables productivity and growth in the following ways:

- enhanced access to markets and new business opportunities through improved connectivity;
- lower transport costs and quicker deliveries. For example, transporting freight by air allows smaller inventory holdings, and the rapid transport of perishable goods leads to increased specialisation of production which results in greater efficacies; and
- facilitating inward investment and the movement of goods, people and ideas both within the UK and to and from the rest of the world, thus enhancing trade and the diffusion of knowledge and innovation.

Some of the main benefits to consumers and businesses from greater investment and effective use of airport infrastructure include (paragraph 1.14):

- reductions in delays and disruption as a result of airport congestion, which affect airlines, passengers and the wider community; and
- increased frequency and range of flights to faster-growing economies.

The need case for the Proposed Development is underpinned by an ambition to realise all these key objectives and to unlock barriers in the current aviation sector which are restricting the Country's ability to fully profit from the associated benefits.

Tourism – paragraph 1.15 confirms that air travel is essential to the Government Tourism Policy. Good connectivity from the UK to emerging economies is likely to increase the scope for growth in inbound tourism in future. Earnings from overseas visits were £18 billion, 84% of which was spent by people who arrived by air. Paragraph 1.16 states that the Government believes that the chance to fly abroad also offers quality of life benefits including educational and skills development. Overall, continuing to make UK tourism more attractive is deemed to be a better approach both for residents and attracting new visitors. Volume IV of the Azimuth Associates Report [document reference TR020002/APP/7.4] considers the potential impact of the Proposed Development on Thanet and East Kent. It concludes that the airport would support tourism in the area and would increase demand for visitor accommodation (and the related jobs) across Thanet.

Travel, culture and family - in addition to its economic contribution, aviation provides wider social benefits, enabling UK citizens to experience different cultures or enjoy a well-earned holiday (paragraph 1.17). In an increasingly globalised society visiting friends and relatives is an increasingly important reason for flying. Visiting friends and relatives also forms a significant proportion of business for airports outside London and the South East, which in some cases helps maintains the viability of their air links. The passenger services that will be provided as part of the Proposed Development will assist to meet this objective.

- **Supporting airports across the UK**

The APF recognises the growth and importance of airports outside London in achieving the Government's aim of helping the economy to grow by encouraging investment and

exports as a route to a more balanced economy. Volume IV of the Azimuth Associates Report [document reference TR020002/APP/7.4] explains how the Proposed Development will boost prosperity and rebalance the economy especially in the Thanet and East Kent regions which demonstrate particular problems associated with deprivation and high levels of unemployment.

Paragraph 1.20 recognises that airports create local jobs and fuel opportunities for economic rebalancing in their wider region or area. New or more frequent international connections attract business activity, boosting the economy of the region and providing new opportunities and better access to new markets for existing businesses.

Paragraph 1.21 especially recognises the very important role airports across the UK play in providing domestic and international connections and the vital contribution they can make to the growth of regional economies.

Paragraph 1.22 acknowledges that airports act as focal points for business development and employment by providing rapid delivery of products by air and convenient access to international markets.

Paragraph 1.23 recognises that airports outside the South East of England also have an important role in helping to accommodate wider forecast growth in demand for aviation in the UK, which could help take some pressure off London's main airports. The availability of direct air services locally from these airports can also reduce the need for air passengers and freight to travel long distances to reach larger UK airports.

- **Connectivity;**

Paragraph 1.36 repeats earlier messages that aviation significantly benefits the UK because it provides the UK with excellent access to the rest of the world and brings people closer together within the UK. With the increasing globalisation of the economy and society, the APF recognises that the future of the UK will undoubtedly continue to be shaped by the effectiveness of its international transport networks.

Paragraph 1.46 recognises that the UK's continued economic success depends on being able to connect with the countries and locations that are of most benefit to the UK economy. This is important in relation both to destinations that fall into that category today and those locations that will become crucial to the country's economic success in the future. While it remains vital for the UK to maintain its connectivity with established markets such as the USA and in Europe, it is also important that advantage is taken of the growing opportunities presented in the emerging economies of the world to remain competitive in the global economy.

Section 8 of Volume IV of the Azimuth Associates Report [document reference TR020002/APP/7.4] explains how the Proposed Development will boost connectivity. It recognises research by Intervistas in 2015 which has shown that a 10% increase in connectivity in air transport is associated with an increase in GDP per capita of 0.5%. The economic benefits of the Proposed Development in this sense alone are significant in addition to the role that Manston Airport will play in developing further global connections.

- **Aviation demand forecasts;**

Paragraph 1.54 accepts that in the most likely scenarios, the major South East airports are forecast to be full by 2030. However, other scenarios have this occurring as soon as 2025 or as late as 2040, depending primarily on the rate of economic growth and the price of oil. In paragraph 1.55, the APF states that according to the most likely scenarios, a number of non-London airports, including Birmingham, Bristol, East Midlands and Manchester Airport, are also assessed as reaching capacity over a similar time scale. In paragraph 1.56, it is acknowledged that Heathrow had effectively reached its maximum capacity in 2011 and it is forecast to remain at full capacity across all the demand cases considered. Volume I of the Azimuth Associates Report [document reference TR020002/APP/7.4] considers airport demand in the South East of the UK and does not dispute these conclusions. Volume III of the same report sets out the forecasts for Manston Airport and concludes that even with a new runway at Heathrow, that the Proposed Development will make a substantial contribution

- **Strategy for a vibrant aviation sector: the short term; and**

In the short term (to around 2020) the Government's key priority as set out in the APF is to continue to work with the aviation industry and other stakeholders to make better use of existing runways at all UK airports. The Government's strategy is to focus on making best use of existing capacity to improve performance, resilience and the passenger experience; encourage new routes and services; support airports outside the South East to grow and develop new routes; and better integrate airports into the wider transport network (paragraph 1.60). Additionally, the Government recognises the importance of maintaining access to a national network of aerodromes including regional aerodromes in England which it says is vital to the continuing success of the aviation sector (paragraph 1.86). The Proposed Development will see the best use being made of the existing runway at Manston bringing it back into valuable use and capitalising on the long and wide runway to fulfil many of the Government's objectives for the aviation sector.

- **Strategy for a vibrant aviation sector: the medium and long term.**

This is based in part on integrating airports in the wider transport network and especially, through considering options for enhancing rail services to major airports (paragraph 1.99). This includes developing a national high rail network (paragraph 1.100) where it is stated that the Government will ensure that its national strategies for aviation and high-speed rail are aligned, providing a better travel offer to the UK travelling public. East Kent is already well served by the High Speed 1 rail line into London. Kent County Council's plans to open a new station on this line (Thanet Parkway Station) will mean that Manston Airport's rail connection will be improved.

2. **Managing aviation's environmental impacts**

The Government's objective is to ensure that the aviation sector makes a significant and cost-effective contribution towards reducing global emissions (paragraph 2.4). The emphasis is on action at a global level as the best means of securing our objective, with action within Europe the next best option and a potential step towards wider international agreement (paragraph

2.5). At a national level, the Government states that it will also take unilateral action where that is appropriate and justified in terms of the balance between benefits and costs. Chapter 16 of the Environmental Statement [document reference TR020002/APP/5.2-2] assesses the likely impacts of the Proposed Development on Climate Change. No significant effects are expected. The Applicant is committed to developing and implementing Carbon Minimisation Action Plan.

The Government's policy approach to environmental effects and mitigation demonstrates that it expects environmental effects to arise from the developments that it supports. However, it does not anticipate that such effects would, in principle, represent obstacles to the grant of planning permission. Rather the policy indicates that local controls (and local policies) are to be applied to control, mitigate or compensate for the environmental effects. The ES submitted with this DCO application considers what mitigation (and compensation) is required following the environmental assessment of the Proposed Development. The Register of Environmental Actions and Commitments [document reference TR020002/APP/2.5] further confirms what commitments the Applicant is prepared to take to reduce the environmental effects of the Proposed Development.

Paragraph 2.60 confirms that the Government strongly supports the need to better understand and manage the risks associated with climate change because it is essential for the successful long-term resilience of the UK's aviation industry and its contribution to supporting economic growth and competitiveness.

3. **Noise and other local environmental impacts**

Paragraph 3.1 fully recognises that whilst the aviation industry brings significant benefits to the UK economy, there are costs associated with its local environmental impacts which are borne by those living around airports, some of whom may not use the airport or directly benefit from its operations – and that these include noise, air quality and other local environmental impacts.

Noise - The Government's overall policy on aviation noise is to limit and, where possible, reduce the number of people in the UK significantly affected by aircraft noise, as part of a policy of sharing benefits of noise reduction with industry (paragraph 3.12).

The Government will continue to ensure that noise exposure maps are produced for the noise-designated airports on an annual basis providing results down to a level of 57dB LAeq 16 hour (paragraph 3.15) and to improve monitoring of the specific impact of night noise, separate night noise contours for the eight-hour night period (11pm–7am) are to be produced for the designated airports. Paragraph 3.17 confirms that the Government will continue to treat the 57dB LAeq 16 hour contour as the average level of daytime aircraft noise marking the approximate onset of significant community annoyance. However, it is recognised that this does not mean that all people within this contour will experience significant adverse effects from aircraft noise, nor does it mean that no-one outside of this contour will consider themselves annoyed by aircraft noise. Noise Contour Maps have been produced in support of the DCO application. These are provided in document reference TR020002/APP/5.2-12.

Paragraph 3.24 fully accepts that the acceptability of any growth in aviation depends to a large extent on the industry tackling its noise impact. As a general principle, the Government expects

that at the local level, individual airports working with the appropriate air traffic service providers should give particular weight to the management and mitigation of noise, as opposed to other environmental impacts, in the immediate vicinity of airports (paragraph 3.25). In paragraph 3.26, the Government states its wish for airports to consider using the powers available to them to set suitable noise controls such as departure noise limits, minimum height requirements, noise-preferential routes and adherence to continuous descent approach, and where appropriate to enforce these with dissuasive and proportionate penalties and that both controls and the levels of penalties should be reviewed regularly in consultation with local communities and consultative committees, to ensure they remain effective. The DCO application includes a Noise Mitigation Plan [document reference TR020002/APP/2.4] which includes the controls and penalties that will be applied if flight operations deviate from the preferences that have been set specifically to mitigate against potential for noise impacts.

In terms of night noise, the Government recognises that the costs on local communities are higher from aircraft noise during the night, particularly the health costs associated with sleep disturbance (paragraph 3.34). Noise from aircraft at night is therefore widely regarded as the least acceptable aspect of aircraft operations. However, the Government also recognises the importance to the UK economy of certain types of flights, such as express freight services, which may only be viable if they operate at night. In paragraph 3.35, the Government sets out its expectation that the aviation industry should make extra efforts to reduce and mitigate noise from night flights through use of best-in-class aircraft, best practice operating procedures, seeking ways to provide respite wherever possible and minimising the demand for night flights where alternatives are available. The Noise Mitigation Plan [document reference TR020002/APP/2.4] sets out RiverOak's proposal for introducing an aircraft quota count restriction to limit night-time take-offs and landings in the interests of mitigating against night time noise from flights.

Noise insulation and compensation – in paragraph 3.36, the Government states that it continues to expect airport operators to offer households exposed to levels of noise of 69 dB LAeq,16h or more, assistance with the costs of moving. The Government also expects airport operators to offer acoustic insulation to noise-sensitive buildings, such as schools and hospitals, exposed to levels of noise of 63 dB LAeq,16h or more. Where acoustic insulation cannot provide an appropriate or cost-effective solution, alternative mitigation measures should be offered (paragraph 3.37). If no such schemes already exist, airport operators should consider financial assistance towards acoustic insulation for households (paragraph 3.38). The Noise Mitigation Plan [document reference TR020002/APP/2.4] sets out RiverOak's proposal for introducing a Noise Insulation Scheme for residential and noise-sensitive buildings where financial assistance towards acoustic insulation is offered to eligible properties within prescribed noise contours.

Air quality and other local environmental impacts – paragraph 3.46 acknowledges that airports have a significant impact on other aspects of the local environment including emissions from transport contributing to air pollution. The Government's policy on air quality is to seek improved international standards to reduce emissions from aircraft and vehicles and to work with airports and local authorities as appropriate to improve air quality, including encouraging HGV, bus and taxi operators to replace or retrofit with pollution-reducing technology older, more polluting vehicles (paragraph 3.48). Chapter 6 of the ES [document

reference TR020002/APP/5.2-1] considers the air quality impacts of the Proposed Development and concludes that no significant effects are expected after applying mitigation.

Loss of protected habitats, protected species, protected landscape and built heritage, and significant impacts on water resources and ecosystems would only be advocated if there were no feasible alternatives and the benefits of proposals clearly outweighed those impacts (paragraph 3.55). Any unavoidable impacts would be mitigated or compensated for. The Government's policy is to ensure there is full consideration of the environmental impacts of the most credible options for maintaining our international connectivity. These matters are considered in Chapters 7 (Biodiversity), 8 (Freshwater Environment), 9 (Historic Environment), 11 (Landscape and Visual) of the ES [document references TR020002/APP/5.2-1 and 2-2].

4. **Working together** - to encourage the aviation industry and local stakeholders to strengthen and streamline the way in which they work together. RiverOak are committed to setting up an Airport Consultative Committee which will include local stakeholders and interested bodies with a view to working together on matters concerning the airport.

6.14 There are other important high-level policy objectives. Although they are not the subject of the APF, they support and are consistent with it and are being taken forward separately. These objectives include protecting passenger rights, competition and regulation policy, airspace, safety and security.

6.15 Section 5 concerns Planning and explains the APF's status and its interaction with existing planning guidance and policies and any decisions following the recommendations of the Airports Commission. It applies to the whole of the UK.

6.16 Paragraph 5.5 states that should the Government decide to support any new nationally significant airport infrastructure following the conclusions of the Airports Commission's work, it is likely that the next step would be to draft and consult on a National Policy Statement (NPS) for Airports which would accelerate the resolution of any future planning application(s). The Government designated the Airports NPS in June 2018 (see below for further details).

6.17 In terms of planning policies, paragraph 5.6 states that in preparing their local plans, local authorities are required to have regard to policies and advice issued by the Secretary of State. This includes the APF, to the extent it is relevant to a particular local authority area, along with other relevant planning policy and guidance. The APF may be a material consideration in planning decisions depending on the circumstances of a particular application. It is considered that the APF is material to the decision on this DCO application.

6.18 In terms of safeguarding, paragraph 5.8 states that the National Planning Policy Framework (NPPF) makes clear that local planning authorities should 'identify and protect, where there is robust evidence, sites and routes which could be critical in developing infrastructure to widen choice' and that this could apply to airport infrastructure. Paragraph 5.9 relates to land outside existing airports that may be required for airport development in the future and how this needs to be protected against incompatible development until the Government has established any relevant policies and proposals in response to the findings of the Airports Commission. The Manston Airport site, including the Northern Grass area, continues to be protected for airport related uses by saved policies in the adopted 2006 Thanet Local Plan. These policies remain up-to-date as confirmed by the Planning Inspector in his decision on the Lothian Shelf Limited appeals in July 2017 (see Appendix 4).

- 6.19 Paragraph 5.11 states that all proposals for airport development must be accompanied by clear surface access proposals which demonstrate how the airport will ensure easy and reliable access for passengers, increase the use of public transport by passengers to access the airport, and minimise congestion and other local impacts. This information is provided in the Transport Assessment submitted with the DCO application [document reference TR020002/APP/5.2-15].
- 6.20 Paragraphs 5.14 and 5.15 relate to Public Safety Zones (PSZs) which are areas where accidents are most likely to occur. The objective is to control the number of people at risk through the PSZ system. PSZs are areas of land at the ends of runways at the busiest airports, within which development is restricted. The Government's basic policy objective remains not to increase the number of people living, working or congregating in PSZs and, over time, to see the number reduced. Where necessary, the Government expects airport operators to offer to buy property which lies wholly or partly within those parts of the zones where the risk is greatest. The Government's objective is to continue to protect those living near airports by maintaining and, where justified, extending the PSZ system. The expectation is that PSZs will not be needed at Manston in line with previous arrangements.

c) Airports NPS (June 2018)

- 6.21 The Government designated the Airports NPS on 26th June 2018. This followed the initial draft Airports NPS which was published in February 2017 and a revised draft Airports NPS which was published for consultation on the 24th October 2017.
- 6.22 Paragraph 1.1 of the NPS confirms that 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. It further recognises that 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. The UK has the third largest aviation network in the world, and London's airports serve more routes than the airports of any other European city.
- 6.23 However, Paragraph 1.2 of the NPS fully recognises that London and the South East are now facing longer term capacity problems. Heathrow Airport is operating at capacity today, Gatwick Airport is operating at capacity at peak times, and the whole London airports system is forecast to be full by the mid-2030s. The NPS appreciates that there is still spare capacity elsewhere in the South East for point to point and especially low cost flights. However, with very limited capability at London's major airports, London is beginning to find that new routes to important long haul destinations are being set up elsewhere in Europe and this is having an adverse impact on the UK economy, and affecting the country's global competitiveness.
- 6.24 On 25th October 2016, the Government announced that a Northwest Runway at Heathrow Airport, combined with a significant package of supporting measures, was the Government's preferred scheme to deliver additional airport capacity in the South East of England. It also confirmed that this would be included in a draft Airports NPS, to be the subject of consultation according to the procedures laid down in the Planning Act 2008 (paragraph 1.10). The draft Airports NPS was published on 2nd February 2017. On publishing the draft Airports NPS, the Government made a commitment to continue updating its evidence base on airport capacity, including revised passenger demand forecasts and the impact of the publication of the final Air Quality Plan (the UK plan for tackling roadside nitrogen dioxide concentrations). In order to provide clarity, the Government revised

the draft Airports NPS and some of the other documents which were published alongside it, on the basis of these changes to the evidence base and as a result of initial consideration of the responses to the February consultation and other broader government policy changes which have arisen during this period.

- 6.25 The Airports NPS sets out (paragraph 1.13):
- The Government's policy on the need for new airport capacity in the South East of England;
 - The Government's preferred location and scheme to deliver new capacity; and
 - Particular considerations relevant to a development consent application to which the Airports NPS relates.
- 6.26 The NPS recognises that it is imperative that the UK continues to grow its domestic and international connectivity until the expansion of Heathrow is complete, which it considered to be the more intensive use of existing airports other than Heathrow and Gatwick (paragraph 1.6).
- 6.27 The NPS reaffirms that international connectivity is important to the success of the UK economy as it facilitates trade in goods and services and is particularly important for many of the fastest growing sectors of the economy (paragraph 2.1). The NPS recognises that airports are the primary gateway for vital time-sensitive freight services (paragraph 2.2) and that the aviation sector benefits the UK economy through its direct contribution to GDP and employment, and by facilitating trade and investment, manufacturing supply chains, skills development, and tourism (paragraph 2.3).
- 6.28 Paragraphs 2.7 and 3.23 refer to the importance of freight services specifically:
- “2.7 – Air freight is also important to the UK economy. Although only a small proportion of UK trade by weight is carried by air, it is particularly important for supporting export-led growth in sectors where goods are of high value or time critical. Heathrow Airport is the UK’s biggest freight port by value. Over £178 billion of air freight was sent between UK and non-European Union countries in 2016, representing over 45% of the UK’s extra-European Union trade by value. This is especially important in the advanced manufacturing sector, where air freight is a key element of the time-critical supply chain. By 2030, advanced manufacturing industries such as pharmaceuticals or chemicals, whose components and products are predominately moved by air, are expected to be among the top five UK export markets by their share of value. In the future, UK manufacturing competitiveness and a successful and diverse UK economy will drive the need for quicker air freight.**
- 3.23 - The aviation sector can also boost the wider economy by providing more opportunities for trade through air freight. The time-sensitive air freight industry, and those industries that use air freight, benefit from greater quantity and frequency of services, especially long haul. By providing more space for cargo, lowering costs, and by the greater frequency of services, this should in turn provide a boost to trade and GDP benefits.”**
- 6.29 The Proposed Development will help to address many of the key issues identified within the Airports NPS and will provide much needed new airport capacity in the South East to complement the existing

London airports but also to relieve them of some of the problems they are facing in relation to handling air freight and especially at peak-times. Providing dedicated air freight facilities will ensure that the UK does not continue to lose out to other European airports thereby maximising benefits for the UK economy and ensuring that the UK remains competitive in the global market.

- 6.30 In particular, and again, consistent with the Government's national policy on airports, the Proposed Development will deliver much needed airport capacity in the South East to grow connectivity before any expansion at Heathrow. The Azimuth Associates Report [document reference TR020002/APP/7.4] confirms that Manston Airport would continue to operate as a viable airport even after any new runway at Heathrow is delivered based on the predicted forecasts.
- 6.31 The Proposed Development especially accords with the Airport NPS because it will deliver dedicated air freight services including vital time-sensitive freight services which the Government recognises makes an important contribution to the UK economy. The Proposed Development will mean that Manston Airport will contribute more to the UK economy as it facilitates a significant increase in the amount of freight that is carried by air thereby strengthening the UK import and export markets which are predicted to grow in the future. Manston Airport will be able to deliver air freight more quickly thereby boosting the wider economy. It will also provide more opportunities for direct and dedicated freight handling; a greater quantity and frequency of service and more space to handle goods – all of which will boost trade and economic benefits.

Assessment Principles

- 6.32 Chapter 4 of the Airports NPS concerns Assessment Principles and sets out the general policies in accordance with which applications relating to a Northwest Runway at Heathrow Airport are to be decided. Paragraph 4.1 makes clear that Chapter 4 is specific to assessments necessary for the Heathrow Northwest Runway scheme. However, there are general policies contained within this chapter which would equally apply in the assessment of other nationally significant airport projects not at Heathrow – and which are 'important and relevant' to the consideration of this DCO application. These are identified below and examined further in Section 9 of this statement and the other DCO application documents.

General Principles of Assessment

- 6.33 Paragraph 4.4 makes clear that in considering any proposed development, and in particular when weighing its adverse impacts against its benefits, the Examining Authority and the Secretary of State will take into account:
- Its potential benefits, including the facilitation of economic development (including job creation) and environmental improvement, and any long term or wider benefits; and
 - Its potential adverse impacts (including any longer term and cumulative adverse impacts) as well as any measures to avoid, reduce or compensate for any adverse impacts.
- 6.34 In this context, paragraph 4.5 explains that environmental, safety, social and economic benefits and adverse impacts should be considered at national, regional and local levels. The Secretary of State will also have regard to the manner in which such benefits are secured, and the level of confidence in their delivery.

6.35 Paragraph 4.9 states that the Examining Authority should only recommend, and the Secretary of State will only impose, requirements in relation to a development consent, that are necessary, relevant to planning, relevant to the development to be consented, enforceable, precise, and reasonable in all other respects. This paragraph states that the need for requirements in respect of the phasing of a scheme is likely to be an important consideration, so that effects of construction and operational phases are properly mitigated, as well as any changes in the operations of the airport that may occur in line with the phasing of physical works and commencement of operations. Guidance on the use of planning conditions or any successor to it should be taken into account where requirements are proposed. Paragraph 4.10 further states that obligations under Section 106 of the Town and Country Planning Act 1990 should only be sought where they are necessary to make the development acceptable in planning terms, (including where necessary to ensure compliance with the Airports NPS), directly related to the proposed development, and fairly and reasonably related in scale and kind to the development.

Environmental Impact Assessment

6.36 Paragraph 4.12 states that all proposals that are subject to the European Union's Environmental Impact Assessment Directive and are likely to have significant effects on the environment, must be accompanied by an Environmental Statement (ES), describing the aspects of the environment likely to be significantly affected by the project. The DCO is supported by an ES which, in accordance with the Directive, identifies, describes and assesses the effects on human beings, fauna and flora, soil, water, air, climate, the landscape, material assets and cultural heritage, and the interaction between them. In accordance with Schedule 4 to the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017, it also includes a description of the likely significant effects of the proposed project on the environment, covering the direct effects and any indirect, secondary, cumulative, short-, medium- and long-term, permanent and temporary, positive and negative effects of the project, and also the measures envisaged for avoiding or mitigating significant adverse effects.

6.37 Paragraph 4.13 states that when examining a proposal to which the Airports NPS applies, the Examining Authority should ensure that likely significant effects at all stages of the project have been adequately assessed. The effects of any changes in operations, including the number of air traffic movements, during the construction and operational phases must be properly assessed and appropriate mitigation secured for any significant effects. This is addressed in the ES submitted with this DCO as are the cumulative effects which are assessed in line with paragraph 4.14 of the NPS. This states that when considering significant cumulative effects, any environmental statement should provide information on how the effects of an applicant's proposal would combine and interact with the effects of other development (including projects for which consent has been granted, as well as those already in existence if they are not part of the baseline). This assessment is found in Chapter 18 of the ES [document reference TR020002/APP/5.2-3].

6.38 Paragraph 4.16 is particularly relevant to the consideration of this DCO and states that in cases where it may not be possible at the time of the application for development consent for all aspects of the proposal to have been settled in precise detail, the applicant should explain in its application which elements of the proposal have yet to be finalised, and the reasons why this is the case. This is set out in Chapters 3 and 5 of the ES [document reference TR020002/APP/5.2-1].

6.39 In accordance with paragraph 4.17, effort has been made by RiverOak in this DCO to refine the detail of the Proposed Development. However, and because certain details are still to be finalised, the ES

sets out in Chapter 3 the relevant design parameters used for the assessment [document reference TR020002/APP/5.2-1]. The ES explains, with reference to the parameters, what the maximum extent of the proposed development may be and assesses the potential adverse effects which the project could have, to ensure that the impacts of the project as it may be constructed have been properly assessed. In accordance with paragraph 4.18, the expectation is that should the Secretary of State decide to grant development consent for an application where details are still to be finalised, such is the case here, that this will need to be reflected in appropriate development consent requirements in the development consent order – and indeed, the draft DCO submitted with the application includes such requirements.

- 6.40 RiverOak acknowledge the further advice in paragraph 4.18 which states that at a later stage, and after the grant of development consent, should they wish (for technical or commercial reasons) to construct the development in such a way that it is outside the terms of what has been consented, for example because its extent will be greater than has been provided for in terms of the consent, that it will be necessary for them to apply for a change to be made to the development consent provided under the Planning Act 2008.

Habitats Regulations Assessment

- 6.41 Paragraph 4.19 states that prior to granting development consent, the Secretary of State as competent authority must comply with the duties under the Conservation of Habitats and Species Regulations 2017. Under these regulations, if the competent authority considers that the proposed development is likely to have a significant effect on a European site or a European offshore marine site (either alone or in combination with other plans or projects), and is not connected with or necessary to the management of that site, it must make an Appropriate Assessment of the implications for the site in view of the site's conservation objectives. Paragraph 4.20 states that the Applicant is required to provide sufficient information with their applications for development consent to enable the Secretary of State to carry out an Appropriate Assessment if required. This information should include details of any measures that are proposed to minimise or avoid any likely significant effects on a European site. The information provided may also assist the Secretary of State in concluding that an Appropriate Assessment is not required because significant effects on European sites are sufficiently unlikely that they can be excluded.

- 6.42 The Appropriate Assessment is provided in Appendix 7.1 of Chapter 7 of the ES [document reference TR020002/APP/5.2-6]. It provides the necessary information for the Secretary of State for Transport to undertake a Habitats Regulations Assessment (HRA) under the Conservation of Habitats and Species Regulations 2017 (the 'Habitats Regulations').

Equalities

- 6.43 Paragraph 4.27 states that for any application to be considered compliant with the Airports NPS, it must be accompanied by a project level Equality Impact Assessment examining the potential impact of that project on groups of people with protected characteristics. This assessment is provided in the Health and Wellbeing chapter of the ES (Chapter 15 – document reference TR020002/APP/5.2-2).

Assessing Alternatives

6.44 Paragraph 4.28 requires that the applicant should comply with all legal obligations and policy set out in the Airports NPS on the assessment of alternatives. In particular, it recognises that the Environmental Impact Assessment Directive requires projects with significant environmental effects to include a description of the reasonable alternatives studied by the applicant which are relevant to the proposed development and its specific characteristics, and an indication of the main reasons for the option chosen, taking into account the significant effects of the project on the environmental effects. This is set out in Chapter 2, Section 2.3 of the ES [document reference TR020002/APP/5.2-1].

Criteria for 'good design' for airports infrastructure

6.45 In accordance with paragraph 4.29, RiverOak has included design as an integral consideration from the outset of a proposal and visual appearance has also been an important factor in considering the scheme design, as well as functionality, fitness for purpose, sustainability and cost (paragraph 4.30). The Airports NPS states that applying 'good design' to airports projects should therefore produce sustainable infrastructure sensitive to place, efficient in the use of natural resources and energy used in their construction, and matched by an appearance that demonstrates good aesthetics as far as possible.

6.46 The Design and Access Statement [document reference: TR020002/APP/7.3] sets out the approach to design that has been taken and explains how full account has been taken of the saved design policies in the 2006 adopted Thanet District Local Plan and paragraph 4.31 of the Airports NPS which states that good design should meet the principal objectives of the scheme by eliminating or substantially mitigating the identified problems by improving operational conditions and simultaneously minimising adverse impacts. It should also mitigate any existing adverse impacts wherever possible, for example in relation to safety or the environment. Paragraph 4.32 states that the Secretary of State will need to be satisfied that projects are sustainable and as aesthetically sensitive, durable, adaptable and resilient as they can reasonably be, having regard to regulatory and other constraints and including accounting for natural hazards such as flooding. Paragraph 4.33 states that the scheme should take into account, as far as possible, both functionality, including fitness for purpose and sustainability, and aesthetics, including the scheme's contribution to the quality of the area in which it would be located. This is also addressed in the Design and Access Statement [document reference: TR020002/APP/7.3] in addition to an explanation of how the design process was conducted and how the proposed design evolved (paragraph 4.35 of the Airports NPS). It is noted that the Examining Authority and Secretary of State will take into account the ultimate purpose of the infrastructure and bear in mind the operational, safety and security standards which the design has to satisfy.

Costs

6.47 Paragraph 4.39 states that the applicant should demonstrate in its application that its scheme is cost-efficient and sustainable, and seeks to minimise costs to airlines, passengers and freight owners over its lifetime. Whilst this is relevant primarily to the Heathrow Northwest Runway, RiverOak have set out the relevant details applicable to their scheme in the Funding Statement provided with the DCO [document reference: TR020002/APP/3.2].

Climate Change Adaptation

6.48 Paragraph 4.43 states that adaptation is necessary to deal with the potential impacts of the climate change changes that are already happening. It requires new development to be planned to avoid increased vulnerability to the range of impacts arising from climate change. When new development is brought forward in areas which are vulnerable, care should be taken to ensure that risks can be managed through suitable adaptation measures, including through the provision of green infrastructure. Paragraph 4.45 requires applicants to consider the impacts of climate change when planning design, build and operation. Any accompanying environmental statement should set out how the proposal will take account of the projected impacts of climate change. This information is contained in Chapter 16 of the ES which also considers appropriate mitigation or adaptation measures as required by paragraphs 4.49, 4.50 and 4.51 [document reference TR020002/APP/5.2-2].

Pollution Control and other environmental protection regimes

6.49 Issues relating to discharges or emissions from a proposed project which affect air quality, water quality, land quality or the marine environment, or which include noise, may be subject to separate regulation under the pollution control framework or other consenting and licensing regimes. Paragraph 4.53 confirms that relevant permissions will need to be obtained for any activities within the development that are regulated under those regimes before the activities can be operated. The DCO includes a document which details which other such consents and licences are needed [document reference: TR020002/APP.7.6].

6.50 Paragraph 4.54 states that in deciding an application, the Secretary of State should focus on whether the development is an acceptable use of the land, and on the impacts of that use, rather than the control of processes, emissions or discharges themselves. The Secretary of State should assess the potential impacts of processes, emissions or discharges to inform decision making, but should work on the assumption that, in terms of the control and enforcement, the relevant pollution control regime will be properly applied and enforced. Decisions under the Planning Act 2008 should complement but not duplicate those taken under the relevant pollution control regime.

6.51 Paragraph 4.59 makes clear that the Secretary of State should not refuse consent on the basis of regulated impacts unless there is good reason to believe that any relevant necessary operational pollution control permits or licences or other consents will not subsequently be granted.

Common law nuisance and statutory nuisance

6.52 Paragraph 4.61 states that during the examination of an application for development consent for infrastructure covered under the Airports NPS, possible sources of nuisance under Section 79(1) of the Environmental Protection Act 1990 and under Sections 76 and 77 of the Civil Aviation Act 1982 should be considered by the Examining Authority. The Examining Authority should also consider how those sources of nuisance might be mitigated or limited so they can recommend appropriate requirements that the Secretary of State might include in any subsequent order granting development consent. A Statement relating to Statutory Nuisances is submitted with the DCO [document reference: TR020002/APP/5.2-14]. It concludes that with mitigation in place, none of the statutory nuisances identified in Section 79(1) of the Act is predicted to arise.

Security Considerations

- 6.53 Paragraph 4.64 recognises that the nature of the aviation sector as a target for terrorism means that security considerations will likely apply in the case of the infrastructure project for which development consent may be sought under the Airports NPS. Paragraph 4.65 states that where national security implications have been identified, the applicant should consult with relevant security experts from the Centre for the Protection of National Infrastructure and the Department for Transport to ensure that physical, procedural and personnel security measures have been adequately considered in the design process, and that adequate consideration has been given to the management of security risks. This is discussed in Chapter 17 of the ES [document reference TR020002/APP/5.2-3] but full security details will come forward in the detailed design stage.

Health

- 6.54 Paragraph 4.72 requires that where the proposed project has likely significant environmental impacts that would have an effect on human beings, any environmental statement should identify and set out the assessment of any likely significant health impacts. Paragraph 4.73 states that the applicant should identify measures to avoid, reduce or compensate for adverse health impacts as appropriate and that the cumulative impact on health should be considered. Chapter 15 of the ES [document reference TR020002/APP/5.2-2] addresses Health and Wellbeing matters. The DCO application also includes a separate Health Impact Assessment which is Appendix 15.1 to the ES [document reference: TR020002/APP/5.2-13].

Accessibility

- 6.55 Paragraph 4.76 requires the applicant to include clear details of how plans will improve access on and around the airport by designing and delivering schemes that address the accessibility needs of all those who use, or are affected by, surface access infrastructure, including those with physical and/or mental impairments as well as older users. The Airports NPS recognises that easy access and car parking provision at the airports is essential to this goal and must meet standards set down in guidance (such as the Department for Transport's Inclusive Mobility). This is discussed in the Transport Assessment which is submitted with the DCO [document reference TR020002/APP/5.2-15].
- 6.56 Section 9 of this statement considers the assessment requirements set out in Chapter 5 under each of the topic headings listed above and a summary of the main conclusions, alongside the mitigation that is put forward as part of this DCO.

Assessment of Impacts

- 6.57 Chapter 5 of the Airports NPS concerns the Assessment of Impacts. Paragraph 5.1 confirms that the chapter focusses on the potential impacts of the Heathrow Northwest Runway scheme, the assessments that any applicant will need to carry out, and the specific planning requirements that they will need to meet, in order to gain development consent. It is reasonable to assume that the requirements set out in the chapter will equally be important and relevant to the consideration of other nationally significant airport infrastructure projects and so it is appropriate to consider them alongside the proposals for development in this DCO. Paragraph 5.2 notes that in its Final Report, the Airports Commission recommended that to make airport expansion possible [at Heathrow].... a comprehensive package of accompanying measures [should be recommended] to make the airport's expansion more acceptable to the local community and a need for measures to mitigate the impacts

of increased capacity and to enhance beneficial effects (paragraphs 5.2 and 5.3). RiverOak have proposed a comprehensive mitigation package alongside their proposals for development as detailed in the Noise Mitigation Plan [document reference TR020002/APP/2.4] and Register of Environmental Actions and Commitments [document reference TR020002/APP/2.5] as submitted with the DCO.

6.58 Chapter 5 is set out under a series of topics and under each topic, advice is provided in terms of what an applicant must assess; the mitigation that is likely to be required and the objectives that this mitigation should achieve and factors that will be considered by the Secretary of State when making a decision. The topic areas covered which are of relevance to the consideration of this DCO application are as follows:

- Surface Access
- Air Quality
- Noise
- Carbon Emissions
- Biodiversity and Ecological Conservation
- Resource and Waste Management
- Flood Risk
- Water Quality and Resources
- Historic Environment
- Landscape and Visual Impacts
- Land Instability
- Community Compensation

6.59 Section 9 of this statement considers the assessment requirements set out in Chapter 5 under each of the topic headings listed above and a summary of the main conclusions, alongside the mitigation that is put forward as part of this DCO and in light of the Airports NPS mitigation advice. Furthermore, Section 9 of this statement will consider whether the Proposed Development is acceptable alongside the decision making advice provided in Chapter 5 of the draft Aviation NPS.

d) *'Beyond the Horizon : The Future of Aviation in the UK'* (July 2017) – a consultation on the new Aviation Strategy White Paper (expected 2018)

6.60 The Government has published a call for evidence consultation document to establish views on the approach the Government is proposing to take on a number of aviation issues identified to inform the Aviation Strategy. The consultation document is *entitled 'Beyond the Horizon : The Future of Aviation in the UK'* (July 2017). The new strategy is proposed to focus on aviation covering the whole country and for a long term strategy; with the consultation process examining the effect on all of the UK's regions. The expectation is that the White Paper will sit alongside the Airports NPS and that together, they will constitute the Government's new aviation policy and framework.

6.61 The strategy is proposed to focus on aviation covering the whole country and for a long term strategy; with the consultation process examining the effect on all of the UK's regions. It is stated that the aim of the Aviation Strategy is:

“To achieve a safe, secure and sustainable aviation sector that meets the needs of consumers and of a global, outward-looking Britain.”

6.62 It is recognised within the consultation document that before a new runway is built, for the UK to grow its domestic and international capacity, there is a need for existing runways throughout the UK to be more intensively utilised. The Government also recognises that airports across the UK make a vital contribution to the health of the whole country. Of particular interest is part of paragraph 7.20:

“The Government agrees with the Airports Commission’s recommendation that there is a requirement for more intensive use of existing airport capacity and is minded to be supportive of all airports who wish to make best use of their existing runways including those in the South East.”

6.63 In June 2018, the Government reported on the feedback received from the Aviation Strategy call for evidence document, specifically on its proposal to support airports throughout the UK by making best use of their existing runways. “Beyond the Horizon: The Future of Aviation in the UK – Making best use of existing runways” (June 2018) reported that 60% of the relevant responses were in favour of the Government’s proposal, 17% against and 23% supportive provided certain issues were addressed (paragraph 1.7). Paragraph 1.26 states the Government’s expectation for airports wishing to increase either their passenger or air traffic movement caps to allow them to make best use of their existing runways to submit applications to the relevant planning authority. Paragraph 1.27 states that applications to increase caps by 10mppa or more or deemed nationally significant would be considered as NSIPs under the Planning Act 2008 and would be considered by the Secretary of State. The Government makes clear (paragraph 1.26) that as part of any planning application, airports will need to demonstrate how they will mitigate against local environmental issues, taking account of relevant national policies, including any new environmental policies emerging from the Aviation Strategy. Paragraph 1.29 therefore concludes that:

“Therefore the Government is supportive of airports beyond Heathrow making best use of their existing runways. However, we recognise that the development of airports can have negative as well as positive local impacts, including on noise levels. We therefore consider that any proposals should be judged by the relevant planning authority, taking careful account of all relevant considerations, particularly economic and environmental impacts and proposed mitigations.”

6.64 The emerging Aviation Strategy outlines the importance of aviation supporting the UK’s manufacturing and service sectors throughout the world. Aviation has a key role to play in achieving the Government’s ambitions to increase productivity and grow the economy. As part of its objective to support sustainable economic growth, the Government will look at how best to encourage regional connectivity to ensure these opportunities are open to the whole of the UK.

6.65 Reopening Manston Airport will allow an existing runway of considerable length and width to be used much more intensively. The Proposed Development is therefore entirely compliant with the Government’s emerging national Aviation Strategy.

e) Other considerations

- 6.66 Whilst not Government policy, it is important to consider other publications that have informed adopted and emerging Government aviation policy where relevant to this DCO.

Airports Commission Interim Report (December 2013)

- 6.67 Specifically in relation to Manston Airport, the Airports Commission Interim Report (December 2013) in Appendix 2 : Assessment of Long-Term Options, is supportive of Manston Airport recognising that it:

“.....presents some potential as a reliever airport, but does not address the larger question of London & South East capacity. The concept of reliever airports is considered in short and medium term work. Please see Appendix 1 for further information.”

- 6.68 Appendix 1 : Assessment of Short- and Medium-Term Options of the Interim Report - Section 3 ‘Proposals Received and Commission Conclusion’ – table entry number 82 sets out the Commission’s view of reliever airports. It defines the reliever airports concept as providing:

“support and/or financial incentives to encourage the growth of airports providing dedicated support for the business and general aviation markets with the potential additional benefit of reducing the use of congested airports for this traffic.”

- 6.69 It goes on to state that:

“The Commission is supportive of the reliever airports concept. The Commission recognises that this may be the best way to cater for the needs of business users without disrupting the wider airport system...”

- 6.70 Paragraph 5.96 explains that under the reliever airports concept, airfields in the vicinity of congested airports are designated to handle specific types of traffic, with a particular emphasis including on business and general aviation, as well as smaller aircraft flying scheduled services. The report recommends at paragraph 5.99 that Government policy should promote the benefits of smaller airports in the London and South East system for accommodating business and general aviation and that furthermore (paragraph 5.100) while the opening hours and other conditions of use of these airports are often matters that should properly be dealt with between the airport and its local authority, the local authorities should support the development of smaller local airports and, alongside consideration of their environmental impacts, also give due consideration to the positive benefits they can bring to the local and regional economy.

- 6.71 It is clear that the Airports Commission accepted that Manston could perform a role as a reliever airport. RiverOak proposal to utilise Manston Airport to provide a dedicated freight hub will assist in relieving the congested air freight market in the South East.

f) National Infrastructure Delivery Plan 2016-2021 (March 2016)

- 6.72 The Government remains determined to deliver better infrastructure in the UK to grow the economy and improve opportunities for people across the country. For the first time, the new National

Infrastructure Delivery Plan brings together the Government's plans for economic infrastructure over the next 5 years with those to support delivery of housing and social infrastructure.

6.73 By the end of 2020-21, the Government expects:

- A decision on a preferred new runway in the South East and preparation of a new Airports National Policy Statement;
- New airport infrastructure at Manchester, Luton, Heathrow and Gatwick;
- Improved rail access to Manchester, Gatwick and Heathrow; and
- A dozen road projects to support access to ports and airports either complete or in construction.

6.74 Chapter 5 relates to Airports and Ports and recognises that they are the gateways providing the international connections the UK needs to grow and prosper (paragraph 5.2). They facilitate the movement of goods, people and ideas around the world, to support trade and investment and allow knowledge and innovation to be shared. They also provide social benefits, enabling UK citizens to visit family and friends overseas, experience different cultures or simply enjoy a well-earned holiday.

6.75 Paragraph 5.3 states that airports and ports also play a very important role across the UK, providing vital domestic and international connections, and making a significant contribution to the growth of regional economies with the UK having the third largest aviation network in the world, after the USA and China. It recognises however, that there is a capacity and connectivity challenge, particularly in the South East. In paragraph 5.4, the Government confirms its acceptance of the case for expansion of airport capacity in the region with a shorter term key priority being to make better use of existing runway capacity at all UK airports.

6.76 In terms of a Delivery Strategy for Airports, paragraph 5.6 confirms that the Government's objectives are to:

- ensure that the UK's air links continue to make it one of the best connected countries in the world;
- ensure the aviation sector makes a significant and cost-effective contribution towards reducing global emissions; and
- to limit, and where possible reduce, the number of people in the UK significantly affected by aircraft noise.

6.77 In paragraph 5.7, the Government states that it supports competition as an effective way to meet the interests of passengers and other users. It also welcomes the significant levels of private sector investment in airport infrastructure and establishment of new routes to developed and emerging markets.

6.78 In paragraph 5.11, it is recognised that smaller airports are vital for local economies, opening up opportunities and connecting the UK. The government is working to ensure that there are sufficient and effective connections to airports to handle current and future capacity requirements and through Highways England and Network Rail is bringing forward a number of road and rail projects to improve surface access (paragraph 5.12).

6.79 In terms of freight, the Plan recognises that roads are used for almost 70% of freight journeys (paragraph 3.1) and that moving freight by means other than using roads will relieve road congestion and reduce carbon emissions (paragraph 4.1).

7 NATIONAL PLANNING POLICY FRAMEWORK

a) Introduction

- 7.1 The NPPF confirms that it does not affect, add to or alter the policy regime for NSIPs as set out in the NPSs. However, in the absence of a directly applicable Airports NPS, it is important and relevant to consider the NPPF as it contains policies which have been considered in developing the Proposed Development for achieving sustainable development.
- 7.2 The NPPF (March 2012) sets out the Government's planning policies for England and how these are expected to be applied (Paragraph 1). It states that planning law requires that applications must be determined in accordance with the Development Plan, unless material considerations indicate otherwise, and that the NPPF must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions (Paragraph 2).
- 7.3 Paragraph 3 specifically states that the NPPF does not contain specific policies for nationally significant infrastructure projects for which particular considerations apply. These are determined in accordance with the decision-making framework set out in the Planning Act 2008 and relevant national policy statements for major infrastructure, as well as any other matters that are considered both important and relevant (which may include the NPPF). It continues to state that National Policy Statements (NPSs) form part of the overall framework of national planning policy and are a material consideration in decisions on planning applications. The Airports NPS is considered to be a material consideration in the determination of this DCO application.

Presumption in favour of sustainable development

- 7.4 At the heart of the NPPF is a presumption in favour of sustainable development which in terms of decision-taking, and outside of the policy framework for determining NSIPs, normally means approving development proposals that accord with the Development Plan without delay or where the Development Plan is absent, silent or relevant policies are out-of-date, granting planning permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the NPPF taken as a whole or if specific policies in the NPPF indicate that development should be restricted (Paragraph 14).
- 7.5 Paragraph 7 explains that there are three dimensions to sustainable development - economic, social and environmental – which give rise to the need for the planning system to perform a number of roles:
- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure. This is especially relevant to the consideration of the appeal proposals.
 - a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations and by creating a high

quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and

- an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

7.6 Paragraph 17 specifically addresses the role that the planning system should play and sets out a core list of land use planning principles which should underpin the plan-making and decision-taking process. These include:

1. **“- proactively drive and support sustainable economic development to deliver... infrastructure that the country needs, making every effort to objectively identify and then meet development needs of an area, and respond positively to wider opportunities for growth...**
2. **encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value.”**

7.7 Reopening the airport at Manston represents the most sustainable form of aviation development through reusing a redundant brownfield airfield and the infrastructure that already exist there. The proposals are fully supported by the relevant policies in the Development Plan which safeguard the airport site for airport uses. This has recently been tested as part of a planning appeal by Lothian Shelf Limited (see Appendix 4 for appeal decision) where the safeguarding policies were found to be in accordance with national policy and therefore attracted significant weight. As demonstrated in later sections of this report, there are no adverse impacts which would outweigh the benefits of the scheme. The scheme will contribute significantly to the national, regional and local economy not only on monetary terms but also through providing much-needed jobs in an area which demonstrates higher than average unemployment. Environmentally, and through the mitigation being proposed, the scheme will bring a number of benefits including to surface access, resource management and land quality. The social benefits of the scheme not only for job and wealth creation but for tourism, well-being and culture, and health and also notable. The proposal will deliver infrastructure that the country desperately needs and will act as a catalyst to stimulate opportunities for growth especially in the local and regional area which are needed. For these reasons, the proposals are fully in accordance with the policy objectives on the NPPF.

Building a strong, competitive economy

7.8 The NPPF clearly states that the Government is committed to securing economic growth in order to create jobs and prosperity, building on the country's inherent strengths, and in meeting the twin challenges of global competition and of a low carbon future (Paragraph 18) and that it is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Importantly in the context of this DCO application, the NPPF states that planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system (Paragraph 19). To help achieve economic growth, the NPPF states that Local Planning Authorities should plan

proactively to meet the development needs of business and support an economy fit for the 21st century (Paragraph 20).

- 7.9 The proposal is underpinned by an ambition to deliver much needed infrastructure to maintain the UK's global position and connectivity which in turn will secure significant economic growth within the UK airports sector and for the country as a whole. It will contribute significantly to the UK aviation sector which plays a significant role within the UK economy. A direct benefit of the proposal is its ability to stimulate local and regional prosperity including through the creation of a sizeable number of jobs (approximately 4,271 direct jobs in the next 20 years and approximately 30,326 direct, indirect and catalytic jobs) thereby further contributing to the important economic role that the aviation sector plays. The NPPF supports sustainable economic growth and significant weight should be afforded to the contribution that this proposal will make to building a strong and competitive economy. The development proposals are full in accordance with these NPPF objectives.

Promoting Sustainable Transport

- 7.10 Specifically in relation to airports, the NPPF states in Paragraph 31 that local planning authorities should work with neighbouring authorities and transport providers to develop strategies for the provision of viable infrastructure necessary to support sustainable development, including large scale facilities such as rail freight interchanges, roadside facilities for motorists or transport investment necessary to support strategies for the growth of ports, airports or other major generators of travel demand in their areas.
- 7.11 Paragraph 33 of the NPPF sets out the policy framework against which airport proposals should be considered and states:

“When planning for ports, airports and airfields that are not subject to a separate national policy statement, plans should take account of their growth and role in serving business, leisure, training and emergency service needs. Plans should take account of this Framework as well as the principles set out in the relevant national policy statements and the Government Framework for UK Aviation.”

- 7.12 The Manston Airport site is safeguarded in the saved policies of the 2006 Thanet District Local Plan for airport uses. Reopening the airport will comply completely with these policies and will deliver much needed infrastructure which will address airport capacity issues in London and the South East. The NPPF supports airport growth and recognises the role that reopening Manston will play in achieving the aims of Government Aviation Policy (see earlier section).

Infrastructure

- 7.13 Paragraph 162 of the NPPF relates specifically to infrastructure and states that local planning authorities should take account of the need for strategic infrastructure including nationally significant infrastructure within their areas. Regrettably, Thanet District Council has not properly engaged with or taken into account RiverOak's proposals for reopening Manston Airport which would be a nationally significant infrastructure project that would realise both the local and regional economic growth aspirations in addition to contributing significantly to the wider UK economy.

Requiring good design

7.14 NPPF paragraph 65 outlines that:

“Local planning authorities should not refuse planning permission for buildings or infrastructure which promote high levels of sustainability because of concerns about incompatibility with an existing townscape, if those concerns have been mitigated by good design (unless the concern relates to a designated heritage asset and the impact would cause material harm to the asset or its setting which is not outweighed by the proposal’s economic, social and environmental benefits).”

7.15 Based on the NPPF guidance it is imperative that the design is assessed against the wider sustainability benefits that the reopening of Manston Airport will provide. This is in accordance with guidance contained in the Airports NPS (paragraphs 4.29 to 4.35).

Promoting healthy communities

7.16 Paragraph 69 of the NPPF looks to promote safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion. It also promotes safe and accessible developments that include clear and legible pedestrian routes, and high quality public spaces, encouraging active and continued use of public areas.

7.17 NPPF paragraph 70 seeks that planning decisions plan positively for the provision and use of shared space, community facilities, including cultural buildings to enhance the sustainability of communities and residential environments; any unnecessary loss of these valued facilities should be guarded against.

7.18 The scheme has been designed to reflect best design practice in full recognition of the site constraints and opportunities. This is discussed within the Design and Access Statement submitted with the DCO [document reference: TR020002/APP/7.3]. The museum quarter shown in the Masterplan [document reference: TR020002/APP/7.1] will be a proud community facility that will connect the history of the site to the new airport. There will be no net loss of community facilities as part of the proposed development.

Meeting the challenge of climate change, flooding and coastal change

7.19 It is recognised in NPPF paragraph 93, that planning plays a key role in helping shape places to secure radical reductions in greenhouse gas emissions, minimising vulnerability and providing resilience to the impacts of climate change, and supporting the delivery of renewable and low carbon energy and associated infrastructure.

7.20 To support the move to a low carbon future, NPPF paragraph 95 looks for local planning authorities to plan for new development in locations and ways which reduce greenhouse gas emissions and to actively support energy efficiency improvements to existing buildings.

7.21 NPPF paragraph 98 states that when determining planning applications, local planning authorities should:

- **not require applicants for energy development to demonstrate the overall need for renewable or low carbon energy and also recognise that even small-scale projects provide a valuable contribution to cutting greenhouse gas emissions; and**
- **approve the application if its impacts are (or can be made) acceptable.**

7.22 New development is expected to comply with adopted Local Plan policies on local requirements for decentralised energy supply unless it can be demonstrated, having regard to the type of development involved and its design, that this is not feasible or viable. The application should also take account of landform, layout, building orientation, massing and landscaping to minimise energy consumption. To help increase the use and supply of renewable and low carbon energy, local planning authorities should recognise the responsibility on all communities to contribute to energy generation from renewable or low carbon sources.

7.23 To reduce flood risk, NPPF paragraph 103 details that when determining planning applications, local planning authorities should ensure flood risk is not increased elsewhere and only consider development appropriate in areas at risk of flooding where, informed by a site-specific flood risk assessment. The development should be appropriately flood resilient and resistant, include safe access and escape routes where required, and that any residual risk can be safely managed, including by emergency planning; and it gives priority to the use of sustainable drainage systems.

7.24 The Design and Access Statement [document reference: TR020002/APP/7.3] and Chapter 16 of the ES sets out what environmental measures relevant to climate change have been incorporated into the proposed development. These measures have been subject to climate change resilience assessment. A Flood Risk Assessment is also submitted with the DCO as Appendix 8.2 of Chapter 8 of the ES [document reference: TR020002/APP/5.2-8]. This concludes that the proposals for development will not increase flood risk elsewhere and that the scheme is flood resilient.

Conserving and enhancing the natural environment

7.25 The NPPF outlines that the planning system should contribute to and enhance the natural and local environment by:

- **protecting and enhancing valued landscapes, geological conservation interests and soils;**
- **recognising the wider benefits of ecosystem services;**
- **minimising impacts on biodiversity and providing net gains in biodiversity where possible, contributing to the Government's commitment to halt the overall decline in biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures;**
- **preventing both new and existing development from contributing to or being put at unacceptable risk from, or being adversely affected by unacceptable levels of soil, air, water or noise pollution or land instability; and**

- **remediating and mitigating despoiled, degraded, derelict, contaminated and unstable land, where appropriate.**

7.26 Paragraph 111 requires that decisions on development proposals should be based on the effective use of land by re-using land that has been previously developed (brownfield land), provided that it is not of high environmental value.

7.27 Paragraph 118 of the NPPF requires that proposals conserve and enhance biodiversity by applying the following principles:

- **if significant harm resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused;**
- **proposed development on land within or outside a Site of Special Scientific Interest likely to have an adverse effect on a Site of Special Scientific Interest (either individually or in combination with other developments) should not normally be permitted. Where an adverse effect on the site's notified special interest features is likely, an exception should only be made where the benefits of the development, at this site, clearly outweigh both the impacts that it is likely to have on the features of the site that make it of special scientific interest and any broader impacts on the national network of Sites of Special Scientific Interest;**
- **development proposals where the primary objective is to conserve or enhance biodiversity should be permitted;**
- **opportunities to incorporate biodiversity in and around developments should be encouraged;**
- **planning permission should be refused for development resulting in the loss or deterioration of irreplaceable habitats, including ancient woodland and the loss of aged or veteran trees found outside ancient woodland, unless the need for, and benefits of, the development in that location clearly outweigh the loss; and**
- **the following wildlife sites should be given the same protection as European sites: – potential Special Protection Areas and possible Special Areas of Conservation;**
 - **listed or proposed Ramsar sites; and**
 - **sites identified, or required, as compensatory measures for adverse effects on European sites, potential Special Protection Areas, possible Special Areas of Conservation, and listed or proposed Ramsar sites.**

7.28 The NPPF explains that to prevent unacceptable risks from pollution and land instability, new development should be appropriate for its location. The effects (including cumulative effects) of pollution on health, the natural environment or general amenity, and the potential sensitivity of the area or proposed development to adverse effects from pollution, need to be considered. Where a

site is affected by contamination or land stability issues, responsibility for securing a safe development rests with the developer and/or landowner.

- 7.29 Paragraph 121 of the NPPF requires that the development site is suitable for its new use taking account of ground conditions and land instability, including from natural hazards or former activities such as mining, pollution arising from previous uses and any proposals for mitigation including land remediation or impacts on the natural environment arising from that remediation.
- 7.30 It should be established whether the development is an acceptable use of the land and the impact of the use, rather than the control of processes or emissions themselves where these are subject to approval under pollution control regimes.
- 7.31 NPPF paragraph 123 explains that planning decisions should aim to:
- **avoid noise from giving rise to significant adverse impacts on health and quality of life as a result of new development;**
 - **mitigate and reduce to a minimum other adverse impacts on health and quality of life arising from noise from new development, including through the use of conditions;**
 - **recognise that development will often create some noise and existing businesses wanting to develop in continuance of their business should not have unreasonable restrictions put on them because of changes in nearby land uses since they were established; and**
 - **identify and protect areas of tranquillity which have remained relatively undisturbed by noise and are prized for their recreational and amenity value for this reason.**
- 7.32 The NPPF describes that planning decisions should ensure that any new development in Air Quality Management Areas is consistent with the local air quality action plan.
- 7.33 The encouragement of good design is considered a means to limit light pollution from artificial light on local amenity, intrinsically dark landscapes and nature conservation.
- 7.34 Chapter 7 of the ES concerns Biodiversity. It considers the changes that are likely to be caused by the proposed development including due to increased light, noise and pollution and concludes that no significant effects are likely. Chapter 11 of the ES considers likely Landscape (and Visual) effects and concludes that following the implementation of mitigation measures, that no significant landscape effects have been predicted for Year 1, Year 10 or Year 20 of the proposed phasing for the development.

Conserving and enhancing the historic environment

- 7.35 The NPPF outlines that in the determination of applications, the desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation; the positive contribution that conservation of heritage assets can make to sustainable communities including their economic vitality; and the desirability of new development making a positive contribution to local character and distinctiveness, all need to be accounted for.

7.36 NPPF paragraph 132 states that great weight should be given to the heritage asset's conservation when considering the impact of a proposed development. The more important the asset, the greater the weight should be. Significance can be harmed or lost through alteration or destruction of the heritage asset or development within its setting; any harm or loss should require clear and convincing justification. Substantial harm to or loss of a grade II listed building, park or garden should be exceptional. Substantial harm to or loss of designated heritage assets of the highest significance, should be wholly exceptional.

7.37 NPPF paragraphs 133 and 134 states that:

(Paragraph 133) “Where a proposed development will lead to substantial harm to or total loss of significance of a designated heritage asset, consent should be refused, unless it can be demonstrated that the substantial harm or loss is necessary to achieve substantial public benefits that outweigh that harm or loss, or all of the following apply:

- **the nature of the heritage asset prevents all reasonable uses of the site; and**
- **no viable use of the heritage asset itself can be found in the medium term through appropriate marketing that will enable its conservation; and**
- **conservation by grant-funding or some form of charitable or public ownership is demonstrably not possible; and**
- **the harm or loss is outweighed by the benefit of bringing the site back into use.”**

(Paragraph 134) “Where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal, including securing its optimum viable use. “

7.38 The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application, with a balanced judgement being made based on the scale of any harm or loss and the significance of the heritage asset. Development should not result in the loss of the whole or part of a heritage asset without all reasonable steps being taken to ensure the new development will proceed after the loss has occurred.

7.39 NPPF paragraph 140 makes it clear that an assessment should be made to establish whether the benefits of a proposal for enabling development, which would otherwise conflict with planning policies but which would secure the future conservation of a heritage asset, outweigh the disbenefits of departing from those policies.

7.40 Section 9 of the ES concerns the Historic Environment. Whilst effects are expected from the proposed development on on-site buried archaeology and built heritage and off-site indirect effects on designated heritage assets, mitigation is proposed to reduce the magnitude of effect.

b) National Planning Policy Guidance (NPPG)

- 7.41 NPPG is a web-based resource which brings together planning guidance on various topics into one place. It was launched in March 2014 and coincided with the cancelling of the majority of Government Circulars which had previously given guidance on many aspects of planning.
- 7.42 In terms of what should be considered in regard to the development of airport and airfield facilities and their role in serving business, leisure, training and emergency service needs, and with reference to paragraph 33 of the NPPF, paragraph 012 (reference ID 54-012-20150313) of the NPPG repeats the acknowledgement that aviation makes a significant contribution to economic growth across the country, including in relation to small and medium sized airports and airfields (aerodromes). An aerodrome will form part of a larger network. The NPPG states that local planning authorities should have regard to the extent to which an aerodrome contributes to connectivity outside the authority's own boundaries, working together with other authorities and Local Enterprise Partnerships as required by the NPPF. As well as the NPPF, the NPPG reconfirms that local planning authorities should have regard to the Aviation Policy Framework, which sets out government policy to allow aviation to continue making a significant contribution (NPPF paragraph 160).
- 7.43 It further states that a working or former aerodrome could be put forward for consideration as a site for mixed use development (NPPF paragraph 17) that includes continuing, adapting or restoring aviation services in addition to other uses.
- 7.44 For the reasons set out elsewhere in this statement where reference is made to the proposals by Stone Hill Park Limited for the Manston Airport site, using the airport for alternative, non-airport uses would not be viable. Retaining the site in airport use will ensure that significant contributions are made to the UK aviation sector in terms of runway capacity and growth and to the regional and local economy in terms of prosperity – all in accordance with the NPPG.

c) National Planning Policy Framework – Draft Text for Consultation (March 2018)

- 7.45 The draft revised National Planning Policy Framework (NPPF) published in March 2018 incorporates policy proposals previously consulted on in the Housing White Paper and the Planning for the Right Homes in the Right Places Consultation (September 2017). The consultation closes on the 10th May 2018. It is important and relevant to consider the proposed changes to the NPPF in the context of determining this DCO application. The revised NPPF is expected to be adopted in July 2018.
- 7.46 The draft revised NPPF continues to :
- set out the Government's planning policies for England and how these are to be applied (paragraph 1);
 - state that planning law requires applications to be determined in accordance with the Development Plan unless material considerations indicate otherwise (paragraph 2). Paragraph 2 further confirms that the NPPF is a material consideration in planning decisions;
 - state that the NPPF does not contain specific policies for NSIPs and that these are determined in accordance with the decision-making framework set out in the Planning Act 2008 (as amended) and relevant national policy statements for major infrastructure, as well as any other matters that are relevant (which may include the NPPF) (Paragraph 4). It also states that NPSs

form part of the overall framework of national planning policy and are a material consideration in decisions on planning applications.

Achieving sustainable development

- 7.47 Paragraph 7 states that the purpose of the planning system is to contribute to the achievement of sustainable development and much like the 2012 NPPF, states that achieving sustainable development means that the planning system has three overarching objectives (economic, social and environmental) which are interdependent and which need to be pursued in mutually supportive ways so that opportunities can be taken to secure net gains across the different objectives. Paragraph 9 states that planning policies and decisions should play an active role in guiding development towards sustainable solutions but in doing so, should take local circumstances into account, to reflect the character, needs and opportunities of the area.

Presumption in favour of sustainable development

- 7.48 The draft revised NPPF continues to state (paragraph 10) that so that sustainable development is pursued in a positive way, at the heart of the Framework is a presumption in favour of sustainable development. For decision-taking, paragraph 11 states that this means approving development proposals that accord with an up-to-date development plan without delay; or where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless: i) the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or ii) any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole. Paragraph 12 reconfirms that the presumption in favour of development does not change the statutory status of the development plan as a starting point for decision making.

Strategic Policies

- 7.49 Paragraph 20 states that the strategic policies required for the area of each local planning authority should include those policies, and strategic site allocations, necessary to provide (amongst other things), infrastructure for transport.

Maintaining effective cooperation

- 7.50 The draft revised NPPF promotes effective cooperation and paragraph 28 especially endorses effective and on-going joint working between strategic plan making authorities and relevant bodies which it believes is integral to the production of a positively prepared and justified strategy. In particular, the draft revised NPPF states that joint working should help to determine where additional infrastructure is necessary.

Building a strong, competitive economy

- 7.51 This remains a key theme of the revised draft NPPF. Paragraph 82 states that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. It continues by saying that significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any

weaknesses and address the challenges of the future – and that this is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential. Significant weight should therefore be applied in considering the Proposed Development as it will deliver many economic benefits that will boost growth in the UK, regional and especially the local economies which will directly translate into significant social benefits.

Promoting sustainable transport

7.52 Section 9 of the draft revised NPPF concerns promoting sustainable transport. Paragraph 103 states that transport issues should be considered from the earliest stages of plan-making and development proposals, so that:

- a) the potential impacts of development on transport networks can be addressed;
- b) opportunities from existing or proposed transport infrastructure, and changing transport technology and usage, are realised – for example in relation to the scale, location or density of development that can be accommodated;
- c) opportunities to promote walking, cycling and public transport use are identified and pursued;
- d) the environmental impacts of traffic and transport infrastructure can be identified, assessed and taken into account – including appropriate opportunities for mitigation and for net gains in environmental quality; and
- e) patterns of movement, streets, parking and other transport considerations are integral to the design of schemes, and contribute to making high quality places.

7.53 Paragraph 104 states that the planning system should actively manage patterns of growth in support of these objectives. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes so that this can help to reduce congestion and emissions, and improve air quality and public health. This is addressed in the Transport Assessment submitted with the DCO application [document reference TR020002/APP/5.2-15].

7.54 Paragraph 105(e) and 105(f) state that planning policies should:

“(e) provide for any large scale facilities, and the infrastructure to support their operation and growth, taking into account any relevant national policy statements and whether such development is likely to be a nationally significant infrastructure project. For example ports, airports, interchanges for rail freight, roadside services and public transport projects; and

(f) recognise the importance of maintaining a national network of general aviation facilities – taking into account their economic value in serving business, leisure, training and emergency service needs, and the Government’s General Aviation Strategy.”

- 7.55 Not only in Manston Airport protected in saved policies in the adopted 2006 Thanet District Local Plan for airport uses but it is understood that Thanet District Council is revising its new Local Plan to take account of the need to continue some policy protection of the Manston Airport site for airport uses following the January 2018 Full Council decision to reject the latest draft of the new Local Plan because it proposed to reallocate Manston Airport for a mixed-use settlement. The RiverOak proposals include facilities for General Aviation as the associated economic benefit is fully acknowledged.
- 7.56 Paragraph 107 states that maximum parking standards for residential and non-residential development should only be set where there is a clear and compelling justification that they are necessary for managing the local road network. The Proposed Development has been developed in accordance with the adopted Thanet District Council car parking standards.
- 7.57 Paragraph 108 specifically states that in assessing sites that may be allocated for development in plans, or specific applications for development, it should be ensured that:
- a) appropriate opportunities to promote sustainable transport modes can be – or have been – taken up, given the type of development and its location;
 - b) safe and suitable access to the site can be achieved for all users; and
 - c) any significant impacts from the development on the transport network (in terms of capacity and congestion), or on highway safety, can be cost effectively mitigated to an acceptable degree.
- 7.58 Paragraph 109 states that development should only be prevented or refused on highways grounds if the residual cumulative impacts on the road network or road safety would be severe. The matters addressed in paragraphs 108 and 109 are all considered in the Transport Assessment with accompanies the DCO application [document reference TR020002/APP/5.2-15].
- 7.59 Within this context, paragraph 110 states that applications for development should:
- a) give priority first to pedestrian and cycle movements, both within the scheme and with neighbouring areas; and second – so far as possible – to facilitating access to high quality public transport, with layouts that maximise the catchment area for bus or other public transport services, and appropriate facilities that encourage public transport use;
 - b) address the needs of people with disabilities and reduced mobility in relation to all modes of transport;
 - c) create places that are safe, secure and attractive – which minimise the scope for conflicts between pedestrians, cyclists and vehicles, avoid unnecessary street clutter, and respond to local character and design standards;
 - d) allow for the efficient delivery of goods, and access by service and emergency vehicles; and
 - e) be designed to enable charging of plug-in and other ultra-low emission vehicles in safe, accessible and convenient locations.

7.60 Paragraph 111 states that all developments that will generate significant amounts of movement should be required to provide a travel plan, and the application should be supported by a transport statement or transport assessment so that the likely impacts of the proposal can be assessed. A Transport Assessment is submitted with the DCO application and there is a commitment by the Applicants to deliver a Travel Plan in connection with the proposals for development.

Making effective use of land

7.61 Paragraph 118 states that planning policies and decisions should (c) support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated and unstable land; and (d) promote and support the development of under-utilised land and buildings. The Proposed Development will achieve these objectives in the fullest sense and therefore represents a highly sustainable form of development.

Achieving well-designed place

7.62 Paragraph 124 reinforces the need for planning policies and decisions to support the creation of high quality buildings and places.

7.63 Paragraph 126 states that planning policies and decisions should ensure that developments:

- a) will function well and add to the overall quality of the area, not just for the short term but over the lifetime of the development;
- b) are visually attractive as a result of good architecture, layout and effective landscaping;
- c) respond to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (such as increased densities);
- d) establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive and distinctive places to live, work and visit;
- e) optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development (including green and other public space) and support local facilities and transport networks; and
- f) create places that are safe, inclusive and accessible, with a high standard of amenity for existing and future users; and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.

7.64 Paragraph 127 states that applications that can demonstrate early proactive and effective engagement with the community should be looked on more favourably than those that cannot.

7.65 Paragraph 129 states that permission should be refused for development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions, taking into account any local design standards in plans or supplementary planning documents. Conversely, where the design of a development accords with clear expectations in local policies, design should not be used by the decision-maker as a valid reason to object to development.

7.66 The draft revised NPPF continues to acknowledge that design should not be a valid reason to object to development if it can be demonstrated that proper consideration has been taken of relevant guidance and local character. The Design and Access Statement submitted with the DCO [document reference TR020002/APP/7.3] explains exactly how the design objectives set out in the revised draft NPPF have informed the design of the illustrative Masterplan. Full details of exactly what the newly proposed buildings will look like are not known at this stage but they will come forward at a later stage to reflect the design parameters that have been set by the draft DCO.

Planning for climate change

7.67 Paragraph 147 states that the planning system should support the transition to a low carbon future in a changing climate, taking full account of flood risk and coastal change. It should help to: shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure.

7.68 Paragraph 149 states that new development should be planned for in ways that:

- a) avoid increased vulnerability to the range of impacts arising from climate change. When new development is brought forward in areas which are vulnerable, care should be taken to ensure that risks can be managed through suitable adaptation measures, including through the planning of green infrastructure; and
- b) can help to reduce greenhouse gas emissions through its location, orientation and design. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards.

7.69 Paragraph 152 states that in determining planning applications, local planning authorities should expect new development to:

- a) comply with any development plan policies on local requirements for decentralised energy supply unless it can be demonstrated by the applicant, having regard to the type of development involved and its design, that this is not feasible or viable; and
- b) take account of landform, layout, building orientation, massing and landscaping to minimise energy consumption.

7.70 Chapter 16 of the ES [document reference TR020002/APP/5.2-2] considers how the Proposed Development will put climate change adaptation into practice including what climate change mitigation has been deemed to be necessary to minimise expected harmful effects. Chapter 3 of the ES [document reference TR020002/APP/5.2-1] contains details of RiverOak's strategy for resource management including for waste. The Design and Access Statement [document reference TR020002/APP/7.3] sets out the illustrative Masterplan has been designed to take into account adaptation measures but also how the design has adopted the general principles of sustainable development and construction. The Flood Risk Assessment (Appendix 8.2 to the ES – document reference TR020002/APP/5.2-8) explains how the Proposed Development has been assessed to fully consider climate change and flood risk issues.

Planning and flood risk

- 7.71 Paragraph 154 states that inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk (whether existing or future). Where development is necessary in such areas, the development should be made safe for its lifetime without increasing flood risk elsewhere.
- 7.72 Paragraph 161 states that when determining any planning applications, local planning authorities should ensure that flood risk is not increased elsewhere. Where appropriate, applications should be supported by a site-specific flood-risk assessment. Development should only be allowed in areas at risk of flooding where, in the light of this assessment (and the sequential and exception tests, as applicable) it can be demonstrated that:
- a) within the site, the most vulnerable development is located in areas of lowest flood risk, unless there are overriding reasons to prefer a different location;
 - b) the development is appropriately flood resilient and resistant;
 - c) it incorporates sustainable drainage systems, unless there is clear evidence that this would be inappropriate;
 - d) any residual risk can be safely managed; and
 - e) safe access and escape routes are included where appropriate, as part of an agreed emergency plan.
- 7.73 Paragraph 163 states that major developments should incorporate sustainable drainage systems unless there is clear evidence that this would be inappropriate. The systems used should:
- a) take account of advice from the lead local flood authority;
 - b) have appropriate proposed minimum operational standards;
 - c) have maintenance arrangements in place to ensure an acceptable standard of operation for the lifetime of the development; and
 - d) where possible, provide multifunctional benefits.
- 7.74 In the main, the DCO application site boundary is located in Flood Zone 1 where there is the lowest risk of flood. The Flood Risk Assessment (Appendix 8.2 to the ES – document reference TR020002/APP/5.2-8) explains how the Proposed Development has been assessed to fully consider the flood risk issues identified above. Details of the proposed drainage strategy for the site have been discussed with the EA at pre-application stage and are provided in Chapter 3 of the ES [document reference TR020002/APP/5.2-1].

Conserving and enhancing the natural environment

- 7.75 Paragraph 168 states that planning policies and decisions should contribute to and enhance the natural and local environment by:

- a) protecting and enhancing valued landscapes, sites of geological value and soils (in a manner commensurate with their statutory status or identified quality);
- b) recognising the intrinsic character and beauty of the countryside, and the wider benefits from natural capital – including the economic and other benefits of the best and most versatile agricultural land, and of trees and woodland;
- c) maintaining the character of the undeveloped coast, while improving public access to it;
- d) minimising impacts and providing net gains for biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures;
- e) preventing new and existing development from contributing to, being put at unacceptable risk from, or being adversely affected by unacceptable levels of soil, air, water or noise pollution or land instability. Development should, wherever possible, help to improve local environmental conditions such as air quality; and
- f) remediating and mitigating despoiled, degraded, derelict, contaminated and unstable land, where appropriate.

7.76 In the above sense, the revised draft NPPF does not introduce any new requirements.

7.77 Paragraph 170 states that great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty. The conservation of wildlife and cultural heritage are also important considerations in these areas, and should be given great weight in National Parks and the Broads. The scale and extent of development within these designated areas should be limited. Planning permission should be refused for major development other than in exceptional circumstances, and where it can be demonstrated that the development is in the public interest.

Habitats and Biodiversity

7.78 Paragraph 173 states that when determining planning applications, the following principles should be applied:

- a) if significant harm to biodiversity resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused;
- b) development on land within or outside a Site of Special Scientific Interest, and which is likely to have an adverse effect on it (either individually or in combination with other developments), should not normally be permitted. The only exception is where the benefits of the development clearly outweigh both its likely impact on the features of the site that make it of special scientific interest, and any broader impacts on the national network of Sites of Special Scientific Interest;
- c) development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland) should be refused, unless there are wholly exceptional reasons and a suitable mitigation strategy exists. Where development would involve the loss of individual aged

or veteran trees that lie outside ancient woodland, it should be refused unless the need for, and benefits of, development in that location would clearly outweigh the loss; and

- d) development whose primary objective is to conserve or enhance biodiversity should be supported; while opportunities to incorporate biodiversity improvements in and around developments should be encouraged, especially where this can secure measurable net gains for the environment.

Ground Conditions and Pollution

7.79 Paragraph 176 states that planning policies and decisions should ensure that:

- a) a site is suitable for its proposed use taking account of ground conditions and any risks arising from land instability and contamination. This includes risks arising from natural hazards or former activities such as mining, and any proposals for mitigation including land remediation (as well as potential impacts on the natural environment arising from that remediation);
- b) after remediation, as a minimum, land should not be capable of being determined as contaminated land under Part IIA of the Environmental Protection Act 1990; and
- c) adequate site investigation information, prepared by a competent person, is available to inform these assessments.

7.80 Paragraph 178 states that planning policies and decisions should also ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health and living conditions, as well as the potential sensitivity of the site or the wider area to impacts that could arise from the development. In doing so they should:

- a) mitigate and reduce to a minimum potential adverse impacts resulting from noise from new development – and avoid noise giving rise to significant adverse impacts on health and quality of life;
- b) identify and protect tranquil areas which have remained relatively undisturbed by noise and are prized for their recreational and amenity value for this reason; and
- c) limit the impact of light pollution from artificial light on local amenity, intrinsically dark landscapes and nature conservation.

7.81 Paragraph 179 states that planning policies and decisions should sustain and contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and Clean Air Zones, and the cumulative impacts from individual sites in local areas. Opportunities to improve air quality or mitigate impacts should be identified, such as through traffic and travel management, and green infrastructure provision and enhancement. Planning decisions should ensure that any new development in Air Quality Management Areas and Clean Air Zones is consistent with the local air quality action plan.

7.82 Paragraph 180 states that planning policies and decisions should ensure that new development can be integrated effectively with existing businesses and community facilities (including places of worship, pubs, music venues and sports clubs). Existing businesses and facilities should not have

unreasonable restrictions placed on them as a result of development permitted after they were established. Where an existing business or community facility has effects that could be deemed a statutory nuisance in the light of new development (including changes of use) in its vicinity, the applicant (or 'agent of change') should be required to secure suitable mitigation before the development has been completed.

- 7.83 Paragraph 181 states that the focus of planning policies and decisions should be on whether proposed development is an acceptable use of land, rather than the control of processes or emissions (where these are subject to separate pollution control regimes). Planning decisions should assume that these regimes will operate effectively.
- 7.84 The draft changes to the NPPF repeat many of the key policy requirements set out in the NPPF. The new requirements set out in relation to paragraph 180 relating to statutory nuisance are considered in the Statement of Statutory Nuisance [document reference TR020002/APP/5.2-14].

Conserving and enhancing the historic environment

Proposals affecting heritage assets

- 7.85 Paragraph 185 states that in determining applications, local planning authorities should require an applicant to describe the significance of any heritage assets affected, including any contribution made by their setting. The level of detail should be proportionate to the assets' importance and no more than is sufficient to understand the potential impact of the proposal on their significance. As a minimum the relevant historic environment record should have been consulted and the heritage assets assessed using appropriate expertise where necessary. Where a site on which development is proposed includes or has the potential to include heritage assets with archaeological interest, local planning authorities should require developers to submit an appropriate desk-based assessment and, where necessary, a field evaluation.
- 7.86 Paragraph 186 states that local planning authorities should identify and assess the particular significance of any heritage asset that may be affected by a proposal (including by development affecting the setting of a heritage asset) taking account of the available evidence and any necessary expertise. They should take this into account when considering the impact of a proposal on a heritage asset, to avoid or minimise any conflict between the heritage asset's conservation and any aspect of the proposal.
- 7.87 Paragraph 188 states that in determining applications, local planning authorities should take account of:
- a) the desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation;
 - b) the positive contribution that conservation of heritage assets can make to sustainable communities including their economic vitality; and
 - c) the desirability of new development making a positive contribution to local character and distinctiveness.
- 7.88 Paragraph 189 states that when considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation,

irrespective of the degree of potential harm to its significance. The more important the asset, the greater the weight should be. Paragraph 190 states that any harm or loss to a designated heritage asset (from its alteration or destruction, or from development within its setting), should require clear and convincing justification.

7.89 Paragraph 191 states that where a proposed development will lead to substantial harm to (or total loss of significance of) a designated heritage asset, local planning authorities should refuse consent, unless it can be demonstrated that the substantial harm or total loss is necessary to achieve substantial public benefits that outweigh that harm or loss, or all of the following apply:

- a) the nature of the heritage asset prevents all reasonable uses of the site; and
- b) no viable use of the heritage asset itself can be found in the medium term through appropriate marketing that will enable its conservation; and
- c) conservation by grant-funding or some form of charitable or public ownership is demonstrably not possible; and
- d) the harm or loss is outweighed by the benefit of bringing the site back into use.

7.90 Paragraph 192 states that where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal.

7.91 Paragraph 193 states that the effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that directly or indirectly affect non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.

7.92 Paragraph 194 states that local planning authorities should not permit loss of the whole or part of a heritage asset without taking all reasonable steps to ensure the new development will proceed after the loss has occurred.

7.93 The requirements set out in the draft changes to the NPPF broadly remain unchanged from that which is set out in the 2012 NPPF.

8 STRATEGIC AND LOCAL FIT

a) Context

- 8.1 Section 105 (2) of the Planning Act 2008 requires that in determining DCO applications where there is no designated NPS, that the Secretary of State needs to take into consideration any matters which he thinks are both important and relevant to the decision. In the absence of a directly applicable Airports NPS, which should confirm those matters which are deemed to be 'important and relevant' to decisions on airport NSIPs, the expectation is that the Secretary of State will need to consider how the proposals for development will 'fit' alongside strategic and local strategies and especially those that seek to address economic and business needs (paragraphs 33 and 160 of the NPPF).
- 8.2 Paragraph 33 of the NPPF states that when planning for ports, airports and airfields that are not subject to a separate national policy statement, plans should take account of their growth and role in serving business, leisure, training and emergency service needs. Plans should take account of this Framework as well as the principles set out in the relevant national policy statements and the Government Framework for UK Aviation.
- 8.3 The following paragraphs consider the extent to which the proposals for development will help to promote and deliver key strategic and local objectives and plans for the wider benefit – and why therefore, the proposals are 'important and relevant.' This section of the statement should be read alongside the Business Case Report that has been prepared by Azimuth Associates and submitted with the DCO application.

b) Historic 'Fit'

Kent and Medway Structure Plan (September 2006)

- 8.4 The 2013 Revocation Order (S.I 2013/427) revoked the remaining structure plan policies in the region. The Kent and Medway Structure Plan was adopted in September 2006. Its policies were superseded by the adoption of The South East Plan when they no longer formed part of the statutory Development Plan. Its policies are no longer material planning considerations. For reference purposes only, Kent International Airport is referred to in the Kent and Medway Structure Plan as follows:
- Policy TP9: Supporting Public Transport – specific schemes are envisaged to improve public transport services at Kent International (Manston) Airport: Parkway Station.
 - Policy TP23: Major Distribution and Transshipment Centres - Proposals which encourage the transfer of freight from road to rail, between road and air or between road and sea or river, which are designed and landscaped to a high standard, will be supported, with Kent International (Manston) Airport listed specifically, subject to Policy TP24.
 - Policy TP24: Kent International (Manston) Airport - The development of Kent International (Manston) Airport into a regional airport with a capacity of up to 6 million passengers per annum by 2021 will be supported.

The South East Plan (May 2009)

- 8.5 The South East Plan was adopted in May 2009 and was intended to set out the long-term spatial planning framework for the region over the years 2006-2026. Following the announcement of the Coalition Government's intention to abolish Regional Spatial Strategies (RSS), the South East Plan was partially revoked under The Regional Strategy for the South East Plan (Partial Revocation) Order 2013 (S.I. 2013/427). The Order revokes the Regional Spatial Strategy for the South East except for Policy NRM6 (Thames Basin Heaths Special Protection Area).
- 8.6 For reference purposes only, Manston Airport was recognised within the South East Plan as follows:
- Policy T9: Supports an enhanced role for Kent International Airport as an airport of regional significance.
- 8.7 Paragraph 8.30 of the South East Plan recognised that the Air Transport White Paper highlighted the important role that small airports can play in providing access to air services that reduce the pressure on the main airports, particularly in the period before a new runway in the South East is built and that Kent International Airport had the potential to fulfil an enhanced role as a regional airport.

Local Transport Plan for Kent 2011-2016 (April 2011)

- 8.8 The previous Local Transport Plan for Kent, covering the five year period between 2011 and 2016 set out the future strategy of the transport related matters for the County based on the current and expected transport demand.
- 8.9 The Local Transport Plan for Kent stated that Manston Airport (referred to as one of Kent's airports) had plans to expand and is an essential catalysts in regenerating the local areas.
- 8.10 It recognised the significant impact that Manston Airport has on the County's residents, both positive; such as the employment opportunities generated, and negative; including the traffic congestion, noise and environmental pollution associated with its activities. It confirmed that Kent County Council was keen to work with airport operators and Central Government to ensure that these negative externalities are minimised whilst supporting managed expansion where it aligns with the County Council's economic growth and regeneration objectives.
- 8.11 The Local Transport Plan for Kent stated that Manston Airport had significant potential to develop into a regional airport and become one of the largest single generators of economic activity in the County.

East Kent Growth Framework – the East Kent Growth Plan (2013)

- 8.12 The East Kent Growth Plan (2013) 'Open for Growth' prepared by the East Kent Regeneration Board has been withdrawn and is in a process of being replaced.
- 8.13 The now deleted 2013 East Kent Growth Plan recognised East Kent's aviation potential. In referenced Manston Airport in particular in terms of connectivity and stated that "*with the South East in urgent need of increased airport capacity, Manston in particular offers significant scope for growth, with new international passenger services starting in 2013, and an expanding freight market.*

Manston has the potential to develop as an airport of regional significance, while Lydd also offers scope for expansion.” Paragraph 2.11.1 refers to Manston Airport as an economic asset with the capacity to promote significant employment growth:

“The development of Manston Airport - recent designation as a ‘port of entry’ offers new opportunities to develop Manston’s potential as a major freight airport. In addition, the airport’s passenger role will increase from April 2013, with KLM’s announcement of twice-daily flights to Amsterdam from April 2013 – with the potential to further build on Manston’s excellent transport links to develop it as an airport of regional importance.”

- 8.14 Paragraph 3.1.11 discusses potential means of improving Manston’s attractiveness as an employment destination:

“....new opportunities are emerging with the start of direct flights from Manston to Amsterdam in 2013, offering global connections via a major hub. This could lead to further European air services from Manston and could help to enhance Manston’s attractiveness as an employment destination, linked with its excellent road connections.”

Summary

- 8.15 It is evident that historically, Manston Airport has always been protected and supported in regional planning policies in terms of its role in transporting freight but also as a regional airport providing passenger services. Its potential role as an airport of regional significance is well documented and policies sought to enhance this role and the benefits that came from it. Kent International Airport, as it was previously known, was supported in regional policy terms as a small airport which would reduce the pressure on the main South East airports. Its ability to act as a catalyst in regenerating the local area and to provide employment opportunities was also recognised in regional policies – so much so that Kent Council considered that it could become *‘one of the largest single generators of economic activity in the County.’* The scope for the airport to grow both through additional passenger services and as a major freight airport was well documented. It was described as an ‘economic asset.’ Its excellent transport links were further recognised in addition to the opportunities that it offered in terms of global connectivity via major airport hubs including in Amsterdam as well as being an attractive employment destination in its own right.
- 8.16 Given RiverOak’s commitment to reopening and growing the airport, there is no reason to doubt that the airport could once again fulfil the same role and with it, bring significant benefits especially to the regional and local economy and area.

c) London ‘Fit’

The London Plan 2016 (Consolidated with Alterations since 2011)

- 8.17 The London Plan recognises that despite being located outside of Greater London, regional airports provide a key contribution to supporting both the economy and connectivity of London.
- 8.18 With regard to aviation, there is a specific policy in the London Plan (Policy 6.6). It states that adequate airport capacity serving a wide range of destinations is critical to the competitive position

of London in a global economy. Airport capacity serving the capital and wider south-east of England must be sufficient to sustain London's competitive position.

Draft new London Plan (December 2017)

- 8.19 Policy SD2 (Collaboration in the Wider South East) looks for strategic understanding of the transport issues facing the wider south east. It outlines that the Mayor will work with wider south east partners to find solutions to shared strategic concerns including the wider needs for freight.
- 8.20 Policy T8 concerns Aviation and states that the Mayor supports the case for additional aviation capacity in the South East of England provided it would meet London's passenger and freight needs recognising that this is crucial to London's continuing prosperity and to maintaining its international competitiveness and world-city status. Policy T8 sets out the Mayor's opposition to expansion of Heathrow Airport unless it can be shown that no additional noise or air quality harm would result, and that the benefits of future regulatory and technology improvements would be fairly shared with affected communities. Policy T8 further states that any changes to London's airspace must treat London's major airports equitably when airspace is allocated.
- 8.21 Policy T8 further states that better use should be made of existing airport capacity, underpinned by upgraded passenger and freight facilities and improved surface access links, in particular rail.
- 8.22 Paragraph 10.8.4 states that the Mayor recognises the need for additional runway capacity in the south east of England, but this should not be at the expense of London's environment or the health of its residents.
- 8.23 In paragraph 10.8.10, the Mayor recognises that air freight plays an important role in supporting industry in London and the UK, and the provision of both bellyhold and dedicated freighter capacity should be an important consideration when plans for airport development in the south east of England are taken forward.

Summary

- 8.24 There is every reason to believe that Manston Airport could once again become an airport of regional significance and in this sense, contribute once again to the London economy and its connectivity. Through providing additional airport capacity to the South East, Manston will allow London to remain competitive in the global economy. Specifically in its capacity as a hub for air freight, the airport will offer a solution to the strategic concerns shared between London and the South East in terms of freight transport. The Mayor is supportive of additional aviation capacity in the South East especially where it will meet London's passenger and freight needs – which reopening Manston will achieve.
- 8.25 With the Mayor being against the expansion of Heathrow, but supportive of making better use of existing airport capacity, reopening Manston Airport as proposed offers a real and viable opportunity to secure the London benefits of aviation and to address the shortage of airport capacity in the capital – but outside of the already congested London airspace. The Mayor in particular flags up in the emerging London Plan, the importance of considering increased air freight provision when planning for airport development in the South East because of the role this plays in supporting London and UK industry. In this sense, the proposals for development 'fit' very well alongside London's objectives for aviation.

d) Regional 'Fit'

South East Local Economic Partnership – Strategic Economic Plan (March 2014)

8.26 Kent, Medway, Essex, Thurrock, Southend and East Sussex together comprise the South East Local Enterprise Partnership (SELEP) area. By 2021, the SELEP aim is to generate 200,000 private sector jobs (an average of 20,000 a year, or an increase of 11.4% since 2011); complete 100,000 new homes, increasing the annual rate of completions by over 50% compared to recent years; and lever investment totalling £10 billion, to accelerate growth, jobs and homebuilding.

8.27 The Growth Deal includes:

- Establishing a £5.2bn SEFUND revolving property investment fund to create the conditions for economic growth by providing the infrastructure necessary to boost business and jobs;
- Delivering the biggest local transport programme in the country to realise the potential of our growth corridors and sites, transforming connectivity for our businesses and residents unlocking jobs and homes, and bringing substantial benefits to the UK economy;
- Boosting the productivity of our businesses by bringing together local and national business support services, supplementing access to finance and encouraging closer links to be forged between business and the HE and FE sector; and
- Investing £128m in skills capital projects aligned to our growth opportunities, stimulating new competition and further strengthening employer influence over wider skills provision.

8.28 To realise the growth ambitions for the area, the Plan recognises that the area needs to build upon its economic strengths but that there are challenges which are identified as follows:

- **Gateway to the World** - SELEP's sea ports – and the road and rail networks that serve the ports - provide the UK's most important gateway to the rest of the world. On-going investment in the motorways, national trunk roads and rail networks serving the SELEP's ports is essential to ensure their efficient operations. The congestion arising from the lack of such investment has a material, immediate impact on the productivity of companies throughout the UK and the performance of the UK economy as a whole. Many SELEP businesses and communities find that the lack of investment in the national road network means that they carry significant additional costs arising from congestion. Access to the Channel Ports is also frequently constrained and planned increases in freight and passenger traffic through the Port of Dover and the Channel Tunnel are likely to place further pressure on the M20/A20 and M2/A2 Corridors. Operation Stack directly costs Kent Police and the Highways Agency around £3 million per year, with a wider economic cost in lost investment and delays to local business.
- **The Workforce** - economic activity is not evenly spread across the SELEP area. Unemployment tends to be higher in more peripheral parts of the LEP, particularly in the coastal communities, and some other areas. Gravesham (9.3%), Medway (10.1%), Tendring (9%), Thanet (12.3%), Hastings (10.7%) and Harlow (9.8%) have the highest rates of unemployment and are in the top fifth of local authorities in England on this measure.
- **Entrepreneurial Business Culture**

- **Universities and Innovation** – there are nine universities across the SELEP which represent a powerhouse for new knowledge creation, innovation and, along with business, are a driving force behind major economic growth across the LEP.
- **Sector Strengths and Prospects: Rebalancing the Economy** – there are significant opportunities to rebalance the SELEP economy in favour of high value added manufacturing and services, and to reduce the reliance on low value sectors. There are priority sectors for the SE LEP economy that have been identified which have high growth potential. These are advanced manufacturing; life sciences/medical technologies; transport and logistics; low carbon environmental goods and services, creative, cultural and media and the visitor economy. Within each of these sectors, SELEP makes an important contribution to national output, employment and businesses.
- **Transport and Logistics** – SELEP identifies significant opportunity for growth in the transport and logistics sectors. The Plan fully recognises that smaller seaports in the area, as well as three smaller airports (including Manston Airport), also all offer further growth potential.
- **Creative, cultural, and media and the visitor economy** - the tourism sector is a significant sector in the SELEP area. The visitor economy is particularly important in SELEP's rural and coastal areas. SELEP makes the largest GVA contribution to the creative industries sector of any LEP outside of London and is in an excellent position to take advantage of opportunities to build up a supply chain for London, the world's leading creative centre.

8.29 In terms of Manston, paragraph 2.38 states that the area around Manston and Discovery Park contains extensive land suitable for residential and employment use, and is well connected by new infrastructure. The SELEP were seeking an extension of the designated Discovery Park Enterprise Zone for Manston following the airport's announcement to close with a Manston Airport task force to be established with local MPs.

8.30 The Discovery Park and Manston Growth Deal states that a coordinated approach to the development of Discovery Park and Manston needs to be taken forward and that the Kent and Medway Enterprise Partnership (KMEP) will :

- consider extending Enterprise Zone designation to Manston Business Park, Manston Airport and the Richborough Corridor. KMEP will ask Government to permit Thanet District Council to retain 100% of business rate receipts within the Zone with no impact on their baseline, in order that discounts can be fully funded by receipts above the discount level;
- allocate £3.5 million in Local Growth Fund finance to support commercial development at Manston and Discovery Park; and
- support SEFUND investment in commercial and residential development. Alongside this, KMEP will seek Local Growth Fund transport investment in Thanet Parkway station as a priority to reinforce the success of Discovery Park and support investment at Manston as well as in the Westwood Relief Strategy, eliminating a major bottleneck impacting on employment and commercial growth in Thanet Central Island.

South East LEP (SELEP) Strategic Economic Plan - Evidence Base (September 2017)

- 8.31 The next South East of England Local Enterprise Partnership (SELEP) Strategic Economic Plan is being prepared. An evidence base report has been produced and sets out the strategic priorities that will shape the next plan (which is due to be published in 2018).
- 8.32 One of the key strategic priorities for the new plan is to encourage trade and inward investment and in particular, encourage more international trade. The SELEP recognises that significant value can be achieved for the SELEP economy from encouraging more businesses to trade overseas and foreign owned companies to locate in the UK.
- 8.33 However, the report recognises that the smooth running of the SELEP gateways is something which desperately needs to be maintained, as the potential for significant delays being experienced at the borders, post Brexit, is not something that the evidence suggests either the SELEP or the national economy can cope with.
- 8.34 To achieve these ambitions, the report acknowledges that there needs to be an improvement in the SELEP productivity, and to do this, there needs to be an infrastructure upgrade including commercial property and transport infrastructure, and better alignment with central government infrastructure investment with local growth priorities – building on the Kent Growth and Infrastructure Framework (see below).
- 8.35 Paragraph 12.0.18 recognises that a number of ports in the SELEP region are also keen to expand to enable them to deal with increased heavy bulk freight. If the UK aspired to be a top international trading nation, encouraging and supporting port investment is vital according to the SELEP.

East Kent Growth Framework – the East Kent Growth Plan – Final Draft Report (2017)

- 8.36 The East Kent Growth Plan (2013) ‘*Open for Growth*’ prepared by the East Kent Regeneration Board has been replaced by The East Kent Growth Framework - Final Report – prepared by the East Kent Regeneration Board which was published in December 2017.
- 8.37 The East Kent Growth Framework (EKGF) sets out an overarching strategic approach for identifying investment priorities to achieve long-term economic growth across East Kent between 2017 and 2027. Four key objectives have been identified as the ‘building blocks’ for driving continued and sustained growth and focusing future investment across East Kent which are:
1. Unlocking growth through infrastructure - to enhance domestic and international connectivity while enabling local accessibility.
 2. Delivery of business space – to help attract new investment into the area while driving forward the development of brownfield sites.
 3. Supporting skills and productivity within business – ensuring that businesses have the skills to grow and that the skills base continues to improve (which is linked to the success of higher education and further education sectors creating talent).
 4. Place making and shaping – improve the perception of people’s idea of East Kent and make it a location of first choice that retains and attracts young people, families and entrepreneurs.

- 8.38 Given the extent of international connectivity, the report recognises that upgrading infrastructure within and around East Kent will also bring national benefits, with the effect that the potential return on investing in East Kent's infrastructure will be higher than elsewhere in the UK due to the sub-region's strategic location between mainland Europe, London and the rest of the country. The case for investing in strategic infrastructure is further strengthened by the UK's upcoming exit from the European Union and the potential impacts that post-Brexit border controls could have upon a number of locations in East Kent. However, Brexit may also offer opportunities for East Kent, such as growth in sectors associated with freight clearance and supply chain growth (paragraph 3.10).
- 8.39 Paragraph 3.11 states that maximising the opportunities for economic growth in East Kent requires thinking beyond the East Kent boundaries for transport infrastructure. For example, the Lower Thames Crossing is critical to facilitating future growth and improving productivity and resilience for businesses in the wider economy and will also impact on East Kent. At a national level, the Lower Thames Crossing provides a critical piece of infrastructure for enabling the effective transportation of goods from the UK to Europe and it is important that investment in Kent's strategic road infrastructure keeps pace to ensure that this route to market can sustain increasing volumes of traffic without adversely affecting the day-to-day operations of East Kent's business community.
- 8.40 A total of 36 projects have been identified as being strategically-significant for the future economic growth of East Kent. Thanet Parkway Station is identified as one such project. Improving connectivity is a vital step in unlocking growth potential and attracting the necessary investment and job opportunities for local people. In particular, the Parkway Station will provide significantly improved access to the former Manston Airport site.

Kent and Medway Growth and Infrastructure Framework (GIF) 2018 Update

- 8.41 The GIF has been prepared by Kent County Council (KCC) to provide a view of emerging development and infrastructure requirements to support growth across Kent and Medway. The GIF provides a strategic framework across the County, for identifying and prioritising investment across a range of infrastructure, for planned growth up to 2031.
- 8.42 The GIF recognises that Kent and Medway is the strategic gateway from the UK to continental Europe. It also acknowledges that Kent and Medway is facing increased congestion on both road and rail infrastructure £9.96bn is required for major transport projects including the Lower Thames Crossing and associated strategic road corridor through to the Channel ports, Crossrail extension to Ebbsfleet, a solution to Operation Stack and lorry parking. The GIF does not identify Manston Airport or aviation as a strategic transport priority for the county. Thanet Parkway Railway Station is identified as a priority rail project in the GIF.
- 8.43 The GIF identifies the Manston Airport/Stonehill Park site as an employment site (Figure 7.5: East Kent - example strategic projects for economic growth) and Thanet Parkway Railway Station as strategic priority.

Thames Estuary 2050 Growth Commission – 2050 Vision (June 2018)

- 8.44 The report sets out a vision and delivery plan for north Kent, south Essex and east London up to 2050. The Commission's analysis shows that the Thames Estuary could generate an additional £190

billion of Gross Value Added (GVA) and 1.3 million new jobs by 2050. It estimates that at least 1 million new homes will be needed to support this growth.

8.45 The Technical Report recognises that the Thames Estuary contains some significant transport infrastructure that supports the people and places within it. Manston Airport is identified as a smaller airfield which is now closed but which is the subject of plans for mixed use re-development as well as a development consent order for aviation uses.

8.46 The Commission's overarching objectives are as follows:

Productive Places

8.47 The places of the Thames Estuary will support the sustained growth of its high value, healthy wage sectors achieving up to 1.3 million new jobs by 2050. Existing sectors will be strengthened including freight and logistics and construction, maximising opportunities from existing assets such as the ports. Emerging sectors will be nurtured including: health, reflecting the supercentre in Kent; niche heritage and wildlife tourism in Kent and Essex; and the Thames Estuary Production Corridor - a ribbon of creative and cultural industries along the River Thames. In part and as a whole, the places will harness entrepreneurial spirit, strong educational institutions and unique natural assets to create a distinctive and productive network of economies

Connected Places

8.48 There will be improved connections between and within cities, towns, villages and industries be it for people or goods. This will support improved productivity through increased access to jobs and services. New and improved rail, bus, cycle and pedestrian links will reduce car dependency and increase the use of the area's integrated public transport systems. Completing the Thames Path will also improve connections for recreation for cyclists and pedestrians. The area will benefit from the highest level of digital connectivity, adopting the latest technological innovation. New river crossings such as the Lower Thames Crossing and Silvertown Tunnel will strengthen local and national links. New railway infrastructure including the extension of Crossrail 1 to Ebbsfleet and the Thames East Line will connect into the country's high speed network and complete the orbital railway around the Capital.

Thriving Places

8.49 The growing communities of the Thames Estuary, which will be home to 4.3 million people by 2035, will pride themselves on their rich cultural and economic activity. Through people-led projects - in part delivered through the Thames Estuary Fund - each distinctive city, town and village will be the well-loved heart of the community. They will demonstrate the importance of good design and creating attractive places that work for the community. Improved educational attainment and local skills will increase aspiration and show that new job opportunities are for them. These thriving places will be attractive to investors and will celebrate their individual sense of place by offering bespoke opportunities to live, work, visit and play within the Thames Estuary setting.

Affordable Places

8.50 A further 1 million high-quality homes, balanced to suit the affordable needs of the community, will be provided by 2050. They will offer a diversity of choice to all parts of the community, including

ageing populations, and ensure that supply keeps pace with demand. The production of statutory Joint Spatial Plans will set out where these homes will be located and include tools, such as design review panels, to ensure high-quality development is delivered. Healthy lifestyles will be supported by the provision of new social places alongside integration with existing places and community networks. This will support resilient communities that respond to the needs of residents throughout their lives.

Adaptable Places

- 8.51 The many places and spaces in the Thames Estuary will adapt to the changing environment ensuring the people, economies and ecology of the area thrive. Infrastructure investment will be integrated and multi-functional, maximising the benefits to people, places, and ecology. This will assist in the creation of nearly 900 hectares of new habitat by 2100 to replace the 1,200 hectares lost to tidal flooding. Projects such as the completion of the Thames Path will provide improved access to the natural environment. The use of natural assets for recreation and economic activity will be balanced with their protection and enhancement.

Deliverable Places

- 8.52 The Thames Estuary will complete what it has started; delivering the homes and the balanced jobs it has planned, at the required scale and pace, in order to create thriving and affordable places. This will be achieved through robust, locally-led governance structures, which build on existing partnerships and bring together, as needed, the 18 local authorities, plus the three upper tier authorities. The area will also be a space to try something - a place that supports innovative models of delivery be that through capitalising on Modern Methods of Construction (such as modular homes) or innovative models of public sector housing delivery. Across the many places of the Thames Estuary this will enable the significant aspirations to become meaningful realities.
- 8.53 Thanet is located within the North Kent Foreshore area. The Commission's vision for North Kent Foreshore is:

“At the heart of a new medical research corridor, North Kent Foreshore will be home to a supercentre of health and wellbeing. Through a statutory Joint Spatial Plan, and strong connections between local government and business, the area will balance delivering growth in the health sector with new jobs, new homes, a renewed focus on skills, and high-quality town centres set around world-class heritage and natural assets.”

- 8.54 The Commission recognises that there are significant opportunities for growth and development in North Kent Foreshore. Their Priority Areas of Change (pages 24 and 25) in the North Kent Foreshore area include Canterbury, Margate and Ramsgate. It has identified three priorities as follows:
- North Kent Foreshore Fund
 - Education and Skills
 - Health Supercentre
- 8.55 Specifically in relation to education and skills, the Commission states that it wants to implement a more targeted skills strategy with employers and educational institutions that provides clear pathways

to employment that support the area's existing and growing economic sectors. This is to address generational skills shortfalls. It will improve educational attainment and skills in the area, across multiple age groups, therefore reducing levels of unemployment. The aim is for Kent County Council to work with the local authorities, the Local Enterprise Partnership, employers and/or educational institutions to develop a targeted plan for the area, which meets current and future employer needs. It is clear that reopening Manston Airport will help to achieve this priority in addition to helping to achieve the overarching objectives for the 2050 Vision. It will also stand to benefit from many of the initiatives that are being brought forward not least by improving connectivity and generating productive places.

Summary

- 8.56 Regionally, both historically and even to the present day, the regional opportunity presented by a successful Manston Airport has always been recognised. Reopening Manston Airport will undoubtedly accelerate growth and jobs in the area which have been suffering and especially in the East Kent area. It will transform connectivity for businesses and residents and boost business productivity for the region. Job creation, and especially with RiverOak's commitment to employ local people where possible, will improve skills. Reopening Manston will build on the established economic strengths in the region by providing another 'gateway to the world'; strengthening the entrepreneurial business culture; building on the success of universities in the area and innovation whilst also enhancing opportunities in the aviation sector; realising the significant opportunity for growth in the transport and logistics sectors in the region and boosting the creative, cultural, media and visitor economy. It will also help to address the higher than average unemployment levels especially in the region's coastal communities – most notably in Thanet where the SELEP records a 12.3% unemployment rate and in this way, help to rebalance the economy.
- 8.57 The area around the airport is already well connected by infrastructure and includes significant amount of employment land which could support airport-related and other businesses with a preference for being located close to the airport – especially if SELEP's plans for Enterprise Zone status at Manston Airport are realised in the interests of supporting and attracting commercial development, inward investment and international trade – key regional objectives.
- 8.58 The regional agenda realises completely that infrastructure upgrades in the area including very specifically, transport infrastructure, needs to be better aligned with local growth priorities. This is where reopening Manston Airport will unlock real potential and opportunity for growth and this is a very significant benefit to arise from the development proposals. The Thanet Parkway Station proposals will enhance accessibility to the airport.
- 8.59 Very importantly, reopening Manston and the benefits that will arise from this, will improve the perception of people's idea of East Kent and make it become a location of 'first choice.' With Brexit, a successful airport at Manston will offer significant opportunities for East Kent associated with freight clearance and supply chain growth which due to the sub-region's strategic location between mainland Europe, London and the rest of the country, offers real potential.
- 8.60 The regional benefits that will arise from the Proposed Development should not be underestimated or understated. The catalytic effects of reopening the airport have the potential to transform the region through addressing many of the region's problems but equally strengthening the many positive

characteristics. This is a significant benefit of the proposal which should attract significant weight in the decision making process.

e) County 'Fit'

A Vision for Kent 2012-2022 by the Kent Forum (2012)

8.61 This statement outlines the challenges facing Kent and the priorities for the county. It lists three ambitions as follows:

- **Ambition 1: To grow the economy** - For Kent to be open for business with a growing and successful economy and jobs for all. Kent's future prosperity is dependent upon a thriving business sector that generates wealth. A strong, diverse and resilient economy is the glue that holds our communities together, giving individuals opportunities and putting money in families' pockets. A successful economy is fundamental to the second of our ambitions - to tackle disadvantage. The commitments are to:
 - To deliver the critical infrastructure that will create the conditions for economic growth across Kent;
 - To raise the career aspirations of Kent's residents, from early years through to adulthood, and to meet those increased aspirations with a range of learning opportunities, apprenticeships and internships that meet future business need.
 - To be business friendly and the county of choice for inward investment and expansion.
- **Ambition 2: To tackle disadvantage** - For Kent to be a county of opportunity, where aspiration rather than dependency is supported and quality of life is high for everyone. The commitments are to:
 - To reduce the number of Kent residents on out-of-work benefits.
 - Inspire young people to become engaged in their families, schools and communities, so they take full advantage of all the learning, recreational and development opportunities (including volunteering), that are a foundation for achieving their lifelong potential.
 - To ensure there is choice of high quality and accessible services that will tackle disadvantage.
- **Ambition 3: To put citizens in control** - For power and influence to be in the hands of local people so they are able to take responsibility for themselves, their families and their communities.

Facing the Aviation Challenge – Kent County Council (August 2014)

8.62 This document set out Kent County Council's (KCC) reasons for opposing the proposals for an airport on the Isle of Grain, which the Airports Commission investigated in 2014 and it presented KCC's view on UK aviation.

8.63 KCC is of the view that the UK needs to be able to connect with emerging markets now, in time to stop the UK's continued slide against its competitors, and the quickest way of addressing this is to

build on our current aviation infrastructure (rather than building a new multi runway hub airport in the Thames Estuary).

- 8.64 If additional runway capacity is not provided in anticipation of forecast demand growth, KCC are concerned that *“delays and disruption at London’s airports will steadily worsen and there is no room for connectivity growth to new markets. As a result, the UK will become less accessible than its rivals to strategically important locations in the world economy and the UK’s future economic prosperity will be threatened. With the current UK economic situation, it is all the more important that this industry, so vital to our country’s economy, is invested in, protected and expanded to meet growing needs. In the interests of the national economy the need to act is now.”*
- 8.65 In the document, KCC confirmed that it fully supports growth in UK aviation in order to improve the UK’s connectivity and competitiveness, thus supporting economic growth and job creation.
- 8.66 The right solution to addressing capacity needs in KCC’s view is to utilise, improve and expand existing airports. It felt that provision of additional capacity at some existing airports, together with improved surface access by rail will facilitate better strategic use of the London/South East multi-airport system. KCC felt that better utilisation of regional airports such as London Ashford Airport at Lydd in Kent and London Southend Airport, for point to point flights, will also release extra capacity and complement the main London airports that provide ‘hub’ operations. This also provides a solution to the capacity problem in the short and medium term while new runways are constructed at the main London airports over the longer term.
- 8.67 KCC recognise that regional airports also have a role, as demonstrated by the available capacity at Southend Airport where significant private sector investment has already taken place. Development of a new Lower Thames Crossing to the east of Gravesend will improve access from Kent and will further enhance the airport’s prospects. Similarly, at Lydd Airport in Kent, private investment is forthcoming.
- 8.68 Following its closure as a commercial airport in May 2014, KCC recognised that a financially viable and sustainable future must be found for Manston airport and that this should focus on the use of the site for aviation and related services as well as other businesses that can bring jobs and economic growth to East Kent.

Kent County Council – Manston Airport under private ownership : The story to date and Future Prospects (March 2015)

- 8.69 This document sets out the story of Manston Airport from its sale by the Ministry of Defence to the present day. Kent County Council also considers the future for the airport which it is confident will be bright. The document confirms that the Council has always supported Manston and they have invested substantial sums of public money to the cause. They have also made substantial investments in both road and rail infrastructure to improve access to Manston and East Kent.
- 8.70 The document confirms that the County Council remain committed to seizing the best opportunity for Manston Airport by creating a significant number of new jobs and bringing prosperity into East Kent.

Kent County Council Position Statement on Manston Airport (July 2015)

- 8.71 The County Council’s position as set out in the meeting of the County Council on 16th July 2015 is:

“That we the elected members of KCC wish it to be known that we fully support the continued regeneration of Manston and East Kent and will keep an open mind on whether that should be a business park or an airport, depending upon the viability of such plans and their ability to deliver significant economic growth and job opportunity.”

Local Transport Plan for Kent 4: Delivering Growth without Gridlock 2016-2031 (2017)

- 8.72 In terms of countywide priorities, KCC confirms that its position on aviation is as set out in ‘Facing the Aviation Challenge’ which is to maximize use of existing regional airport capacity, along with some expansion of existing airports and improved rail connections. In respect of Manston Airport, the plan recognises that it ceased to operate on 15th May 2014 and that the County Council’s position as set out in the meeting of the County Council on 16th July 2015 (see above).
- 8.73 KCC state that processes are needed to properly measure, minimise and mitigate the noise impacts of existing airport operations and airport expansion. They oppose a second runway at Gatwick; one of the reasons for this is the doubling of the already unacceptable noise impacts. KCC state that there needs to be an immediate reduction in overflight and noise in West Kent and so they oppose proposed airspace changes that would not share the burden of overflight equitably between communities. They state that multiple arrival and departure routes should be used to provide periods of respite.
- 8.74 In light of the County Council’s long-term aviation capacity issues, they are pressing Government for immediate action to keep UK airports competitive with European airports in terms of Air Passenger Duty (APD). KCC recognise that this currently has a negative impact on the UK’s global connectivity and is therefore damaging UK business and tourism. The Council recognises that differential charging of APD at uncongested airports could also help to stimulate growth at regional airports and free up capacity at congested airports.
- 8.75 The County Council is also seeking to deliver a new railway station to significantly improve rail connectivity to the area (Thanet Parkway Rail Station). The station will provide access to greater employment opportunities for local residents, and increase the attractiveness for investment in Discovery Park Enterprise Zone and numerous surrounding business parks in Thanet. It will also support local housing and any reopened airport at Manston. KCC recognises that East Kent has a real opportunity for growth but is currently beyond an hour’s journey time from London which discourages employers from location in the area. As regeneration in East Kent is dependent on improving accessibility, the new Parkway Station is proposed to enhance the accessibility of the wider area of East Kent.

Summary

- 8.76 Kent County Council wants to grow the economy and ensure that there are jobs for all in addition to tackling disadvantage and raising the career aspirations of Kent’s residents. The Proposed Development will assist to achieve all these objectives and especially in the East Kent area where unemployment levels are higher than average.

- 8.77 In terms of its position on Manston, Kent County Council's Position Statement (July 2015), which was made after the airport closed, remains valid. Even with the airport being closed, the County Council make it clear that they are still supportive or regenerating Manston and East Kent including for an airport provided such plans are viable and that they will deliver significant economic growth and job opportunity. It is clear from the documents provided with the DCO and especially the Azimuth Associates Report [document reference: TR020002/APP/7.4] that the Proposed Development will result in a viable and successful aviation business that will deliver significant direct, indirect and catalytic economic growth and job opportunities on a large scale.
- 8.78 It is clear from the County Council's response to the Airports Commission in 2014, that they fully recognise the importance of aviation and additional airport capacity to the economy (which they say is 'vital') and the need for the UK to maintain a competitive position in terms of connectivity especially in light of the fact that the UK is losing out to its competitors in this regard. The County Council believes that the correct solution to addressing capacity needs is through utilising, improving and expanding existing airports. In this sense, the Proposed Development 'fits' well with the County Council's preferences. Furthermore, and again with direct 'fit' to the County Council's preferred position, reopening Manston Airport will make better use of regional airports which will release extra capacity and complement the main London Airports. With private investment, and alongside developments including the new Lower Thames Crossing and the new Thanet Parkway Station, the County Council fully recognises that Manston as a regional airport, could play a significant regional role.
- 8.79 Kent County Council have been responding to the non-statutory and statutory pre-application consultations and engaging with RiverOak's technical team in terms of preparing the ES. This engagement continues and there will be a Planning Performance Agreement (PPA) in place to enable this to continue post-submission of this DCO.

f) Local 'Fit'

Thanet Destination Management Plan (2013)

- 8.80 Thanet District Council set out a number of objectives to attract more visitors. These objectives include:
- Make more of its location – the Isle, the big skies, the natural coastline and importantly its proximity to London by high-speed train and the market opportunities that bring.
 - Ensure tourism is one of the drivers of the local economy and put steps in place to enable that, including supporting tourism business sustainability, growth and inward investment.

UKIP Manifesto – Policy Pledges (2015)

- 8.81 UKIP won the local Council elections in Thanet 2015 on the back of a promise to reopen Manston Airport. This demonstrated significant local support for bringing back the airport into aviation use.

Thanet District Council Corporate Plan 2016-2020 (2016)

8.82 The Corporate Plan for Thanet sets out the Council's aspiration to grow the local economy so that Thanet can thrive. Priority no. 3 is to promote inward investment and job creation. The Plan states that the Council's vision is to:

“.....accelerate growth and achieve greater economic prosperity for our district. We will seek opportunities for inward investment, high quality job creation and work with partners to ensure we have the right skills, infrastructure and plans in place.

This will involve us:

- **Actively seeking inward investment, exploring the potential for using Enterprise Zones; encouraging new and existing businesses which support growth in the local and visitor economy.**
- **Working with partners to make the most of the buildings and land we own. Maximising commercial opportunities for key assets.**
- **Writing a Local Plan which sets planning strategies and policies that support growth of the economy.**
- **Working with education and training providers to develop the skills agenda for the benefit of residents and local businesses.”**

Draft Thanet Transport Strategy 2015 to 2031 (October 2017)

8.83 Section 5.7 relates to Thanet Parkway Rail Station and states that the County Council's Transport Delivery Plan identifies key opportunities and challenges to be addressed to deliver long-lasting regeneration and economic growth in the County. It recognises that many of Thanet's existing rail stations are difficult to reach by sustainable transport and offer limited car parking opportunities. This causes some commuters to travel significantly longer distances by car to access stations with better parking facilities. The new station project's objective is to support growth at Manston, Business Parks around Westwood and Discovery Park. The following outcomes are expected from the delivery of the station:

- Increased inward investment in Thanet and Dover.
- Thriving Enterprise Zone and surrounding Business Parks.
- Greater employment opportunities for Thanet and Dover residents.
- Access to high speed rail services across district.

8.84 The new station will deliver 'headline' opportunities as follows:

- Improved air quality; reduced congestion; reduced noise pollution; and less carbon emissions;
- £10m funding from Government (with every £1 that is invested to generate more than £2.12 in benefits);
- Reduce the perceived remoteness of Thanet from London;

- Improved connectivity to the wider job market;
- Quicker journeys to London, Ashford and wider Kent; and
- An integrated transport package will be delivered.

8.85 It is anticipated that journey times from London to the Thanet Parkway would reduce to 1 hour, providing a significant boost to tourism, and regeneration of the area and enhancing access to private sector employment at Ashford and Ebbsfleet.

8.86 The report also identifies a ‘traffic challenge’ at the B2050 / B2190 - Spitfire Junction which is recognised as a very important local route with the A299, which is one of the primary arterial routes serving Thanet, for locally bound traffic to Margate, Broadstairs and Ramsgate. The Council explain that several designs have been considered at this junction to seek to improve junction performance and safety, however the alignment of the carriageway of the B2050 and the availability of residual highway land currently present geometrical challenges to an alternative approach.

8.87 The Strategy identifies the Former Manston Airport site as a key development site in the new Thanet Local Plan and states that it is essential that redevelopment of this site positively contributes towards wider off site road links, in order to manage potential impacts on the surrounding highway network such as Manston Village and Manston Court Road. Manston Court Road (between Valley Road and the B2050 Manston Road) will require significant improvements to widen the carriageway to form a local distributor road.

8.88 It is anticipated that a new highway link would be created on the existing Northern Grassland (part of the Former Manston Airport Site allocation). The nature and route of this link will depend on the final masterplan for the site. It will be necessary for developers of both the Former Manston Airport Site and Land Adjacent to Manston Court Road to make significant improvements (or financial contributions if deemed appropriate) towards the road network surrounding the site allocations. These would include the upgrade of Manston Court Road as a direct link to and from Westwood and new / improved links to the existing dual carriageway on Spitfire Way fronting Manston Business Park.

8.89 Spitfire Junction will need to be reconfigured to address existing capacity and safety concerns and access to this junction from the A299 will need to be controlled or restricted to avoid excessive use of Manston Road for Margate Bound Trips.

Thanet Draft Infrastructure Delivery Plan (November 2016)

8.90 The plans for a new Thanet Parkway rail station are listed in the schedule of key local plan infrastructure. The new station will have 300 parking spaces and will be located at Cliffsend and will include plans for sustainable travel links to the new station.

Economic Growth Strategy for Thanet (November 2016)

8.91 The strategy recognises that Thanet has a distinctive local economy with substantial opportunities for sustainable and high quality economic growth - particularly with HS1 in place, Thanet now has significant locational advantages deriving from its proximity to both London and continental Europe. Looking ahead, the strategy recognises that there is real potential linked to the port and historic

marina at Ramsgate and emerging opportunities in the fields of advanced manufacturing, agri-tech and the creative sector. While there are some challenges – relating particularly to the creation of jobs locally and workforce skills – the opportunities are real ones, particularly in the wider context of significant planned housing and population growth.

8.92 The Economic Vision for Thanet is:

“Thanet is a great place to live, work and invest, rivalling its counterparts across the UK. Its economy will grow quickly in both relative and absolute terms.

Transformational Initiatives

- 1: Developing the Port at Ramsgate**
- 2: Investing in high value manufacturing and engineering across Thanet and East Kent**
- 3: Positioning Thanet as a global agritech hub**
- 4: Promoting Thanet’s broader cultural/leisure offer**
- 5: Cultivating the creative industries across Thanet**
- 6: Designing enterprise into communities**
- 7: Long term feasibility modelling for Margate and Ramsgate**

Foundational Priorities

- 1: Working with businesses, schools and FE/HE providers to improve workforce skills**
- 2: Developing and implementing measures to support new and small businesses in the District, particularly the provision of managed workspace and focused business support**
- 3: Ensuring major employment sites in Thanet are managed and promoted effectively**
- 4: Working with local partners to ensure that the visitor economy continues to evolve, reflecting fast-changing patterns of demand.”**

8.93 Data suggests that the local economy which is “on the up” with businesses choosing to invest in Thanet, and people are choosing to live and work there. The strategy recognises that there continues to be many challenges. The skills profile could be strengthened; too many jobs are “low wage” and part time in character; and the number of jobs within the District needs to grow. There is also a need to diversify the business base so it is less reliant on ‘public sector’ type roles (36% in health, education and public administration).

8.94 Inland, the strategy recognises the Manston Airport site is a serious potential opportunity for Thanet’s economy going forward. It recognises that as part of the Local Plan process, Thanet District Council will be required to make a decision in relation to the future use of the site for the future direction of economic growth District-wide.

8.95 The strategy identifies Thanet's economic strengths but also its threats and weaknesses which are summarised as follows:

- A need for further investment in workforce skills;
- Viability and developer challenges in the successful delivery of new development or relocation of existing businesses on major employment sites;
- A tourism sector which is important to the area, and where growth in private investment in recent years needs to be supported and developed further. Hotels are at capacity at peak times and a lack of high quality accommodation;
- Towns in need of a more clearly defined economic purpose; within specific areas / zones;
- Increased competition and market challenges are impacting upon town centres – which in the context of fast changing public expectations requires a renewed focus;
- Ongoing uncertainty surrounding the future of the former Manston Airport site;
- Uncertainties linked to the process of Brexit;
- Despite growing confidence within the area, there are still some external perception issues to be addressed; and
- A Local Enterprise Partnership that is becoming more complex and competitive and where Thanet needs to promote its priorities and justify its “asks.

Saved Manston Airport policy in the adopted Thanet District Local Plan (2006)

8.96 The proposals for development fit entirely with objectives that underpin the Local Plan especially as there is an emphasis on employment development at the airport and ultimately, on adjacent business parks thereby strengthening and broadening the area's economic base (Chapter 1).

8.97 The proposals will also help to deliver the economic development and regeneration objectives set out in Chapter 2, namely by delivering sustainable growth and diversification in economic activity; delivering employment generation to address the high levels of unemployment and to take advantage of the locational opportunities that the district has with Europe and raising local GDP.

8.98 Policy EC2 (Kent International Airport) was found by the Inspector in the Lothian Shelf Limited appeals to carry significant weight in the overall planning balance (paragraph 19) because it accorded fully with the Government's Aviation Policy Framework. This policy is fully supportive of development at the airport including its expansion and diversification. Policy EC4 (Airside Development Area) reserves land north of the runway and including the land north of the B2050 (the Northern Grass) for airside development purposes. Airside development is defined as uses with an operational requirement for direct access to aircraft and therefore dependent on a location immediately adjacent to the runway or capable of direct access to it via taxiways. This includes uses based on operation of passenger handling services; air cargo operations related to the site; operation of aircraft maintenance and manufacturing and services ancillary to the maintenance and operation of the airport. The proposals for development as illustrated on the proposed Masterplan are fully compliant with this policy.

- 8.99 The proposals will similarly help to deliver the transportation objectives of the Local Plan which include promotion of safe and efficient transport systems that support sustainable economic regeneration and enabling Thanet's citizens to conveniently access services and facilities (Chapter 5).
- 8.100 Policy T1 relates to tourism and states that planning permission will be granted for development which would extend or upgrade the range of tourist facilities, increase the attraction of tourists to the area or extend the season. The proposals for development by including some passenger services will help to achieve this policy objective.
- 8.101 The policies referenced above are provided in Appendix 5 of this statement in addition to Appendix 4.1 of the ES [document reference TR020002/APP/5.2-4] along with the other policies in the adopted Local Plan that are relevant to the determination of this application.

APPENDIX 5

Emerging Manston Airport policy in the draft new Thanet District Local Plan

- 8.102 Following Proposed Revisions to the draft Local Plan which were published in January 2017 and which identified the Manston Airport site a mixed-use settlement for at least 2,500 new dwellings and up to 85,000m² of employment and leisure floorspace under Policy SP05 (Former Airport Site), an Extraordinary Meeting of the Council on 18th January 2018 voted not to progress the draft Local Plan due primarily to the proposed change of designation to the former Manston Airport site. This followed a significant number of consultation responses that were submitted by those who opposed the designation change and who wanted the airport site to be retained for aviation-related uses.
- 8.103 The Council is continuing work on its draft Local Plan and has made a call for further development sites. The Council have confirmed that they will need to identify suitable alternative sites/locations for housing to meet the identified objectively assessed need for the District which will require as a minimum:
- A review of the sites previously submitted for housing and a further call for sites to seek to identify any more suitable sites/locations.
 - Identification of sites/locations to accommodate the 2,500 dwellings displaced from the airport site and (depending on whether the Government's proposed changes to housing methodology is confirmed) identification of sites/locations to accommodate an additional 3,090 dwellings.
- 8.104 On 16th November 2017, Sajid Javid MP – the Secretary of State for Communities and Local Government (now Housing, Communities and Local Government) wrote to the Leader of Thanet District Council to express his concern about the lack of progress that the authority had made on its Local Plan making and threatening intervention in its plan making process. The Council responded in a letter dated 31st January 2018 to explain the decision of the January 2018 Extraordinary Council meeting. Sajid Javid MP wrote again to the Council on 23rd March 2018 to confirm that he would continue with the intervention process with Thanet District Council. At the time of writing, it is believed that the report of the Ministry for Housing, Communities and Local Government (MHCLG) advisors has been submitted to MHCLG, but it is not known what recommendations will be made to the Minister, or when the Minister will make a decision on any further action on those recommendations.

- 8.105 In July 2018, a series of Cabinet, Overview and Scrutiny and Full Council meetings were taking place to seek Members' views on the next steps to be taken with the draft Plan with a view to moving the Plan forward towards publication for comment under Regulation 19 of the Town and Country Planning Act (Local Planning) (England) Regulations 2012 with subsequent submission of the Plan for examination under Regulation 22.
- 8.106 Unless robust evidence is provided to the contrary, the expectation is that the draft new Local Plan for Thanet will progress, with Government intervention, on the basis of continuing to protect the Manston Airport site for aviation use and safeguarding land for this purpose. The proposals for development will fit entirely with the Council's preferred strategic position for the future of Manston Airport.
- 8.107 The policies referenced above are provided in Appendix 5 of this statement in addition to Appendix 4.1 of the ES [document reference TR020002/APP/5.2-4]. Whilst regard has been had to the policies in the draft new Thanet Local Plan that do not relate to the Manston Airport site, no weight has been attached to them in the planning assessment of the proposals. This is because it is still very early days in the development of the new Local Plan; there are lots of outstanding objections to the Consultation Drafts that still need to be resolved and the policies could change especially given the Full Council's decision 18th January 2018.

APPENDIX 5

Summary

- 8.108 The proposals to reopen Manston Airport are entirely in accordance with the saved land use policies governing the airport site in the adopted Thanet District Local Plan which safeguard the airport for airport uses. Significant weight is to be attached to these policies which remain up-to-date with national aviation and planning policy (as confirmed by the appeal decision into the Lothian Shelf Limited appeals – see Appendix 4). The adopted Local Plan places an emphasis on employment development at the airport and on adjacent business parks to strengthen and broaden the area's economic base. The proposals for development will create a significant employment destination at Manston which will help to deliver many other local strategic economic and regeneration policy aims.
- 8.109 The position with the emerging new Thanet Local Plan insofar as it relates to Manston Airport has reached a pivotal point in the sense that the Council, with a new Leader, is promoting airport uses once again at the site (and not a new mixed-use settlement). There is every expectation that the proposals for development will accord fully with the new policies to emerge as part of a revamped new Thanet District Local Plan. Since the new Leader has been appointed, engagement with Thanet District Council has improved and they are more willing to discuss RiverOak's proposals and how they can deliver on the many local strategies and policy objectives. The change in approach at the Council is very reflective of the local support for reopening Manston Airport as evidenced in the feedback received to the statutory consultation events (see Consultation Report – document reference TR020002/APP/6.1).
- 8.110 As evidenced in Volume 4 (Section 6) of the Azimuth Associates report, the proposals for development and creating a vibrant airport in the region will support tourism in the area and will increase demand for visitor accommodation across Thanet. In this sense, the proposals 'fit' very well

in terms of achieving the objectives of Thanet's Destination Management Plan which looks to tourism as one of the drivers of the local economy.

- 8.111 Volume 4 further demonstrates how the proposals for development will bring significant economic and social benefits to the local economy, to job creation and to education and training in addition to tourism. In this sense, the proposals will directly help Thanet District Council to achieve its Corporate Plan aspirations to accelerate growth and achieve greater economic prosperity for the district through inward investment and attracting new businesses; creating jobs; ensuring that the right infrastructure is in place and working with education and training providers to develop skills for residents and local businesses.
- 8.112 The proposals for Thanet Parkway Station will be helpful to the Proposed Development in that it will mean that journey times to London will be less than one hour. This will mean that the airport is well connected to London for passengers thereby improving connectivity to the capital. The proposals for development which include highways improvements to the Spitfire Way junction with the B2050 and widening of Manston Court Road will bring benefits to the local highway network in line with aspirations set out in the draft Thanet Transport Strategy. At the time of writing, an application for planning permission for the new station had been submitted to Kent County Council and was awaiting validation (application reference KCC/TH/0105/2018).
- 8.113 The Proposed Development will also help to realise the economic vision and initiatives set out in Thanet's Growth Strategy (2016) particularly through establishing links with the port at Ramsgate especially in terms of tourism opportunities and through opportunities in the fields of advanced manufacturing where the aviation sector has a key role to play in terms of logistics. It will broaden Thanet's leisure/tourism offer and through creating job opportunities also bring the opportunity for improving workforce skills and training/education. The proposals represent a serious opportunity for growing Thanet's economy
- 8.114 The proposed development will give East Kent and Thanet a real purpose. Since the closure of certain large businesses including Pfizer and the airport itself, there has not been a real economic purpose to the area. Reopening Manston Airport will fill this void and reduce the uncertainty surrounding the use of the redundant site. This will boost confidence in the local area which in turn will tackle some of the negative perception issues.

g) Conclusion – does the Proposed Development Fit?

- 8.115 It is clear from this assessment that the Proposed Development 'fits' entirely on a regional, county and local level and across a whole range of strategic topics – and that this 'fit' and the benefits to arise from it have historically and consistently been recognised in policy and strategy documents. A successful airport business at Manston will perform a vital role for the region. In many instances, it will be the key that unlocks many of the strategic aspirations and policy objectives and the catalyst to really transforming East Kent through growing the economy, creating jobs, creating opportunities for investment including in workforce skills and training and boosting Thanet's tourism and cultural/leisure offer. In many respects, reopening Manston Airport is the last real and serious potential opportunity for Thanet/East Kent's economy going forward. An opportunity that strategic and local policies fully recognise.

9 PLANNING ASSESSMENT

a) Context

- 9.1 The determination of this DCO application will be made in the absence of a directly applicable Airports NPS in accordance with Section 105 of the Planning Act 2008. A decision on the application can be taken on this basis and needs to be taken by the Secretary of State who must have regard to any LIR; any matters prescribed in relation to development of the description to which the application relates, and any other matters which the Secretary of State thinks are both important and relevant to the Secretary of State's decision.
- 9.2 Further in the absence of a directly applicable NPS, this DCO application needs to be made in accordance with the Government's National Policy on Aviation as contained within the Aviation Policy Framework (APF). The APF sets out Government's high-level objectives and policy on the impacts of aviation.
- 9.3 The APF recognises that aviation benefits need to be balanced against its local impact. It reaffirms that the Government believes that aviation needs to grow, delivering the benefits essential to economic wellbeing, whilst respecting the environment and protecting quality of life but that the right balance needs to be struck to ensure that the UK's long-term economic prosperity is safeguarded. It therefore follows that a balanced view needs to be reached in making decisions on whether to support specific airport developments and that development which achieves the Government's aviation policy objectives should be strongly supported.
- 9.4 Section 6 of this statement sets out the Government's objectives and policies on the impacts of aviation and the framework within which decisions on aviation are to be made to deliver a balanced approach to securing the benefits of aviation and to support economic growth. These are considered in detail in this section of the statement against the assessment principles set out in the Airports NPS with reference to the Environmental Statement that has been prepared in support of the application.
- 9.5 Ordinarily, and in a situation where there is an applicable NPS, strategic and local policy itself is unlikely to be determinative when it comes to consideration of a NSIP. There is no specific obligation on the Planning Inspectorate within the Planning Act 2008 to consider the terms of the Development Plan although such policy is likely to be considered 'important and relevant.'
- 9.6 The Planning Inspectorate is required to have regard to any Local Impact Report (LIR) produced by the relevant local authorities – a report in writing giving the details of the likely impact of the proposed development on the authority's area (or any part of that area) – but local authorities can determine the content of their own LIRs and this may include reference to Development Plan documents. The Planning Inspectorate's guidance is clear that the LIR should be used by local authorities as a means by which their existing body of local knowledge and evidence on local issues can be fully and robustly reported to the Planning Inspectorate (Planning Inspectorate Guidance Note 1). Consequently, it is the local impact of the NSIP which is of principal interest to the Planning Inspectorate rather than the requirements of local planning policy. If Development Plan policy cannot set tests or requirements for the Planning Inspectorate to apply in determining development consent applications, its role is therefore limited.

b) Environmental Statement

9.7 This describes the likely significant effects of the project on the environment. Schedule 4 to the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 sets out the information that should be included in the environmental statement. This includes a description of the likely significant effects of the proposed project on the environment, covering the direct effects and any indirect, secondary, cumulative, short-, medium- and long-term, permanent and temporary, positive and negative effects of the project, and also the measures envisaged for avoiding or mitigating significant adverse effects. The Environmental Statement (ES) considers the effects of any changes in operations, including the number of air traffic movements, during the construction and operational phases assuming various current baseline positions – but none which assume any aviation activity previously associated with the airport when it was in operation and prior to its closure in May 2014. The ES also make reference to appropriate mitigation that will be secured for any significant effects.

c) Approach to Planning Assessment

9.8 Each of the topics considered in this section of the statement has been the subject of its own detailed assessment whether it is part of the Environmental Statement or the subject of a standalone assessment or report. This Planning Statement therefore draws from those assessments and presents their conclusions in the context of the key national, regional and local planning policies as set out in earlier sections of this statement which are considered to be ‘important and relevant’ to the Secretary of State’s decision (Section 105(2) of The Planning Act 2008) in the absence of a relevant NPS, but especially those policies contained in the following:

- Saved policies in the adopted 2006 Thanet District Local Plan
- NPPF 2012 (and where relevant, the NPPG and the draft changes to the NPPF as published in March 2018 appreciating that very little weight can be attached to these draft changes which are still the subject of a very early stage of consultation)
- Aviation Policy Framework (March 2013)
- ‘Beyond the Horizon : The Future of Aviation in the UK’ (July 2017) – a consultation on the new Aviation Strategy White Paper
- The Airports NPS (June 2018) and especially Section 4 (Assessment Principles) and Section 5 (Assessment of Impacts)

9.9 In considering each topic, the emphasis has been on identifying whether there are adverse impacts expected as this is relevant to take into account when considering the overall planning balance and whether there is sufficient adverse effect to outweigh the granting of development consent given the strong need for the proposed development. The topics that are considered are those set out in the APF and the Airports NPS and are as follows:

- Supporting economic growth and the benefits of aviation (including job creation and other socio-economic benefits)
- Climate Change Impacts/Adaptation

- Noise
- Air Quality
- Biodiversity and Ecological Conservation
- Landscape and Visual
- Built Heritage/Historic Environment
- Water Resources (including Flood Risk)

9.10 In addition, and with reference to the likely local impacts (see below) this section also considers the following topic areas:

- Traffic and Transportation/Surface Access
- Land Quality
- Health and Wellbeing
- Major Accidents and Natural Disasters and Security
- Resource and Waste Management
- Common Law Nuisance and Statutory Nuisance
- Community Compensation

9.11 To assist understanding of all the mitigation measures that are being proposed as part of this DCO application, a Register of Environmental Actions and Commitments has been produced and is provided [document reference TR020002/APP/2.5]. This sets out on a topic-by-topic basis, what embedded mitigation has been provided as part of the design for the Proposed Development and what additional mitigation is proposed to avoid, reduce or compensate for the significant environmental effects that have been identified.

Understanding the likely local impacts

9.12 The project has benefitted from some input from Thanet District Council to understand the likely impact of the Proposed Development on the authority's area. The Council responded to the statutory consultation carried out in June/July 2017 in a letter dated 20th July 2017 to highlight the relevant issues. They can be summarised and responded to (in part – see Consultation Report document reference TR020002/APP/6.1 for full response) as follows:

- **Principle and policy conflict** - the proposed redevelopment of the Manston Airport site as a dedicated freight airport with additional uses would be directly contrary to the emerging Local Plan (to 2031) Policy SP05, which allocates the site for a mixed use development with the capacity to deliver at least 2,500 new dwellings and up to 85,000sqm employment and leisure floorspace.

Response – Thanet District Council's Full Council rejected the emerging Local Plan on 18th January 2018 principally because it did not safeguard the Manston Airport site for airport uses.

The new Local Plan is being revised to no longer allocate a new mixed-use settlement on the Manston Airport site. The Proposed Development remain entirely in accordance with the saved policies in the 2006 adopted Thanet Local Plan that safeguard the Manston Airport site for airport uses.

- **Business Case** – the outline Business Case is deficient. The resource implications of both acquiring the land and implementing the project will need to be provided in the full submission, including outlining the degree to which other bodies have agreed to make financial contributions or to underwrite the scheme to fill any shortfall, and on what basis such contribution or underwriting has been made. Without this information there is significant uncertainty about the delivery of the project.
- **Economic Case** - without any information about who is going to deliver the freight tonnage and therefore create the job numbers stated there are questions as to whether the economic benefits of the airport in terms of job creation can be considered deliverable. In turn this uncertainty raises questions about the significance of the beneficial socio-economic impacts from the development.
- **Housing Requirements** - the implications of proposed job creation on the amount of housing required in both Thanet and East Kent is a significant concern. The development, by virtue of the estimated job numbers created both directly and within the supply chain, has the potential to significantly affect the objectively assessed need (OAN) for housing within the East Kent region. The impact is a likely significant increase in housing land requirements. This may result in indirect effects, such as additional loss of countryside through housing development, which has not been assessed and significant new infrastructure demands. An assessment must be carried out within the full submission reviewing job creation in your project and the relevant plan documents in Thanet, Dover and Canterbury (phased over respective plan periods), reviewing the labour supply with existing studies available in all three areas, assessing where the projected workforce will be drawn from to the airport, modelling migration adjustment from this information therefore deriving implications on housing need in the district and the region.

Response - The report provided by RPS entitled 'Housing and Employment Land Technical Report' (March 2018) responds specifically to this point and is provided in Appendix 6. This report concludes that there is no requirement for additional homes in the study area by Year 20 of the project to meet the forecast employment needs of the airport.

APPENDIX 6

- **Local Plan Housing Allocations** - the loss of the site as an allocation in the emerging Local Plan, for at least 2,500 dwellings, does not appear to have been considered. The proposal would also result in the loss of 56 open market units and 56no. extra care units approved on the Jentex site, meaning the total housing shortfall resulting from this development would be at least 2,612.

Response – following the decision by Thanet District Council's Full Council on 18th January 2018 to reject the new Local Plan and specifically the proposal to allocate Manston Airport for a new mixed-use settlement, the Council is reviewing its new Local Plan and land allocations for future development. In February 2018, the Council invited a 'Call For Sites' to identify sites for possible

future development. Housing allocations will need to be reviewed. Consequently, this response from the Council is no longer relevant.

Socio-economic impacts - additional burdens on local services are considered to be a major adverse impact during operation; there is no mention about an on-site education/training facility and a lack of detail about discussions with any providers and how any measures will be integrated into the project; the potential for local employment and training during construction and operational phases needs to be secured via appropriate obligations; and further information is required on the likely impacts on tourism at operational stage and how the likely effects on local amenity, businesses, the destination and the experience of visitors will be mitigated by environmental measures.

Response – Chapter 13 of the ES [document reference TR020002/APP/5.2-2] considers the likely socio-economic effects of the Proposed Development on change to local business; burden on local services and change to existing tourism and recreational activities.

In terms of change to local business during both the construction and operational phase, the ES concludes that positive effects will result from increased income generated from construction employees spend on accommodation and food, as well as potential income for local construction and supply companies, in turn providing employment opportunities. The overall effect is deemed to be of minor beneficial significance. Chapter 13 of the ES also considers the predicted effects of disruption to the local road network during construction impacting on employee and customer access to local businesses. The overall effect is deemed to be of negligible significance.

In terms of additional burden on local services, Chapter 13 of the ES considers the extent to which construction staff and operational workforce will place burdens on local services and concludes that there will not be any significant effects.

In terms of change to existing tourism and recreational activities, either on economic or amenity grounds, Chapter 13 of the ES concludes that there will not be any adverse effects.

- **Noise and impact on living conditions** – there are significant concerns about the potential impact on the living conditions of those residential occupiers within close proximity of the airport, those residents living under the (indicative) flight paths, especially in relation to night flights, as well as disruption to multiple schools within Ramsgate; it will be necessary to consider the cumulative impact of existing aircraft operations in the vicinity, proposed airside operations as well as all training flights at the airport; full details of the proposed noise mitigation strategy as well as the noise insulation scheme are required; additional noise baseline observation locations should be included within the Nethercourt residential estate, as well as the approved Manston Green development location; the masterplan shows industrial buildings directly adjacent to residential properties on Manston Court Road – the layout of this area should maximise the distance between industrial development and residential properties, with appropriate proposed use/heights/lighting to avoid harm to living conditions of those occupiers; and consideration of Vortex Strike arising from plane movements is required in the noise assessment.
- **Landscape and Visual Impact** - the development would result in a highly urbanising effect of the landscape; additional viewpoints should be added to the assessment (Thanet District Council provided a list) including more to the south of the site to consider the impact from the

development on the designated landscape character areas in Thanet; extra consideration of night time views should be considered at selected locations; more information required about the proposed landscaping on the Masterplan; and assessment of the effects of lighting from the proposed development is needed.

- **Air Quality** - an emissions mitigation assessment must be provided in accordance with Thanet District Council Air Quality Technical Planning Guidance 2016; the air quality assessment should also include flight training school operations, and airside aircraft maintenance emissions; the Applicant should also consider installation of a permanent air quality monitoring station; and a qualitative assessment of aircraft odour emissions given the history of odour complaints from the former airport use should also be provided.
- **Land Quality and Freshwater** - breaking of aircraft at the former airport should also be added as a potential contaminant source; pollutant linkages at the adjacent Jentex site and former airport bulk fuel installation require further ground investigation which needs to limit impacts on the aquifer; additional information is required regarding 'site specific measures' to address effective identification, protection, containment, attenuation, management and recovery of potential contaminants at the site (including in-built mitigation); impacts of a plane crash outside contained areas must also be considered during the construction and operational phases as this may have harmful effects on the public water supply or SSSI at Pegwell Bay following an incident; including possible damage to impermeable hardstandings; additional precautions may be needed in terms of effects on human health from UXOs as effects may be significant should unsuspected munitions be encountered during any digging operations; EA Groundwater Protection Policies (March 2017) do not support the siting of bulk fuel farms within Groundwater Source Protection Zone 1 therefore the requirements for siting and options for above ground tanks at the Jentex site must be explored with the EA; and the Construction Environmental Management Plan (CEMP) must be informed by the findings of intrusive investigation work – any works must be carried in a strictly controlled manner to ensure that contaminants are not exposed and releases allowed to air, land or controlled waters, which could cause pollution, harm or nuisance.
- **Historic Environment** - non-designated heritage assets could be affected by the proposal, and the assessment criteria should make provision for this; any harm arising from new buildings or building increasing in scale should consider the potential alteration of design, form or siting of the proposed development to mitigate any impacts and trial trenching will be required on the Northern Grass.
- **Traffic and Transportation** – there are concerns about the potential impacts on the network surrounding the site from both construction and operational phase given the likely level of traffic generated by the proposed development, especially regarding Spitfire Way, Spitfire Junction and Manston Court Road; the transport assessment should include any additional housing requirement, the methodology for distributing trips on the network and physical improvements to the network as well as mitigation measures; an assessment of the impact from the proposed development on the Thanet Transport Strategy must be included; and operational and junction capacity assessment should be included.
- **Biodiversity** – Thanet District Council will rely on the comments raised by KCC, Natural England and the EA.

- **Aircraft Teardown Facility** – concerns about this proposal given the historic use of the site and enforcement action taken against similar operations previously due to potential contamination ; and concerns about the need, viability and operation of such a facility within a Groundwater Source Protection Zone.
- **Residential development at Manston Green and on the Eurokent site** – the impact on the transportation network and on living conditions of future residents from the proposed development is of concern.

9.13 A response to all these comments has been provided in the Consultation Report submitted with the DCO application [document reference TR020002/APP/6.1]. A further response from Thanet District Council was received to the second statutory consultation on the proposed project on 16th February 2018. However, an email from the now Leader of the Council Councillor Bob Bayford dated 20th February 2018 retracted the submission as being ‘unrepresentative and flawed’ because it had not been approved by the Council’s elected Councillors and did not reflect the views of the Full Council meeting held on 18th January 2018.

9.14 Councillor Bayford wrote to RiverOak on 28th March 2018 to confirm that as the new Leader of the Council, that he is *“committed to improving the Council’s relationship with RiverOak as promoters of the NSIP for re-opening of the site as a cargo airport”* and that he was keen to work with RiverOak to *“ensure that the project can maximise the economic opportunities for residents whilst minimising environmental impacts from the development.”*

d) Supporting economic growth and the benefits of aviation (including job creation)

The need for increased aviation capacity and the benefits of aviation

9.15 This section of the statement considers the Government recognised benefits of increased aviation capacity as set out in the relevant national aviation policy and other documents alongside the findings of RiverOak’s own research which has been carried out by Dr Sally Dixon. This research is provided in full as part of a four-volume report submitted with the DCO application *‘Manston Airport – A Regional and National Asset’* (Volumes I-IV) (March 2018) (‘the Azimuth Associates Report’ - document reference TR020002/APP/7.4). The report recognises the Government and other support including from the air freight market for increases in air freight capacity. The Azimuth Associates Report presents the ‘need case’ for the Proposed Development in the absence of a relevant Airport NPS or other policy document that specifically promotes the reopening of Manston Airport in the national, regional and local interest.

9.16 The APF makes it clear that it is not appropriate to re-examine the need for increased aviation capacity or, indeed, to question the Government’s clear policy position that increases in aviation capacity are necessary and that they bring significant benefits. It states that it is the purpose of national policy to settle these issues. In this sense, the Airports NPS (Section 2) does not disagree and states very clearly that the importance of aviation to the UK is significant and that there are considerable benefits from aviation – all of which will be realised by the proposed development – as follows:

- international connectivity, underpinned by strong airports and airlines, is important to the success of the UK economy;

- it is essential to allow domestic and foreign companies to access existing and new markets, and to help deliver trade and investment, linking us to valuable international markets and ensuring that the UK is open for business;
- international connectivity facilitates trade in goods and services, enables the movement of workers and tourists, and drives business innovation and investment, being particularly important for many of the fastest growing sectors of the economy;
- international connectivity attracts businesses to cluster round airports, and helps to improve the productivity of the wider UK economy;
- large and small UK businesses rely on air travel, while our airports are the primary gateway for vital time-sensitive freight services;
- air travel also allows us ever greater freedom to travel and visit family and friends across the globe, and brings millions of people to the UK to do business or enjoy the best the country has to offer;
- businesses from across the UK utilise our aviation network to access markets worldwide. The UK's strong services sector, which provides significant export earnings for the country, is particularly reliant on aviation;
- air freight is also important to the UK economy. It is particularly important for supporting export-led growth in sectors where goods are of high value or time critical. In the future, UK manufacturing competitiveness and a successful and diverse UK economy will drive the need for quicker air freight;
- aviation also brings many wider benefits to society and individuals, including travel for leisure and visiting family and friends. This drives further economic activity; and
- the importance of aviation to the UK economy, and in particular the UK's hub status, has only increased following the country's decision to leave the European Union. As the UK develops its new trading relationships with the rest of the world, it will be essential that increased airport capacity is delivered, in particular to support development of long haul routes to and from the UK, especially to emerging and developing economies.

9.17 Section 2 of the Airports NPS also reinforces the fact that there is a need for new airport capacity in the UK as demonstrated by the challenges that already exist in the UK's aviation sector stemming in particular from capacity constraints. The document recognises that these constraints are affecting the UK's ability to travel conveniently and to a broader range of destinations than in the past which creates negative impacts on the UK through increased risk of flight delays and unreliability, restricted scope for competition and lower fares, declining domestic connectivity, erosion of the UK's hub status relative to foreign competitors, and constraining the scope of the aviation sector to deliver wider economic benefits.

9.18 The NPS concludes that the UK now faces a significant capacity challenge with aviation demand likely to increase significantly between now and 2050 and all major airports in the South East of England expected to be full by the mid-2030s, with four out of five full by the mid-2020s. By 2050 demand at these airports is expected to outstrip capacity by at least 34%, even on the department's

low demand forecast with relatively little scope to redistribute demand away from the region to less heavily utilised capacity elsewhere in the country.

- 9.19 The NPS concludes that the consequences of not increasing airport capacity in the South East of England – the ‘do nothing’ or ‘do minimum scenarios’ – are detrimental to the UK economy and the UK’s hub status. International connectivity will be restricted as capacity restrictions mean airlines prioritise their routes, seeking to maximise their profits. Capacity constraints therefore lead to trade-offs in destinations, and while there is scope to respond to changing demand patterns, this necessarily comes at the expense of other connections. Domestic connectivity into the largest London airports will also decline as competition for slots encourages airlines to prioritise more profitable routes.
- 9.20 Operating existing capacity at its limits means there will be little resilience to unforeseen disruptions, leading to delays. Fares are likely to rise as demand outstrips supply, and the lack of available slots makes it more difficult for new competitors to enter the market.
- 9.21 The Government believes that not increasing capacity will impose costs on passengers and on the wider economy. Without expansion, capacity constraints would impose increasing costs on the rest of the economy over time, lowering economic output by making aviation more expensive and less convenient to use, with knock-on effects in lost trade, tourism and foreign direct investment. The Airports Commission estimated these costs to be between £30 billion and £45 billion over 60 years. Having reviewed this further, the Government accepts this analysis and considers that recent demand growth in the South East suggests an even greater possible cost if expansion is not undertaken.
- 9.22 The Government also acknowledges the local and national environmental impacts of airports and aviation, for example noise and emissions, and believes that capacity expansion should take place in a way that satisfactorily mitigates these impacts wherever possible. Expansion must be deliverable within national targets on greenhouse gas emissions and in accordance with legal obligations on air quality.
- 9.23 In the context of the very clear conclusions on the need for additional airport capacity and the benefits associated with aviation as recognised by the Government in general, RiverOak commissioned a very specific assessment of the air freight capacity limitations and constraints in the South East – research that has not been carried out previously in such detail – with a view to concluding on Manston Airport’s ability to address these and provide for future growth. This is the Azimuth Associates Report. An earlier version of this report was presented to the Planning Inspector as part of the Public Inquiry into the Lothian Shelf Limited appeals in March 2017. The evidence was not challenged by the Appellants and was considered by the Inspector in reaching his conclusions on the four appeals, whereby he confirmed that in light of the Azimuth Associates evidence, that reopening Manston Airport for viable operations could not be ruled out.
- 9.24 The report responds to the following questions specifically with reference to the proposals for development:
1. *Does the UK require additional airport capacity to meet its political, economic, and social aims?*

9.25 The forecasts discussed in the Azimuth Associates report confirm the need for additional airport capacity. These forecasts show that 80,000 movements will be unmet by current capacity by 2050 and that even with the third runway at Heathrow Airport, capacity for 45,000 movements will need to be found (York Aviation, 2015). In line with the Government's own conclusions, Azimuth Associates conclude that the UK urgently requires additional airport infrastructure and that without this, the UK is hemorrhaging potential trade, particularly with non-EU countries. In monetary terms, the UK missed out on at least £9.5 billion in potential trade in 2015 and is predicted to accumulate losses at the rate of £1.1 million every hour (CEBR, 2016).

9.26 The Azimuth Associates report agrees that the aviation sector is of vital importance to the UK, contributing £52 billion (3.4%) to UK GDP and supporting 961,000 jobs. The importance of air travel is forecast to continue to grow, with 50% more flights in 2035 than there were in 2012, from around 9 million per year to 14.4 million. Freighter fleet is set to more than double over the next 20 years. However, airport capacity is a problem not just in the UK but also in Europe, where capacity is forecast to increase by 17% by 2035 leaving a shortfall of around nine runways' worth of capacity. By 2035, European airports will be unable to accommodate around two million flights due to capacity shortages leading to a loss of between 434,000 and 818,000 jobs and between €28 billion and €52 billion in EU GDP. At the end of November 2017, airfreight in Europe reached capacity, which has led to an increase in prices and delays. Heathrow Airport also reported severe congestion, with trucks queuing and some being turned away. Whilst globally around 56% of all air freight is carried in dedicated freighters, the UK has seen a decline in the use of freighters. A commentator believes this is due to shippers' preference for belly freight. However, when the air freight market in the UK is considered against that of the rest of the world, the lack of availability in the UK for freighter slots, airports' preference, in a constrained market, for passenger flights, and delays in loading and unloading freighter aircraft provide an equally plausible explanation for the reduced proportion of freighter to belly freight transport of goods in the UK. In the UK, non-EU trade accounts for just under half of all trade and 35% of these goods are air freighted. Both figures could increase following the UK's withdrawal from the EU. The Airports Commission forecast that, over a 60-year time frame without additional capacity, there would be a £21 to £23 billion cost to users and providers of UK airport infrastructure and £30 to £45 billion in costs to the wider economy.

2. Should this capacity be located in the South East of England?

9.27 The Azimuth Associates report is clear that this capacity should be in the South East. The London airports facilitate 76% of the UK's air freight and all London airports will be at capacity by 2030. The South East is particularly hard hit by the lack of airport capacity with losses in potential trade running at £2 billion each year. Demand is driven by where airlines want to fly to and from and demand is highest in the South East. Dedicated freighters have been squeezed out of Heathrow Airport and potentially moved from Stansted Airport as they focus on passengers as their preferred market. The other airports in the South East either do not have the runway length or space for warehousing to accommodate a vibrant freight operation, which may be seen, particularly by low cost carriers who do not carry belly freight, to interfere with passengers operations.

9.28 There is no existing dedicated cargo airport in the South East. All currently-operating airports in the South East of England are primarily passenger airports. For commercial reasons, passenger aircraft are prioritised over cargo aircraft at such airports and cargo-only aircraft flights are very limited, with

only Stansted handling significant numbers. Table 9.1 below sets out why no other airport in the South East is as suitable as Manston for dedicated air freight facilities:

Table 9.1 : Reasons why other South East airports are not suitable for air freight expansion

Airport	Constraints for air freight expansion
Stansted	Under pressure to increase low cost passenger flights.
Heathrow	Few dedicated cargo aircraft use the airport and capacity constraints mean that slots are unavailable until the third runway is built. Even then, additional capacity is likely to be taken by passenger aircraft.
Gatwick	Dedicated freighters are not a traditional market for Gatwick Airport.
Luton	Focus is on the low cost carrier market.
London City	Focused on the passenger market with a short and constrained runway (1,900m) that is unable to support a large freighter operation.
Southend	Focused on the low cost carrier market, the airport is unlikely to be suitable for mid or long range freighter aircraft.
East Midlands	The airport imposes charges on aircraft using the airport between 23.30 and 06.00 depending on the noise band of the aircraft. Shoulder supplements are charged between 0.601 to 07.00 and 21.01 to 23.29. Road access to the South East where many businesses served by integrators at the airport are based, is congested. Consequently the total time taken to deliver from origin to final destination increases especially around motorway bottlenecks.
Biggin Hill	Difficult road access to main M25 artery because of its rural location, restricted opening hours, short runway, runway orientation and proximity to Gatwick Airport creates numerous airspace issues; residential location; experiences poor weather conditions due to elevated location.
Bournemouth	Bournemouth did not handle any cargo movements in 2016 or 2017. Its location is not ideal for road access by trucks and lies some 30 miles from the M3 and M27 on a route that passes through the New Forest National Park which is not ideal for fleets of trucks.
Farnborough	Restricted number of movements particularly at weekends with only certain aircraft categories permitted. Business Aviation focus that would not fit with a cargo model.
Lydd	Short runway with considerable approach issues and a rural location with poor surface transport connectivity.
Northolt	It has a short runway and is close to Heathrow creating airspace issues.
Rochester	Grass runways which are less than 1,000m and not suitable for cargo operations. The airport does not have supporting infrastructure to facilitate large-scale freight operations and has restricted operating hours and a cap on aircraft movements.
Shoreham	Short runway suitable for light aircraft only. Road access is relatively poor and would require reconfiguration to support the HGV movements generated by a freight operation.

Southampton	Only handled 23 cargo movements in 2017 and 6 aircraft movements in 2016 (it was 4 in 2015). Good road access and has an onsite railway. Their Masterplan and vision statement makes no mention of developing an air freight market.
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9.29 It is clear that the aviation market prefers the South East, with forecasts showing that by 2050, the value of air cargo lost to London due to capacity constraints would equate to £106 billion per annum with net national losses of around £3.9 billion per annum. The number of additional dedicated freighters movements required at London airports is forecast to be 53,954 with no additional runways. Indeed, without extra capacity in the South East, 2.1 million tonnes of freight would have to be diverted elsewhere, mainly to Northern European airports. This tonnage equates to some 100,000 truckloads and could put huge pressure on the UK's road network and the Channel crossings.

3. *Can Manston Airport, with investment from RiverOak, relieve pressure on the UK airport network and meet the requirement of a nationally significant infrastructure project?*

9.30 The Azimuth Associates report concludes that due to its size, location and lack of airspace constraints, Manston has the potential to attract and accommodate at least 10,000 cargo movements per year. Consequently, Manston Airport would seem to be the only viable option for a freight-based airport in the South East in the short, medium, and long-term. Moreover, the work in the Azimuth Associates report shows that the addition of a third runway at Heathrow Airport is unlikely to change the need for a freight-based airport at Manston. Manston Airport can be operational in as little as two years from the transfer of its ownership to an airport operator. Its strategic location, runway length and potential to accommodate all necessary infrastructure together with the considerable local backing mean it is without comparison in the UK. The Azimuth Associates report shows that Manston is the only airport in the South East that can provide airport infrastructure for freight cargo that is badly needed by the UK now and in the long term.

9.31 Manston Airport is located in the South East where aviation industry demand is highest and most constrained. In addition to its long runway, ideal airspace location, benefits from easy surface access to London and the rest of the UK, it is located close to mainland Europe, and, with RiverOak's proposed investment, can provide rapid handling and turnaround times for air freight. The airport would provide almost immediate relief to the pressing situation that is causing £2 billion in potential trade from being lost to the South East each year if it remains without additional runway capacity.

9.32 Whilst in the short to medium-term Manston will be vital as an operational airport, even in the longer term, after the proposed opening of Heathrow's third runway and to 2050, Manston provides the only airport infrastructure in the South East that can provide the capacity needed to support the overspill predicted within all timeframes. The Azimuth Associates report concludes that there is no other airport such as Manston in the London area in terms of runway length, airspace, slot availability, land available for warehousing, etc.

9.33 In conclusion, this section demonstrates unequivocally that there are limitations and constraints on air freight capacity in the South East airports; that reopening Manston Airport in the way that it is being promoted by RiverOak in this DCO application will address these constraints and provide for future growth and that there are benefits at national, regional and local level that will be delivered by the DCO proposals. In addition, there can be little doubt that, in an increasingly competitive economic climate, the UK cannot afford to lose one of its long-serving and strategically significant airports.

Manston Airport is a valuable regional and national asset, capable of providing infrastructure badly needed by the UK in the short, medium and long-term, playing a role in helping Britain's connectedness and trade with the rest of the world, and of making a substantial contribution to the future economic and social well-being of the UK. Reopening Manston Airport in the way envisaged by RiverOak is very much needed and it will bring significant benefits.

Aviation demand forecasts

- 9.34 The Airports NPS (paragraph 3.23) fully recognises that the aviation sector can also boost the wider economy by providing more opportunities for trade through air freight. The time-sensitive air freight industry, and those industries that use air freight, benefit from greater quantity and frequency of services, especially long haul. By providing more space for cargo, lowering costs, and by the greater frequency of services, this should in turn provide a boost to trade and GDP benefits.
- 9.35 The Azimuth Associates Report (Volume II) contains a qualitative study of potential demand for Manston Airport as a freighter hub for the South East of the UK with additional passenger and general aviation services. It considers whether reopening Manston Airport in the way intended by RiverOak would be viable. This is an important consideration not only in light of the policy objectives set out in the APF and in demonstrating a need for the proposed development in the absence of any specific promotion through the Airports NPS, but significantly when considering the implications of the DCO proposals on the spatial planning process within Thanet District Council and as part of its new Local Plan. The Council has recently voted and shown its support for continued safeguarding of the Manston Airport site for aviation use and the Azimuth Associates report reinforces that there is a definite need for this in the local, regional and national interest. Consequently, and in light of the Thanet District Council response to the June/July 2017 statutory consultation on the project, it is not considered that there is a general local planning policy conflict when considering the proposals for development.
- 9.36 The research detailed in the Azimuth Associates report seeks to examine the demand for Manston Airport as a freight hub for the South East of the UK with additional passenger and general aviation services. The report overwhelmingly concludes that there is clear demand for additional airport capacity in the South East of England, with evidence that existing airports are increasingly focusing on the passenger market as they near capacity. Manston Airport is located in the South East where aviation industry demand is highest and most constrained (DfT, 2017). The airport will provide dedicated and rapid handling and turnaround times for air freight.
- 9.37 The airport model being promoted at Manston Airport will present significant opportunities to address known industry constraints as follows:
- The lack of available slots at South East airports
 - Bumping of freight from passenger aircraft (this means air freight that has been booked onto a passenger flight is denied loading. It is understood that this may happen numerous times before the goods are loaded into the bellyhold of a passenger flight)
 - Security issues particularly with oversized cargo
 - Speed of turnaround and bottlenecks for air freight

- The advent of Brexit and potential restrictions and delays at the Channel crossings will be a cause of concern for those freight shippers reliant on this form of transport. With Manston Airport reopened, there may be a change in the model used, away from trucking to Europe and onto aircraft

9.38 Potential markets have been identified for Manston Airport as follows:

- Perishables including fruit, vegetables, flowers, fish, and shellfish
- Outsized freight
- Express freight
- Formula One and luxury cars
- Live animals (for breeding or racing)
- Time sensitive items such as aircraft and the oil and gas industry
- Humanitarian and military flights

9.39 The Azimuth Associates Report has also identified opportunities for aircraft recycling, an on-site maintenance, repair and overhaul facility (MRO), a Fixed Base Operation (FBO), and a flying school. Additionally, there is the potential to attract an integrator to Manston Airport, which would dramatically increase the profitability of the airport.

9.40 In terms of passenger services, the Azimuth Associates Report has identified opportunities including providing a base for a number of low cost carrier aircraft (LCCs), for charter and scheduled flights, and for a tie up with Dover Harbour Board to receive passengers destined for cruise ships. The proposed London Resort and Ebbsfleet Garden City developments are expected to increase demand for both in and outbound flights.

9.41 The proposed Lower Thames Crossing will improve accessibility by road to Manston Airport and the Thames Estuary 2050 regeneration project will benefit from the presence of a freight-focused airport and will, in turn, stimulate demand for the airport.

9.42 The DCO process requires RiverOak to provide evidence that shows Manston Airport can handle at least 10,000 freighter movements per year. York Aviation (a firm of air transport consultants), in an unpublished report for Transport for London (TfL) entitled Note on Freight Connectivity, specifically mention Manston, saying the airport can take 14,000 movements per annum, relieving other South East airports and that *“it is reasonable to assume that around 14,000 freighters a year could still be accommodated in the vicinity of London by using capacity at airports such as Manston”*. It is argued that there are no other airports like Manston in the vicinity of the London area which demonstrate such advantages like a long runway, airspace benefits, slot availability and land for associated development.

9.43 Volume III of the Azimuth Associates Report sets out the forecasts for Manston Airport, for freight and passengers for the first 20 years of operation (currently projected to be 2020 to 2039), and detailing the infrastructure required to deliver the forecast. Although the capability of the proposed airport is far greater, the forecast shows use of the airport exceeding 10,000 air freight movements

by Year 6 (2025). Exports are forecast to slightly exceed imports, particularly in the early years of operation. The research conducted to derive the forecasts show that the opening of Heathrow's proposed third runway will not hamper Manston Airport's viability, whenever the additional capacity at Heathrow becomes operational.

- 9.44 Whilst the RiverOak focus is on the air freight market, the airport is also forecast to handle a considerable number of passengers. Driven by the lack of capacity at South East airports, passenger numbers at Manston Airport are forecast to commence at around 660,000 per year, rising to 1.4 million by Year 20 (2039) of operation. Manston Airport can provide a base for a number of low cost carrier aircraft, host seasonal charter flights, and as mentioned earlier, work with Dover Harbour Board to receive passengers destined for cruise ships. The proposed London Resort and Ebbsfleet Garden City developments are also expected to increase demand for both in and outbound flights.

The benefits to local economy

- 9.45 Volume IV of the Azimuth Associates report considers the likely impacts of the proposed development on the local economy based on the forecast information provided in Volume III of the report. In this sense, it recognises that Kent as a county performs economically below the south-east average with East Kent not performing as well as West Kent. Thanet, in particular, has many issues associated with deprivation and ranks as the most deprived area of Kent and one of its wards, Cliftonville West, is ranked 4th out of 32,844 Lower Super Output Areas (LSOAs) in England. Thanet performs consistently behind the rest of Kent with lower wages, lower productivity, higher unemployment and low participation in higher education.
- 9.46 Kent County Council wants to address disadvantage and aims to deliver critical infrastructure that will create the conditions for economic growth across Kent, raise aspirations, and encourage businesses to invest in the County. Thanet District Council is also working to transform the local economy and has an ambitious vision for the future of Thanet. This includes increasing participation in work, workforce skills, productivity, wages, and ultimately GVA and GPD in Thanet.
- 9.47 Airports are recognised for their impact on local and regional economies and no other asset is likely to be able to provide the jobs and other economic benefits to the area than a fully operational Manston Airport. In terms of aviation, Kent County Council's strategy for airports was to oppose the construction of a new Thames Estuary Airport and also the second runway at Gatwick, preferring to maximise use of existing airport infrastructure. As earlier sections of this statement demonstrate, the reopening of Manston Airport will fit with Kent County Council's strategy. Operations at Manston Airport can provide the impetus for the improved internationalisation of Kent businesses, particularly if an enterprise zone is linked to the airport to leverage the benefits of exporting.

Job creation

- 9.48 East Kent is in desperate need of high-quality training and employment. Since the closure of the Pfizer factory in Sandwich in 2011 and Manston Airport itself in 2014, East Kent has not had a large-scale high-tech employer. Reopening Manston Airport is one of the last opportunities in the local area to create job creation on a large scale and in this sense, it is much needed to boost the local and regional economy.

- 9.49 The Azimuth Associates Report recognises the importance of air freight operations to the creation of jobs and to increasing economic and social prosperity. The socio-economic impacts of an airport's operations include direct, indirect, induced and catalytic effects. Azimuth Associates predict that direct on-site jobs will be 2,150 by Year 5, of which 697 posts are forecast to be created by the airport operator. The direct employment figure will rise with increasing freight tonnage and passenger numbers. By the end of Year 5, the indirect and catalytic jobs forecast to result from the operation at Manston Airport are 3,870 and 8,601 respectively, and 6,151 and 13,668 by the end of Year 20. The total figure for jobs created by the operations of Manston Airport is forecast at around 23,235.
- 9.50 Along with hi-tech jobs comes the requirement for hi-tech education, and RiverOak will be working with local education institutions to develop courses that will equip local people with the skills needed to be able to work at the airport or in related employment. RiverOak are keen to promote the establishment of an aviation training and education facility in partnership with higher education and further education providers.
- 9.51 The job figures represent a wide range of long-term opportunities for aspiring local school leavers, college graduates, and those at all stages of their careers. Construction jobs required in the redevelopment of Manston Airport are shown separately since these are impermanent positions. Before RiverOak reopens Manston Airport, freight and passenger stands stands for aircraft will be constructed as well as warehousing and fuel storage to meet the forecast demand. Further construction will take place in four years (see Volume III of the Azimuth Associates report for details). The redevelopment project across the 15-year timeframe is forecast to require the equivalent of 1,475 working people years. From this figure, the number of construction workers required is forecast to be between 600 and 700. There are also likely to be additional jobs created for off-site work by local construction companies.

Other socio-economic benefits

- 9.52 In addition to job creation, there are numerous other socio-economic benefits to arise from aviation operations including the following which will be realised through reopening the airport:
- **Training and education:** Working with Higher Education (HE) and Further Education (FE), RiverOak can leverage opportunities associated with Manston Airport's operation.
 - **Raising the aspirations of young people:** Manston Airport can stimulate the desire to continue in education and training, encouraging young people to improve their life chances and realise their full potential.
 - **Connectivity:** Increased connectivity improves the GDP of a region and Manston Airport would dramatically improve the connectivity of the area, which is even more essential with the advent of the UK's exit from the EU.
 - **Attracting inward investment:** The presence of an airport supports inward investment and business location decisions.
 - **Tourism:** Passenger services will support both inbound and outbound tourism.
 - **Generating wealth:** GDP figures based on the airport's impact have been calculated together with the tax revenues the projected job creation is likely to produce.

Summary

- 9.53 In conclusion, and in terms of demand, the Azimuth Associates Report concludes that Manston Airport is of strategic importance to the UK, having the ability to attract significant air traffic to meet the criteria of a national significant airport.
- 9.54 Chapter 13 of the ES considers the likely socio-economic effects of the Proposed Development and concludes that there will be no adverse effects as a consequence of both the construction and operation phases. The Proposed Development is expected to deliver beneficial effects in terms of direct and indirect/induced job creation and tourism.
- 9.55 Reopening of Manston Airport is very much in the public interest and it will realise and bring all the significant benefits associated with increasing aviation capacity as recognised in the APF and Airports NPS including improving international connectivity and links to international markets; contributing significantly to the UK economy; facilitating trade and movement to support the fastest growing sectors of the economy; enhancing gateways to the UK for freight and providing much-needed and dedicated facilities for which there is a high demand. In addition to the considerable number of direct, indirect, induced and catalytic jobs created, other socio-economic benefits that arise from an airport's operation including training and education opportunities; attracting inward investment; tourism and increasing connectivity especially in the advent of the UK's exit from the EU will benefit the local and regional area. The extent of these benefits, and the importance of these benefits to the local and regional area, which desperately needs them, adds further weight to the fact that there is a clear need for the reopening of Manston Airport.

e) Climate Change Impacts/Adaptation

- 9.56 Paragraphs 93, 96 and 100 of the NPPF are relevant as is paragraph 2.4 of the APF.
- 9.57 Paragraphs 149 and 152 of the draft changes to the NPPF are also relevant but attract less weight as they are the subject of ongoing consultation and could change.
- 9.58 In paragraphs 4.41 to 4.52 of the Airports NPS, the Government sets out how its policy on climate change adaptation will be put into practice, and in particular how the Applicant and the Secretary of State will take into account the effects of climate change when developing and considering airports infrastructure applications.
- 9.59 The Airports NPS recognises that new airports infrastructure will typically be a long-term investment which will need to remain operational over many decades, in the face of a changing climate. Consequently, it states that the Applicant must consider the impacts of climate change when planning design, build and operation and that any accompanying environmental statement should set out how the proposal will take account of the projected impacts of climate change. Detailed consideration must be given to the range of potential impacts of climate change using the latest UK Climate Projections available at the time, and to ensuring any environmental statement that is prepared identifies appropriate mitigation or adaptation measures. This should cover the estimated lifetime of the new infrastructure. Any adaptation measures are also required to be assessed as part of any Environmental Impact Assessment and included in the environmental statement, which should set out how and where such measures are proposed to be secured.

- 9.60 The Airport NPS further states (paragraph 5.77) that as far as possible, the Applicant's assessment should also seek to quantify impacts including:
- Emissions from surface access due to airport and construction staff;
 - Emissions from surface access due to freight and retail operations and construction site traffic.
 - Emissions from surface access due to airport passengers/visitors; and
 - Emissions from airport operations including energy and fuel use.
- 9.61 This should be undertaken in both a 'do minimum' and also in the 'do something' scenario for the opening, peak operation, and worst case scenarios.
- 9.62 The Airport NPS includes at paragraphs 5.78 to 5.81 the mitigation measures that would be expected to reduce carbon which may include, but are not limited to:
- Zero or low-emission hybrid or electric vehicle use (ultra-low emission vehicles), charging and fuel facilities;
 - Reduced engine taxiing (improved taxiing efficiency);
 - Reducing emissions from aircraft at the gate;
 - Reduced emissions from airport buildings (for example from lower carbon heating);
 - Changes to the layout of surface access arrangements; and
 - Encouraging increased use of public transport by staff and passengers.
- 9.63 In terms of decision making, the Airports ES specifically states that any increase in carbon emissions alone is not a reason to refuse development consent, unless the increase in carbon emissions resulting from the project is so significant that it would have a material impact on the ability of Government to meet its carbon reduction targets, including carbon budgets (paragraph 5.82). Evidence of appropriate mitigation measures (incorporating engineering plans on configuration and layout, and use of materials) in both design and construction should be presented as part of any application for development consent (paragraph 5.83) and the Secretary of State will consider the effectiveness of such mitigation measures in order to ensure that, in relation to design and construction, the carbon footprint is not unnecessarily high. The Secretary of State's view of the adequacy of the mitigation measures relating to design, construction and operational phases will be a material factor in the decision making process.
- 9.64 Chapter 16 of the ES [document reference TR020002/APP/5.2-2] provides the assessment of the Proposed Development in relation to Climate Change. In accordance with the Airports NPS it sets out how the proposal will take account of the projected impacts of climate change. This chapter and others in the ES provide a detailed consideration of the range of potential impacts of climate change and they identify appropriate mitigation or adaptation measures.
- 9.65 Section 16.4 of Chapter 16 of the ES considers the current climate conditions at the Proposed Development site. The site of the Proposed Development sits on the Isle of Thanet peninsula at within a temperate marine climate. Being located on the east coast, it is furthest in the UK from the

paths of most Atlantic depressions and thus receives a relatively low amount of rain and extreme wind events, with warmer, drier summers relative to other UK locations. Projected conditions at the site during the operational phase of the Proposed Development and up to 2050 are expected as follows:

- Warmer, drier summers, and milder wetter winters
- An increase in very hot days and dry spells
- Fewer days with snow and frost
- More intense downpours of rain (particularly in summer)
- Short periods of intense cold weather and an increase in dry spells
- An increase in the frequency and intensity of storms and high winds

9.66 Environmental measures have been incorporated into the design of the Proposed Development to address climate change resilience, in-combination climate change impacts and greenhouse gases. These measures are set out in Section 16.5 of Chapter 16 of the ES.

9.67 In terms of addressing climate change resilience, only the Flood Risk Assessment which is Appendix 8.2 of Chapter 8 of the ES [document reference TR020002/APP/5.2-8] incorporates specific climate change resilience design measures. This is not unusual at this stage of an application where the majority of building, engineering and other design details have been finalised. It is also the case that a high degree of certainty regarding the minimum level of performance of the new development can be assured due to the existence of robust and established design standards that ensure the performance and quality of new and refurbished infrastructure and buildings.

9.68 RiverOak has committed to developing a Climate Change Adaptation Strategy following DCO approval. This will put in place a series of measurable actions for ensuring the functionality of the airport is not reduced by climate change over time. For example, climate change will be considered in the thermal modelling of buildings to ensure that the final design functions across a range of projected climate futures, either through direct design measures or by designing in adaptability. This is in-line with the principles set out in BREEAM. The strategy will embed the routine assessment of climate change within the detailed design stages and the alteration of design approaches as required. This includes, but is not limited to, considering:

- Heat stress within buildings impacting the functionality of assets and causing health impacts for visitors and staff, as well as impairing pavements, concrete surfaces and fleet maintenance;
- Increased frequency and severity of drought risk and changes to soil moisture deficit;
- Increased variability of snowfall presenting challenges to winter contingency planning;
- Increased disruption to airfield operations due to stormy conditions; and
- Extreme wind damage to assets, standing aircraft, vehicles and injuries to staff.

9.69 The Strategy will identify options for adaptation that provide benefits under a range of future climate scenarios. It will also consider adaptive management strategies which can be developed and

enhanced over time in response to a changing climate and passenger demands. It will mandate working with interdependent infrastructure operators to ensure climate change challenges are tackled collaboratively e.g. power, water resources, road, rail, other aviation operators, telecommunications etc.

9.70 A summary of embedded, in-combination climate change impact approaches that are considered part of the Proposed Scheme design are described in Table 16.4 of Chapter 16 of the ES. These measures have been incorporated to avoid, reduce or compensate for potential adverse climate change effects and include, for example, designing the attenuation ponds with a 40% capacity allowance to allow for climate change.

9.71 A summary of the environmental measures that have been incorporated into the development proposals to date in order to avoid, reduce or compensate for potential adverse greenhouse gas effects is provided below in Table 16.5 of Chapter 16 of the ES. These include adopting a Construction Environment Management Plan (CEMP) to limit, for example, air quality effects during construction and adopting a Construction Traffic Management Plan (CTMP) which promotes car sharing, travel plan awareness and encourages use of public transport.

9.72 In terms of the potential for effects:

- Climate Change Resilience - there are no potentially significant effects identified for climate change resilience, as the commitment to embed a Climate Change Adaptation Strategy within the detailed design, construction and operation of the airport is regarded as an appropriate mitigation measure at this stage.
- In-combination Climate Change Impacts - as a result of embedded mitigation measures for climate change including within the ecology and flood risk design as set out in Table 16.8 in Chapter 16 of the ES, there are no significant effects relating to in-combination climate change impacts.
- Greenhouse Gas – a greenhouse gas assessment has been carried out for the Proposed Development and carbon emissions associated with the Proposed Development have been calculated. Flights associated with the airport make up 93% of emissions at peak operation, with the construction and operation accounting for the other 7%. At peak operation, Manston Airport represents 2.1% of the emissions the UK aviation sector can produce in 2050. Therefore, whilst it is not possible to definitively say whether this amount of emissions is in-line with UK carbon policy, it is clear that the Proposed Development should aim to reduce GHG emissions wherever possible. There are no significant effects of greenhouse gas emissions from the Proposed Development on the climate because specific actions have been incorporated into the scheme to reduce greenhouse gases including:
 - Avoiding the use of diesel or petrol-powered generator where practicable;
 - Minimising idling vehicles;
 - Developing travel plans for construction staff and passengers;
 - Increasing efficiency of construction traffic;

- Using Fixed Electrical Ground Power to minimise energy use by aircraft on the ground;
- Applying penalties when older, less efficient aircraft is used;
- Using a largely electric Ground Support Equipment fleet; and
- Committing to the development of a Carbon Minimisation Action Plan, including incorporation of mitigations to reduce emissions during the landing and take-off cycle, the construction of infrastructure, energy used by buildings and the embodied carbon of materials. This Plan will cover the design, construction and operation of the Proposed Development and ensure best practice measures for reducing emissions from the scheme are implemented.

Summary

9.73 The Masterplanning process has included some measures to ensure that the effects of climate change are minimised or that the Proposed Development can adapt to climate change in the future. Adopting a Carbon Minimisation Action Plan will further ensure that the functionality of the airport is not reduced by climate change over time. The detailed design stages that will follow any grant of a DCO will progress against established design standards that ensure the performance and quality of new and refurbished infrastructure and buildings. Environmental measures have been incorporated into the development proposals to minimise the potential for adverse greenhouse gas effects including adopting a CEMP and CTMP which will also limit the carbon impacts of the project as required by the Airports NPS (paragraphs 5.78 and 5.80). These measures will ensure that locally set standards relating to climate change adaptability and achieving a low carbon economy are met. As recognised in paragraph 5.79 of the Airports NPS, aircraft are expected to become cleaner as technology and standards improve and fleets evolve and this too will ensure that carbon impacts are reduced over the project's timeframe. The airspace reform that is currently under consultation will further assist with this objective. The assessment states that there will be no significant effects as a result of the Proposed Development. It is therefore in accordance with the relevant planning policies and provisions governing climate change and carbon emissions.

f) Noise

9.74 Paragraph 123 of the NPPF is relevant as are paragraphs 3.3, 3.12, 3.13, 3.17, 3.24, 3.35, 3.36 and Annex A of the APF and saved Policy EC2 from the 2006 adopted Thanet Local Plan.

9.75 Paragraph 5.44 of the Airports NPS states that the impact of noise from airport expansion is a key concern for communities affected, and that the Government takes this issue very seriously. The NPS recognises that high exposure to noise is an annoyance, can disturb sleep, and can also affect people's health. Aircraft operations are by far the largest source of noise emissions from an airport, although noise will also be generated from ground operations and surface transport, and during the construction phase of a scheme. Paragraph 5.45 recognises that aircraft noise is not only determined by the number of aircraft overhead, but also by engine technologies and airframe design, the paths the aircraft take when approaching and departing from the airport, and the way in which the aircraft are flown. Paragraph 5.47 repeats the Government's desire as set out in the APF to strike a fair balance between the negative impacts of noise (on health, amenity, quality of life and productivity) and the positive impacts of flights.

- 9.76 Paragraph 5.52 requires Applicants to undertake a noise assessment for any period of change in air traffic movements prior to opening, for the time of opening, and at the time the airport is forecast to reach full capacity and that this should form part of the environmental statement. The noise assessment should include the following:
- A description of the noise sources;
 - An assessment of the likely significant effect of predicted changes in the noise environment on any noise sensitive premises (including schools and hospitals) and noise sensitive areas (including National Parks and Areas of Outstanding Natural Beauty);
 - The characteristics of the existing noise environment, including noise from aircraft, using noise exposure maps, and from surface transport and ground operations associated with the project, the latter during both the construction and operational phases of the project;
 - A prediction on how the noise environment will change with the proposed project; and
 - Measures to be employed in mitigating the effects of noise.
- 9.77 The NPS makes clear that these should take into account construction and operational noise (including from surface access arrangements) and aircraft noise. It also states that the applicant's assessment of aircraft noise should be undertaken in accordance with the developing indicative airspace design. This may involve the use of appropriate design parameters and scenarios based on indicative flightpaths.
- 9.78 Paragraph 5.53 relates to operational noise, with respect to human receptors, and states that this should be assessed using the principles of the relevant British Standards and other guidance. For the prediction, assessment and management of construction noise, reference should be made to any British Standards and other guidance which give examples of mitigation strategies. In assessing the likely significant impacts of aircraft noise, the applicant should have regard to the noise assessment principles set out in the national policy on airspace.
- 9.79 In terms of mitigation, paragraph 5.55 states that the Government recognises that aircraft noise is a significant concern to communities affected and that, noise-related action will need to be taken. Such action should strike a fair balance between the negative impacts of noise and positive impacts of flights. Paragraph 5.56 states that the Government recognises that noise at night is widely regarded as the least acceptable aspect of aviation noise. Paragraph 5.57 states that the Government expects the applicant to make particular efforts to avoid significant adverse noise impacts and mitigate other adverse noise impacts. Paragraph 5.58 states that in making a decision, the Secretary of State will consider whether the mitigation measures put forward by the applicant are acceptable. The noise mitigation measures should ensure the impact of aircraft noise is limited.
- 9.80 Paragraph 5.60 states that the Applicant should put forward plans for a noise envelope and that an envelope should be tailored to local priorities and include clear noise performance targets.
- 9.81 Paragraph 5.62 states that the Government expects the applicant to make particular efforts to incentivise the use of the quietest aircraft at night.

- 9.82 Paragraph 5.64 states that noise mitigation measures at the construction stage should also be provided. These should draw on best practice from other major construction schemes, with due regard given to any relevant British Standards and other guidance, and should be taken into account during the procurement of contractors. Paragraph 5.65 states that other measures to mitigate noise during the construction and operation of the development may include one or more of the following:
- Reducing noise at point of generation and containment of noise generated;
 - Where possible, optimising the distance between source and noise-sensitive receptors, and incorporating good design to minimise noise transmission through screening by natural barriers or other buildings; and
 - Restricting activities allowed on the site.
- 9.83 Paragraph 5.68 states that development consent should not be granted unless the Secretary of State is satisfied that the proposals will meet the following aims for the effective management and control of noise, within the context of Government policy on sustainable development:
- Avoid significant adverse impacts on health and quality of life from noise;
 - Mitigate and minimise adverse impacts on health and quality of life from noise; and
 - Where possible, contribute to improvements to health and quality of life.
- 9.84 Chapter 12 of the ES [document reference TR020002/APP/5.2-2] provides the assessment of the potential noise and vibration effects of the Proposed Development. It considers effects on occupiers of residential properties and changes in the noise environment of local communities. The assessment also considers the effects of noise on community facilities such as schools, hospitals, places of worship and commercial properties such as offices. It should be read alongside other chapters in the ES but especially Chapter 15 on Health and Wellbeing.
- 9.85 Central to the assessment is the Government's overall policy on aviation noise as set out in paragraph 3.12 of the APF and paragraphs 5.54 and 5.55 of the Airports NPS which is to limit and, where possible, reduce the number of people in the UK significantly affected by aircraft noise and to strike a fair balance between the negative impacts of noise (on health, amenity, quality of life and productivity) and the positive impacts of flights – the concept of a 'Balanced Approach.'. The noise assessment considers those issues listed in paragraphs 5.52 and 5.53 of the Airports NPS.
- 9.86 The noise assessment has been prepared without exact details relating to airspace options, operating principles and aircraft flight paths. These will be formalised through an Airspace Change Proposal (ACP) which is a separate consenting regime that will happen after any DCO is granted for the Proposed Development. The ACP will be submitted through the Civil Aviation Authority's (CAA) airspace change process and the potential noise effects will be assessed again at that time following the CAA guidance within the Civil Aviation Publications (CAP). The ACP will therefore provide opportunities for communities to engage on future airspace options through an extensive consultation process as well as the preparation of a separate Environmental Statement to accompany the ACP.
- 9.87 This assessment of aircraft noise presented in this ES is based on indicative prototype routes which will be subject to authorisation and/or modification via the ACP, hence the impact of aircraft noise

will be subject to change during that process. Close to the airport, on landing, final approaches and immediately after take-off, airspace options are limited hence noise effects have been predicted with the greatest certainty. This area is also where the highest noise effects are expected. Further from the airport, where there is greater flexibility for airspace change, noise effects will be subject to more variation during the ACP.

- 9.88 To understand the potential variation in noise impacts, the ES has considered indicative prototype airspace route options within a 'design swathe'. This design swathe has defined a swathe or corridor in which the final flight paths following the ACP will likely be within and is designed around the knowns of the local airspace, including other airways and navigational aids.
- 9.89 Prototype routes have been used for the assessment of aircraft noise, which have been developed around design principles, namely 'avoid overflying populations', 'overfly populations' and 'swathe centre line'. An options appraisal of these principles is presented in Appendix 12.3 of Chapter 12 of the ES [document reference TR020002/APP/5.2-12] which, demonstrates that the variation in the population adversely effected and significantly adversely effected by noise across the design principles is less than 1%, based on the operating conditions modelled. This process is both normal and unavoidable due to the separate consenting regimes. The assessment is therefore robust because it has considered the range of design outcomes which could occur following the completion of the ACP.
- 9.90 The noise assessment in the ES has made two other assumptions. It assumes that noise from next generation aircraft will be quieter than today's aircraft albeit that actual noise levels are still uncertain. Therefore, the noise assessment includes a robust worst-case assessment of noise from future aircraft types assuming that future generation aircraft will produce the same noise as today's equivalent aircraft. Secondly, the noise assessment makes assumptions regarding equipment, working methods and times for the construction programme based on professional judgment and advice from the design team. A precautionary approach has been used by utilising a reasonable worst-case scenario in all variables. This is considered a typical approach reflecting the level of information available at this stage in a development.
- 9.91 A study area 2km as measured from the site boundary has been adopted for the assessment of noise and vibration from ground based elements during construction and operation of the Proposed Development. The spatial scope of noise from aircraft in flight is partly governed by the extents to which areas are overflown, and thus adversely affected by aircraft noise. An initial study area (as measured from the site boundary) of 14km along the westerly runway centreline (i.e. to Herne Bay coastline) and 3.5km along the easterly centreline (i.e. to Ramsgate coastline) has been adopted for the assessment of aircraft noise.
- 9.92 Environmental measures have been incorporated into both the construction and operational phases of the Proposed Development in order to avoid, reduce or compensate for potential adverse noise effects as follows (also see Section 12.5 of Chapter 12 of the ES):
- **Construction Environmental Management Plan (CEMP)** – specifically in relation to noise, this will include a requirement to use best practicable means to minimise noise and vibration during construction; to erect hoarding close to sensitive properties; and to make applications to obtain relevant contractor consents from the local authority;

- **Noise Mitigation Plan** – see Section 9(r) of this statement for further details. The Plan includes a dwelling relocation scheme for those homeowners exposed to the highest levels of airport related noise and dwelling insulation scheme and insulation scheme for noise-sensitive buildings that will experience significant noise exposure;
- **Control of Industrial and Commercial Sound during Operation of the Proposed Development** – a set of measures will be put in place to control the effects of noise from the operation of aviation-related infrastructure and fixed plant based on the principles set out in British Standard BS4142:2014; and
- **Masterplan Design** – measures have been included in the illustrative Masterplan Design to mitigate against noise including erecting a 3m acoustic fence around the southern and eastern boundaries of the proposed fuel farm; establishing a designated engine ground running area at which all open field engine ground runs will take place and establishing a landscape buffer area between the business park and the houses immediately adjoining its eastern boundary on the Northern Grass.

9.93 The potential noise effects that have been assessed are as follows:

- Noise from the construction of the Proposed Development and the transport of construction materials;
- Noise from aircraft and airport operations including from aircraft in the air and noise from aircraft operations on the ground, associated Ground Support Equipment, airfield activities and airport buildings during operation of the Proposed Development;
- Changes in surface access noise, namely road traffic noise from vehicle movements associated with the operation of the Proposed Development; and
- Noise from the secondary business infrastructure located within the Northern Grass area.

9.94 Section 12.8 of Chapter 12 of the ES summarises the significant effects from the Proposed Development from noise and vibration. The conclusions of the noise assessment are as follows:

- No significant construction noise effects, or indirect effects from construction traffic, were identified on any non-residential receptors or residential communities for day time construction works.
- A potential significant effect during construction has been identified at approximately 15 dwellings on Bell Davies Drive and Spitfire Way during night time construction works.

However, it is envisaged that the work could be undertaken so that this significant effect is avoided. Prior to commencing construction, there will be a re-assessment of noise to reflect the availability of more detailed construction information. This will contain specific mitigation measures to control noise however a typical measure, likely to be effective in such circumstances would be temporary acoustic barriers. For this reason, the eventual mitigation solution can be effective although it would be determined based on exact site conditions and plant to be used.

- Once operational, in the opening year, up to 115 residential dwellings are forecast to be exposed to significant annoyance and disturbance as a result of daytime aircraft noise (daytime SOAEL of 63 dB LAeq,16hr). In Year 20, when aircraft operations are at maximum capacity, up to 225 residential dwellings are forecast to be exposed to significant annoyance, disturbance and sleep disturbance as a result of night-time aircraft noise (noise levels above the night-time SOAEL of 55 dB LAeq,8hr).

These properties will qualify for noise insulation under the proposed Noise Mitigation Plan. The noise insulation offered to residents of affected properties will reduce noise inside all dwellings such that it does not reach a level where it will significantly affect residents. However, adverse impacts would remain in external areas such as gardens.

- In Year 20, when aircraft operations are at maximum capacity, approximately 10 residential dwellings are forecast to be exposed to unacceptable annoyance and disturbance as a result of daytime aircraft noise (daytime UAEL of 69 dB LAeq,16hr).

In line with Government aviation policy, homeowners will be eligible for financial assistance to move away from the airport according to the proposed dwelling relocation scheme.

- In Year 20, significant adverse effects have been identified as being likely as a result of an increase in noise in the following communities which are in the vicinity of the airport and flight paths:
 - Ramsgate;
 - Manston;
 - Wade;
 - West Stourmouth; and
 - Pegwell Bay.

In these communities, aircraft noise would increase to the point where there would be a perceived change in quality of life for occupants of buildings in these communities or a perceived change in the acoustic character of shared open spaces within these communities.

Summary

- 9.95 Following mitigation, there are two instances whereby adverse effects are expected as a result of the Proposed Development - 225 dwellings are expected to be adversely (not significantly) affected by aircraft noise by Year 20 of operation and also by Year 20, there are five communities that are expected to be adversely and significantly affected from aircraft noise. It is worth remembering that the noise assessment adopts a robust 'worst case scenario' approach whereby no allowances have been made for technological improvements to aircraft in the future that will make them quieter – something which is accepted in paragraph 3.24 of the APF. The expectation therefore is that by Year 20, the predicted magnitude of these effects will not be as severe. Additionally, the noise assessment assumes no previous aviation activity at the site which was not the case up to May 2014 when the airport was still in operation. Consequently, the perceived magnitude of annoyance from aircraft noise to those communities listed above may not be as severe as predicted as many residents will

have experienced the noise effects of the airport in operation prior to 2014 albeit at a different intensity of use from that which is proposed.

- 9.96 The noise mitigation measures that are proposed will reduce the magnitude of adverse effects of aircraft noise as a result of the Proposed Development in line with the objectives set out in paragraph 123 of the NPPF however adverse effects will remain. In this sense, it is important to acknowledge the approach set out in the APF (paragraph 3.3) and the Airports NPS (paragraphs 5.54 and 5.55) which states that the Government wants to strike a fair balance between the negative impacts of noise (on health, amenity (quality of life) and productivity) and the positive economic impacts of flights and that as a general principle, the Government therefore expects that future growth in aviation should ensure that benefits are shared between the aviation industry and local communities. The proposed Noise Mitigation Plan allows for the community to benefit from finances payable by the airport operator and through penalties collected from noise breaches in addition to all the other benefits that that the Proposed Development will bring. In this sense, a fair balance will be struck.
- 9.97 Specifically in terms of significant community annoyance, it is relevant to note paragraph 3.17 of the APF. This states that the Government will continue to treat the 57dB LAeq 16 hour contour as the average level of daytime aircraft noise marking the approximate onset of significant community annoyance and this is what has been used in the noise assessment to calculate noise exposure from aircraft noise. However, the Government recognise that this does not mean that all people within this contour will experience significant adverse effects from aircraft noise and this is an important point to consider especially in light of the fact that many people within this contour could have been there when the airport was in operation pre-closure in 2014.
- 9.98 In accordance with paragraph 3.24 and Annex A of the APF and following completion of the Airspace Change Proposal, the airport operator commits to working with the appropriate air traffic service providers to ensure that particular weight to the management and mitigation of noise is afforded and that where possible, the airport operator will consider using the powers available to them to set suitable noise controls such as departure noise limits, minimum height requirements, noise-preferential routes and adherence to continuous descent approach. The Noise Mitigation Plan already makes some commitments and where appropriate, these will be enforced through proportionate penalties.
- 9.99 No significant impact on sleep disturbance is predicted due to the small number of night flights forecast (Chapter 15 of the ES) and the specific noise mitigation measures that are proposed during the night. Regardless, it is important to note paragraph 3.34 of the APF where the Government recognises the importance to the UK economy of certain types of flights, such as express freight services, which may only be viable if they operate at night. In accordance with paragraph 3.35 of the APF and paragraph 5.57 of the Airports NPS, RiverOak has made extra efforts to reduce and mitigate noise from night flights which have resulted in no significant impacts on sleep disturbance being predicted. This has included incentives to use the quietest aircraft at night (Airports NPS paragraph 5.62).
- 9.100 In line with paragraph 3.36 of the APF, the dwelling relocation scheme will be offered to households exposed to levels of noise of 69 dB LAeq,16h or more. Acoustic insulation to noise-sensitive buildings, such as schools and hospitals, exposed to levels of noise of 60 dB LAeq,16h will be offered which is an improvement on the APF requirement of 63 dB LAeq,16h. Financial assistance towards acoustic insulation for households is also offered (paragraph 3.38 of the APF).

9.101 In line with paragraph 5.64 of the Airports NPS, noise mitigation measures at the construction stage should also be provided through adopting a CEMP which will draw on best practice with due regard given to relevant British Standards and other guidance.

9.102 Paragraph 5.68 of the Airports NPS states that development consent should not be granted unless the Secretary of State is satisfied that the proposals will avoid *significant* adverse impacts on health and quality of life from noise; mitigate and minimise adverse impacts on health and quality of life from noise and contribute to improvements to health and quality of life. From the assessments presented notably in Chapters 12 and 15 of the ES, and because of the significant benefits of the Proposed Development which are considered to outweigh the likely adverse noise effects, development consent should be granted.

g) Air Quality

9.103 Paragraph 124 of the NPPF is relevant as are paragraphs 3.48, 3.49 and 3.51 of the APF and saved Policies EC2 and EP5 from the 2006 adopted Thanet Local Plan.

9.104 Paragraph 179 of the draft changes to the NPPF is also relevant but attracts less weight as it is the subject of ongoing consultation and could change.

9.105 The Airports NPS recognises at paragraph 5.23 that increases in emissions of pollutants during the construction or operational phases of a scheme could result in the worsening of local air quality and that increased emissions can contribute to adverse impacts on human health and on the natural environment. Paragraph 5.32 requires Applicant to undertake an air quality assessment of the project and for this to be included as part of the environmental statement, demonstrating that the proposed development (construction and operation) will not affect the UK's ability to comply with legal obligations. Failure to demonstrate this will result in refusal of development consent. Paragraph 5.33 states that the environmental statement should assess:

- Existing air quality levels for all relevant pollutants referred to in the Air Quality Standards Regulations 2010 and the National Emission Ceilings Regulations 2002 (as amended) or referred to in any successor regulations;
- Forecasts of air quality at the time of opening taking account of the impact of the scheme, including when at full capacity; and
- Any likely significant air quality effects, their mitigation and any residual likely significant effects, distinguishing between those applicable to the construction and operation of the scheme including any interaction between construction and operational changes and taking account of the impact that the scheme is likely to cause on air quality arising from road and other surface access traffic.

9.106 In terms of mitigation, paragraph 5.35 states that the Secretary of State will need to be satisfied that the mitigation measures put forward by the Applicant are acceptable, including at the construction stage. Suggested mitigation measures which may be put forward are listed in paragraph 5.39. Paragraph 5.40 states that mitigation measures at the construction stage should draw on best practice from other major construction schemes, including during the procurement of contractors. Specific measures could include but are not limited to:

- Development of a construction traffic management plan (which may include the possible use of rail and consolidation sites or waterways);
- The use of low emission construction plant / fleet, fitting of diesel particulate filters, and use of cleaner engines;
- The use of freight consolidation sites;
- Active workforce management / a worker transport scheme;
- Construction site connection to grid electricity to avoid use of mobile generation; and
- Selection of construction material to minimise distance of transport and increase recycling percentages of the material where appropriate.

9.107 In terms of decision making, paragraph 5.42 states that the Secretary of State will consider air quality impacts over the wider area likely to be affected, as well as in the vicinity of the scheme. In order to grant development consent, the Secretary of State will need to be satisfied that, with mitigation, the scheme would be compliant with legal obligations. Paragraph 5.43 states that air quality considerations are likely to be particularly relevant where the proposed scheme:

- is within or adjacent to Air Quality Management Areas, roads identified as being above limit values, or nature conservation sites (including Natura 2000 sites and Sites of Special Scientific Interest);
- would have effects sufficient to bring about the need for new Air Quality Management Areas or change the size of an existing Air Quality Management Area, or bring about changes to exceedances of the limit values, or have the potential to have an impact on nature conservation sites; and
- after taking into account mitigation, would lead to a significant air quality impact in relation to Environmental Impact Assessment and / or to a deterioration in air quality in a zone or agglomeration.

9.108 Chapter 6 of the ES [document reference TR020002/APP/5.2-1] provides the assessment of the effects of the Proposed Development on air quality. In accordance with paragraph 5.32 of the Airports NPS, the air quality assessment of the Proposed Development (construction and operation) demonstrates that it will not affect the UK's ability to comply with legal obligations. The air quality assessment provided in Chapter 6 of the ES considers all those issues required by paragraph 5.33 of the Airports NPS.

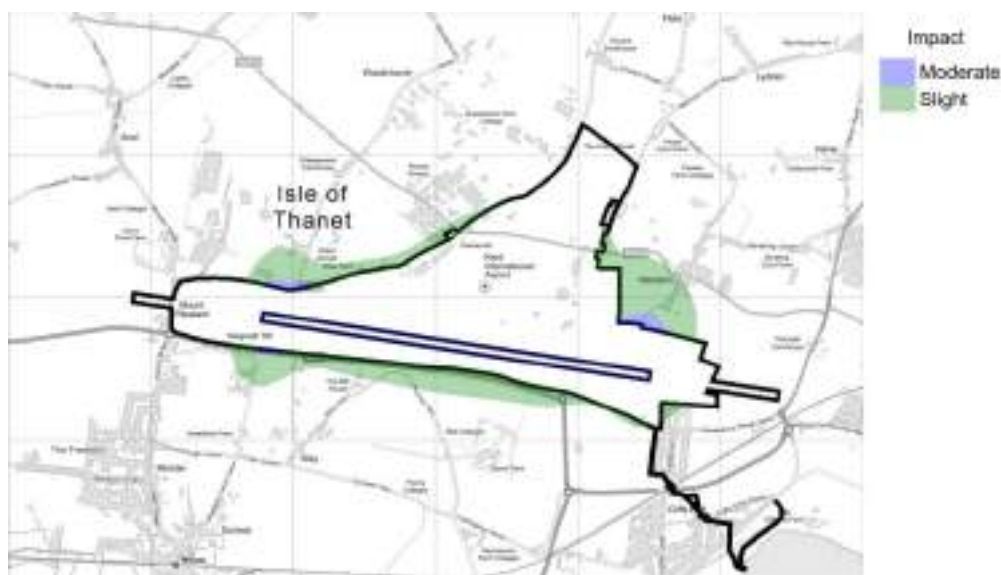
9.109 Section 6.1 of the ES chapter recognises that the nature of the modelling process means that it has not been possible to include the contribution from road traffic in contours that have been plotted on plans/maps, so when viewing the contour plots it should be borne in mind that concentrations close to major roads will be greater than those shown. However, the road traffic concentration has been included in the assessment of specific receptors where there is relevant exposure. For similar reasons, it has not been possible to include the contribution from road traffic in the ecological assessment of daily mean NOx. The air quality assessment makes a number of worst-case assumptions, which means that air quality impacts are likely to be over-estimated. To assess how

significant the impacts are, recommendations from the Institute of Air Quality Management and the EA.

- 9.110 The main pollutants of concern for the Proposed Development are oxides of nitrogen (NO_x), nitrogen dioxide (NO₂) and fine particulate matter (PM₁₀ and PM_{2.5}). There is good evidence that elevated levels of PM₁₀ and PM_{2.5} have significant health effects, but concentrations are within legal limits across most of the country. There is more scientific uncertainty about the health effects of NO₂. However, concentrations of this pollutant are close to or above the legal limit in some urban areas. The legal limit for NO₂ is 40 µg m⁻³ as an annual mean concentration in locations where people are likely to be exposed. NO_x is not believed to have impacts on human health, but can affect vegetation and ecosystems.
- 9.111 In rural and suburban areas of Thanet, air quality is generally good and comfortably within legal limits. However, in some urban centres in Thanet close to busy roads, concentrations of NO₂ are close to legal limits and are considered to be high. An urban wide Air Quality Management Area (AQMA) has been declared in parts of Thanet to enable effective management of air quality (Thanet District Council Monitoring Report 2014). The boundary of the AQMA abuts the boundary of the airport and at its nearest point is just 180m from the centre of the runway (see Figure 6.1 in Chapter 6 of the ES). However, the nearest of the locations identified as having poor air quality (High Street, St. Lawrence, A255) is a roadside location approximately 2km east of the eastern end of the airport.
- 9.112 NO₂ is produced by combustion processes, including aircraft engines, road vehicle engines and boilers for heating homes and offices. PM₁₀ and PM_{2.5} are produced by the same processes in addition to wear from tyres and brakes on road vehicles and aircraft.
- 9.113 Concentrations of PM₁₀ and PM_{2.5} around the DCO application site are low and the Proposed Development will make a small contribution to pollutant concentrations. Concentrations will remain comfortably within legal limits.
- 9.114 Environmental measures have been incorporated into both the construction and operational phases of the Proposed Development in order to avoid, reduce or compensate for potential adverse air quality effects and these are set out in Section 6.6 of Chapter 6 of the ES. Such measures include a commitment to produce and implement a CEMP to include amongst other things, measures to reduce the risks from dust and to identify appropriate clean-up measures in a Dust Management Plan and avoiding the use of diesel or petrol-powered generators and ensuring that all vehicles switch off engines when stationary; planning aircraft arrival and departure schedules to avoid, where possible, over-long idling, taxiing and hold times and agreeing to enforce strict routeing agreements for HGVs avoiding where possible, peak traffic flows in order to reduce congestion and queuing. A Travel Plan is also proposed to encourage travel by sustainable modes.
- 9.115 The potential for effects include:
- Effects on human health and ecology during the airport's operational phase;
 - Effects from roads away from the airport; and
 - Effects from construction dust and decommissioning.

9.116 Existing concentrations of NO₂ around the airport are low and the Proposed Development will result in small increases although all locations will remain comfortably within legal limits. Impacts at some locations within approximately 500m of the airport boundary are classified as slight, and at some locations within approximately 100m of the airport boundary are classified as moderate (see Figure 9.1 below):

Figure 9.1: Impact on NO₂ concentrations from on-airport activity in the peak activity year (Year 20)



9.117 In the opening year, there are approximately 23 properties close to the A299 Thanet Way that would receive a slight impact from the road traffic arising from the Proposed Development however in later years the impact will be reduced to negligible as a result of improved vehicle emissions. Close to busy roads in the St. Lawrence area, the high existing concentrations mean the additional contribution from the operation of the Proposed Development, even though it is very small so far from the airport, is classified as having a slight impact. Impacts everywhere else are negligible.

9.118 In terms of impacts on ecological sites, some exceedances of the annual mean NO_x objective are predicted where major roads pass close to designated ecological sites, mainly because of levels of emissions from existing road traffic. The additional contribution from the Proposed Development, including airport-related traffic, is small, less than 7% of the objective at any major ecological site. The impact on air quality at local ecological sites is insignificant. Exceedances of the critical loads for nitrogen and acidity are predicted due to existing deposition rates, and the additional contribution from the Proposed Development is insignificant.

9.119 There are no significant human health or air quality effects as a result of the Proposed Development. The significance of effects from air quality on ecology is considered in Chapter 7 of the ES (Biodiversity).

Summary

9.120 The Proposed Development will sustain and contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of the nearby Air Quality

Management Area and opportunities to improve air quality or mitigate impacts have been identified in accordance with paragraph 179 of the draft changes to the NPPF. Improvements are expected in international standards to reduce emissions from aircraft and vehicles and this has been assumed within the air quality assessment. Specifically in accordance with paragraph 3.51 of the APF, the Proposed Development includes measures to reduce the air quality impacts from road traffic including a Travel Plan and a Construction Traffic Management Plan. The mitigation measures put forward are acceptable and they draw on best practice especially during the construction phases (paragraphs 5.35 and 5.40 of the Airports NPS). With mitigation, the Proposed Development is compliant with legal obligations (paragraph 5.42 of the Airports NPS). The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing air quality.

h) Biodiversity and Ecological Conservation

- 9.121 Paragraphs 9, 109 and 118 of the NPPF are relevant as is paragraph 3.55 of the APF and saved Policies NC3 from the 2006 adopted Thanet Local Plan.
- 9.122 Paragraphs 168 and 173 of the draft changes to the NPPF are also relevant but attract less weight as they are the subject of ongoing consultation and could change.
- 9.123 The Airports NPS makes clear decisions under the Planning Act 2008 should complement but not duplicate those taken under the relevant pollution control regime and that these considerations apply in an analogous way to other environmental regulatory regimes, including biodiversity (paragraph 4.54).
- 9.124 Paragraph 5.89 of the Airports NPS states that the environmental statement submitted with an application for development consent should clearly set out any likely significant effects on internationally, nationally and locally designated sites of ecological or geological importance, protected species, and habitats and other species identified as being of principal importance for the conservation of biodiversity and identify how the effects on the natural environment will be influenced by climate change, and how ecological networks and their physical and biological process will be maintained. The ES (Chapter 7) includes an assessment of the potential effects on nationally and locally designated sites and species of nature conservation interest. For internationally designated sites, this chapter draws upon the Report to inform the Appropriate Assessment which is provided in Appendix 7.1 of Chapter 7 of the ES [document reference TR020002/APP/5.2-6]. The report provided in Appendix 7.1 provides the necessary information for the Secretary of State for Transport to undertake a Habitats Regulations Assessment (HRA) under the Conservation of Habitats and Species Regulations 2017 (the 'Habitats Regulations') (paragraph 1.33 of the Airports NPS).
- 9.125 In terms of mitigation, the Secretary of State will consider what requirements should be attached to any consent and/or in any planning obligations entered into in order to ensure that mitigation measures are delivered and monitored for their effectiveness and that account will be taken of any mitigation measures agreed between the applicant and Natural England, and whether Natural England has granted or refused, or intends to grant or refuse, any relevant licences, including protected species mitigation licences. The proposal should address the mitigation hierarchy (which supports efforts to conserve and enhance biodiversity), which is set out in the NPPF (paragraphs 5.91 to 5.93).

- 9.126 In terms of decision making, development should avoid significant harm to biodiversity and geological conservation interests, including through mitigation and consideration of reasonable alternatives. Biodiversity offsetting in devising compensation proposals is recommended to counteract any impacts on biodiversity which cannot be avoided or mitigated. Where significant harm cannot be avoided or mitigated, as a last resort appropriate compensation measures should be sought and long term management of such measures should be secured. Appropriate weight is to be attached to designated sites of international, national and local importance, protected species, habitats and other species of principal importance for the conservation of biodiversity, and to biodiversity and geological interests within the wider environment (paragraphs 5.95 and 5.96).
- 9.127 Chapter 7 of the ES [document reference TR020002/APP/5.2-1] provides the assessment of the potentially significant effects of the Proposed Development on biodiversity both within the DCO application site boundary and the surrounding area (where appropriate).
- 9.128 Section 7.3 of the ES chapter explains that due to a lack of full access to the site, and based on data gathered from the desk study, the surveying that was able to be carried out, existing baseline survey results and using professional judgement, likely worst-case effects have been considered in the assessment on biodiversity. Access permitting, additional baseline surveys are planned with the findings of these surveys allowing for refinement to the detailed biodiversity mitigation schemes that will be submitted for approval.
- 9.129 There are no designated nature conservation sites within the DCO site application boundary, although a number occur outside the airport including designated sites of European importance, such as the Thanet Coast and Sandwich Bay Special Protection Area (SPA) and Ramsar sites. The desk study has indicated the presence of statutory sites within the Zone of Influence associated with the environmental changes that are likely to affect the assessed receptors including 2 Ramsar sites; 2 Special Protection Areas; 4 Special Areas for Conservation; 3 National Nature Reserves; 5 Sites of Special Scientific Interest; 2 Local Nature Reserves and 1 Site of Community Importance (Table 7.6 of Chapter 7 of the ES).
- 9.130 The site, comprised largely of mown grassland and tarmac/runway, has limited biodiversity value. Bat activity on site is limited mainly due to the low value foraging and the lack of shelter as there are few trees and hedgerows. However, roosts (both summer and hibernation) are present in some of the buildings, although the majority of these are large and unsuitable for bat roosts.
- 9.131 Breeding birds onsite include several species that have conservation interest including skylark and grey partridge, which will be affected by the Proposed Development.
- 9.132 With respect to reptiles, a single lizard was recorded at the airport boundary. A few small areas (totalling about 4ha) of the site could not be accessed in 2017 for reptile surveys; it is anticipated that these will be surveyed in 2018. These areas provide good habitat for reptiles and the worst case scenario has been assumed for the assessment – that is that they will be likely to contain high populations of common lizard and slow worm.
- 9.133 The mown grassland, tarmac, concrete and buildings which comprise the majority of the site, do not provide much value to terrestrial invertebrates. However, and in the worst case scenario which has been assessed, smaller unmanaged areas are expected to have invertebrate interest, which will be determined by surveys in 2018.

9.134 Section 7.5 in the ES chapter (and specifically Table 7.7) sets out the environmental measures that have been incorporated into the Proposed Development to avoid, reduce or compensate for potential adverse biodiversity effects. These include

- An outline drainage strategy has been developed (see Chapter 3 of the ES) to mitigate against potential pollution/eutrophication from site discharges and possible effects on designated sites. The drainage system will be designed to capture, treat and discharge water in a controlled manner. No water will be allowed to infiltrate to ground from any site hardstanding, and water will either be re-used or set to the site treatment facilities (attenuation ponds). Discharge from these ponds will be via a permitted discharge to Pegwell Bay. Discharge of treated water to Pegwell Bay, rather than to ground, with appropriate monitoring of water quality will ensure quality standard is maintained.
- 36ha of off-site habitat creation to compensate for the expected habitat loss with habitats being managed specifically for biodiversity value of a higher quality than that occurring on the site. A Mitigation and Habitat Creation Plan (MHCP) (Appendix 7.13 of Chapter 7 of the ES) details the off-site habitat creation proposed as part of the mitigation and compensation package);
- Adhering to the CEMP;
- Replacement roosts, under a licence from Natural England, are to be provided offsite, due to the activity, noise and lighting associated with the Proposed Development, on land which is to be enhanced for foraging bats with features to provide better linkage for commuting bats to the wider environment;
- Compensation land to the south of the site is to be managed specifically with the nesting requirements of the protected bird species known to be at the site with habitats provided to offset any losses of breeding pairs on-site. Similarly, a barn owl nest on site is to be re-located to remove it from birdstrike risk and risk of collision with traffic from adjacent roads;
- Under this worst-case scenario (and depending on what is assessed once further site surveys have been completed), reptiles would be re-located to another site, comprising of habitat specifically designed for reptiles; and
- Under this worst-case scenario (and depending on what is assessed once further site surveys have been completed), some of the features on-site that provide good invertebrate habitat, for example, the stressed vegetation growing along the runways, will be maintained for the operational phase of the Proposed Development. In addition, diverse open mosaic habitats are to be created in compensation for loss of the unmanaged areas on-site.

9.135 The potential for effects include (Section 7.6 of Chapter 7 of the ES):

- Land-take/ land cover change/ construction;
- Increased light, noise and vibration;
- Increased vehicle movements;
- Pollution (contamination/eutrophication),

- Air quality changes, including dust deposition and emissions;
- Combined effects - when individual effects of the proposed development combine to create a cumulative effect; and
- Interactive effects - consideration of interactions between different effects in relation to a specific receptor.

9.136 Table 7.19 in Chapter 7 of the ES confirms that the Proposed Development will not result in any significant effects on biodiversity including on European designated sites.

Summary

9.137 The Proposed Development will not result in significant harm to biodiversity interests in accordance with paragraph 5.96 of the Airports NPS. The Proposed Development will in fact minimise impacts on biodiversity and provide net gains (Paragraphs 9 and 109 of the NPPF; paragraph 168 of the draft changes to the NPPF and paragraph 3.55 of the APF). No significant harm to biodiversity is expected because of the environmental, mitigation and compensation measures that have been proposed and opportunities to enhance the biodiversity offer of the Proposed Development have been taken (paragraph 118 of the NPPF). The further surveys that are required will help to refine the mitigation measures that have been proposed in accordance with the mitigation hierarchy set out in the NPPF (paragraph 112). Details of other consents and licences that may be required are provided in document reference TR020002/APP/7.6 which is submitted with the DCO application. The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing biodiversity.

i) Landscape and Visual

9.138 Paragraph 109 of the NPPF is relevant as is paragraph 3.55 of the APF and saved Policies CC2, EC2, EP9 and NC3 from the 2006 adopted Thanet Local Plan.

9.139 Paragraphs 168 and 170 of the draft changes to the NPPF are also relevant but attract less weight as they are the subject of ongoing consultation and could change.

9.140 Paragraph 5.214 of the Airports NPS states that where development is subject to an Environmental Impact Assessment, that the applicant should undertake an assessment of any likely significant landscape and visual impacts and describe them in the environmental statement. The landscape and visual assessment should reference any landscape character assessment and associated studies as a means of assessing landscape impacts relevant to the preferred scheme. In addition, the applicant's assessment should take account of any relevant policies based on these assessments in local development documents. Paragraph 5.215 states that the assessment should include any significant effects during construction and/or the significant effects of the completed development and its operation on landscape components and landscape character, including historic characterisation. This should include assessment of any landscape and visual impacts as a result of the development, for example surface access proposals or aviation activity. Paragraph 5.216 states that the assessment should include the visibility and conspicuousness of the preferred scheme during construction and the presence and operation of the preferred scheme and potential impacts on views and visual amenity. This should include any noise and light pollution effects, including on local amenity, tranquillity and nature conservation.

- 9.141 The Airports NPS (paragraph 5.213) states that for airport development, landscape and visual effects also include tranquillity effects. It also clarifies that references to landscape should be taken as covering local landscape, waterscape and townscape character and quality, where appropriate. Paragraphs 5.214 to 5.216 state that the Landscape and Visual Impact Assessment (LVIA) should reference any landscape character assessment and associated studies as a means of assessing landscape impacts. In taking decisions, the Secretary of State will consider whether the preferred scheme has been designed carefully, taking account of environmental effects on the landscape and siting, operational and other relevant constraints, to avoid adverse effects on landscape or to minimise harm to the landscape, providing reasonable mitigation where possible and appropriate (paragraph 5.218). In terms of visual impacts, paragraph 5.225 states that the Secretary of State will judge whether the visual effects on sensitive receptors, such as local residents, and other receptors, such as visitors to the local area, outweigh the benefits of the development.
- 9.142 Chapter 11 of the ES [document reference TR020002/APP/5.2-2] sets out the results of an assessment of the landscape and visual effects of the Proposed Development. Landscape effects and visual effects are closely related, but do form separate assessments, the former relating to landscape and areas of landscape character, and the latter relating to the visual effects on views and visual amenity as experienced by people. The Landscape and Visual Impact Assessment (LVIA) study area is all areas within 5 km of the site. 22 photographic viewpoint locations are used in the LVIA (Table 11.3 of Chapter 11 of the ES). Zone of Theoretical Visibility (ZTV) maps have also been prepared to assess various components of the Proposed Development. These include ZTVs that illustrate the potential visibility of the permanent structures and buildings as part of the Proposed Development based a number of fixed parameters.
- 9.143 In terms of limitations associated with the assessment, Section 11.1 of Chapter 11 recognises that the 3D visualisations of the Proposed Development as included in the Design and Access Statement [document reference TR020002/APP/7.3] and in Figures 3.6 to 3.9 of Chapter 3 of the ES [document reference TR020002/APP/5.2-4] have been used to inform the LVIA in terms of the apparent scale and massing of the Proposed Development only. The final details of the proposed architectural form of buildings and materials are not known at this stage and have not influenced the assessment. The final assessment will supplement but not supersede the assessments made in Chapter 11. Finally, fixed building footprints are yet to be defined in the Northern Grass area as is the final landscaping layout (except for some fixed 45m wide buffer zones adjacent to sensitive visual residential receptors) so as to allow for flexibility for future design. None of these limitations invalidate the assessments made in Chapter 11.
- 9.144 The Proposed Development site and its immediate surroundings are located at an elevation of between 40m and 55m AOD. To the south and west of the site, the River Stour and the River Wantsum with their surrounding marshland areas which have a lower topography of approximately 10-30 m AOD. The western edges of Ramsgate and Broadstairs extend westwards at elevations which are comparable to that of the proposed development site of between 40m and 50m AOD. In the north and east of the study area, the towns of Birchington, Margate, Broadstairs and Ramsgate all occupy elevations of between 5m and 50m AOD and are characterised by steep chalk cliff faces down to the sea. Within the LVIA study area beyond the proposed development site boundary, there are a range of land uses with the primary one being arable fields which cover approximately 60% of the land in the south, west and centre of the LVIA study area. Figure 11.34 to Chapter 11 of the ES shows the network of long distance walking and cycling routes within the study area. Public Rights

of Way (PRoW) and Bridleways are shown on Figure 11.36. Figure 11.38 illustrates the tranquillity mapping based on the Campaign to Protect Rural England's Tranquillity Mapping and Figure 11.39 illustrates the CPRE's 'Night Blight' mapping (England's light pollution and dark skies).

- 9.145 In terms of landscape character the proposed development site and the LVIA study area are located entirely within the National Character Area (NCA) 113: North Kent Plain. The NCA comprises an open, low and gently undulating landscape characterised by its arable use. The chalk outlier of Thanet, on which the proposed development site is located, is identified as a key feature that is a discrete and distinct area characterised by its dominant agricultural use stemming from the highly quality, fertile soils. The regional and local character areas affecting the site and surrounding area are listed in Section 11.4 (Table 11.10) of the ES chapter. There are landscape designations within the LVIA study area.
- 9.146 The environmental measures incorporated into the Proposed Development to avoid, reduce or compensate for potential adverse landscape and visual effects are listed in Table 11.11 in Section 11.5 of Chapter 11 of the ES. These measures include new tree planting and landscaping to screen and soften large-scale built forms proposed along the southern side of Manston Road and around the airport business park (Northern Grass); localised bunding to offer screening and provision of an illustrative Landscape Masterplan.
- 9.147 Section 11.6 of the ES chapter lists the potentially significant effects which are summarised below:
- Potential effects on landscape character as a result of the construction and operational activity associated with the redevelopment and reopening of Manston Airport. The assessment has been undertaken upon the limited number of Dover and Thanet LCAs that are completely or partially located within the study area and the development ZTV.
 - Potential effects upon NCA 113 – North Kent Basin.
 - Potential effects upon tranquillity, primarily as a result of increased noise and the visual presence of overflying of aircraft have been assessed within the context provided by the defined key characteristics of the different LCAs.
 - Potential effects upon the views and visual amenity of visual receptors within the LVIA study area and Proposed Development ZTV as a result of construction activity required to reopen Manston Airport. These will be principally the construction activities required for the cargo facility, ATC tower, fuel farm, hangars and new aircraft stands.
 - Potential effects upon the views and visual amenity of visual receptors within the LVIA study area and the Proposed Development ZTV as a result of the operation of the reopened Manston Airport. These will be principally the operational activities at the cargo facility, fuel farm, hangars and new aircraft stands but will also include the movements of aircraft on the ground and when taking off and landing (air traffic movements – ATMs) and movement of vehicles and plant within and around the Proposed Development.
- 9.148 The assessment has considered the potential for the Proposed Development to result in significant landscape effects in relation to the following twelve landscape receptors:
- National Character Area 113: North Kent Plain;

- Kent Historic Landscape Character Area 18: Isle of Thanet;
- Thanet Landscape Character Areas:
 - A1: Manston Chalk Plateau;
 - B1: Wantsum North Shore;
 - C1: St Nicholas-at-Wade Undulating Chalk Farmland;
 - C2: Central Thanet Undulating Chalk Farmland;
 - C3: St Peters Undulating Chalk Farmland;
 - D1: Quex Park;
 - E1: Stour Marshes;
 - E2: Wade Marshes; and
 - F1: Pegwell Bay
- Dover Landscape Character Areas:
 - Ash Level;
 - Richborough Castle;
 - The Sandwich Corridor; and
 - Sandwich Bay.

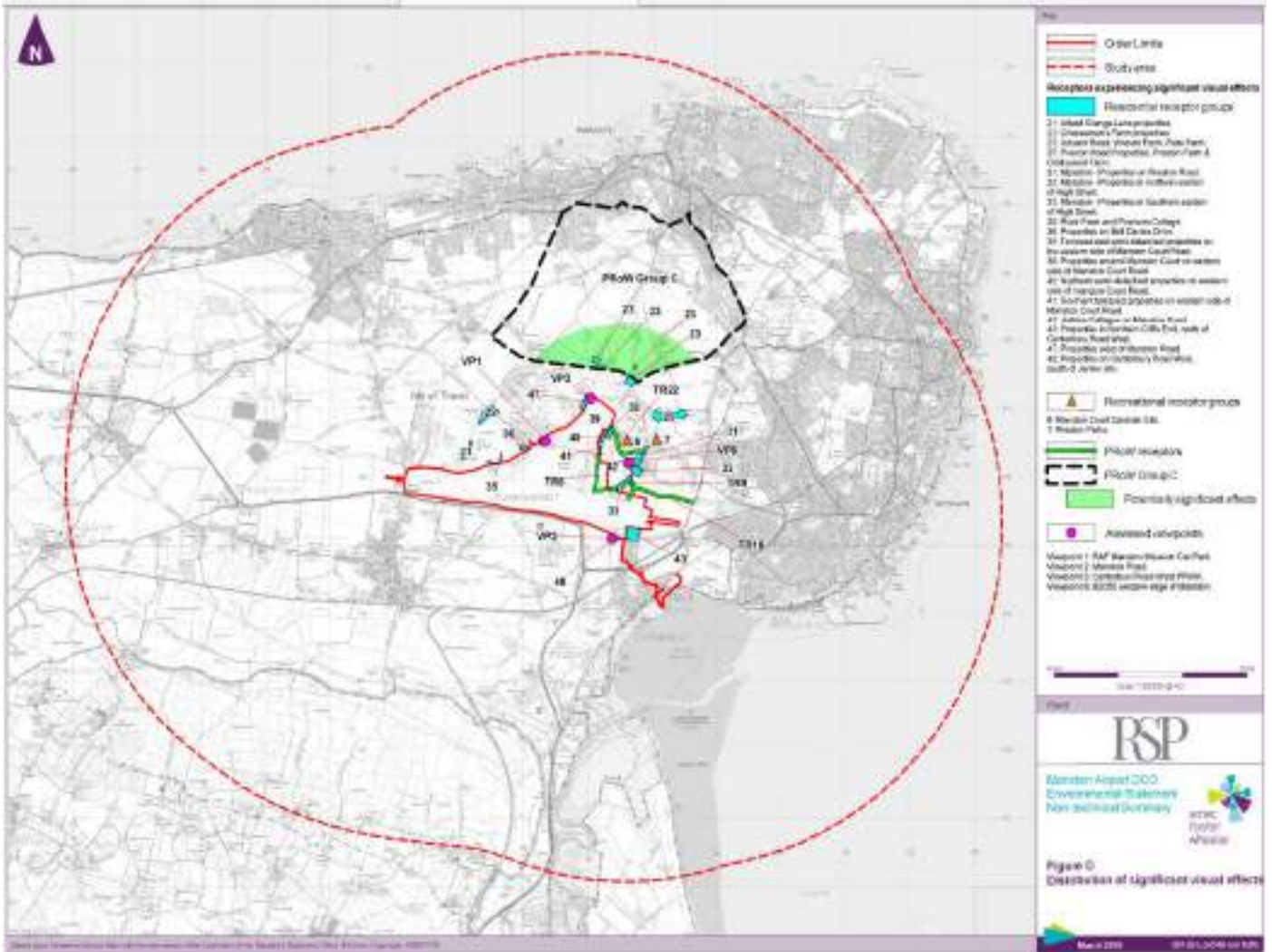
9.149 No significant landscape effects have been predicted to occur at any of these locations during construction and operation.

9.150 The assessment has also considered the potential for the Proposed Development to result in significant visual effects in relation to the following 121 visual receptors and visual receptor groups:

- People at their place of residence (48 individual properties or groups of properties);
- People engaged in outdoor recreation (41 individual recreational facilities or groups of recreational facilities);
- People using the transport network (10 routes); and
- Photographic viewpoint locations (22 locations).

9.151 The Proposed Development may have the potential to result in significant visual effects in relation to visual receptors located at 17 individual properties or groups of properties; nine individual recreational facilities or groups of recreational facilities; ten transport routes; and four photographic viewpoint locations (Table 11.133 of Chapter 11 of the ES). These are identified on Figure 9.2 below:

Figure 9.2 : Distribution of Potentially Significant Visual Effects



Summary

9.152 No significant landscape effects are predicted but the assessment has shown that significant effects on visual receptors are expected as a result of the Proposed Development even with the measures embedded into the Proposed Development to avoid, reduce and compensate for adverse effects. However, this is based on a worst case assessment until further detail is known about the exact location and visual appearance of the new built development; the final Lighting Scheme and the final Landscaping Scheme. Once this detail is known, and with a commitment to ensure that adverse effects are mitigated as much as possible through the detailed design stages, this will reduce the magnitude of the adverse effects predicted. Any resultant harm is not expected to be substantial or sufficient to warrant refusal because the substantial benefits of the Proposed Development outweigh any harm (paragraph 3.55 of the APF and paragraph 5.225 of the Airports NPS). Furthermore, the built development that is proposed is contained within a site boundary which largely matches the existing airport boundary thereby containing development to an area where expansion is already

permitted and assumed by saved Policy EC2 of the 2006 Thanet Local Plan. The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing landscape and visual impact.

j) Built Heritage/Historic Environment

- 9.153 Paragraphs 9, 131, 132, 133, 134 and 140 of the NPPF are relevant as is paragraph 3.55 of the APF and saved Policies HE11 and HE12 from the 2006 adopted Thanet Local Plan.
- 9.154 Paragraphs 185-6, 188-9 and 191-202 of the draft changes to the NPPF are also relevant but attract less weight as they are the subject of ongoing consultation and could change.
- 9.155 Paragraph 5.187 of the Airports NPS recognises that construction and operation of airports and associated infrastructure has the potential to result in adverse impacts on the historic environment above and below ground. This could be as a result of the scale, form and function of the development, and the wider impacts it can create in terms of associated infrastructure to connect the airport to existing transport networks, changes in aircraft movement on the ground and in the surrounding airspace, additional noise and light levels, and the need for security and space to ensure the airport's operation.
- 9.156 The Airports NPS requires that the environmental statement should provide a description of the significance of the heritage assets affected by the proposed development, and the contribution of their setting to that significance. Detailed studies will be required on those heritage assets affected by noise, light and indirect impacts. Paragraph 5.195 encourages, where opportunities exist, to prepare proposals which can make a positive contribution to the historic environment, and to consider how their scheme takes account of the significance of heritage assets affected.
- 9.157 In determining applications, the Secretary of State will seek to identify and assess the particular significance of any heritage asset that may be affected by the proposed development (including by development affecting the setting of a heritage asset), taking account of the available evidence (paragraph 5.196 of the Airports NPS). Account will be taken of the particular nature of the significance of the heritage asset and the value that they hold for this and future generations.
- 9.158 Substantial harm to or loss of a Grade II Listed Building or a Grade II Registered Park or Garden should be exceptional. Substantial harm to or loss of designated sites of the highest significance, including World Heritage Sites, Scheduled Monuments, Grade I and II* Listed Buildings, Protected Wreck Sites, Registered Battlefields, and Grade I and II* Registered Parks and Gardens should be wholly exceptional. Any harmful impact on the significance of a designated heritage asset should be weighed against the public benefit of development, recognising that the greater the harm to the significance of the heritage asset, the greater the justification that will be needed for any loss. Where the proposed development will lead to substantial harm to or the total loss of significance of a designated heritage asset, the Secretary of State will refuse consent unless it can be demonstrated that the substantial harm or loss of significance is necessary in order to deliver substantial public benefits that outweigh that loss or harm (paragraph 5.204).
- 9.159 Chapter 9 of the ES [document reference TR020002/APP/5.2-1] provides the assessment of the Proposed Development in relation to the Historic Environment. In accordance with the Airports NPS,

it includes a description of the significance of the heritage assets affected by the proposed development, and the contribution of their setting to that significance.

- 9.160 Section 9.1 of the ES chapter recognises that whilst the assessment is based on visits to the site, the Northern Grass area has not been subject to intrusive investigation. This potential for previously unrecorded archaeological remains has been considered within the ES and appropriate environmental measures are set out to ensure that these effects can be managed. Kent County Council and Historic England have identified a potential need for further intrusive investigations particularly on the Northern Grass. An Archaeological Written Scheme of Investigation will be prepared in consultation with Kent County Council (KCC). For this reason, the assessment presents a 'worst-case scenario' approach.
- 9.161 The site lies within an area of local and regional historic significance due to its location on the Isle of Thanet. There are no World Heritage Sites (WHS) within the study area. There are two Scheduled Monuments (SM) within the 1km study area which are both within close proximity to the site (Anglo-Saxon Cemetery south of Ozengell Grange and Enclosure and Ring Ditches sited 180m east-northeast of Minster Laundry). There are no listed buildings within the site, however there are 24 listed buildings surrounding the site within the 1km study area (all Grade II apart from 3 Grade II* buildings). The Conservation Area of Acol lies partially within the 1km study area. There are no Registered Parks and Gardens (RPG) within a 1km radius around the site. There are no Registered Battlefields in Kent. In terms of non-designated heritage assets there are over 800 previously identified non-designated archaeological features within the site and the 1km study area, including archaeological remains from the prehistoric through to the medieval period onwards, including various phases of use of the airport, which are evidence of long term human activity within the area.
- 9.162 Environmental measures have been incorporated into both the construction and operational phases of the Proposed Development in order to avoid, reduce or compensate for potential adverse effects on heritage assets and these are set out in Section 9.5 of Chapter 9 of the ES. Such measures include flexibility being inherent in the masterplanning process which will mean that harm and loss of archaeological interest will be avoided or minimised; using existing features including the runway and areas of hardstanding to minimise disturbance and intrusive works; reusing and/or relocating historic structures where feasible into the museums; landscaping treatment to screen or reduce views of the airport and incorporating noise mitigation measures within the airport boundary to reduce noise effects.
- 9.163 The potential for effects include:
- Potential disturbance of sub-surface archaeological remains dating to the Prehistoric, Roman, Early-Medieval, Medieval and Modern periods occurring during the construction phase;
 - Potential effects on the heritage significance of the airport and surviving built heritage assets relating to military and civilian uses of the site from the First World War onwards, particularly the RAF Battle HQ, RAF Control Tower and the runway, occurring during the construction phase;
 - Potential effects arising through change in the setting of non-designated heritage assets within the Proposed Development boundary; and

- Potential effects arising through change in the setting of designated heritage assets outside the Proposed Development boundary, including the Grade II listed Cleve Court and Cleve Lodge and the scheduled enclosure and ring ditches at Minster Laundry, from visibility of new infrastructure and aviation noise.

9.164 Section 9.11 of Chapter 9 of the ES provides conclusions on the significance of the effects that have been assessed and states the following:

- further survey of potential archaeological remains within the site boundary will be conducted at the earliest opportunity. These will provide the information required to allow design of the Proposed Development to avoid the most significant archaeological remains and limit the effects on buried heritage assets. This investigation will also allow a scheme of archaeological investigation to be developed to ensure that archaeological remains which would be disturbed by the Proposed Development to be appropriately recorded. In the absence of mitigation, however, it is anticipated that effects potentially would be significant and adverse. Mitigation by archaeological investigation and avoidance measures will be applied once the results of the further survey work are known.
- further surveys of non-designated built heritage assets within the site boundary will be conducted at the earliest opportunity to establish the condition, desirability and feasibility for their retention in the final design. Those not retained will be subject to an appropriate level of building recording during the construction phase. In the absence of this mitigation, the effects on built heritage assets could potentially be significant and adverse.
- changes to the setting of retained non-designated heritage assets will occur on the site during the construction and operational phases. However, re-use of the airfield for aviation purposes reflects the recent historic use of the site and it is not anticipated that these effects are not likely to be significant. The effect of changes to the setting of designated heritage assets was assessed to be not significant.
- indirect effects on off-site heritage assets have been considered in line with Historic England guidance on assessing change to setting and aviation noise. In the majority of cases, effects have not been assessed as being likely to be significant, although it is considered that significant adverse effects may potentially arise at the Grade II listed buildings at Cleve Court and Cleve Lodge and at Wayborough House and Way House as a result of operational noise from the Proposed Development. It is possible that these building could qualify for measures included in the Noise Mitigation Plan [document reference TR020002/APP/2.4] which would reduce the magnitude of any adverse effect but not sufficiently to avoid a significant effect.

Summary

9.165 The additional survey work and building recording that is being proposed once site access can be secured; the commitment to develop a scheme of archaeological investigation with KCC to ensure that archaeological remains which would be disturbed by the Proposed Development would be appropriately recorded and the benefits to the off-site heritage assets whose settings may be affected by aviation noise through measures included in the Noise Mitigation Plan all offer appropriate mitigation which will reduce the magnitude of the adverse effects predicted. Any resultant harm is not expected to be substantial or sufficient to warrant refusal because the substantial public benefits

of the Proposed Development outweigh any harm (paragraph 133 of the NPPF; paragraph 192 of the draft changes to the NPPF and paragraph 5.205 of the Airport NPS). The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing the historic environment.

k) Water Resources (including Flood Risk)

- 9.166 Paragraphs 100 and 109 of the NPPF are especially relevant as is paragraph 3.55 of the APF and saved Policy EP13 from the 2006 adopted Thanet Local Plan.
- 9.167 Paragraphs 154, 161, 163 and 168 of the draft changes to the NPPF are also relevant but attract less weight as they are the subject of ongoing consultation and could change.
- 9.168 Paragraph 5.172 of the Airports NPS recognises that airport infrastructure projects can have adverse effects on the water environment, including groundwater, inland surface water and transitional waters. During construction and operation, it can lead to increased demand for water, involve discharges to water, and cause adverse ecological effects resulting from physical modifications to the water environment. There may also be an increased risk of spills and leaks of pollutants to the water environment. These effects could lead to adverse impacts on health or on protected and other species and habitats, and could, in particular, result in surface waters, groundwaters or protected areas.
- 9.169 Paragraph 5.175 of the Airports NPS recommends that the applicant should make sufficiently early contact with the relevant regulators, including the EA, for abstraction licensing and environmental permitting, and with the water supply company likely to supply the water. The Applicant has been in regular discussion with these bodies throughout the design development stage of the project given the aquifer that underlies the site. Paragraph 5.186 states that if the EA continues to have concerns, and objects to the grant of development consent on the grounds of impacts on water quality/resources, that the Secretary of State can grant consent, but will need to be satisfied that all reasonable steps have been taken by the applicant and the EA to try to resolve the concerns.
- 9.170 In accordance with the Airports NPS, the Applicant has submitted a Flood Risk Assessment which is provided as Appendix 8.2 of Chapter 8 of the ES [document reference TR020002/APP/5.2-8] and which identifies and assesses the risks of all forms of flooding to and from the preferred scheme, and demonstrates how these flood risks will be managed, taking climate change into account. The Applicant has also submitted a Hydrogeological Impact Assessment which is provided as Appendix 8.1 of Chapter 8 of the ES [document reference TR020002/APP.5.2-7] and a Water Framework Directive Assessment (Appendix 8.3 of Chapter 8 of the ES – document reference TR020002/APP/5.2-8).
- 9.171 When determining an application, the Secretary of State will need to be satisfied that flood risk will not be increased elsewhere and will only consider development appropriate in areas at risk of flooding where, informed by a flood risk assessment, following the Sequential Test and, if required, the Exception Test (paragraph 5.167).
- 9.172 Chapter 8 of the ES [document reference TR020002/APP/5.2-1] provides the assessment of the effects of the Proposed Development on the freshwater environment (including potential effects on water quality, resources and flood risk).

- 9.173 Section 8.1 of the ES chapter confirms that constraints on land access have meant that no intrusive investigations have been undertaken to inform the application but that the scope of any works post-consent will be agreed with the EA, Thanet District Council and Southern Water prior to commissioning. The assessment has been undertaken using available desk-based and modelling information and considers the worst case scenario in light of the limitations.
- 9.174 There are no river watercourses on or adjacent to the site, partly due to the high permeability of the underlying chalk. The DCO application site boundary encompasses the line of a buried pipeline to Pegwell Bay, which extends from the southern portion of the site at about 50m AOD to the outfall point in Pegwell Bay.
- 9.175 The Manston Airport site is underlain by a Principal aquifer, associated with the underlying chalk, which can provide high levels of water storage. This aquifer supports local Public Water Supplies (PWS). The Thanet Formation has been classed as a Secondary A aquifer by the EA. A Secondary A aquifer is defined as a permeable layer capable of supporting water supplies at a local rather than strategic scale. The Manston Airport site is located entirely within a groundwater SPZ catchment. The inner zone (SPZ1), where risk of contamination from pollution causing activities is greatest, is identified in an area at the eastern end of the site and in a strip beneath the runway. This is surrounded by a wider area of outer zone (SPZ2) that also dominates the area beneath the runway, in the south of the site. The remainder of the site falls within the wider SPZ catchment area (SPZ3). The entire Manston Airport site is also located within a Safeguard Zone (SGZ) and a groundwater Nitrate Vulnerable Zone (NVZ).
- 9.176 There are no licensed abstractions located within the Manston Airport site boundary, but a number of people and organisations are licensed to abstract water from groundwater or ponds/lakes up to 1km outside the main site boundary. The abstractions are for private water undertaking, PWS and agriculture.
- 9.177 Two historic permitted discharges have been identified within the Manston Airport site. These are a discharge consent held by the Modern Jet Support Centre Ltd, which discharged site drainage to land, and was revoked in 2004; and a discharge consent held by Kent International Airport Ltd which allowed drainage from the runway and apron areas to discharge to Pegwell Bay via a pipe located on the southern edge of the airport. Discharge was pumped (against topographic gradient) from the site to this pipe.
- 9.178 EA flood mapping indicates that the whole of the Manston Airport site is located within an area where flooding from rivers and the sea is very unlikely (Flood Zone 1, where there is a less than 0.1% (1 in 1000) chance of flooding occurring each year). The nearest flood risk is coastal flooding associated with Pegwell Bay, located approximately 2km south east of the site. There is no risk of flooding to the site from reservoirs.
- 9.179 In terms of site drainage, the site has a significant north - south fall, with the runway at the site's highpoint. The main site outfall is at the south-eastern site boundary, and comprises a large diameter (up to 1200mm) pipe which travels on a south easterly trajectory, discharging into Pegwell Bay. The pipe is not under any ownership and will be subject to a compulsory purchase order upon granting of the DCO. An existing pumping station is located adjacent to the passenger apron. This supplies a 300mm diameter pipe that runs along the site's western boundary and enters into a gravity system around the runway threshold. This then runs along the site's southern edge before discharging into

the outfall to Pegwell Bay. The condition of the pipe and outfall in Pegwell Bay has been surveyed to support the DCO application. A survey in April 2017 indicated that the pipe and outfall are in good condition, but that some work may need to be done to repair the scour-protection infrastructure at the discharge end of the pipe. Further details are provided as part of the outline proposed drainage strategy which is provided in Appendix 8.2 of Chapter 8 of the ES.

- 9.180 Environmental measures have been incorporated into both the construction and operational phases of the Proposed Development in order to avoid, reduce or compensate for potential adverse effects on the freshwater environment are set out in Section 8.5 of Chapter 8 of the ES. Such measures include those proposed as part of the drainage strategy to prevent pollution of the water environment including no infiltration for any areas of hardstanding and including site treatment facilities, including attenuation ponds and ensuring that the fuel storage tanks have been designed to current standards or higher to prevent any risk of leakage into the groundwater environment as a pollutant. Particular focus has been given to measures to protect the Lord of the Manor source (and associated groundwaters) from any risk of a fuel leak from the proposed fuel farm. Appropriate measures and design standards have been discussed with both Southern Water and the EA to ensure that these highly sensitive features are protected from any breaches or spills.
- 9.181 Management plans to protect the freshwater environment from any adverse impact on the quality or quantity of freshwater resources, water supply infrastructure and foul sewerage infrastructure are also proposed to be adopted. These include a CEMP, Environmental Management Plan (EMP), Emergency Spill Response Plan and a Code of Construction Practice (CoCP).
- 9.182 The Flood Risk Assessment which includes the Drainage Impact Assessment demonstrates that there will be no increase in flood risk from any source from the proposed site operations. The Hydrogeological Impact Assessment assesses the risk to groundwaters and dependant abstractions from site operations and has been supported by quantitative modelling to understand the relationship between the site and the Southern Water abstraction boreholes.
- 9.183 The potential for effects include:
- Potential effects on the groundwater quality in the Chalk WFD groundwater body and aquifer, the Thanet Formation Secondary A Aquifer and the dependent abstractions during the construction and operational phases of the Proposed Development including an increase in turbidity of the underlying groundwater, or pollution from the leakages and spillages of oils, fuels or other chemicals;
 - Potential effects on Monkton and Minster Marshes (River) WFD surface water body and downstream River Stour WFD transitional water body during the construction and operational phases of the Proposed Development including from site run-off during the construction phase, or from surface water discharges during the operational phase;
 - Potential effects on Pegwell Bay (and associated designated sites) during the construction and operational phases of the Proposed Development including through the proposed use of the existing surface water discharge system, which discharges into Pegwell Bay;
 - Potential effects on the capacity of the public water supply network and public sewer network during the construction and operational phases of the Proposed Development including from

the increase in demand for potable water supply and for foul water connections during both phases of the development; and

- Potential effects on flood risk receptors on and adjacent to the Proposed Development during the construction and operational phases of the Proposed Development including changes to site drainage and discharge.

9.184 Section 8.13 of Chapter 8 of the ES provides conclusions on the significance of the effects that have been assessed. Given that appropriate mitigation measures have been designed to protect the freshwater environment, there will not be any significant surface or hydrogeological impacts.

Summary

9.185 The Proposed Development will not result in unacceptable levels of water pollution (NPPF paragraph 109 and paragraph 168 of the draft changes to the NPPF) or any significant impacts on water resources (paragraph 3.55 of the APF). During the construction and operational phases, environmental measures are proposed to avoid, reduce or compensate for adverse effects including risks of spills and leaks of pollutants and adverse ecological effects (paragraph 5.172 of the Airports NPS).

9.186 In accordance with paragraph 5.175 of the Airports NPS, RiverOak has made sufficiently early contact with the relevant regulators, including the EA, for abstraction licensing and environmental permitting, and with the water supply company likely to supply the water (Southern Water). Chapter 8 of the ES includes full details of the consultation carried out with these bodies. These discussions will continue. However, the advice in paragraph 5.186 of the Airports NPS is noted where it states that if the EA continue to have concerns, and objects to the grant of development consent on the grounds of impacts on water quality/resources, that the Secretary of State can grant consent, but will need to be satisfied that all reasonable steps have been taken by the applicant and the EA to try to resolve the concerns.

9.187 In terms of flood risk, the site is located in an area with the lowest risk from flood in accordance with paragraph 100 of the NPPF and paragraph 154 of the draft changes to the NPPF. The Proposed Development will not increase flood risk elsewhere (paragraph 161 of the draft changes to the NPPF and paragraph 5.167 of the Airports NPS).

9.188 The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing the water environment and flood risk.

I) Traffic and Transportation/Surface Access

9.189 Paragraphs 29, 32 and 34 to 36 of the NPPF are relevant as is paragraph 5.11 and Annex B of the APF and saved Policies EC2, TR3, TR12, TR15 and TR16 from the 2006 adopted Thanet Local Plan.

9.190 The Airports NPS states at paragraph 5.5 that the Government's objective for surface access is to ensure that access to the airport by road, rail and public transport is high quality, efficient and reliable for passengers, freight operators and airport workers who use transport on a daily basis. The Government also wishes to see the number of journeys made to airports by sustainable modes of

transport maximised as much as possible and that this should be delivered in a way that minimises congestion and environmental impacts, for example on air quality.

- 9.191 Paragraph 5.9 advises that Applicants must prepare an airport surface access strategy in accordance with the guidance contained in the Aviation Policy Framework and that the airport surface access strategy must reflect the needs of the scheme contained in the application for development consent, including any phasing over its development, implementation and operational stages, reflecting the changing number of passengers, freight operators and airport workers attributable to the number of air traffic movements. The strategy should reference the role of surface transport in relation to air quality and carbon. The airport surface access strategy must contain specific targets for maximising the proportion of journeys made to the airport by public transport, cycling or walking. The strategy should also contain actions, policies and defined performance indicators for delivering against targets, and should include a mechanism whereby implementation of the strategy can be overseen and progress monitored against targets. Paragraph 5.10 requires that Applicants should consult Highways England, Network Rail and highway and transport authorities, as appropriate, on the assessment and proposed mitigation measures. The assessment should distinguish between the construction and operational project stages for the development comprised in the application.
- 9.192 In terms of mitigation, paragraph 5.15 states that Applicants should set out the mitigation measures that it considers are required to minimise and mitigate the effect of expansion on existing surface access arrangements. Paragraph 5.16 states that the Applicant should demonstrate in its assessment that the proposed surface access strategy will support the additional transport demands generated by airport expansion and that this should be appropriately secured. Paragraph 5.17 states that any application for development consent and accompanying airport surface access strategy must include details of how the applicant will increase the proportion of journeys made to the airport by public transport, cycling and walking.
- 9.193 Paragraph 5.18 states that the airport surface access strategy should consider measures and incentives which could help to manage demand by car users travelling to and from the airport, as well as physical infrastructure interventions, having at all times due regard to the effect of its strategy on the surrounding area and transport networks. These measures could be used to help achieve mode share targets and should be considered in conjunction with measures to mitigate air quality impacts as described in the Airports NPS.
- 9.194 In terms of decision making, paragraph 5.21 states that the Secretary of State will consider whether the Applicant has taken all reasonable steps to mitigate these impacts on the existing and surrounding transport infrastructure. Paragraph 5.22 states that provided the applicant is willing to commit to transport planning obligations to satisfactorily mitigate transport impacts identified in the transport assessment (including environment and social impacts) development consent should not be withheld on surface access grounds.
- 9.195 Chapter 14 of the ES [document reference TR020002/APP/5.2-2] provides the assessment of the traffic and transport related environmental effects of the Proposed Development. In accordance with paragraph 32 of the NPPF, a standalone Transport Assessment (TA) is also submitted with the DCO application [document reference TR020002/APP/5.2-15].
- 9.196 The Proposed Development site is well located to access key highway routes in the area which comprise: the A299 which links to the M2 and the A28 to Canterbury and the M20; and the A256

which links to Dover. Access to the A299 from the site is via the Manston Road (B2050) and the Spitfire Way (B2190) which are the roads which bound the site.

- 9.197 The TA has not included any calculations relating to the proposals for a new Thanet Parkway Rail Station close to the Proposed Development site as this is not yet a committed scheme. Any new station will clearly offer staff, visitors and passengers another sustainable choice about how they travel to the airport and is therefore supported but as demonstrated in the TA, it is not necessary to make the Proposed Development acceptable.
- 9.198 As shown in the illustrative Masterplan, the following access points are proposed. Detailed plans of the proposed accesses are provided in the TA. The accesses have been designed based on junction modelling to ensure that the design has capacity to accommodate the Proposed Development and future traffic flows:
- Cargo Facility – new access onto Spitfire Way in the form of a roundabout;
 - Passenger Terminal – existing access onto Manston Road will be upgraded to a signal junction;
 - 'Northern Grass' area – new southern access onto Manston Road in the form of a signal junction;
 - 'Northern Grass' area – new western access onto Manston Road in the form of a priority junction;
 - and
 - Fuel Farm – existing access onto Canterbury Road West will remain unchanged.
- 9.199 Other local highways improvements are proposed. Spitfire Way/Manston Road junctions will be upgraded to signalised crossroads. Both Spitfire Way and Manston Road will be widened to form a 7.3m carriageway, with 2m wide pedestrian footways provided on the southern side of Manston Road and eastern side of Spitfire Way between the Cargo Facility and Passenger Terminal junctions. Further details on the nature and design of these improvements are provided within the TA. There are nine off-site junctions that require mitigation by the year of full operation, the extent and timing of work will be agreed with Kent County Council as Highways Authority and procured via agreements under S278 of the Highways Act 1980.
- 9.200 Environmental measures have been incorporated into the Proposed Development to avoid, reduce or compensate for any adverse traffic and transport effects. These measures are summarised in Table 12.12 in Chapter 14 of the ES. The measures include :
- agreeing a Construction Traffic Management Plan with Kent County Council prior to commencing construction works to mitigate against any potential effects on severance, driver delay, pedestrian delay and amenity and accidents and safety as a consequence of the proposed construction works (a CTMP is provided with the DCO application and is included in the TA as Appendix K);
 - adopting a CEMP to control construction activities;
 - adopting an Airport Surface Access Strategy (ASAS) to maximise the multi-modal accessibility to the site including use of shuttle buses and improvements to local bus interchanges (a ASAS is submitted with the DCO application and is included in the TA as Appendix O) in accordance with paragraph 5.11 of the APF and paragraph 5.9 of the Airports NPS. The ASAS includes

targets for maximising the proportion of journeys made to the airport by public transport, cycling or walking. It also sets out a series of proposals for improving access for bus, coach and shared taxi the key features as follows:

- Provision of a shuttle bus from Ramsgate Station;
 - Provision for bus drop off near the entrance to the passenger terminal;
 - Proposal to enhance as appropriate local bus services to accommodate increase staff in the area;
 - Internal road network designed to accommodate bus movements as necessary; and
 - A moved and upgraded bus stop on Spitfire Way near the junction with Manston Road.
- adopting a Travel Plan to encourage sustainable travel by public transport (a Travel Plan is provided with the DCO application in the TA as Appendix L) in accordance with paragraph 36 of the NPPF;
 - adopting a Public Rights of Way Management Plan (PRoWMP) which sets out proposals to retain all pedestrian links and routes that exist currently and which may need to be diverted (a PRoWMP is submitted with the DCO application and is included in the TA as Appendix M). The PRoWMP will include measures to divert and widen Footpath TR8 (currently routes south from Manston Road along the existing airport boundary and then east towards High Street, Manston) and extinguish Footpath TR9 (currently routes from High Street, Manston towards the south and east before terminating within the existing airport boundary); and
 - adopting a Car Park Management Strategy. This is submitted with the DCO application and is included in the TA as Appendix N. It sets out the initial estimates of car parking across the proposed development site, including the passenger terminal, staff parking and parking for developments for the northern grass area and the cargo facility.

9.201 The potential effects on transport and traffic as a result of the Proposed Development that are assessed in the ES are as follows:

- Effects on highway capacity (passenger delay including public transport) and safety at junctions due to an increase in traffic flows due to operational/construction vehicles (assessed separately in the TA and CTMP);
- Effects on road user journey times due to the construction of access points and other onsite highways improvements relative to proposed road works and potential temporary road closures, diversions and/or widening (assessed in the CTMP);
- Effects on pedestrians and equestrians due to the closure and diversion of PRoWs (additional assessment in the PRoWMS); and
- Effects on vulnerable road users such as cyclists and equestrians on narrow country lanes due to increase in vehicle movements.

- 9.202 Inter-related effects with other environmental assessments have been considered. The following topics have assessed the impact of traffic and transport changes – air quality (Chapter 6); landscape and visual (Chapter 11); noise and vibration (Chapter 12); socio-economics (Chapter 13); health and wellbeing (Chapter 15); climate change (Chapter 16) and major accident and natural disasters (Chapter 17).
- 9.203 To undertake the assessment of effects of the traffic generated by the Proposed Development, the Proposed Development traffic flows need to be estimated and trips distributed onto the road network. Chapter 14 of the ES provides conclusions for the worst-case traffic flow scenario, which is for the operational traffic. Construction traffic has been screened out on the basis that the flows are less than fully operational.
- 9.204 In the worst-case future year (Year 20), when the proposed traffic generation is at its highest, only 7 of the 31 total receptors triggered the need for a detailed assessment. These locations were as follows;
- B2050 Manston Road between Shottendane Road and Vincent Road;
 - B2190 Spitfire Way between Spitfire Way and B2190 Columbus Avenue;
 - B2050 Manston Road between Manston Road and Manston Court Road;
 - Manston Court Road, south of the junction with Preston Road;
 - Manston Court Road, east of Valley Road; and
 - B2050 Manston Road, between the centre of Manston Village and the A256.
- 9.205 A detailed assessment of these receptors when considering severance, driver delay, pedestrian delay and amenity and accidents and safety has shown that the effects are not significant.
- 9.206 In addition to the assessment undertaken in the TA for the local road network, a link assessment of the wider Highways England network was undertaken which indicates impacts of less than 30% increase for total vehicles or HGVs on the Highways England network and as such is not considered significant and no mitigation is proposed.
- 9.207 With the environmental measures and mitigation proposed, not only will the traffic generated by the development fit broadly within the capacity of the local highways network, but they will improve the safety and transport options though the area by providing improvements to local pedestrian and sustainable links. The site will also become a hub for air travel, bringing significant jobs, visitors and economic benefits to the area.

Summary

- 9.208 The Proposed Development is not expected to give rise to any significant transport or traffic effects subject to implementing the mitigation that is proposed. In accordance with paragraph 5.5 of the Airports NPS, access to the airport by road, rail and public transport will be high quality, efficient and reliable for passengers, freight operators and airport workers who will use transport on a daily basis. The Applicant has taken all reasonable steps to mitigate any impacts on the existing and surrounding transport infrastructure and is committed to accepting transport planning obligations to satisfactorily

mitigate the transport impacts identified in the TA. On this basis, and in accordance with paragraph 5.22 of the Airports NPS, development consent should not be withheld on surface access grounds. The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing traffic and transport.

m) Land Quality

- 9.209 Paragraphs 109, 120 and 121 of the NPPF are relevant as is paragraph 3.55 of the APF and saved Policy EC2 of the 2006 adopted Thanet Local Plan.
- 9.210 Paragraph 176 of the draft changes to the NPPF is also relevant but attracts less weight as it is the subject of ongoing consultation and could change.
- 9.211 The Airports NPS states at paragraph 4.54 that in deciding an application, the Secretary of State should focus on whether the development is an acceptable use of the land, and on the impacts of that use, rather than the control of processes, emissions or discharges themselves. The Secretary of State should assess the potential impacts of processes, emissions or discharges to inform decision making, but should work on the assumption that, in terms of the control and enforcement, the relevant pollution control regime will be properly applied and enforced. Decisions under the Planning Act 2008 should complement but not duplicate those taken under the relevant pollution control regime.
- 9.212 Chapter 10 of the ES [document reference TR020002/APP/5.2-1] provides the assessment of the Proposed Development on land quality and considers the potential for impacts on human health, controlled waters, ecology, property/structures, crops and animals.
- 9.213 Section 10.1 of Chapter 10 of the ES explains that no intrusive investigations have been undertaken to date and the assessment in the ES has therefore been based on a realistic worst-case scenario. It is considered unlikely that having the data that would be derived from such investigation would significantly change the findings of the assessment, however intrusive investigations will be carried out at a later date with the approach to undertaking these already under discussion with the EA, Southern Water and Thanet District Council.
- 9.214 The baseline position relating to land quality is as described in Chapter 8 of the ES as set out above. Made Ground is recorded in the centre of site but is likely to be present across the site associated with past development. Based on the available information, there are six historical landfills in the close surroundings of the site (within a 500m distance). In terms of ecological sensitivity, the site is located within a nitrate vulnerable zone and approximately 900m north-west of Sandwich Bay, Pegwell Bay and the Thanet coast which are classified as:
- National Nature Reserves (Sandwich and Pegwell Bay);
 - Ramsar Sites (Thanet Coast and Sandwich Bay);
 - Sites of Special Scientific Interest (Thanet Coast and Sandwich Bay); and
 - Special Areas of Conservation and Special Protection Areas (Thanet Coast and Sandwich Bay).
- 9.215 Environmental measures have been incorporated into both the construction and operational phases of the Proposed Development in order to avoid, reduce or compensate for potential adverse effects on land quality and these are set out in Section 10.5 of Chapter 10 of the ES. Many of the measures

reflect those described in Chapter 8 of the ES with regards to protecting the freshwater environment. They include the need for further site investigation to establish remediation needs in the event of contamination being found; adhering to a CEMP to address pollution measures and an Environmental Response Plan to reduce risks from spills or leaks; carrying out a detailed UXO threat and risk assessment and agreeing suitable foundation design and piling methods to prevent migration of any potential/residual contamination.

9.216 The potential for direct and inter-related effects include (Section 10.6 of Chapter 10 of the ES):

- Effects on Human Health, including during construction phase;
- Effects on Buildings and Services;
- Effects on Agricultural Soils;
- Effects on Coastal Waters;
- Effects on Groundwater in the Chalk aquifer; and
- Inter-related effects in relation to air quality from dust generation and vapour migration, and noise and vibration during site investigation and foundations works and freshwater environment effects from infiltration of contamination from existing sources and mobilisation of contamination during groundworks.

9.217 The assessment concludes that the potential effects are not significant, subject to appropriate mitigation being in place as set out in Table 10.15 of Chapter 10 of the ES.

Summary

9.218 Due to difficulties gaining site access, additional site investigation is required to better understand risks and any need for remediation. This will take place based on a methodology which will be agreed with the relevant organisations and bodies and initial discussions have already taken place. The Proposed Development will not contribute to, or be put at unacceptable risk from, soil pollution or through remediating and mitigating against contaminated land (paragraph 109 of the NPPF). The site is suitable for its new use taking into account the ground conditions and the proposals for mitigation including land remediation (paragraph 121 of the NPPF, paragraph 176 of the draft changes to the NPPF and paragraph 4.54 of the Airports NPS). The Proposed Development is consistent with the Government's stated policies on environmental protection (paragraph 3.55 of the APF) subject to appropriate mitigation as described and the relevant pollution control regimes. The Proposed Development is therefore in accordance with the relevant planning policies and provisions governing land quality.

n) Health and Wellbeing

9.219 Paragraphs 69 and 123 of the NPPF are relevant as are paragraphs 19, 3.12, 3.13, 3.34 and 3.47 of the APF and saved Policy EP5 from the 2006 adopted Thanet Local Plan.

- 9.220 Paragraphs 117 and 178 of the draft changes to the NPPF are also relevant but attract less weight as they are the subject of ongoing consultation and could change.
- 9.221 Paragraph 4.70 of the Airports NPS recognises that the construction and use of airports infrastructure has the potential to affect people's health, wellbeing and quality of life because of traffic, noise, vibration, air quality and emissions, light pollution, community severance, dust, odour, polluting water, hazardous waste and pests. However, the NPS especially highlights that the increased employment stemming from airport expansion may have indirect positive health impacts. There is recognition that these impacts may affect people simultaneously and so the cumulative impacts on health should be considered.
- 9.222 Chapter 15 of the ES [document reference TR020002/APP/5.2-2] provides the findings of a Health Impact Assessment (HIA) (provided as Appendix 15.1 of Chapter 15 of the ES – document reference TR020002/APP/5.2-13) that assesses whether the construction and operational activities associated with the Proposed Development are predicted to beneficially or adversely affect public health and wellbeing through environmental and socio-economic pathways. The assessment also considers, where possible, the spatial and social distribution of impacts, to investigate and address any disproportionate outcome for any sensitive community group. It also outlines measures to mitigate adverse effects and improvements to enhance beneficial effects. Although not explicitly referenced in the NPPF or required by the APF, HIA is often regarded as good practice for major developments; has been used to provide evidence concerning several other airports in the UK, and the approach fulfils the reinforced legislative requirement.
- 9.223 The HIA Community Profile provided at Appendix 15.2 of Chapter 15 of the ES and Health Evidence Base provided as Appendix 15.3 [both document reference TR020002/APP/5.2-13] detail the demographic and health baseline data used in the assessment. The community profile concentrates primarily on the districts of Thanet, Dover and Canterbury. Communities within Thanet district are mainly those with potential to be affected by local environmental impacts of the airport (which lies centrally within this district). The inclusion of Dover and Canterbury to form a wider study area is due to the likelihood of regional socio-economic impacts of employment and investment associated with the Proposed Development.
- 9.224 Following a review of the available demographic, health and hospital admission statistics, local communities in the study area typically have higher burdens of poor health than the national and regional trends (closely associated with socio-economic deprivation and lifestyle factors affecting health), particularly within Thanet. On this basis, the study area is considered particularly sensitive to environmental and socio-economic health pathways (beneficial or adverse). The assessment section therefore applies a conservative approach to each of the assessment protocols.
- 9.225 Environmental measures incorporated into the Proposed Development are discussed in Section 15.5 of Chapter 15 of the ES. This section draws on those measures summarised in other ES chapters that have the potential to affect health and wellbeing including Chapter 6 (Air Quality), Chapter 12 (Noise and Vibration) and Chapter 14 (Traffic and Transport). Section 7 (Health Action Plan) of the HIA at Appendix 15.1 of the ES draws together the relevant measures and discusses how these would mitigate potential pathways for adverse health impacts and enhance pathways for beneficial impacts. A summary of the embedded mitigation measures relating to health is presented in Table 15.3 of Chapter 15 of the ES. Such measures include adoption of a CEMP with measures to manage air pollutant emissions in the interests of mitigating adverse respiratory and cardiovascular health

impacts; highways and junction improvements and adoption of a Travel Plan to mitigate against traffic-related air pollutant and noise emissions, road safety, community severance and pedestrian or cyclist impacts; and creating a Community Trust Fund with regular annual payments made in addition to those collected from noise penalties to promote health and wellbeing among local communities and reduce existing burdens on local health services.

- 9.226 Section 15.7 of Chapter 15 of the ES (Table 15.4) sets out the predicted effects from the proposed development on health based on identified health and well-being pathways. A health and wellbeing pathway can be described as the way in which an activity influences a known determinant of health whether it be health protection (i.e. environmental pollution and standards set to protect health); health promotion (i.e. healthy lifestyles, socio-economic status and inequalities); or health care (i.e. provision, effectiveness and equity of access to healthcare services). The potential effects that are assessed in the ES are as follows:
- Construction noise and vibration;
 - Construction dust and air pollutant emissions;
 - Construction traffic generation;
 - Construction workforce and procurement;
 - Airport / aircraft noise;
 - Airport / aircraft air pollutant emissions;
 - Surface access road traffic generation; and
 - Economic activity and employment.
- 9.227 The Proposed Development is predicted to generate up to 3,417 direct job opportunities and further 6,151 indirect and 13,668 induced job opportunities. Being in stable, good-quality employment is strongly associated with good health and wellbeing compared to being in long-term unemployment. As a result, the employment generated by the Proposed Development has the potential to offer important long-term health and wellbeing benefits especially given the higher than average levels of unemployment particularly in Thanet. The Proposed Development will deliver moderate beneficial effects.
- 9.228 Given the future baseline labour market surplus predicted, the employment generated by the Proposed Development is not expected to lead to additional in-migration, housing or consequent additional demand on other local public services.
- 9.229 Leisure travel and social connections enabled by air travel have been reported to be associated with quality of life factors, and while the Proposed Development will primarily be used as an air freight hub, there may be limited passenger services, potentially offering quality of life and wellbeing benefits affecting a large number of leisure travellers.
- 9.230 The Travel Plan and Surface Access Strategy set out proposed vehicle routing and highways improvements to manage traffic to and from the airport without causing detriment to road safety or severance for pedestrians. Enhancements to bus services (including a shuttle from Ramsgate

railway station) are proposed, and measures to encourage and provide connections for commuting by cycling have been recommended. With these measures, no significant adverse health and wellbeing effects due to changes in road traffic flows are predicted and there is potential for benefits due to physical activity and healthy transport for employees.

- 9.231 Changes in air pollutant concentrations due to the Proposed Development are predicted to have in the worst case a small but measurable adverse effect on health outcomes, with an increase of around one additional emergency hospital admission and effect on mortality equivalent to a little less than two additional deaths at typical ages predicted per annum. However, in the context of the baseline rates in the air quality study area, these changes would represent a very small proportion: 0.1% or less. This is considered to be a minor adverse effect on health. The air quality assessment predicts no exceedances of air quality standards in Year 2 and Year 20 with or without the Proposed Development at any sensitive receptor locations.
- 9.232 Change in noise exposure due to the Proposed Development is addressed with Chapter 12 of the ES (Noise and Vibration).
- 9.233 Construction-stage noise would be temporary (with phased works) and subject to control through the Construction Environmental Management Plan. No significant adverse impacts on health due to any temporary noise disturbance during construction are predicted.
- 9.234 Change in noise exposure due to the Proposed Development is predicted to lead to up to around 329 additional cases of hypertension prevalent within the population at Year 20 noise levels, which may be associated with up to four additional cases of heart disease, two cases of stroke and two cases of dementia per annum. An increase in depression or anxiety associated with high annoyance of up to 219 cases prevalent within the population is also possible. No significant impact on sleep disturbance is predicted due to the small number of night flights forecast.
- 9.235 Depending on existing baseline environmental noise levels, there is potential for adverse impacts on children's learning in schools affected by noise but this is expected to be mitigated where necessary through the provision of sound insulation in line with measures described in the Noise Mitigation Plan. No significant effects due to change in noise at healthcare facilities are predicted.
- 9.236 Overall, the magnitude of impact on health and wellbeing due to noise is considered to result in a moderate adverse effect prior to mitigation. Measurable adverse changes in health outcomes are predicted, representing increases of between around 1% and 6% of baseline rates, depending on the health outcome being considered.
- 9.237 A range of embedded mitigation measures designed to address the potential for adverse impacts has been developed. These comprise measures to appropriately route road traffic and improve highways used for access and measures to mitigate air pollutant emissions. The Noise Mitigation Plan provides a range of measures to both control noise at source and to mitigate it at receptors with sound insulation grants, which by reducing noise levels in homes would be expected to lead to a proportional reduction in adverse health and wellbeing outcomes for residents.
- 9.238 No significant adverse health and wellbeing effects through the pathways of flood risk, ground or water contamination, or change to amenity or access to green space are predicted.

In addition to mitigation, enhancement measures have been developed to maximise the uptake of job opportunities among people in long-term unemployment, provide education and training, and for Manston Airport to be a good quality employer, which would support the achievement of the significant beneficial effects on health predicted through the employment and socio-economic impacts of the airport (see Chapter 13 of the ES). Measures to support active travel (i.e. walking and cycling) and the Community Trust Fund (with financial contribution to local projects and activities that benefit health and wellbeing among its terms of reference) are proposed.

Summary

- 9.239 The Proposed Development is expected to deliver significant beneficial health and wellbeing effects through job creation; no demands on in-migration, housing or consequential demands on local public services; connectivity and enhancements to proposed vehicle routing, highway, bus services and walking and cycling.
- 9.240 The proposed mitigation and enhancement measures respond to the two health and wellbeing pathways - change to noise and air pollution - where potential for significant adverse effects have been identified, albeit that that no air quality limit values will be breached as indicated in the separate air quality assessment (Chapter 6 of the ES). They also provide important enhancements to the significant beneficial health and wellbeing effects through the socio-economic pathway, workplace health and wellbeing, and active transport, in line with local health objectives and priorities.
- 9.241 Both the air quality and noise assessments have adopted a robust 'worst case scenario' approach in that no allowances have been made for quieter and less polluting aircraft which are expected in the future as improvements are made within the industry. It is reasonable to expect that by Year 20 of operation that such improvements will lead to a reduction in the magnitude of the adverse effects predicted.
- 9.242 If considering the cumulative effects on health as recommended in paragraph 4.73 of the Airports NPS, it is clear that the significant beneficial effects of the Proposed Development outweigh the adverse effects. In this respect, and in acknowledgement of the proposed mitigation and enhancement measures to tackle changes in air pollution and noise exposure and the 'worst case scenario' approach to noise and air quality assessment that has been adopted in the ES, the Proposed Development is in accordance with the relevant planning policies and provisions governing health and wellbeing.

o) Major Accidents and Natural Disasters and Security

- 9.243 As a result of the introduction of the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 (the EIA Regulations 2017) it is now a requirement that major accidents and disasters relevant to a development are included in the preparation of an Environmental Statement. The EIA Regulations 2017 require the expected significant effects arising from the vulnerability of the proposed development to major accidents or disasters that are relevant to that development to be assessed (Regulation 5(4)).
- 9.244 Paragraph 5.14 of the APF states that safety is a fundamental requirement for aviation, including at the local level. For people living and working near airports, safety is best assured by ensuring the safe operation of aircraft in flight.

- 9.245 The Airports NPS (paragraphs 4.63 to 4.69) considers security considerations and states that Government policy is to ensure that, where possible, proportionate protective security measures are designed into new infrastructure projects at an early stage in the project development (paragraph 4.64). The nature of the aviation sector as a target for terrorism means that security considerations will likely apply. Adequate consideration needs to be given to the management of security risks (paragraph 4.65).
- 9.246 Paragraph 96 of the draft changes to the NPPF states that planning decisions should promote public safety and take into account wider security and defence requirements by anticipating and addressing all plausible malicious threats and natural hazards, especially in locations where large numbers of people are expected to congregate. It further states that the layout and design of developments should be informed by the most up-to-date information available from the police and other agencies about the nature of potential threats and their implications. This includes appropriate and proportionate steps that can be taken to reduce vulnerability, increase resilience and ensure public safety and security.
- 9.247 Chapter 17 of the ES [document reference TR020002/APP/5.2-3] provides the assessment of major accidents and disasters, on and as a result of, the Proposed Development. In accordance with Schedule 4 of the 2017 EIA Regulations, Chapter 17 of the ES includes a “*description of the expected significant adverse effects of the development on the environment deriving from the vulnerability of the development to risks of major accidents and/or disasters which are relevant to the project [...] and where appropriate, this description includes measures envisaged to prevent or mitigate the significant adverse effects of such events on the environment and details of the preparedness for and proposed response to such emergencies.*” The ES Chapter considers major accidents, disaster, serious damage on human populations and serious damage on the environment (Section 7.1 of Chapter 17 of the ES includes definitions). It draws upon data presented in other ES chapters as set out in Section 17.3 of Chapter 17.
- 9.248 A list of typical sources of major accident and disasters hazards which can be associated with airport and fuel storage operations and which has formed the basis for the assessment can be summarised as follows:
- Construction phase major hazards – man-made accident hazards resulting from construction activities and equipment ;
 - Operational phase major hazards – man-made accident hazards resulting from operations, activities and equipment at an airport;
 - External major hazards – man-made accidents resulting from operations, activities and equipment external to an airport development. These are relevant to both operation and construction phases of an airport, unless otherwise indicated; and
 - Disaster hazards– natural disasters resulting from the occurrence of natural adverse conditions or events. These are relevant to both operation and construction phases of an airport, unless otherwise indicated.
- 9.249 Environmental measures have been incorporated into both the construction and operational phases of the Proposed Development in order to avoid, reduce or compensate for potential adverse effects

from major accidents and disasters. These are set out in Tables 17.6 and 17.7 in Chapter 17 of the ES. Some of the measures have been included in the design specifically for major accidents and disasters risk management purposes. Others, while beneficial in reducing the impact of major accident and disaster risk, were developed primarily to reduce impacts considered in other chapters. Following the grant of the DCO and as the design advances through engineering design stages, risk assessments will be undertaken to account for all emerging and relevant engineering details in the evolving design scheme. Prior to operation, Safety Management and Environmental Management Systems, with associated procedures and an Emergency Plan, will be developed and implemented. A Security Plan will also be adopted.

9.250 The potential for effects include:

- Effects on Groundwater/SPZ;
- Effects on Pegwell Bay and associated designated sites;
- Mitigation of flood risk and adverse weather;
- Effects on designated heritage assets including historic buildings, scheduled monuments and conservation areas;
- Effects on populations or occupied buildings off-site and on-site;
- Effects on other designated land (other than Pegwell Bay);
- Effects on widespread habitat, non-designated land/soil/water; and
- Effects on particular species onsite and offsite.

9.251 Intrusive construction activities have the potential to cause disturbance to the ground at the site. During construction there is also the potential for substances to enter the groundwater and pollute the groundwater source protection zone through fuel and hazardous chemical releases, ordnance and civils being revealed and firewater run off entering the groundwater. Implementing a combination of incorporated mitigations such as a Construction Environmental Management Plan, strategies for interface with the operational airport systems appropriate handling and minimisation of hazardous chemicals, pre-construction inspections, interface with the operational airport systems, and adoption of risk management and inherent safe design principles will result in no significant effects to the groundwater receptors during construction.

9.252 During construction there is also the potential for fuel and chemical releases on site to enter the drainage network and be released to Pegwell Bay, which is an internationally and nationally recognised site. Extreme adverse weather conditions (e.g. hurricanes) and external events (e.g. fires) were also considered as a cause of material being released to the bay. It was concluded that adoption of the Construction Environmental Management Plan and implementation of the incorporated measures for construction, including drainage strategies (developed in consultation with the EA), measures for minimisation, storage and containment of hazardous materials, together with adoption of risk management and inherent safe design principles into the construction plan, will result in no significant effects during construction.

- 9.253 There is the potential for populations involved in construction, or those who are nearby, to be affected by an activity (e.g. by collision) of release of a hazardous material used in construction. A combination of measures such as risk assessments and safety management plans and interface with the airport safety and environmental management systems, in addition to good practice, for example, will result in no significant effects.
- 9.254 For all of the construction activities, a comprehensive Emergency Plan, addressing major accidents and disasters will be developed. Airport operations will involve the use, storage (e.g. the fuel farm and use of other operational chemicals) and handling of hazardous chemical or fuels. There is the potential for these to be accidentally released via the drainage network to Pegwell Bay or enter the source protection zone via the ground, in the unlikely event of a large spillage. Key mitigation measures include the capture and treatment of drainage on site, implementation of an airport-wide Environmental Management System, and operational licensing requirements under EASA and EASA/CAA guidance. Specific consideration is included in the design process to ensure all hazardous material is contained and risk is minimised.
- 9.255 The combination of these results in no significant effects to the surface water and groundwater receptors during operation.
- 9.256 During operation there are aircraft flights, associated vehicle movements, mobile and fixed equipment and the use and storage of chemicals and fuels for operational purposes. There is a remote possibility for injury or loss of life to airport workers, aircraft users/crew and others nearby (surrounding towns/villages) without the correct measures in place. A combination of measures including operational certification requirements under EASA (including aerodrome security), consideration during design and detailed risk assessments in addition to good practice, conformance with the relevant EASA licensing, the Health and Safety at Work Act, EASA/CAA guidance and industry standard codes and practice will mean that there will be no significant effects to populations during operation.
- 9.257 There are no designated land sites within close proximity of the proposed development, though some exist within the flight swathe. There is a remote possibility these could be affected by aircraft incidents. Good practice, airport safety and environmental management and conformance with relevant guidance and licensing will result in no significant effects to the receptors. There are no world heritage sites within the study areas although there are scheduled monuments within the indicative flight swathe which could be affected by aircraft incidents. For the same reasons as designated land, there will be no significant effects to the receptors.

Summary

- 9.258 The assessment reveals no significant effects. The ES includes an adequate consideration of the management of security risks and protective security measures are proposed (Airports NPS). In line with the draft changes to the NPPF, the Proposed Development will promote public safety and take into account wider security requirements. The ES chapter assesses a number of plausible threats and natural hazards and proposes appropriate steps that will be taken to reduce vulnerability, increase resilience and ensure public safety and security. The Proposed Development is therefore in accordance with the relevant planning policies and provisions concerning major accidents, disasters and public safety.

p) Resource and Waste Management

- 9.259 Paragraph 9 of the NPPF states that the planning system has a role to play in minimising waste. However, the framework does not contain any specific waste policies since waste planning policy is set out in the National Waste Plan for England (2013). This document sets out the Government's ambition to work towards a more sustainable and efficient approach to resource use and management. The National Planning Policy for Waste (2014) sets out detailed waste planning policies and should be considered in conjunction with the NPPF, the Waste Management Plan for England and National Policy Statements for Waste Water and Hazardous Waste, or any successor documents. These are relevant policies as is paragraph 3.53 of the APF.
- 9.260 Paragraph 5.135 of the Airports NPS states that the Government policy on hazardous and non-hazardous waste is intended to protect human health and the environment by producing less waste and by using it as a resource wherever possible. Where this is not possible, waste management regulation ensures that waste is disposed of in a way that is least damaging to the environment and to human health. Paragraph 5.136 states that sustainable waste management is implemented through the waste hierarchy - Waste prevention; Preparing for reuse; Recycling; Other recovery, including energy recovery; and Disposal.
- 9.261 Paragraph 5.141 requires the Applicant to set out the arrangements that are proposed for managing any waste produced in the application for development consent. The arrangements described should include information on the proposed waste recovery and disposal system for all waste generated by the development. The applicant should seek to minimise the volume of waste sent for disposal unless it can be demonstrated that the alternative is the best overall environmental, social and economic outcome when considered over the whole lifetime of the project.
- 9.262 In terms of mitigation, the Airport NPS states that the Applicant should set out a comprehensive suite of mitigations to eliminate or significantly reduce the risk of adverse impacts associated with resource and waste management (paragraph 5.143).
- 9.263 In terms of decision making, paragraph 5.145 states that the Secretary of State will consider the extent to which the applicant has proposed an effective process that will be followed to ensure effective management of hazardous and non-hazardous waste arising from all stages of the lifetime of the development. The Secretary of State should be satisfied that the process set out provides assurance that:
- Waste produced will be properly managed, both onsite and offsite;
 - The waste from the proposed development can be dealt with appropriately by the waste infrastructure which is, or is likely to be, available. Such waste arising should not have an adverse effect on the capacity of existing waste management facilities to deal with other waste arising in the area; and
 - Adequate steps have been taken to minimise the volume of waste arising, and of the volume of waste arising sent to disposal, except where an alternative is the most sustainable outcome overall.

- 9.264 Paragraph 5.146 states that where necessary, the Secretary of State will require the applicant to develop a resource management plan to ensure that appropriate measures for sustainable resource and waste management are secured.
- 9.265 Section 3.3 of Chapter 3 of the ES [document reference TR020002/APP/5.2-1] provides details of the best waste practice measures that will be employed during the construction and operation phases of the Proposed Development. These measures will be used to inform implementation of a robust CEMP and Site Waste Management Plan (SWMP). The SWMP will require input from the detailed design stages that will follow any grant of a DCO and the associated waste streams.
- 9.266 Construction waste material will be generated at all stages of the construction process including through demolition of existing buildings, excavation and earthworks and construction of new buildings. Indicative targets for the construction of the Proposed Development are to achieve an 87% diversion of waste from landfill, and 62% re-use of materials within the site. Operational waste targets are dependent on the exact nature of the airport activities and in the airport related business development on the 'Northern Grass' site.
- 9.267 A number of measures will be employed to minimise construction waste material as follows:
- Earthworks construction waste could be minimised by balancing the cut and fill operations for the new aircraft cargo stands and warehousing plus utilising any low areas on the grassed area including the 'Northern Grass' area. At this stage, there is insufficient information to determine the existing earthwork materials' suitability as an engineering fill material underneath the aircraft pavements;
 - Demolition arisings, where possible, will be recycled for use on site. This includes the material from the existing taxiways and apron stands that will be removed;
 - Wrapping and packing will be returned to the supplier; and
 - Following good practice segregation of waste during the construction phase of the development including for recycling, food waste, residual waste and hazardous waste.
- 9.268 In terms of operational waste and measures to minimise this, this will depend on the final design for the development and future airport functions. Following any grant of the DCO, RiverOak will develop a framework Waste Management Plan for the site in consultation with the EA which will be based on the following hierarchy:
- Minimise raw materials consumed and the volume of waste produced i.e. prevent creating waste;
 - Re-use any waste produced, where practicable;
 - Recycle waste, where reuse is not practicable;
 - Recover waste, where feasible; and
 - Dispose of any remaining waste streams in accordance with legislative requirements.

- 9.269 The provision of effective storage and segregation of waste materials at the site will be a key element to ensure waste is managed safely and efficiently to maximise the potential for reuse and recycling.

Summary

- 9.270 RiverOak are proposing a number of measures to ensure that waste will be minimised during both the construction and operation phases of the Proposed Development in line with the NPPF; the National Waste Plan for England (2013) and National Planning Policy for Waste (2014) – and the waste hierarchy contained within this document and the Airports NPS. Measures are also proposed to ensure that waste is disposed of in a way that is least damaging to the environment and to human health (paragraph 5.135 of the Airports NPS). Mitigation is further proposed to eliminate or significantly reduce the risk of adverse impacts associated with resource and waste management including from hazardous waste (paragraph 5.143 of the Airports NPS). RiverOak will develop and implement a Site Waste Management Plan to ensure that appropriate measures for sustainable resource and waste management are secured (paragraph 5.146 of the Airports NPS). The Proposed Development is therefore in accordance with the relevant planning policies and provisions concerning major accidents, disasters and public safety. The Proposed Development is therefore in accordance with the relevant planning policies and provisions concerning waste and resource management.

q) Common Law Nuisance and Statutory Nuisance

- 9.271 Paragraph 4.61 of the Airports NPS states that during the examination of an application for development consent for infrastructure covered under the Airports NPS, possible sources of nuisance under section 79(1) of the Environmental Protection Act 1990 and under Sections 76 and 77 of the Civil Aviation Act 1982 should be considered by the Examining Authority. The Examining Authority should also consider how those sources of nuisance might be mitigated or limited so they can recommend appropriate requirements that the Secretary of State might include in any subsequent order granting development consent.
- 9.272 Volume 14 of the ES [document reference TR020002/APP/5.2-14] is the Statement of Statutory Nuisance. This statement considers both the construction and operational phases associated with the Proposed Development.
- 9.273 The statement concludes that with mitigation in place, none of the statutory nuisances identified in Section 79(1) of the Act is predicted to arise.

r) Community Compensation

- 9.274 Paragraph 5.239 of the Airports NPS states that the Secretary of State recognises that, in addition to providing economic growth and employment opportunities, airport expansion will also have negative impacts upon local communities, for example, impacts through exposure to air quality impacts and aircraft noise. Paragraph 5.240 states that Secretary of State expects the applicant to provide an appropriate community compensation package, relevant to planning. This will include financial compensation to residents who will see their homes compulsorily acquired, as well as ongoing financial compensation to the local community. In addition to controlling and reducing aircraft noise impacts, the applicant will be required to commit appropriate resources to mitigate the impacts

of aircraft through noise insulation programmes for both private homes and public buildings such as schools.

- 9.275 Paragraph 5.251 states that the Secretary of State will consider whether and to what extent the applicant has sought to minimise impacts on local people and paragraph 5.253 states that the Secretary of State will expect the applicant to demonstrate how the compensation provisions are to be secured, and how they will be operated. The applicant will also need to show how these measures will be administered to ensure that they are relevant to planning when in operation. The mechanisms for enforcing these provisions should also be demonstrated.
- 9.276 RiverOak has always been aware that the issue of noise created by the operation of the airport would be one of the issues of principal concern for residents in the Districts of Thanet and Canterbury as highlighted in the statutory and non-statutory pre-application consultation events. RiverOak understands those concerns and is offering a range of commitments on future noise related activities at the airport in the form of a Noise Mitigation Plan [document reference TR020002/APP/2.4]. The commitments are designed to provide clarity to residents and reduce their concerns. Those potentially affected by noise were given a chance to comment upon the provisions of the Noise Mitigation Plan during the statutory consultation period before it was finalised and included in RiverOak's DCO application. The Noise Mitigation Plan was amended in response to the consultee comments in the pre-application process.
- 9.277 The Noise Mitigation Plan has been presented mindful of the noise mitigation measures that were voluntarily offered by Kent International Airport back in 2000 (see Section 2 of this statement). On the whole, the package of measures being proposed in this DCO application is equal to or better than measures previously offered. The terms of the Noise Mitigation Plan allow for maximum flexibility in terms of future airport operations at this stage whilst fully recognising obligations to minimise adverse noise effects, in advance of any certainty over the proposed changes to airspace. The fourteen measures included in the proposed Noise Mitigation Plan are considered to relevant in planning terms, and appropriate in light of the assessment of noise effects.
- 9.278 The measures included in the Noise Mitigation Plan are summarised below – full details are provided in document reference TR020002/APP/2.4:
- **Aircraft Quota Count Restrictions** – the use of 'quota counts' is common at other UK airports, where aircraft are given an independently assessed score known as a 'quota count' according to how noisy they are, and then a quota is imposed. Thus there will be a control of the total amount of noise from aircraft rather than the total number of aircraft. The noisiest aircraft (with quota count 8 or 16) are also banned from night flying altogether. The airport will be subject to an annual quota during the Night Time Period (2300 to 0700) of 3028. Emergency flights and flights operated by relief organisations will not count towards the night time quota count. The night time period quota figure has been arrived at based on a typical mix of aircraft operating within the noise levels that have been environmentally assessed, rather than taking the noisiest possible aircraft.
 - **Noise Insulation Scheme (Residential Properties)** – eligibility for the scheme is consistent with current and emerging Government policy. Where, upon application to the airport authority, the freehold owner of a residential property is deemed eligible for assistance under the noise insulation scheme, they will receive £4,000 towards acoustic insulation. Residential properties

with habitable rooms within the 63dB LAeq (16 hour) day time contour will be eligible for the payment. Residential properties which are not eligible but which have bedrooms which fall within the 55dB LAeq (8 hour) contour will be eligible for the payment.

- **Noise Insulation Scheme (Noise Sensitive Properties)** - the airport will provide reasonable levels of noise insulation and ventilation for schools and community buildings within the 60 dB LAeq (16 hour) day time contour.
- **Relocation** – a relocation assistance scheme will be offered by the airport authority to enable those homeowners exposed to the highest levels of airport related noise to move away from the airport. A successful applicant to the relocation assistance scheme will receive £5,000 plus 1.5% of the sale price of the property up to a maximum of £12,500. Owners of residential properties within the 69 dB LAeq (16 hour) contour will be eligible for the payment subject to criteria.
- **Training flights** - other than general aviation training that is based at Manston Airport, there will be no routine training flights.
- **Engine testing** – there will be no open field testing of jet engines during the night time period (2300 to 0700) except where operationally urgent and carried out within a designated test area.
- **Reverse thrust** - the airport will establish a policy which minimises the use of reverse thrust except where operationally essential.
- **Aircraft approach** - aircraft operators will be encouraged to keep noise disturbance to a minimum by operating a low power/low drag procedure subject to air traffic control speed control requirements and the maintenance of safe operation of the aircraft.
- **Runway Operation** - when weather conditions allow, and taking into account other operational and safety considerations including runway utilisation, the airport authority will seek to operate take-offs from Runway 28 and landings on Runway 10 subject to such operations being in accordance with CAA guidance and the aircraft operator's own limitations and safety management systems.
- **Wake turbulence** - the airport operator will implement the Wake Turbulence Policy (see Appendix 2 attached to document reference TR020002/APP/2.4).
- **Aircraft noise monitoring** - permanent fixed noise monitoring terminals will be located under each of the aircraft departure flight paths at a distance of 6.5km from the start of take-off roll.
 - During the Day Time Period (0700 to 2300) the operator of any departing aircraft that exceeds 90 dB LASmax at the relevant noise monitoring terminal will be subject to a penalty of £750 and a further penalty of £150 for each additional decibel exceeded above 90 dB LASmax.
 - During the Night Time Period (2300 to 0700) the operator of any departing aircraft that exceeds 82 dB LASmax at the relevant noise monitoring terminal will be subject to a penalty of £750 and further penalties of £150 for each additional decibel exceeded above 82 dB LASmax.

- **Off-track Flight** - the airport operator will install a Noise and Track Keeping System which will track aircraft in flight. Through the Airspace Change Process the airport authority will seek to establish Noise Preferential Routes (NPR) which will be designed to avoid overflying of densely populated areas. The airport will require each aircraft operator to ensure that 95% of all departures within a calendar year remain within the NPR. Any aircraft operator which fails to meet the target and subsequently fails to work collaboratively with the airport after being notified of persistent departures outside of the NPRs will be subject to a track keeping penalty of £500 per aircraft departure.
- **Community Consultative Committee** - the airport operator will establish a Community Consultative Committee in accordance with section 35 of the Act and with the guidance contained in “Guidelines for Airport Consultative Committees” (Department for Transport, 17 April 2014).
- **Community Trust Fund** - the airport operator will establish a Community Trust Fund into which all penalties referred to above will be paid. The proceeds of the fund will be applied to community projects within the 50 dB LAeq (16 hour) day time contour and 40 dB LAeq (8 hour) contours by the Community Consultative Committee. The airport operator will contribute £50,000 per annum to the Community Trust Fund.

s) Cumulative Effects

- 9.279 Paragraph 4.4 of the Airports NPS makes clear that in considering any proposed development, and in particular when weighing its adverse impacts against its benefits, the Examining Authority and the Secretary of State will take into account:
- Its potential benefits, including the facilitation of economic development (including job creation) and environmental improvement, and any long term or wider benefits; and
 - Its potential adverse impacts (including any longer term and cumulative adverse impacts) as well as any measures to avoid, reduce or compensate for any adverse impacts.
- 9.280 Chapter 18 of the ES [document reference TR020002/APP/5.2-3] is the Cumulative Effects Assessment. The approach that has been taken is to distinguish between combined (or inter-related) effects, and cumulative effects. This approach is consistent with the advice contained within PINS Advice Note 9 (2012, Rochdale Envelope – Version 2), PINS Advice Note 17 (2015, Cumulative Effects Assessment – Version 1) and the 2017 EIA regulations.
- 9.281 Typically, combined effects occur when different activities associated with a project act upon the same environmental receptor. In determining such effects, consideration would be given to the sensitivity of the receptor and the magnitude of environmental change. Interactive effects are assessed in relation to a specific receptor, but here the effect could be caused by the interactions of different types of effect from project activities even if individually these are insignificant. Human health effects are excluded from the inter-related effects assessment. The potential for human health effects as a result of changes related to multiple topics such as noise, air quality and socio-economic are detailed in Chapter 15 of the ES (Health and Wellbeing). Chapter 18 also assesses the potential for cumulative effects associated with other development - i.e. whether any other developments

would contribute to creating, with the proposed development, a cumulative effect that would be greater than would occur if the Manston Airport project was being developed in isolation.

9.282 Table 18.7 in Chapter 18 of the ES summarises the significant inter-related effects as follows:

- Residential properties in close proximity to the airport runway (at Alland Grange Lane; the southern end of High Street, Manston; Pounces Cottages; the northern end of Cliffsend and on Canterbury Road West, south of Jentex site), have the potential to experience significant inter-related noise and visual effects during the daytime. However if the noise insulation scheme is taken up, inter-related effects are less likely. In this instance, potentially significant inter-related effects would likely be experienced by residents within gardens at the northern end of Cliffs End only. However up to eight properties at the northern end of Cliffs End also will experience significant indoor inter-related effects but will be eligible for financial assistance for relocation as part of the Noise Mitigation Plan.
- Significant inter-related effects are also anticipated for visitors to the Spitfire and Hurricane Memorial Museum and RAF Manston History Museum in relation to visitor arrival and departure and any outdoor exhibits during the operational phase of the Proposed Development.
- The community of Manston, particularly in the area of Preston Road, Manston; in northern section of High Street, Manston; in southern section of High Street; Manston; Jubilee Cottages on Manston Road; PRowS TR8, TR9, TR10 and TR22; Manston Court Caravan Site and Preston Parks are likely to experience significant daytime inter-related noise and visual effects in relation to visitor arrival and departure and any outdoor exhibits during the operational phase of the Proposed Development.
- The community of Manston may also experience significant inter-related noise and visual effects during the daytime, in both shared open spaces and indoor spaces (specifically residential properties at Preston Road, Manston; in northern section of High Street, Manston; in southern section of High Street; Manston; Jubilee Cottages on Manston Road; PRowS TR8, TR9, TR10 and TR22; and Manston Court Caravan Site and Preston Parks). Effects on some indoor spaces are less likely to be significant if eligible residents take up the noise insulation scheme, however this scheme will not apply to caravan sites.

9.283 Table 18.8 in Chapter 18 of the ES summarises the significant cumulative effects. No significant inter-project cumulative effects are likely with regards to air quality, biodiversity, freshwater environment, historic environment, land quality, landscape, noise (construction period only), socio-economics, traffic and transport, health and wellbeing, climate change and major accidents and disasters.

9.284 A significant adverse cumulative visual effect could be experienced at properties on Haine Road; PRow TR24 and PRowS close to Flete and Lydden within PRow Group C as a result of the introduction of three substantial developments – the Proposed Development; the 62 unit residential scheme at Canterbury Road and the 550 unit mixed-use scheme at the Eurokent site. The contribution of the Proposed Development to the magnitude of visual change experienced by these receptors would be low, but the combined magnitude of change would be likely to increase to

medium. It is possible that significant cumulative effects could be avoided if mitigation measures (in terms of the provision of landscape screening) were incorporated as part of the Canterbury Road and Eurokent schemes.

- 9.285 A significant adverse annoyance and disturbance effect as a result of aircraft noise during the day and annoyance, disturbance and sleep disturbance from night time aircraft noise is also expected at residential properties at the Manston Green development site and at a Development Plan allocation at the north-western edge of Cliffsend. Significantly affected dwellings will be eligible for sound insulation which, if accepted by the property owners, will reduce noise inside dwellings during the daytime and night time such that it does not reach a level where it will significantly affect residents

Summary

- 9.286 The Proposed Development will bring significant social, environmental and economic benefits including job creation and economic prosperity in addition to the significant benefit that it will deliver in terms of meeting Government aviation policy objectives. Its potential cumulative adverse impacts are not substantial due mainly to the proposed mitigation and enhancements offered. The potential residual adverse effects are not outweighed by the significant benefits that the Proposed Development would deliver.

10 THE ACCEPTABILITY OF THE PROPOSED DEVELOPMENT : CONCLUSIONS

- 10.1 This Planning Statement has been prepared to accompany a Development Consent Order application by RiverOak Strategic Partners Limited to reopen Manston Airport in Kent as a modern, freight-focussed airport with some passenger services. The proposals include both the use of the existing airport infrastructure and the introduction of new facilities.
- 10.2 The Development Consent Order application includes compulsory acquisition powers. In addition to obtaining approval for development consent, approval will also be required for the new airspace and operating procedures from the Civil Aviation Authority (CAA).
- 10.3 Air freight and cargo operations are planned to resume at the airport in Year 2 (expected to be in 2021) with passenger services expected to follow in Year 3 (expected to be in 2022).

The Process

- 10.4 The determination of this DCO application will be made in the absence of a directly applicable Airports NPS (Section 104(2) of the Planning Act 2008) in accordance with Section 105 of the Planning Act 2008. A decision on the application can be taken on this basis. The primary policy basis for determining the DCO application is the Government's National Policy on Aviation as contained within the Aviation Policy Framework (March 2013). However, and since publication of the APF, significant progress has been made by the Government on addressing matters relating specifically to airport expansion in the South East especially through the work of the Airports Commission. Consequently, the APF is considered to be out-of-date in relation to this particular matter and due consideration needs to be made to the Airports NPS which is important and relevant and the Government's July 2017 consultation on the new Aviation Strategy White Paper.
- 10.5 The Planning Act 2008 does not incorporate Section 38(6) of the Planning and Compulsory Purchase Act 2004 which provides the principal basis in law for the determination of planning applications namely that they must be determined in accordance with the Development Plan unless material considerations indicate to the contrary. The local Development Plan therefore is not the starting point for the consideration of a DCO. Nevertheless, the strong policy support for the Proposed Development in the adopted Thanet Local Plan is likely to be both important and relevant.

The Strong Need Case

- 10.6 Government policy on aviation makes it clear that it is not appropriate to re-examine the need for increased aviation capacity or, indeed, to question the Government's clear policy position that increases in aviation capacity are necessary and that they bring significant benefits. Government aviation policy is also clear that air freight in particular is important to the UK. The importance of aviation to the UK economy, and in particular the UK's hub status, has only increased following the country's decision to leave the European Union. As the UK develops its new trading relationships with the rest of the world, it will be essential that increased airport capacity is delivered, in particular to support development of long haul routes to and from the UK, especially to emerging and developing economies.

- 10.7 There is strong support for the Proposed Development in the Government's policy on aviation and especially in light of the challenges that already exist in the UK's aviation sector particularly in London and the South East. The Government recognises that not increasing airport capacity in the South East would be detrimental to the UK economy, to international and domestic connectivity, to aviation resilience planning, fares and knock-on effects in lost trade, tourism and direct foreign investment. The Proposed Development not only offers a genuine, realistic, focussed and immediate response to addressing a longstanding need for increased aviation capacity but it will help to recapture cargo traffic which is being displaced to mainland Europe by providing a reliever function for the main London airports. Without new airport infrastructure of the type being proposed, the objectives of the Government's aviation policy cannot be fulfilled.
- 10.8 The established use for the site is for airport uses. Key airport related infrastructure already exists and the runway in particular is in very good condition. The airport site continues to be protected for airport uses in the adopted Thanet Local Plan and these policies have been confirmed recently by a Planning Inspector to carry significant weight in the overall planning balance. RiverOak's research concludes that there is no other airport or airfield in the South East that could realistically provide a facility and service like that proposed in this DCO application. There is no better alternative use for the site.
- 10.9 The Government is clear that additional runway capacity needs to be made available as soon as possible and significantly earlier than 2030 and any new runway provision at Heathrow Airport through using existing runways more intensively. The addition of a third runway at Heathrow Airport does not change the need for a freight-based airport at Manston. Even in the longer term, and after the proposed opening of Heathrow's third runway and to 2050, Manston provides the only airport infrastructure in the South East that can provide the capacity needed to support the demand predicted.

The Significant Benefits to the Region

- 10.10 Reopening Manston Airport will help deliver significant socio-economic benefits including economic prosperity and employment across Kent of an unprecedented scale. It will become a catalyst for much-needed growth especially for East Kent but across the UK. Historically, and to the present day, the valuable role that Manston could play especially in terms of its contribution to regional economic development has been fully accepted including in policy and strategy documents. The Proposed Development by RiverOak offers the opportunity for Manston Airport to develop as a business and employment destination and to deliver significant socio-economic benefits. It could become as Kent County Council once described 'one of the largest single generators of economic activity in the County' and is a genuine economic asset.

The Significant Local Support

- 10.11 It is evident from all three consultation events that there remains considerable local support for the Proposed Development with the economic, employment and regeneration benefits being highlighted as key beneficial impacts. Historically, and prior to its closure in 2014, there has been strong support for the airport including for expansion plans. The considerable support for the Proposed Development including from the new Leadership at Thanet District Council and adjoining authorities carries significant weight. Significant time and effort has been invested by RiverOak in consulting and refining the proposed development prior to submitting the Development Consent Order application

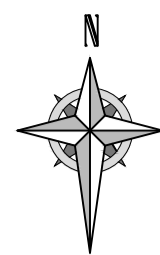
in order to limit adverse impacts where possible. Reopening Manston Airport is very much in the public's interest. It is sustainable development.

Overall Conclusions of the Planning Statement

- 10.12 The proposed development is consistent with the NPPF, national aviation policy and the requirements of other relevant planning policy and will provide significant benefits to the UK's aviation sector, to Kent and to the district of Thanet.
- 10.13 In light of the conclusions presented in the Environment Statement, there will not be any adverse effects after mitigation which would outweigh the benefits of the Proposed Development which include bringing the site back into beneficial use.
- 10.14 In terms of the overall planning balance, development consent for the Proposed Development should be granted.

APPENDIX 1 : DCO APPLICATION SITE BOUNDARY PLAN

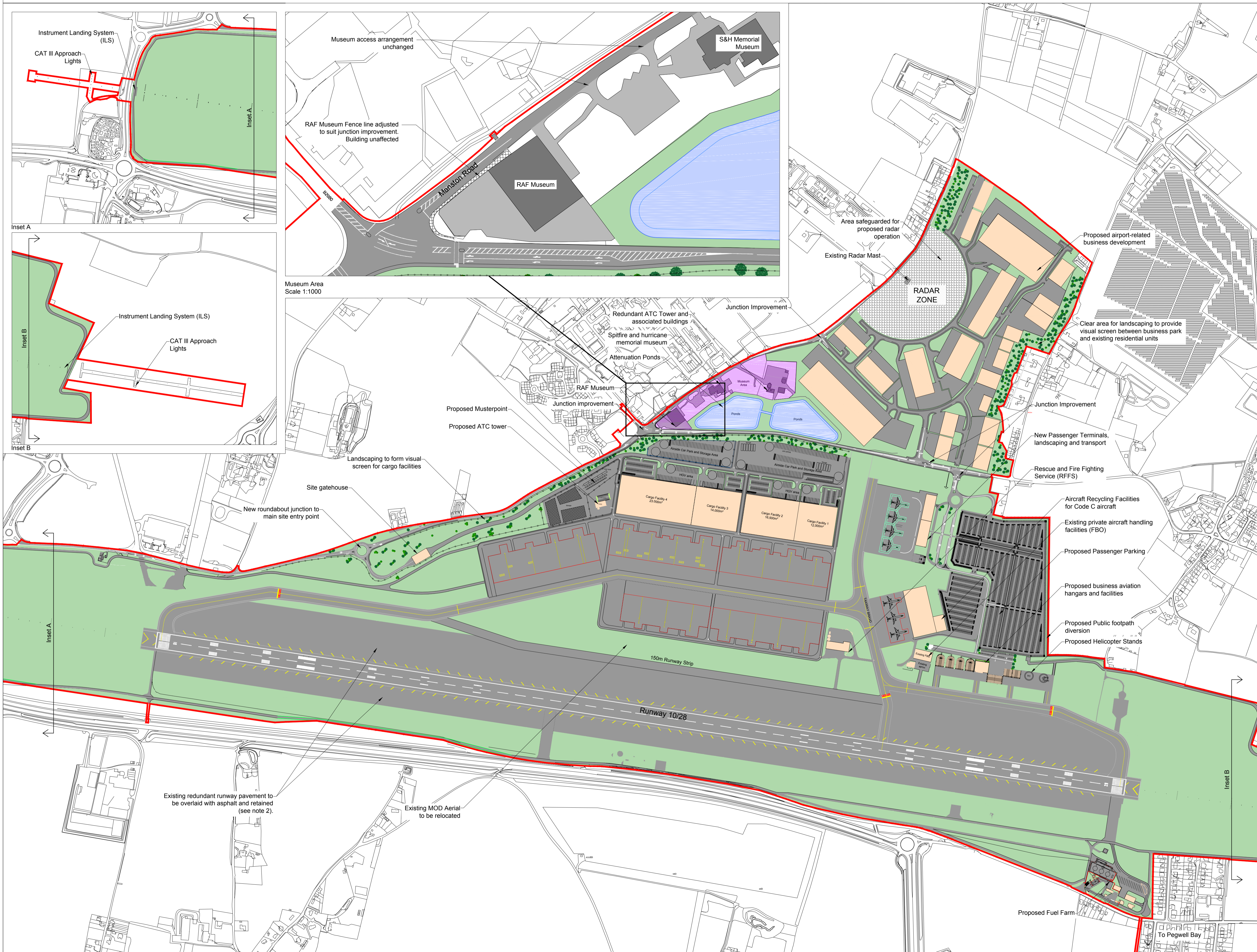
**APPENDIX 2 : ILLUSTRATIVE MASTERPLAN SHOWING THE
PROPOSED DEVELOPMENT**



MANSTON AIRPORT DEVELOPMENT CONSENT ORDER
 MASTERPLAN - SITE LAYOUT
 REGULATION 5(2)(o)
 THANET DISTRICT COUNCIL

ILLUSTRATIVE PURPOSES ONLY

RSP



KEY

- Order Limits
- Buildings / Structures
- Grassed Area
- Landscaped Area
- Drainage Pond
- Museum Area
- Pavement & Aircraft Pavement

Notes

- OS Data obtained from emapsiteriv May 2017.
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Ordnance Survey 0100031673
- Existing runway pavement to be retained at request of EA and Southern Water to protect adit. Strategic removal of pavement will be required to install runway and airport infrastructure, details to be agreed with EA and Southern Water.

100m SCALE 1:7500

Reference	Description	Author	Checked	Date
P14	Location plan updated	TAW	CJ	GD 29.03.18
P13	Application Number Added	KA	CJ	CJ 23.03.18
P12	Museum area updated, DCO boundary updated and notes added	TAW	CJ	GDD 21.03.18
P11	'Illustrative only' note added, Runways strip lines removed, business development area re-labelled, Aircraft recycling and ILS notes amended	TC	CJ	GD 26.02.18
P10	Red line boundary and title amended, Highway improvement works to Manston Road and Spitfire way extended, FBO area amended, Northern Business Park and annotation updated	TC	CJ	GDD 12.02.18
P09	Northern grass area and red line boundary updated and interior round about and passenger parking area also updated	KA	CJ	GDD 26.01.12
P08	PAPI, ILS and glide path navigational aids added, Existing NDB and DME annotation removed and MOD aerial note amended	SW	CJ	CJ 21.11.17
P07	Junction Updated	TAW	CJ	GD 15.11.17
P06	Update business park and redundant runway pavement retained	TAW	CJ	GDD 09.11.17
P05	Taxiway Alignments, Junctions and Key Plan updated annotation amended, ILS locations shown	AAG	CJ	GDD 20.10.17
P04	DCO Boundary amended, Junction improvements shown on masterplan layout, Indicative MOD aerial location removed from Northern Area	TAW	CJ	GD 13.10.17
P03	Helicopter stand H1 and H2 added to FBO area, 130m indicative clearance circle shown to relocated MOD arrival	TAW	CJ	GDD 26.09.17
P02	Layout Updated	RS	CJ	GDD 22.09.17
P01	First Issue	RS	CJ	CJ 04.09.17
Rev	Description	By	Ckd	Apr Date

Project MANSTON AIRPORT DEVELOPMENT CONSENT ORDER

Title MASTERPLAN - SITE LAYOUT REGULATION 5(2)(o) THANET DISTRICT COUNCIL

Document Number	Revision
NK018417 - RPS-MSE-XX-DR-C-2000	P14
Project Number	Originator - Zone - Level - Type - Role - Drawing Number
Application Number - TR020002	
Scale 1:5000	Sheet Size A1
Sheet No 1 of 1	Status S.56

APPENDIX 3 : MANSTON AIRPORT PLANNING HISTORY

Application Reference	Address	Description of Development	Status
Manston Airport			
F/TH/15/0458	Building 4, Manston Airport, Spitfire Way, Manston, Ramsgate, CT12 5FF	Change of use from airport use to general industrial use	Dismissed at appeal 13-Jul-17
F/TH/15/0459	Manston Airport Cargo Centre & Responding Vehicle Point, Spitfire Way, Manston, Ramsgate, CT12 5FF	Change of use from airport use to storage and distribution use	Dismissed at appeal 13-Jul-17
F/TH/15/0460	Building South Of Terminal (Hanger 1), Manston Airport, Manston, Ramsgate, CT12 5BL	Change of use from airport use to general industrial for a temporary period of 3 years	Dismissed at appeal 13-Jul-17
F/TH/15/0457	Building 870, Manston Airport, Manston, Ramsgate, CT12 5BL	Change of use from airport use to general industrial use together with four storey extension and insertion of windows	Dismissed at appeal 13-Jul-17
OL/TH/16/0550	Manston Airport Manston Road Manston RAMSGATE Kent	Comprehensive redevelopment of the site involving the demolition of existing buildings and structures and removal of hard standing and associated infrastructure, and provision of mixed use development. Application submitted in hybrid form (part-outline and part-detailed). The outline element comprises an outline planning application (with all matters except Access reserved for future determination) for the provision of buildings/floorspace for the following uses; Employment (Use Classes B1a-c/B2/B8), Residential (Use Classes C3/C2), Retail (Use Classes A1-A5), Education and other non-residential institutions (Use Class D1), Sport and Recreation (Use Class D2), Hotel (Use Class C1), Open space/landscaping (including outdoor sport/recreation facilities), Car Parking, Infrastructure (including roads and utilities), Site preparation and other associated works. The full/detailed element of the application comprises; change of use of retained existing buildings, Development of Phase 1 comprising four industrial units (Use Class B1c/B2/B8) with ancillary car parking and associated infrastructure, Access.	Awaiting Decision 03-Jun-16
F/TH/15/0067	Land East Of Worlds Wonder, Manston Road, Manston, Ramsgate	Change of use of 8.1ha of agricultural land to use as a solar farm including the installation of associated solar panels. (approx 2.31m high) ancillary single storey buildings, substations, 2m high security fence & security camera	Refused Permission 13-Nov-15
F/TH/14/0645	Land East Of Worlds Wonder, Manston Road, Manston, Ramsgate	Change of use of land for use as a solar park including the installation of associated high solar panels (approx 2.31m), ancillary single storey buildings, substations and 2m high security fencing and security cameras	Refused Permission 13-Oct-14
CD/TH/13/0745	Kent International Airport, Manston, Ramsgate	Application for a certificate of proposed lawful development for the erection of helicopter hanger, workshop and ancillary space and associated hard standing to facilitate a new search and rescue facility at Kent International Airport, Manston	Cert issued planning permission

			not req 04-Nov-13
F/TH/11/0264	Spitfire And Hurricane Museum, Manston Road, Minster, Ramsgate, CT12 5DF	Retention of temporary portacabin for use in association with museum	Granted Permission 02-Jun-11
F/TH/10/0988	Building 870, Kent International Airport, Manston, Ramsgate	Erection of extension to accommodate preparatory holding pen/stable, erection of 2m high fence to enclose holding pen/stable, together with formation of hard standing.	Granted Permission 02-Feb-11
F/TH/10/0988	Building 870, Kent International Airport, Manston, Ramsgate	Erection of extension to accommodate preparatory holding pen/stable, erection of 2m high fence to enclose holding pen/stable, together with formation of hard standing	Granted Permission 17-Nov-10
R/TH/09/0558	Manston Court Garage, Manston Road, Manston, Ramsgate, CT12 5BH	Application for the approval of design, external appearance and landscaping for the erection of 120 bed hotel with conference facilities, pursuant to outline planning permission OL/TH/05/0866	Granted Permission 12-Oct-09
F/TH/09/0637	Kent International Airport, Manston, Ramsgate	Erection of mast for primary and secondary radar installations with associate transmitter and receiver building, within compound enclosed by 2.9 metre fence and associated sub station.	Granted Permission 30-July-09
F/TH/08/0508	Raf Manston Fire Training House, Manston, Kent, CT12 5BS	Erection of a 5 meter high street lighting column	Granted Permission 06-Jun-08
F/TH/08/0176	Spitfire & Hurricane Memorial Building, Manston Road, Ramsgate	Retention of temporary portacabin for use in association with Memorial building	Granted Permission 02-Apr-08
F/TH/07/1452	Raf Manston, Fire Training House, Manston, Kent, CT12 5BS	Erection of a two storey fire training house	Granted Permission 10-Dec-07
F/TH/07/1065	Kent International Airport, Manston, Ramsgate, CT12 5BP	Erection of electricity sub-station and associated works	Granted Permission 06-Aug-07
F/TH/07/1777	Kent International Airport, Manston, Ramsgate, CT12 5BP	Formation of combined silt trap and fuel interceptor, together with associated drainage alterations	Granted Permission 26-Mar-07
OL/TH/05/0866	RAF Manston, Fire Training House, Manston, Kent, CT12 5BS	Demolition of garage buildings and erection of 120 bedroom hotel with conference facilities	Granted Permission 13-Jul-06
F/TH/04/1569	London Manston Airport, Manston, Kent, CT12 5BS	Change of use of land fronting Manston Court Road for the purposes of an electricity primary substation and to provide a 33/11kV Electricity Substation consisting of three outdoor transformers and a single storey brick built switchroom	Granted Permission 02-Dec-04
F/TH/04/0463	London Manston Airport, Manston, Kent, CT12 5BS	Construction of car park with associated roads, landscaping and security fence, lighting and cameras.	Granted Permission 19-Apr-04
F/TH/03/0515	London Manston Airport, Manston, Kent, CT12 5BS	Installation of CCTV system including 9No. 8 metre camera masts, in connection with airport operation	Granted Permission 13-May-03

F/TH/02/1026	Land North Of Thanet Flying Club, London Manston Airport, Manston, Ramsgate, CT12 5BP	Erection of new aircraft maintenance hangar and boiler room (approx 6000 sqm), together with the provision of additional car parking, the re-alignment of the airport access road and formation of a new aircraft access to Taxiway Bravo.	Granted Permission 18-Oct-02
F/TH/01/0986	Spitfire And Hurricane Museum, Manston, Thanet, Kent.	Retention of temporary mobile building for use in association with memorial building	Granted Permission 29-Nov-01
F/TH/01/1022	Modern Jet Support Centre Limited, Hangar One, Manston Airport, Ramsgate, Kent CT12 5BL	widening of door opening to hangar 1 and provision of 20 metre high movable tail dock to northern elevation of hangar	Granted Permission 12-Nov-01
F/TH/01/0654	London Manston Airport, Manston, Kent	Provision of a new sub-station installation including standby generator	Granted Permission 10-Oct-01
F/TH/01/0940	London Manston Airport, (Airport Property Line B2190 Adj To Road Leading To Existing BF12) Manston, Kent	Creation of new entrance and access road from b2190 to taxiway alpha for refuelling lorries	Granted Permission 10-Oct-01
F/TH/01/0701	London Manston Airport, (B2050, Adjacent To The History Club & Spitfire & Hurricane Museum), Manston, Kent	Installation of surface water attenuation pond (17500 cubic metres) as part of airport surface water management programme, together with 1.8m high security fence	Granted Permission 25-Jul-01
F/TH/01/0654	London Manston Airport, Manston, Kent	Provision of a new sub-station installation including standby generator	Granted Permission 11-Jul-01
F/TH/01/0467	London Manston Airport, Manston, Kent	Installation of semi-automatic meteorological observing system	Granted Permission 16-May-01
F/TH/01/0463	London Manston Airport, Manston, Kent	Erection of paint spray hangar with associated 40m flues, aircraft stand, car park and new vehicular access	Granted Permission 16-May-01
F/TH/00/0297	London Manston Airport, Manston, Kent	Replacement and upgrading of passenger aprons, adjacent to existing passenger terminal, upgrading of cargo apron around existing western cargo shed, improvements and part realignment of linking taxiways, and construction of new hanger adjacent to cargo apron.	Granted Permission 01-Jun-00
F/TH/00/0230	Spitfire And Hurricane Museum, Manston, Thanet, Kent	Single storey extension to food preparation area	Granted Permission 02-May-00
F/TH/00/0356	London Manston Airport, Manston, Kent	Construction of glide path antenna and cabin and localiser aerial and cabin	Granted Permission 20-Apr-00
F/TH/99/0839	London Manston Airport, Manston, Kent	Use of part of airfield apron for dismantling of 5 no. commercial aircraft	Granted Permission 08-Oct-99
F/TH/99/0047	Spitfire & Hurricane Memorial Building, R.A.F., Manston, Thanet, Kent	Construction of coach park and new vehicular access	Granted Permission 03-Mar-99

F/98/1063	Manston Airport, Manston, Ramsgate	Development works to enable CAA certification of airfield comprising: visual control room, 3 no. portakabins, fire station extensions, antennae and cabins, perimeter security fencing, localiser aerial masts and diesel fuel tank	Granted Permission 22-Dec-98
F/TH/98/0350	Hurricane & Spitfire Memorial Building, Manston, Thanet, Kent	Siting of a mobile building for use in association with memorial building for a temporary period.	Granted Permission 19-Jun-98

CD-TH-98-0400	R.A.F. Manston, Manston, Kent	Certificate of Lawfulness for the proposed use of existing airfield buildings listed on the attached schedule in association with the use of the airfield for civilian purposes	Granted Permission 14-May-98
CD-TH-98-0399	R.A.F. Manston, Manston, Kent	Certificate of Lawfulness for the proposed retention of existing airfield buildings	Granted Permission 14-May-98
CD-TH-98-0398	R.A.F. Manston, Manston, Kent	Certificate of Lawfulness for the proposed use of the airfield for civilian purpose	Granted Permission 14-May-98
F/TH/97/0634	Kent International Airport, Manston, Thanet, Kent	Change of use from air training college to administration offices with out of hours medical surgery and pharmacy	Granted Permission 30-Sep-97
F/TH/96/0967	Jet Support Centre Kent International Airport Manston Ramsgate Kent	Extension of existing building to form workshop area	Granted Permission 25-Mar-97
F/94/0774	Hurricane & Spitfire Memorial Building, Manston, Thanet, Kent	Erection of a pitched roof side extension	Granted Permission 18-Nov-94
F/TH/93/0656	Kent International Airport, Manston, Thanet, Kent	Erection of a single storey classroom and office block with a temporary structure to provide emergency teaching and office facilities	Granted Permission 09-Dec-93
F/TH/93/0504	Kent International Airport, Manston, Thanet, Kent	Continued use of temporary buildings as offices	Granted Permission 07-Sep-93
G/TH/93/0031	R.A.F. Manston, Manston, Kent	Circular 18/84 consultation - erection of a conservatory extension	Raise no objection 03-Mar-93
M/TH/92/0476	R.A.F. Manston, Manston, Kent	Circular 18/84 consultation for the provision of a fuel dispense facility	Raise no Objections 23-Oct-92
F/TH/92/0668	Jet Support Centre Kent International Airport Manston Ramsgate Kent	Extension to existing hanger to provide engine overhaul shop and associated offices	Granted Permission 15-Oct-92
F/TH/92/0552	Hurricane & Spitfire Memorial Building, Manston, Thanet, Kent	Erection of a conservatory for use as cafe and sale of souvenirs associated with the museum and erection of toilets	Granted Permission 15-Sep-92
G/TH/92/0245	R.A.F. Manston, Manston, Kent	Re-siting of 2 existing temporary buildings	Granted Permission 14-May-92
G/TH/91/0761	R.A.F. Manston, Manston, Kent	Erection of a fire burning area control building	Not available 02-Oct-91

G/TH/91/0606	R.A.F. Manston, Manston, Kent	Underground fuel storage facility including bulk delivery point, access road and security fence	Not available 14-Aug-91
91/0129	Kent International Airport Manston Ramsgate Kent	Renewal of consent ref TH/88/1885 for provision of a temporary hanger	Appeal Lodged 08-Apr-91
TH/87/1454	n/a	Extension to RAF Manston spitfire memorial building	Granted 11-Jan-88
TH/87/1149	n/a	Erection of detached single and two storey buildings to provide fire school training sets	Granted 16-Nov-87
TH/87/0976	n/a	Retention of portakabin for use as office and passenger lounge	Granted 13-Nov-87
TH/87/0935	n/a	Provision of Junior ranks single living accommodation in two storey blocks	Granted 05-Oct-87
TH/87/0453	n/a	Siting of a temporary classroom building and a temporary portalo ablution block	Granted 22-Jun-87
TH//86/1024	n/a	Sitting of a building for use as MOD police post, for temporary period of five years.	Granted 04-Dec-86
TH/86/0830	n/a	Circular 18/84 erection of a detached single storey relocatable folding, steel building to house fire vehicles	Granted 24-Oct-86
TH/86/0831	n/a	Circular 18/84 erection of a detached single storey radio equipment building, seven wooden aerial poles and a chain link perimeter fence	Granted 24-Oct-86
TH/86/0705	n/a	Construction of two storey building incorporating an officer's mess, 46 bedrooms and ancillary facilities.	Granted 12-Sep-86
TH/86/0099	n/a	Circular 18/84 submission, erection of 84 married quarters, construction of road and landscaping	Granted 15-May-86
TH/85/1223	n/a	Refurbishment of and alterations to air traffic control building	No objection 30-Jan-86
TH/84/0246	n/a	Relocation of prefabricated building for use as gliding/motor gliding club house and office	Granted 17-May-84
610	n/a	Installation of fuel tank	Granted 05-Jan-82
n/a	n/a	Erection of cargo shed on land at Herlick Road	Granted Permissio n 25-Jul-79
n/a	n/a	Provision of airline office	Granted Permissio n 25-Jul-79
n/a	n/a	Erection of 8 lock up garages	Granted Permissio n 25-May-79
n/a	n/a	Erection of a single storey building to be used as office and passenger lounge	Granted Permissio n 28-Mar-79
n/a	n/a	Erection of an aircraft pavilion	Granted Permissio n 08-Mar-79
n/a	n/a	Erection to an extension to aircraft hanger	Granted Permissio

			n 16-May-78
TH/74/4320	n/a	Erection of single storey building to provide additional sleeping quarters	Granted Permissio n 22-Dec-75
TH/74/209	n/a	Temporary buildings for radio workshops stores office	Granted Permissio n 05-Jul-74
CH/7/71/452	n/a	Use of land for airplane hanger	Granted Permissio n 21-Dec-71
CH/7/71/96	n/a	Change of use from aircraft hanger to cargo warehouse	Granted Permissio n 19-Feb-71
CH/7/70/408	n/a	Change of use from store for tyres to store in connection with glass fibre moulding	Granted Permissio n 20-Oct-70
CH/7/70/221	n/a	Change of use of building from storage to factory for glass fibre moulding	Granted Permissio n 13-Jul-70
CH/7/69/498	n/a	Addition to form passenger concourse and directors dining room	Granted Permissio n 11-Dec-69
CH/7/69/499	n/a	Retention of additional toilet accommodation	Granted Permissio n 11-Dec-69
CH/7/69/500	n/a	Erection of a passenger terminal building for airline use	Granted Permissio n 11-Dec-69
AT/CH/7/68/226	n/a	An advertisement sign	Granted Permissio n 01-Jul-68
CH/7/68/158	n/a	Erection of a spectator enclosure	Granted Permissio n 29-Apr-68
CH/7/68/3	n/a	Provision of propane gas installation	Granted Permissio n 02-Feb-68
CH/7/67/354	n/a	Construction of spectators enclosure	Granted Permissio n 11-Jul-67
CH/7/67/966	n/a	Erection of inspectors kiosk	Granted Permissio n 23-Mar-67
CH/7/66/395	n/a	Re-erection of 2 no. arcon pre-fabricated buildings	Granted Permissio n 24-Aug-66

CH/7/66/59	n/a	Use of Aircraft Hanger for maintenance of company's own aircraft	Granted Permissio n 25-Feb-66
CH/7/66/71	n/a	Addition to form passenger concourse and directors dining room	Granted Permissio n 22-Feb-66
CH/7/66/34	n/a	Additional toilet Accommodation	Granted Permissio n 04-Feb-66
n/a	n/a	Revised Plans in connection with terminal building	Granted Permissio n 16-Nov-65
CH/7/65/294	n/a	Re-alignment of junction of route B2050 with route B2190 and provision of 3 accesses to RAF Motor Transport yard	Granted Permissio n 27-Aug-65
CH/7/65/146	n/a	Erection of Hanger	Granted Permissio n 25-Mar-65
CH/7/64/769A	n/a	Revised plan for the erection of passenger terminal building for airline use	Granted Permissio n 15-Mar-65
CH/7/64/769	n/a	Erection of a passenger terminal building for airline use	Granted Permissio n 18-Feb-65
CH/7/64/768	n/a	Use of Land for the erection of a hanger	Withdrawn 05-Feb-65
99/377	London Manston Airport Kent International Airport Manston Ramsgate Kent	Use of crown and airfield land and buildings for commercial civilian airport use (Lawful Development Certificate)	Not available
98/400	London Manston Airport Kent International Airport Manston Ramsgate Kent	Proposed use of existing airfield buildings on site in association with the civilian use of the airfield (Lawful Development Certificate)	Not available
98/399	London Manston Airport Kent International Airport Manston Ramsgate Kent	Retention of existing airfield buildings on site (Lawful Development Certificate)	Not available
98/398	London Manston Airport Kent International Airport Manston Ramsgate Kent	The proposed use of the airfield for civilian purposes (Lawful Development Certificate)	Not available
F/TH/88/0121	London Manston Airport Kent International Airport Manston Ramsgate Kent	Erection of a passenger terminal building, new access road and car parking facilities on a site then referred to as the 'civilian enclave' to the east of the airport, south of Manston Road (subject to a S.106 Agreement which included night-time flying restrictions)	Not available
CH/7/66/137	n/a	Proposed erection of 5 no. officers garages and 11 no. airmen's garages	n/a
n/a	n/a	Install prefabricated offices	n/a
TH/82/0199	n/a	Operation office and passenger lounge	Granted n/a
n/a	n/a	Erection of clubhouse	n/a

TH/85/0874	n/a	Residential development to provide quarters for officers and airmen	No objection n/a
TH/85/0885	n/a	Erection of two detached hanger buildings	No objection n/a
TH/87/1277	n/a	Erection of a detached single storey passenger terminal building and provision of car parking area and associated facilities	n/a
TH/87/1378	n/a	Construction of new hanger offices and club-house and formation of new taxiway	n/a
TH/88/0121	n/a	Erection of a passenger terminal building , new access road and car parking facilities	n/a

**APPENDIX 4 : JULY 2017 LOTHAIN SHELF (718) LIMITED
PLANNING APPEAL DECISION**

Appeal Decisions

Inquiry held on 14-17 March 2017

Site visit made on 17 March 2017

by M C J Nunn BA BPL LLB LLM BCL MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 13th July 2017

Appeal A Ref: APP/Z2260/W/15/3140995 Building 1, Former Manston Airport, Kent, CT12 5BL

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a failure to give notice within the prescribed period of a decision on an application for planning permission.
 - The appeal is made by Lothian Shelf (718) Ltd against Thanet District Council.
 - The application Ref: F/TH/15/0460 is dated 15 May 2015.
 - The development proposed is described as 'change of use of Building 1 from sui generis to flexible B1(b-c), B2 and B8 for a temporary period of 3 years'.
-

Appeal B Ref: APP/Z2260/W/15/3140990 Building 2, Former Manston Airport, Kent, CT12 5BL

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
 - The appeal is made by Lothian Shelf (718) Ltd against the decision of Thanet District Council.
 - The application Ref: F/TH/15/0457, dated 15 May 2015, was refused by notice dated 22 October 2015.
 - The development proposed is described as 'change of use of Building 2 from sui generis to flexible B1(b-c), B2 and B8, small extension, marking out of car parking, and associated works'.
-

Appeal C Ref: APP/Z2260/W/15/3140992 Building 3, Former Manston Airport, Kent, CT12 5BL

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a failure to give notice within the prescribed period of a decision on an application for planning permission.
 - The appeal is made by Lothian Shelf (718) Ltd against Thanet District Council.
 - The application Ref: F/TH/15/0459 is dated 15 May 2015.
 - The development proposed is described as 'change of use of Building 3 from sui generis to flexible B1(b-c), B2 and B8'.
-

Appeal D Ref: APP/Z2260/W/15/3140994 Building 4, Former Manston Airport, Kent, CT12 5BL

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a failure to give notice within the prescribed period of a decision on an application for
-

planning permission.

- The appeal is made by Lothian Shelf (718) Ltd against Thanet District Council.
 - The application Ref: F/TH/0458 is dated 15 May 2015.
 - The development proposed is described as 'change of use of Building 4 from sui generis to flexible B1(b-c), B2 and B8'.
-

Decisions

1. Appeals A, B, C and D are all dismissed.

Procedural Matters

2. The single reason for refusal in respect of Appeal B was: "the proposed development, by virtue of the loss of a building for airport use, would create the potential need for additional buildings within the countryside and would not constitute essential airside development, contrary to Thanet Local Plan Policies CC1 and EC4 of the Thanet Local Plan, and Paragraphs 14 and 17 and guidance within the National Planning Policy Framework". With regards to Appeals A, C and D, the Council failed to determine the applications within the prescribed period. On 17 February 2016, the Council's Planning Committee resolved that, had it determined the applications, it would have refused permission for these applications for essentially the same reason as for Appeal B.
3. The Council initially resisted these appeals, and produced Statements of Case urging their dismissal. Subsequently, the Council indicated¹ that it no longer raised any objections to the four appeals, subject to the imposition of appropriate conditions. This followed the publication of a Report by AviaSolutions² into the commercial viability of the airport.
4. The Council's representative did not present any formal evidence to resist the schemes, apart from providing an opening statement³ setting out the new position, but attended throughout to provide support to the Inquiry and to participate in the discussion about conditions.
5. The Council, during the processing of the planning applications, revised the descriptions of the schemes, removing the 'flexible' nature of the uses sought. For the avoidance of doubt, I have dealt with the appeals as originally submitted on the basis of the 'flexible use'. Appeal A, concerning Building 1, relates to a change of use for a temporary period for three years, whereas in Appeals B, C and D, relating to Buildings 2, 3 and 4 respectively, the development is sought on a permanent basis.
6. RiverOak Strategic Partners Ltd ('RSP') appeared at the Inquiry as a Rule 6 Party, and gave detailed evidence inviting me to dismiss the appeals. RSP are promoting a project to reopen the airport. Although RSP currently have no legal ownership interest in the land, they are preparing to make an application for a Development Consent Order (DCO) to re-establish a predominantly cargo based aviation use at the site and are currently engaged in discussions with the Planning Inspectorate on this matter.

¹ Letter dated 15 December 2016

² Report on the Commercial Viability of Manston Airport, AviaSolutions (September 2016) [CD 14.2]

³ Inquiry Document 2

7. A DCO is the means of obtaining permission for developments categorised as Nationally Significant Infrastructure Projects. Such consents are assessed under a separate regime to these appeals and it is not my role to express a view on the matter of any forthcoming DCO, or to prejudge its findings. I also note that, given that the site is not currently in the ownership of RSP, and because acquisition through negotiation with the owners has been unsuccessful, the DCO process is likely to entail the acquisition of the appeal site under compulsory purchase powers, for which a compelling case in the public interest will have to be shown. Again, this is not a matter for this inquiry.

Main Issue

8. The main issue in all four appeals is the acceptability of the proposals having regard to the adopted development plan and national policy, and whether there are material considerations to justify a determination other than in accordance with the development plan.

Reasons

Background

9. Manston was first used as an airfield from around 1915-16. The runway was built in the 1940s and civilian use began in the 1950s and 1960s. The Ministry of Defence sold RAF Manston in 1998, and Manston Airport has been in various ownerships since. The four buildings subject of these appeals fall within the confines of Manston Airport, itself located outside the urban area. Airport activities ceased in 2014 and much of the necessary operational aviation infrastructure and equipment has now been removed. The airport is now closed and has no aerodrome licence.
10. Building 1 is located close to the main terminal building, whereas Buildings 2, 3 and 4 are all clustered along the northern boundary of the Airport adjacent to, and accessed from, Spitfire Way. Building 1 is a substantial aircraft hangar, with large opening doors to allow aircraft access. Building 2 is of a more modern design and construction than the other three buildings, with openings to the front and rear. Building 3 has front and back sliding doors. Building 4 is significantly smaller than the other appeal buildings. They were previously used respectively for aircraft maintenance; cargo handling, storage and produce inspection; and to quarantine and inspect animals. Building 4 is now occupied by a business. The buildings vary in condition, with Buildings 1 and 3 appearing to be in a relatively poor condition, and 2 and 4 in a fair condition.

National and Local Policy Context

11. The relevant legislation⁴ requires that the appeals be determined in accordance with the statutory development plan unless material considerations indicate otherwise. The statutory development plan comprises the Thanet Local Plan ('the Local Plan'), adopted in June 2006.
12. The Local Plan, in its chapter on Economic Development and Regeneration⁵, recognises Manston Airport as an important regional hub and business location,

⁴ Section 38(6) of the Planning and Compulsory Purchase Act 2004

⁵ Chapter 2

and notes that its proximity to business parks ensures a key role in the economic regeneration of the area⁶. The Local Plan also records that the airport should play an important part in the economic regeneration not just of Thanet, but of the whole of East Kent⁷.

13. Policy EC4 of the Local Plan is of most relevance to these appeals. The Proposals Map identifies the appeal site as falling within the 'Airside Development Area'. Policy EC4 reserves such land for airside development, and states that development proposals will require specific justification to demonstrate that an airside location is essential. Paragraph 2.74 of the Local Plan defines 'airside development' as uses with an operational requirement for direct access to aircraft and therefore dependent on a location immediately adjacent to the runway or capable of direct access to it via taxiways. All four appeal schemes are for flexible business uses, rather than uses for which an airside location is essential. As such, they are in conflict with Policy EC4 of the Local Plan. This conflict with the Local Plan is not disputed by the main parties.
14. The National Planning Policy Framework ('the Framework') sets out the Government's up-to-date planning policies and is a material consideration in planning decisions. Importantly, the Framework does not change the statutory status of the development plan for decision making. However, the Framework advises at Paragraph 215 that due weight should be given to relevant policies in existing plans according to their degree of consistency with the Framework. Paragraph 14 of the Framework is clear that where the development plan is absent, silent or out of date, permission should be granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole.
15. It is the case that the Local Plan predates the Framework. Nonetheless, the Framework states that policies should not be considered out of date simply because they were adopted prior to the Framework's publication⁸. The Local Plan, as the appellant notes, is formally 'time expired', being designed to provide policy guidance up to 2011⁹. However, the mere age of a plan does not mean that it loses its statutory standing as the development plan. Furthermore, I find the overall approach of Policy EC4 to be consistent with the Framework. This recognises that plans should take account of the growth and role of airports and airfields in serving business, leisure, training, and emergency service needs¹⁰.
16. Policy EC4's approach is also consistent with the Government's Aviation Policy Framework (APF)¹¹. This recognises, amongst other things, that the aviation sector is a major contributor to the economy, facilitating trade and investment. The APF supports growth within a framework that maintains a balance between the benefits of aviation and its costs, particularly its contribution to climate change and noise. The APF also states in the short to medium term, a key

⁶ Paragraph 2.4

⁷ Paragraph 2.51

⁸ Paragraph 211

⁹ Local Plan, Page 5 [CD12.1]

¹⁰ Paragraph 33

¹¹ Aviation Policy Framework, March 2013 [CD 11.2]

- priority is to work with the aviation industry and other stakeholders to make better use of existing runway capacity at all UK airports¹².
17. It is certainly the case that the Local Plan was written and came into force at a time when the airport was operational. For this reason, the appellant contends that the Local Plan policies in relation to the airport are couched in terms that are plainly out-of-date, and that whilst some weight attaches to them, it must be limited because of changed circumstances at the site, namely the closure of the airport¹³. Indeed, the Local Plan states that the Council 'should plan for 1 million passengers, and 250,000 tonnes of freight per annum by the end of the Plan period'¹⁴ which given subsequent events, was clearly optimistic.
18. Whilst the fact that the airport is not currently operational is an important material consideration in these appeals, it does not necessarily follow that the closure of the airport in 2014 means that the policies of the Local Plan should automatically be accorded less weight, or that they are necessarily out of date. It can often be the case that a landowner's aspirations for the use of a particular site may differ from those purposes identified in a statutory development plan. That fact does not, of itself, reduce the weight of the plan or its policies. If that were so, there would be little purpose to the statutory planning system, or identifying and allocating land for specific purposes. There is nothing before me to suggest that Policy EC4 only applies to an operational airport.
19. To sum up, I find the overall approach of Policy EC4 to be consistent with the Framework, and national aviation policy, notwithstanding its age and the fact it was drafted prior to the publication of the Framework. To that extent, I consider Policy EC4 continues to carry significant weight in the overall planning balance and that Paragraph 14 of the Framework does not apply in this case. However, it is relevant to consider whether there are other material considerations that warrant determining the appeals other than in accordance with the development plan. These considerations include the possibility of airport activities resuming in the future. I deal with this below.

Emerging Policy

20. A new Draft Local Plan is currently under preparation. The January 2015 Preferred Options Consultation sought, under Policy SP05, to designate Manston Airport as an 'Opportunity Area' for the purpose of preparing an 'Area Action Plan' (AAP) for the site. The AAP was to consider the 'retention, development and expansion of the airport and aviation operations', while 'exploring alternative options for the future development of the area for mixed-use development'.
21. Proposed revisions to the Draft Local Plan were published for consultation which took place between January 2017 and March 2017. The 2017 version of Policy SP05 takes a different approach in respect of the airport in that it is allocated as a 'mixed use settlement' with the capacity to deliver at least 2,500 homes and up to 85,000 sqm of employment and leisure floorspace. The

¹² Paragraph 10

¹³ Inquiry Document 1, Paragraph 10

¹⁴ Paragraph 2.65

Council acknowledged that the Draft Plan is in 'its comparatively early stages'¹⁵ and that the latest version is still subject to various outstanding objections, including in respect of Policy SP05.

22. The future of the airport will no doubt be considered in a future Examination of the Local Plan. As a strategic matter, it is also, as the Council notes, an issue that is likely to be relevant to the Duty to Co-operate¹⁶. The current stage of the Draft Local Plan means its policies may be subject to change. In these circumstances, and in accordance with Paragraph 216 of the Framework, little weight can be given to the Draft Local Plan at this time.

Relevance of Paragraph 22 of the Framework

23. This states that planning policies should avoid the long term protection of sites allocated for employment use where there is *no reasonable prospect* of a site being used for that purpose. The paragraph continues that where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses should be treated on their merits, having regard to market signals and the relative need for different land uses to support sustainable local communities.
24. Applying Paragraph 22, RSP argue that the land is reserved for a specific employment use, namely aviation use, by virtue of Policy EC4, and any change to a general B1 (b) and (c) B2 and B8 would constitute an alternative use in terms of Paragraph 22, for the purposes of Policy EC4. The appellant, by contrast, takes a broader interpretation of Paragraph 22 contending that since the proposed uses are also employment uses, there is no conflict with the underlying purposes of Paragraph 22. In other words, there is nothing in the Paragraph implying that it applies narrowly only to aviation use, and that it should be applied as written without imputing other meanings. On this basis, the appellant says that application of the test in Paragraph 22 does not assist much in assessing these appeals, if at all.
25. It seems to me that the precise meaning of Paragraph 22 is somewhat ambiguous and open to interpretation. I accept that the third sentence of Paragraph 22, unlike the first, refers to 'the allocated employment use' rather than 'employment uses' more generally. This lends weight to RSP's notion that, if applying Paragraph 22, it should be treated as referring to the specific airport employment use, by virtue of Policy EC4 of the Local Plan. However, there is a danger of an overly narrow or legalistic approach. Moreover the precise meaning of '*no reasonable prospect*' in this context is far from clear.
26. In my view, the test set out in Paragraph 22 is of limited assistance in determining the weight to the development plan. In any event, it cannot displace the approach set by statute, namely whether the appeals should be determined in accordance with the adopted development plan, or whether material considerations suggest otherwise. It is that latter approach that I prefer in assessing these appeals.

¹⁵ Inquiry Document 2, Paragraph 9

¹⁶ Inquiry Document 9, Paragraph 1.2

Possibility of airport use resuming

27. The appellant is of the view that there is not a realistic prospect of the airport use recommencing¹⁷. Reliance is placed on the AviaSolutions Report commissioned by the Council and published in September 2016 which concludes there is little prospect of a financially viable airport on the site¹⁸. However, and importantly, the AviaSolutions Report makes clear that it does not offer any opinion about the reasonableness or otherwise of RSP's plans for the airport¹⁹.
28. I heard evidence that three successive owners of the airport had been unable to run it viably. Submissions were made that RiverOak Investment Corporation, based in the United States, and experienced in major projects and financially well-resourced, is an entirely separate legal entity from RSP. On this basis, RSP's financial resources and expertise, as well as their ability to re-open the airport was questioned. The appellant also highlighted that there is no information in the public domain about the likely sources of funding for the project, which will be substantial. Nor has any detailed business plan been revealed. This, it is said, calls into question the entire delivery of RSP's project for Manston.
29. Furthermore, the appellant highlights the significant environmental aspects of the RiverOak's project which have yet to be assessed or impacts mitigated. An Environmental Impact Assessment would be required, as well as a Habitats Regulations Assessment. A cargo based operation is likely to have significant transport impacts, again requiring proper assessment. Because the land is in the ownership of another party, the DCO application will require the compulsory purchase of the land, and the relevant tests will need to be satisfied.
30. On the other hand, RSP have adduced detailed aviation evidence that, contrary to the conclusions of the AviaSolutions Report, the airport could be reopened and operated viably, with appropriate levels of investment²⁰. Detailed evidence was presented that the AviaSolutions Report was based on flawed assumptions and that the airport could be successfully developed as a mixed use airport, underpinned by a cargo operation, which could become an important infrastructure asset within the wider South East, and contribute to the local, regional and national economy. RSP were of the firm view that, subject to appropriate levels of investment, Manston would be capable of handling considerable air freight movements. The appellant did not call any aviation witnesses to directly rebut RSP's technical evidence, nor was RSP's key aviation evidence challenged²¹. However, the appellant made it clear that RSP's submissions on aviation were not accepted as correct.
31. Given this contradictory evidence, it is difficult to predict conclusively whether the airport will reopen or not. Indeed, no concluded view can be taken on RSP's proposals without all the information that will required for inclusion in any DCO application. It must be stressed it is not the purpose of this inquiry to

¹⁷ Planning Statement, May 2015, Paragraph 1.3 [CD 5.1]

¹⁸ This Report informed the latest iteration of the 2017 Draft Local Plan in respect of Policy SP05, which allows for a range of non-aviation uses.

¹⁹ Page 14, Footnote 2

²⁰ Evidence of Mr George Yerrall, Dr Sally Dixon, and Mr Chris Cain

²¹ Neither Dr Dixon or Mr Cain were cross-examined by Mr King

judge the merits or otherwise of RSP's project, which would be a matter for any forthcoming DCO. However, in considering whether the proposals should be determined in accordance with Policy EC4 or not, it is relevant to consider, in the light of the evidence presented, and as matter of planning judgement, if there is some possibility of the airport use resuming.

32. There are clearly a number of very significant hurdles and myriad important matters to be resolved if RSP's ambitious plans are to proceed to fruition. It relies, amongst other things, on the necessary investment and ownership matters being resolved. RSP's plans would also be dependent on the environmental impacts being satisfactorily addressed and mitigated. These matters are for a future DCO application, the success or otherwise of which cannot be known at this time.
33. The appellant accepts that the possible resumption of airport use at the airport cannot be ruled out, because of RSP's emerging proposals²². I have found that Policy EC4 is consistent with the Framework, as well as national aviation policy, and should therefore continue to carry significant weight in these appeals. In these circumstances, and until a new policy framework exists at the airport, I find that the evidence at the Inquiry did not demonstrate that the likelihood of the airport reopening was so slim that the conflict with Policy EC4 should be disregarded.

Whether the proposals would compromise the future aviation use of the airport

34. Given there is no active aviation use at the airport, the proposals could be seen as making efficient use of existing under-used buildings, and as a pragmatic response following the airport's closure. That said, granting permission would undermine the current policy protection afforded to airport land and be seen as setting a precedent for non-airport related use. This is more likely to lead to a situation where other floorspace could become used for activities that have little or no relationship with an airport function. All the appeal buildings are specifically designed for airport related uses, and their use for non aviation uses would undermine, rather than assist, any future operation of an airport.
35. In the case of Building 1, a temporary permission is sought that would enable control over future use. This could be seen as a flexible response without prejudicing future options given that there is no presumption that a temporary grant of planning permission should be granted permanently. However, a situation could develop where significant areas could be used for temporary non aviation related purposes, undermining the underlying policy objective of the adopted Local Plan.
36. I acknowledge that Buildings 2, 3 and 4 are located towards the periphery of the site, with vehicular access from Spitfire Way. It may be the case that these buildings could be capable of use as discrete units within the airport. But this does not alter the fact that non aviation uses would compromise the objective of Policy EC4. Building 1 is not located peripherally but close to the main terminal building and its use for non airport related activity so close to the terminal building would be likely to give rise to operational difficulties were the airport use to resume.

²² Inquiry Document 20, Paragraph 18

37. It may well be the case that any successful DCO would include provision for a compulsory purchase order that would enable full vacant possession of the entire site to be secured, and that the proposed appeal schemes would not affect this process. In other words, were the site to be compulsorily acquired for the purposes of reopening the airport as part of a DCO, any existing occupiers could be given appropriate notice to leave their premises. However, I see no good reason to grant permission for non-aviation uses contrary to adopted development plan policy on the basis that non-conforming uses could be reversed in the future through a DCO. This would amount to granting permission under one regime only to override it under another.
38. Prior to withdrawing opposition to these appeals, the Council's actual and putative refusal grounds referred to the loss of buildings for aviation use potentially creating the need for additional buildings within the countryside, where under Policy CC1, there is a presumption against such development. The appeal buildings are all designed for specific aviation related uses and, as a consequence, new buildings could be required to replace those 'lost' to other non-aviation uses. That said, until any future airport operator is known, the exact operational requirements cannot be certain and it cannot be accurately predicted whether any future scheme would give rise to the need for additional buildings. This matter cannot be determinative in these appeals.
39. To sum up, even allowing for any DCO, it seems clear to me that granting permission for these schemes, contrary to Policy EC4, would be likely to compromise any future aviation use of the airport. It might set a precedent which would be difficult to resist. Consistent application of Policy EC4 is required to prevent the site becoming anything other than an airport, and speculative non-conforming commercial uses would undermine its designated aviation use. Indeed, the cumulative effect of such developments would mean that the airport, although currently closed, would begin to exhibit the characteristics more redolent of a business park, undermining the concept of an airport.

The availability of employment land

40. The Council, when it originally assessed the proposals, expressed the view that the appeal proposals were largely speculative and that alternative employment land existed within the district, including at Manston Business Park, adjacent to the airport²³. The Council's review of employment sites to inform the new Draft Local Plan has revealed a significant over-supply of employment land within the district. I understand the Council is proposing to re-allocate some 30 hectares of older, less suitable, employment land for alternative uses such as housing²⁴.
41. However, in terms of premises, the appellant contends that there is a comparatively low amount of existing floorspace available in the district, that existing industrial floorspace has consistently low vacancy rates, and that much of the existing employment accommodation is of poor quality. As part of the consultation process on the original planning applications, the Council's Head of Economic Development noted that there were very few existing units of this size within the District.

²³ Council's Statement [CD 19.7]

²⁴ Report to the Overview and Scrutiny Committee, 21st November 2016 [CD13.5]

42. I accept that, with the necessary remediation and adaptation works, the appeal buildings may fill a gap in the supply of employment floorspace of this type and kind. This would bring some benefits in terms of job creation and economic activity, to which I accord some weight, but as the appellant acknowledges, such benefits would be relatively modest²⁵.
43. Notwithstanding submissions about the paucity of existing premises of comparable size to the appeal buildings, there is plenty of land for industrial and business development in the district²⁶. It seems to me that, were there significant demand for employment premises, they would be built out on the land already identified for that purpose. The evidence before me suggests that premises are also available in the wider East Kent area since the tenant that was originally envisaged for Building 2 has found alternative accommodation. Overall, I am not persuaded that a lack of alternative employment land or premises is a reason to allow these appeals at this airport location, or that it justifies departure from Policy EC4 of the Local Plan.

Other matters

44. The appellant's submissions make it clear that there is no intention to re-open the site as an airport, since it was acquired with the aspiration to promote a comprehensive redevelopment for mixed uses²⁷. Indeed, it is promoting a comprehensive mixed use scheme, comprising amongst other things some 2,500 new dwellings and up to 85,000 sqm of employment and leisure floorspace, retail, education, sport and recreation uses as well as open space, and associated infrastructure²⁸. It is argued that this site-wide scheme would bring significant social, economic and environmental benefits. However, this scheme is not before me, and so I make no judgement on its merits.
45. Reference has been made to 'Operation Stack'²⁹ which allows part of the runway to be used for non-aviation uses, namely the stationing of goods and vehicles, the use of the control tower as a co-ordination centre and the erection of temporary structures. To date, it has not been used for that purpose. Drawing parallels with the appeal proposals, the appellant argues that 'Operation Stack' indicates the acceptability of a non-aviation use on a temporary basis at the site, which would not prejudice the potential longer term use of the airport.
46. However, I do not consider that this temporary Order lends any support for the appeal proposals. It seems to me that 'Operation Stack' is a short term temporary measure of expediency to alleviate acute and specific problems of traffic congestion on the M20 and surrounding roads, until a longer term solution is found. It does not grant permanent planning permission at the airport for non aviation uses, in the way that three of the four appeal proposals would. The circumstances are markedly different, and I consider that 'Operation Stack' cannot provide justification for these appeals.

²⁵ Inquiry Document 20, Paragraph 59

²⁶ Ibid, Paragraph 56

²⁷ Proof of Evidence of Nicholas Alston, Paragraph 6.29

²⁸ Stonehill Park Planning Application Summary Document [CD 18.2]

²⁹ Town and Country Planning (Operation Stack) Special Development Order 2015 & Town and Country Planning (Operation Stack) Special Development Order 2016

Overall Conclusions and Planning Balance

47. The relevant legislation requires that the appeal be determined in accordance with the statutory development plan unless material considerations indicate otherwise. The Framework states that proposals should be considered in the context of the presumption in favour of sustainable development, which is defined by the economic, social, and environmental dimensions and the interrelated roles they perform.
48. I have carefully considered the various arguments made by the appellant in support of these appeals. The re-use of the buildings would generate certain economic benefits, although as the appellant notes, they would be relatively modest. The proposals could be seen as making efficient use of existing under-used buildings, and as a pragmatic response to the fact that the airport has not been operational since 2014. I have also weighed in the balance that the Council has changed its original stance, and is no longer resisting these appeals.
49. Balanced against these factors is the conflict with the adopted development plan, which recognises the economic importance of the airport and safeguards the appeal site for aviation uses. Such an approach is in accordance with the Framework and with national aviation policy. In these respects, I consider Policy EC4 continues to carry significant weight in the overall planning balance. I make no judgement on the merits or otherwise of RSP's plans, or their future success. However, given a DCO application is currently being prepared, the possibility of the site being used as an airport in the future cannot be ruled out. This being so, and until a new policy framework exists at the airport, I see little justification for departing from adopted development plan policy which identifies the appeal site as falling within the 'Airside Development Area' where aviation uses are appropriate.
50. I have taken account of the appellant's contention that the resumption of airport use by RSP would not be prejudiced or compromised if these appeals were allowed because any future DCO would likely include compulsory purchase powers to secure vacant possession of the airport. However, I am not persuaded that granting permission for development that does not accord with the development plan can be justified on the basis that compulsory purchase powers can be used to reverse it in the future.
51. I have taken into consideration the latest emerging local planning policy which proposes to re-designate the airport for mixed use development. However, the consultation process has only recently occurred and the emerging Plan is subject to various outstanding objections and its policies may change. In accordance with Paragraph 216 of the Framework, I find little weight can be given to the emerging policy.
52. Overall, I conclude that the appeal schemes would conflict with Policy EC4 of the Local Plan, as well as its wider economic development and regeneration objectives. The proposals would conflict with the Council's current approach to the location of new development within the airport, which is consistent with national policy. The benefits of the scheme put forward by the appellants do not justify departure from Policy EC4 of the Local Plan. Hence I find there are no material considerations of sufficient weight that would warrant a decision

other than in accordance with the development plan. Accordingly, I conclude that the appeals should be dismissed.

Matthew C J Nunn

INSPECTOR

APPEARANCES

FOR THE APPELLANT:

Mr Neil King QC of Counsel, Instructed by Herbert Smith
Freehills LLP

He called

Mr Nicholas Alston Director, Bilfinger GVA

FOR RIVEROAK STRATEGIC PARTNERS:

Miss Suzanne Ornsby QC and

Miss Melissa Murphy of Counsel, Instructed by Bircham Dyson Bell

They called

Mr Christopher Cain Director, Northpoint Aviation Services Ltd

Dr Sally Dixon Business and Aviation Consultant, Azimuth
Associates

Mr George Yerrall Director, RiverOak Strategic Partners Ltd

Ms Angela Schembri Planning Director, RPS Group

FOR THE COUNCIL

Mr Iain Livingstone Planning Applications Manager, Thanet District
Council

INTERESTED PERSONS

Ros McIntyre No Night Flights

Dr Beau Webber Save Manston Airport Association

Mr Simon Crow

Mr Rex Goodban

Sir Roger Gale MP

Sue Girdler

DOCUMENTS SUBMITTED AT THE INQUIRY

1. Opening Statement on behalf of the Appellants
2. Opening Statement by the Council
3. Opening Statement by RiverOak Strategic Partners Ltd
4. Statement of Dr Beau Webber
5. Statement of Ms R McIntyre
6. Statement of Mr Simon Crow
7. List of draft conditions, annotated by RiverOak Strategic Partners
8. "Caxtons" bundle comprising particulars of employment land and property in East Kent
9. Report for Council Cabinet on 20th March 2017 on Proposed Revisions to Thanet District Council's Local Plan (Preferred Options)
10. Local Plan Proposals Map
11. Statement of Mr Rex Goodban
12. Statement of Ms Sue Girdler
13. Extract of House of Commons Transport Committee Report- 'Smaller Airports', Ninth Report of Session 2014-2015, dated 9th March 2015
14. Updated Draft Schedule of Conditions
15. Submissions of Sir Roger Gale MP
16. Schedule of employment land & premises, dated 17th March 2017-04-28
17. Further details of employment land & premises
18. Updated Statement of Common Ground, dated 17th March 2017
19. Closing Submissions of RiverOak Strategic Partners
20. Closing Submissions of the Appellant

**APPENDIX 5 : LOCAL PLANNING POLICIES – SAVED
POLICIES FROM THE 2006 ADOPTED THANET DISTRICT
LOCAL PLAN AND EMERGING POLICIES IN THE NEW THANET
DISTRICT LOCAL PLAN (2015 AND 2017 CONSULTATION
VERSIONS)**

Relevant Saved Policies from the 2006 adopted Thanet District Local Plan and the Emerging Policies from the draft new Thanet District Local Plan (2015 and 2017 Consultation Drafts)

Chapter	Subject	Policy Number	Policy
Thanet Local Plan 2006 Saved Policies			
2	Economic Development and Regeneration	Policy EC2	<p>Kent International Airport</p> <p>Proposals that would support the development, expansion and diversification of Kent International Airport will only be permitted subject to the following requirements:</p> <ol style="list-style-type: none"> 1. Demonstrable compliance with the terms of the current agreement under Section 106 of the Town and Country Planning Act 1990 or subsequent equivalent legislation; 2. New built development is to be designed to minimise visual impact on the open landscape of the central island. particular attention must be given to roofscape and to minimising the mass of the buildings at the skyline when viewed from the south; 3. Appropriate landscaping schemes, to be designed and implemented as an integral part of the development; 4. Any application for development for the purpose of increasing aircraft movements in the air or on the ground, auxiliary power or engine testing, must be supported by an assessment of the cumulative noise impact and the effectiveness of mitigation measures to be implemented in order to minimise pollution and disturbance. the acceptability of proposals will be judged in relation to any identified and cumulative noise impact, the effectiveness of mitigation and the social and economic benefits of the proposals; 5. An air quality assessment in compliance with Policy EP5, to demonstrate that the development will not lead to a harmful deterioration in air quality. permission will not be given for development that would result in national air quality objectives being exceeded; 6. Development will not be permitted within the airport complex to the south of the airside development site identified in Policy EC4, unless it has been demonstrated that the development is necessary for the purpose of air traffic management; 7. Any new development which would generate significant surface traffic must meet requirements for surface travel demand in compliance with Policy EC3. 8. It must be demonstrated that new development cannot contaminate groundwater sources or that appropriate mitigation measures will be incorporated in the development to prevent contamination.

2	Economic Development and Regeneration	Policy EC4	<p>Airside Development Area</p> <p>Land at the airport, as identified on the proposals map, is reserved for airside development. Development proposals will require specific justification to demonstrate that an airside location is essential to the development proposed. Development will be required to retain sufficient land to permit access by aircraft of up to 65m (217ft) wingspan to all parts of the site.</p>
2	Economic Development and Regeneration	Policy EC5	<p>Land at, and East of, the Airport Terminal</p> <p>Until such time as a new airport terminal is built, land at, and east of, the existing airport terminal is identified on the proposals map for airport terminal-related purposes. Uses will be restricted to those which directly support or complement the operational requirements of the existing airport terminal. Should a new terminal be built, other airport-related development will be permitted on this allocated site. Planning conditions or planning agreements will be applied to limit any development granted planning consent to uses conforming to this policy.</p>
2	Economic Development and Regeneration	Policy EC6	<p>Fire Training School/Mod Complex</p> <p>If the current use of the fire training school or adjoining land ceases, the local planning authority will support the development of airport or airport-related uses, which would assist in the expansion of the airport. These could include:</p> <ol style="list-style-type: none"> 1. educational/training uses (such as fire training); 2. hotels; 3. car parking; or 4. uses falling within use Classes A2 and B1, with an airport orientation.
5	Transportation	Policy TR3	<p>Provision of Transport Infrastructure</p> <p>The District and County Councils will ensure, by means of a legal agreement that proper provision is made for transport infrastructure that is necessary and relevant to the development to be permitted. Proposals for transport infrastructure will be assessed in terms of their impact on capacity and safety of the transport network together with their social and economic impacts.</p>

5	Transportation	Policy TR12	<p>Cycling</p> <p>In order to promote increased use of cycling:</p> <ul style="list-style-type: none"> a) The council will seek the provision at the earliest opportunity, of a network of cycle routes. Planning permission will not be granted for any development, which would prejudice the implementation of proposed cycle routes; b) The council will seek the incorporation of facilities for cyclists into the design of new and improved roads, junction improvements and traffic management proposals; c) Substantial development generating travel demand will be required to provide convenient and secure cycle-parking and changing facilities. Proposals to provide such facilities as part of development proposals in town centres and at transport interchanges, schools and places of employment will be permitted; and d) In new residential development facilities for the secure parking and storage of cycles should be provided or, in exceptional circumstances where not provided, the design should facilitate the provision in future.
5	Transportation	Policy TR15	<p>Green Travel Plans</p> <p>Development proposals likely to generate significant travel demand and/or traffic movement will be required to demonstrate, through green travel plans, specific measures to encourage and facilitate use of walking, cycling and public transport in preference to private car travel.</p> <p>The Council will seek to approve measures, which will assist implementation of green travel plans and school travel plans.</p>
5	Transportation	Policy TR16	<p>Car Parking Provision</p> <ul style="list-style-type: none"> a) Proposals for development will be required to make satisfactory provision for the parking of vehicles (including, where appropriate, service vehicles). b) Proposals seeking car parking provision above the standards set out in Appendix G will not be permitted. c) In conservation areas where provision of parking in line with this policy would be detrimental to the character of the conservation area or have an adverse effect on the setting of a listed building or ancient monument then exceptions may be made. d) Within the town centre areas of Ramsgate, Margate and Broadstairs (as defined on the proposals map), new development proposals will not be required or expected to provide on-site car parking spaces. On site non-operational parking for a2/b1 use will be resisted.

6	Design	Policy D1	<p>Design Principles</p> <ol style="list-style-type: none"> 1. All new development is required to provide high quality and inclusive design, sustainability, layout and materials. 2. A new development proposal will only be permitted if it: <ol style="list-style-type: none"> a) respects or enhances the character or appearance of the surrounding area, particularly in scale, massing, rhythm, and use of materials appropriate to the locality; b) is compatible with neighbouring buildings and spaces and does not lead to unacceptable loss of amenity through overlooking, noise or vibration, light pollution, overshadowing, loss of natural light, or sense of enclosure; c) incorporates where practicable a high degree of permeability for pedestrians and cyclists and also considers access for public transport; d) incorporates provision for disabled access; e) retains open spaces, gaps in development, mature trees, other vegetation and any other features that contribute to biodiversity and the quality of the local environment; f) incorporates new landscaping as an integral part (as set out in Policy D2); g) incorporates, where appropriate, wildlife habitats, wildlife corridors and initiatives for their long term management; h) incorporates measures to prevent crime and disorder, promotes public safety and security and the perception of public safety and security; i) incorporates, where practical and appropriate, high quality integrated public art which is relevant to the site and locality; j) provides safe and satisfactory means of pedestrian and, where provided, vehicle access; k) provides for clothes drying facilities and refuse disposal or dustbin storage; and l) incorporates sustainable drainage systems.
6	Design	Policy D2	<p>Landscaping</p> <p>The following elements will be required as part of landscaping proposals for any new development:</p> <ol style="list-style-type: none"> 1. The enhancement of the development site in its setting; 2. The retention (and protection during site works) of as many of the existing trees, hedges and other habitat features on site as possible; 3. On sites of one hectare or more, the setting aside of 10% of the development site for the planting of native tree species, either within or at the boundary of the development site; 4. The maximising of nature conservation opportunities where development is proposed in proximity to existing open space or wildlife habitats, and

			<p>5. Where both appropriate and possible, the provision of landscaping in advance of new development to facilitate the assimilation of new development into the landscape.</p> <p>The District Council will require to be satisfied that the developer has made adequate arrangements to ensure continued maintenance of landscaping, and may seek to secure arrangements for this purpose by entering into a planning agreement.</p>
7	Heritage	Policy HE11	<p>Archaeological Assessment</p> <p>In order to determine planning applications, the district council may require the developer/applicant to provide additional information, in the form of an assessment of the archaeological or historic importance of the site in question and the likely impact of development. In certain cases such assessment may involve fieldwork or an evaluation excavation.</p> <p>Where the developer/applicant is not prepared to arrange such an assessment voluntarily, the district council will use its powers to direct that such information be supplied. Planning permission will be refused without adequate assessment of the archaeological implications.</p>
7	Heritage	Policy HE12	<p>Archaeological Sites and Preservation</p> <p>Archaeological sites will be preserved and protected. On those archaeological sites where permanent preservation is not warranted, planning permission will only be granted if arrangements have been made by the developer to ensure that time and resources are available to allow satisfactory archaeological investigation and recording by an approved archaeological body to take place, in advance of and during development. No work shall take place until the specification and programme of work for archaeological investigation, including its relationship to the programme of development, has been submitted and approved.</p>
10	Countryside and Coast	Policy CC1	<p>Development in the Countryside</p> <p>The Thanet countryside is defined as those areas of the district outside the identified urban and village confines.</p> <p>Within the countryside, new development will not be permitted unless there is a need for the development that overrides the need to protect the countryside.</p>
10	Countryside and Coast	Policy CC2	<p>Landscape Character Areas</p> <p>Within the landscape character areas identified on the proposals map, the following policy principles will be applied:</p> <ol style="list-style-type: none"> 1. At Pegwell Bay priority will be given to the conservation and enhancement of the natural beauty of the landscape over other planning considerations; 2. In the former Wantsum channel area, new development will not normally be permitted; 3. In the Wantsum channel north shore area, development will only be permitted that would not damage the setting of the Wantsum channel, and long views of Pegwell Bay, the Wantsum channel, the adjacent marshes and the sea;

			<p>4. On the central chalk plateau, a number of sites are identified for various development purposes. where development is permitted by other policies in this plan, particular care should be taken to avoid skyline intrusion and the loss or interruption of long views of the coast and the sea;</p> <p>5. At Quex Park, new development proposals should respect the historic character of the parkland; and</p> <p>6. At the urban coast, development that does not reflect the traditional seafront architecture of the area, maintain existing open spaces and long sweeping views of the coastline will not be permitted.</p> <p>Development proposals that conflict with the above principles will only be permitted where it can be demonstrated that they are essential for the economic or social well-being of the area.</p> <p>In the event of a real and specific threat to the landscape character of these areas from permitted development, the use of article 4 directions will be considered, and secretary of state approval for the direction sought.</p>
12	Nature Conservation	Policy NC3	<p>Local Wildlife Sites</p> <p>Development which would be damaging to the following sites of nature conservation interest as defined on the proposals map, or any sites so designated in the future, either in the long term or the short term, will not be permitted:</p> <ol style="list-style-type: none"> 1. Monkton Chalk Pit; 2. St. Peter's Churchyard; 3. North Foreland and golf course roughs; 4. Minster Station environs; 5. Ash levels (part); 6. St. Nicolas at Wade Churchyard; 7. St. Mary Magdalene Churchyard Monkton; and 8. Ramsgate Cemetery. <p>Exceptionally, where a strategic need is identified, at least an equivalent area of corresponding habitat will be expected to be created, at the developer's expense, at a suitable location in the district, and well related to other existing habitats.</p>
13	Environmental Protection	Policy EP5	<p>Local Air Quality Monitoring</p> <p>Proposals for new development that would result in the national air-quality objectives being exceeded will not be permitted.</p> <p>Development proposals that might lead to such an exceedance, or to a significant deterioration in local air quality resulting in unacceptable effects on human health, local amenity or the natural environment, will require the submission of an air quality assessment, which should address:</p> <ol style="list-style-type: none"> 1. the existing background levels of air quality; 2. the cumulative effect of further emissions;

			3. The feasibility of any measures of mitigation that would prevent the national air quality objectives being exceeded, or would reduce the extent of air quality deterioration.															
13	Environmental Protection	Policy EP7	<p>Aircraft Noise</p> <p>Applications for noise sensitive development or redevelopment on sites likely to be affected by aircraft noise will be determined in relation to the latest accepted prediction of existing and foreseeable ground noise measurement of aircraft noise.</p> <p>Applications for residential development will be determined in accordance with the following noise exposure categories.</p> <table border="1"> <thead> <tr> <th>NEC</th> <th colspan="2">Predicted aircraft noise levels (dbi aeq.0700-23.00)</th> </tr> </thead> <tbody> <tr> <td>a</td> <td><57</td> <td>Noise will not be a determining factor</td> </tr> <tr> <td>b</td> <td>57-63</td> <td>Noise will be taken into account in determining applications, and where appropriate, conditions will be imposed to ensure an adequate level of protection against noise (Policy EP8 refers).</td> </tr> <tr> <td>c</td> <td>63-72</td> <td>Planning permission will not be granted except where the site lies within the confines of existing substantially built-up area. Where residential development is exceptionally granted, conditions will be imposed to ensure an adequate level of protection against noise (Policy EP8 refers).</td> </tr> <tr> <td>d</td> <td>>72</td> <td>Residential development will not be permitted.</td> </tr> </tbody> </table> <p>Applications for non-residential development including schools, hospitals and other uses considered sensitive to noise will not be permitted in areas expected to be subject to aircraft noise levels exceeding 60 db (a) unless the applicant is able to demonstrate that no alternative site is available. Proposals will be expected to demonstrate adequate levels of sound insulation where appropriate in relation to the particular use.</p>	NEC	Predicted aircraft noise levels (dbi aeq.0700-23.00)		a	<57	Noise will not be a determining factor	b	57-63	Noise will be taken into account in determining applications, and where appropriate, conditions will be imposed to ensure an adequate level of protection against noise (Policy EP8 refers).	c	63-72	Planning permission will not be granted except where the site lies within the confines of existing substantially built-up area. Where residential development is exceptionally granted, conditions will be imposed to ensure an adequate level of protection against noise (Policy EP8 refers).	d	>72	Residential development will not be permitted.
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13	Environmental Protection	Policy EP8	<p>Aircraft Noise and Residential Development</p> <p>When planning consent is granted for residential development on any land expected to be subject to a level of aircraft noise of above 57db(a)**, such consent will be subject to provision of a specified level of insulation to achieve a minimum level of sound attenuation in accordance with the following criteria:</p> <table border="1"> <thead> <tr> <th>NEC</th> <th colspan="2">Predicted aircraft minimum noise levels attenuation required (db(a) (frequency range 100-3150 hz)</th> </tr> </thead> <tbody> <tr> <td>a</td> <td><57</td> <td>No attenuation measures required</td> </tr> <tr> <td>b</td> <td>57-63</td> <td>20db</td> </tr> <tr> <td>c</td> <td>63-72</td> <td>30db</td> </tr> </tbody> </table>	NEC	Predicted aircraft minimum noise levels attenuation required (db(a) (frequency range 100-3150 hz)		a	<57	No attenuation measures required	b	57-63	20db	c	63-72	30db			
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13	Environmental Protection	Policy EP9	<p>Light Pollution</p> <p>Development that includes the provision of new outdoor lighting should be designed to minimise light glare, light trespass, spillage and sky glow so as to preserve residential amenity, the character of the surroundings and prevent disturbance to identified wildlife areas.</p> <p>Proposals that are unacceptable in these respects, or which exceed the following maximum limits, will not be permitted.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="8" style="background-color: #cccccc;">Obtrusive light limitations for exterior lighting installations</th> </tr> <tr> <th rowspan="2">Environmental zones</th> <th rowspan="2">Sky glow upward light ratio [max %]</th> <th colspan="2">Light into windows ev[lux]</th> <th colspan="2">Source intensity I [kcd]</th> <th colspan="2">Building luminance (before curfew)</th> </tr> <tr> <th>before curfew</th> <th>after curfew</th> <th>before curfew</th> <th>after curfew</th> <th>av. I (cd/m²)</th> <th>max. I (cd/m²)</th> </tr> </thead> <tbody> <tr> <td>E1</td> <td>0</td> <td>2</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>E2</td> <td>2.5</td> <td>5</td> <td>1</td> <td>20</td> <td>0.5</td> <td>5</td> <td>10</td> </tr> <tr> <td>E3</td> <td>5.0</td> <td>10</td> <td>2</td> <td>30</td> <td>1.0</td> <td>10</td> <td>60</td> </tr> <tr> <td>E4</td> <td>15.0</td> <td>25</td> <td>5</td> <td>50</td> <td>2.5</td> <td>25</td> <td>150</td> </tr> </tbody> </table>	Obtrusive light limitations for exterior lighting installations								Environmental zones	Sky glow upward light ratio [max %]	Light into windows ev[lux]		Source intensity I [kcd]		Building luminance (before curfew)		before curfew	after curfew	before curfew	after curfew	av. I (cd/m ²)	max. I (cd/m ²)	E1	0	2	1	0	0	0	0	E2	2.5	5	1	20	0.5	5	10	E3	5.0	10	2	30	1.0	10	60	E4	15.0	25	5	50	2.5	25	150
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13	Environmental Protection	Policy EP13	<p>Groundwater Protection Zones</p> <p>If a proposed development in the groundwater protection zones identified on the proposals map would have the potential to result in a risk of contamination of groundwater sources, it will not be permitted unless adequate mitigation measures can be incorporated to prevent such contamination taking place.</p>																																																						
14	Community Facilities	Policy CF2	<p>Development Contributions</p> <p>Where a proposed development would directly result in the need to provide new or upgraded community facilities (including transport infrastructure, educational or recreational facilities or affordable housing), the local planning authority will negotiate with the applicant for a contribution towards the cost of such provision, which is fairly and reasonably related in scale and in kind to the proposed development. A planning obligation to secure the contribution will normally be sought.</p>																																																						

Draft Thanet Local Plan 2031 Preferred Options Consultation (January 2015)			
	Local Plan Strategy	Policy SP01	<p>National Planning Policy Framework – Presumption in favour of sustainable development</p> <p>When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. It will always work 18 proactively with applicants jointly to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.</p> <p>Planning applications that accord with the policies in this Local Plan (and, where relevant, with policies in neighbourhood plans) will be approved without delay, unless material considerations indicate otherwise.</p> <p>Where there are no policies relevant to the application or relevant policies are out of date at the time of making the decision then the Council will grant permission unless material considerations indicate otherwise . taking into account whether:</p> <ul style="list-style-type: none"> • Any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or • Specific policies in that Framework indicate that development should be restricted.
	Strategic Priorities and Objectives	Strategic Priority 1	Create additional employment and training opportunities, to strengthen and diversify the local economy and improve local earning power and employability.
	Strategic Priorities and Objectives	Strategic Priority 5	Deliver the infrastructure required to support existing communities and new development, including an efficient and effective transport system.
4	Environment Strategy	Policy SP20	<p>Development in the Countryside</p> <p>Development in the countryside outside of the urban and village confines, as identified in the Thanet Local Plan 2006, and not otherwise allocated for development, will not be permitted unless there is a need for the development that overrides the need to protect the countryside and any adverse environmental effects can be avoided or fully mitigated.</p>
4	Environment Strategy	Policy SP22	<p>Protection and Enhancement of Thanet’s Historic Landscapes</p> <p>Development proposals should demonstrate that their location, scale, design and materials will protect, conserve and, where possible, enhance:</p> <ol style="list-style-type: none"> 1) Thanet’s local distinctiveness including historical, biodiversity and cultural character, 2) gaps between Thanet’s towns and villages, 3) visually sensitive skylines and seascapes, <p>Within the landscape character areas identified, the following policy principles will be applied:</p> <ol style="list-style-type: none"> 1) At Pegwell Bay, priority will be given to the conservation and enhancement of the natural beauty of the landscape over other planning considerations;

			<p>2) In the former Wantsum Channel area, new development will not normally be permitted;</p> <p>3) In the Wantsum Channel North Shore Area, development will only be permitted that would provide opportunities for enhancement and would not damage the setting of the Wantsum Channel, and long views of Pegwell Bay, the Wantsum Channel, the adjacent marshes and the sea;</p> <p>4) On the Central Chalk Plateau, a number of sites are identified for various development purposes. Where development is permitted by other policies in this plan, particular care should be taken to avoid skyline intrusion and the loss or interruption of long views of the coast and the sea, and proposals should demonstrate how the development will take advantage of and engage with these views;</p> <p>5) At Quex Park, new development proposals should respect the historic character of the parkland and gardens; and</p> <p>6) At the Urban Coast, development that does not respect the traditional seafront architecture of the area, maintain existing open spaces and long sweeping views of the coastline will not be permitted.</p> <p>Development proposals that conflict with the above principles will only be permitted where it can be demonstrated that they are essential for the economic or social well-being of the area or for reasons where the need for the development outweighs the detriment to the landscape. The developer may be required to submit a Landscape and Visual Impact Assessment with any development proposals likely to have a significant landscape impact</p>
4	Environment Strategy	Policy SP23	<p>Green Infrastructure</p> <p>Thanet's green infrastructure network is an integral part of the design of all major development. Opportunities to improve Thanet's green infrastructure network by protecting and enhancing existing green infrastructure assets and the connections between them, should be included early in the design process for major developments.</p> <p>Development should make a positive contribution to Thanet's green infrastructure network by:</p> <ul style="list-style-type: none"> • Creating new wildlife and biodiversity habitats • Providing and managing new accessible open space • Mitigating against the loss of any farmland bird habitats • Providing private gardens and play space; and/or • Contributing towards the enhancement of Thanet's Biodiversity Opportunity Areas or the enhancement of the Green Wedges <p>Investment and developer contributions should be directed to improve and expand green infrastructure and provide connecting links where opportunities exist.</p>

4	Environment Strategy	Policy SP25	<p>Protection of the European Sites, Sites of Special Scientific Interest and National Nature Reserve</p> <p>Development that would have a detrimental impact on the European Sites, Sites of Special Scientific Interest or National Nature Reserve will not be permitted.</p> <p>Planning permission may only be granted when it can be demonstrated that any harm to internationally and nationally designated sites resulting from that development will be suitably mitigated.</p> <p>Proposals for residential development must include an assessment of significant effects and measures to mitigate against the effects of potential increased recreational pressure on protected sites. Proposals for major residential developments must include provision of open space suitable for dog walking and general recreation, in accordance with Policy SP23.</p> <p>In developing these measures, regard must be had to the SPA Mitigation Strategy which requires a financial contribution towards wardening, and applicants must demonstrate clearly how they are meeting the strategy and how they will ensure that development will mitigate against any increase in recreational pressure on designated sites.</p>
4	Environment Strategy	Policy SP26	<p>Protection of Open Space</p> <p>Built development or change of use will not be permitted on areas of open space identified as part of Thanet's green infrastructure network (including Public Rights of Way) unless:</p> <ol style="list-style-type: none"> 1) It is for an open recreation or tourism uses and is of appropriate scale and design for its setting. Any related built development should be kept to the minimum necessary to support the open use, and be sensitively located. 2) There is an overriding need for development that outweighs the need to protect open space and cannot be located elsewhere, in which case provision of alternative open space of an equivalent size must be made elsewhere. <p>New development that is permitted by virtue of this policy should make a positive contribution to the area in terms of siting, design, scale and use of materials. Built development in any areas designated as Local Green Spaces will only be permitted if the proposal meets the exception criteria set out in the National Planning Policy Framework.</p>
4	Environment Strategy	Policy SP28	<p>Quality Development</p> <p>New development will be of a high quality inclusive design. Developers will be required to seek an independent Design Review for development proposals on sites with a prominent visual impact, or which are of national significance.</p>
4	Environment Strategy	Policy SP29	<p>Conservation and Enhancement of Thanet's Historic Environment</p> <p>The Council will support, value and have regard to the significance of Heritage Assets by:</p> <ol style="list-style-type: none"> 1) protecting the historic environment from inappropriate development, 2) encouraging new uses where they bring listed buildings back into use, encouraging their survival and maintenance without compromising the conservation of the building,

			<p>3) seeking the provision of appropriate research for all applications relating to the historic environment on key sites as identified through the Heritage Strategy,</p> <p>4) facilitating the review of Conservation Areas and the opportunities for new designations,</p> <p>5) recognising other local assets through Local Lists,</p> <p>6) offering help, advice and information about the historic environment by providing guidance to stakeholders, producing new guidance leaflets, reviewing existing guidance leaflets and promoting events which make the historic environment accessible to all,</p> <p>7) agreeing Article 4 Directions which will be introduced and reviewed as appropriate,</p> <p>8) supporting development that is of high quality design and supports sustainable development.</p> <p>All reviews and designations will be carried out in consultation with the public in order to bring a shared understanding of why asset and areas are being designated.</p>
4	Environment Strategy	Policy SP30	<p>Climate Change</p> <p>New development must take account of:</p> <ul style="list-style-type: none"> Adapting to climate change by minimising vulnerability, providing resilience to the impacts of climate change and complying with the Government's Zero Carbon Policy Mitigating against climate change by reducing emissions
5	Community Strategy	Policy SP32	<p>Community Infrastructure</p> <p>Development will only be permitted when provision is made to ensure delivery of relevant and sufficient community and utility infrastructure. Where appropriate, development will be expected to contribute to the provision of new, improved, upgraded or replacement infrastructure and facilities.</p>
6	Transport Strategy	Policy SP34	<p>Safe and Sustainable Travel</p> <p>The Council will work with developers, transport service providers, and the local community to manage travel demand, by promoting and facilitating walking, cycling and use of public transport as safe and convenient means of transport. Development applications will be expected to take account of the need to promote safe and sustainable travel. New developments must provide safe and attractive cycling and walking opportunities to reduce the need to travel by car.</p>
6	Transport Strategy	Policy SP35	<p>Accessible Location</p> <p>Development generating a significant number of trips will be expected to be located where a range of services are or will be conveniently accessible on foot, by cycle or public transport. The Council will seek to approve proposals to cluster or co-locate services at centres accessible to local communities by public transport and on foot.</p>

6	Transport Strategy	Policy SP36	<p>Transport Infrastructure</p> <p>Development proposals will be assessed in terms of the type and level of travel demand likely to be generated. Development will be permitted only at such time as proper provision is made to ensure delivery of relevant transport infrastructure. Where appropriate, development will be expected to contribute to the provision, extension or improvement, of walking and cycling routes and facilities and to highway improvements.</p> <p>Subject to individual assessments, schemes may be required to provide or contribute to:</p> <ul style="list-style-type: none"> • Capacity improvements/connections to the cycle network • Provision of pedestrian links with public transport routes/interchanges • Improvements to passenger waiting facilities • Facilities for display of approach time information at bus stops along identified quality bus corridors • Improvement and expansion of public transport services • Improvements to the road network in line with schemes identified through the Transport Strategy.
6	Transport Strategy	Policy SP39	<p>New Rail Station</p> <p>Planning permission will be granted for a new railway station at a suitable location on land west of Ramsgate alongside the existing railway line. Landwest of Cliffsend (shown on Map 15) is safeguarded for this purpose. Proposals will be required to specifically demonstrate all of the following:</p> <ol style="list-style-type: none"> 1) Satisfactory vehicular access arrangements from East Kent Access 2) Suitable level of car parking 3) Integration with wider public transport services 4) Mitigation of any noise impacts on sensitive receptors 5) Compatibility with the landscape character of its location 6) Located to minimise the loss of best and most versatile agricultural land
12	Green Infrastructure	Policy GI01	<p>Locally Designated Wildlife Sites</p> <p>Development which would have a detrimental impact on locally designated wildlife sites will not be permitted unless suitable mitigation can be provided either on or off site within Thanet. Exceptionally, where a strategic need for a proposed development is identified which outweighs the importance of the locally designated sites and cannot be located elsewhere, an equivalent area of habitat will be created elsewhere at a suitable location well related to other existing habitats. Wherever possible and appropriate, new developments will include measures to enhance and connect locally designated wildlife sites.</p>

12	Green Infrastructure	Policy GI03	<p>Protected Species and other Significant Species</p> <p>On sites where protected species or farmland birds may be present, the Council will require a Protected Species survey to be carried out alongside any development proposals. Any mitigation necessary should be carried out in line with Natural England's Standing Advice.</p>
12	Green Infrastructure	Policy GI06	<p>Landscaping and Green Infrastructure</p> <p>When a development proposal requires a design and access statement, it will include a landscape survey. The landscape survey should describe the current landscape features on the application site, and demonstrate how the proposed development will provide landscaping and green infrastructure to enhance the setting of the development, where possible and appropriate, to:</p> <ul style="list-style-type: none"> • Create an attractive environment for users and occupiers • Establish a sense of enclosure with hedges and trees • Soften hard building lines and the impact of new buildings • Provide screening from noise and sun • Create new wildlife corridors and stepping stones • Create new wildlife habitats and improve biodiversity <p>The Council will require to be satisfied that the developer has made adequate arrangements to ensure continued maintenance of landscaping, and may seek to secure arrangements for this purpose by entering into a planning agreement.</p>
13	Quality Development	Policy QD01	<p>General Design Principles</p> <p>The primary planning aim in all new development is to promote or reinforce the local character of the area and provide high quality and inclusive design and be sustainable in all other respects. Development must:</p> <ol style="list-style-type: none"> 1) Relate to the surrounding development, form and layout and strengthen links to the adjacent areas. 2) Be well designed, respect and enhance the character, context and identity of its location; particularly in scale, massing, rhythm and use of materials appropriate to the locality. 3) Be of a density, layout, scale, mass and design appropriate to the development itself and compatible with neighbouring buildings and spaces. 4) Incorporate a high degree of permeability for pedestrians and cyclists, consider access for public transport and provide safe and satisfactory means of pedestrian and vehicle access including provision for disabled access. 5) Improve people's quality of life by creating safe and accessible environments, and promoting public safety and security. Residential development on garden land will be permitted if it will make a positive visual contribution to the area, the intrinsic value of the site as an open space is not considered worthy of retention, and will not

			<p>conflict with any other requirements of other design policies.</p> <p>External spaces, landscape, public realm, and boundary treatments must be designed as an integral part of new development proposals and coordinated with adjacent sites and phases. Development will be supported where it is demonstrated that:</p> <ol style="list-style-type: none"> 6) Existing features including trees, natural habitats, boundary treatments and historic street furniture and/or surfaces that positively contribute to the quality and character of an area are should be retained and protected where appropriate. 7) An integrated approach is taken to surface water management as part of the overall design. 8) A coordinated approach is taken to the design and siting of street furniture, boundary treatments, lighting, signage and public art. 9) Trees and other planting are incorporated, appropriate to both the scale of buildings and the space available.
13	Quality Development	Policy HE01	<p>Archaeology</p> <p>The Council will promote the identification, recording, protection and enhancement of archaeological sites, monuments and historic landscape features, and will seek to encourage and develop their educational, recreational and tourist potential through management and interpretation</p> <p>Developers should submit information with the planning application that allows an assessment of the impact of the proposal on the significance of the heritage asset. Where appropriate the Council may require the developer to provide additional information in the form of a desk-based or field assessment.</p> <p>Planning permission will be refused without adequate assessment of the archaeological implications of the proposal. Development proposals adversely affecting the integrity or setting of Scheduled Monuments or other heritage assets of comparable significance will normally be refused.</p> <p>Where the case for development which would affect an archaeological site is accepted by the Council, preservation in situ of archaeological remains will normally be sought. Where this is not possible or not justified, appropriate provision for investigation and recording will be required. The fieldwork should define:</p> <ol style="list-style-type: none"> (a) The character, significance, extent and condition of any archaeological deposits or structures within the application site; (b) The likely impact of the proposed development on these features; (c) The means of mitigating the effect of the proposed development. <p>Recording should be carried out by an appropriately qualified archaeologist or archaeological contractor and may take place in advance of and during development. No work shall take place until a specification for the archaeological work has been submitted and approved by the Council. Arrangements must also be in place for any necessary post-excavation assessment, analysis and publication of the results, and deposition of the archive in a suitable, accessible repository.</p>

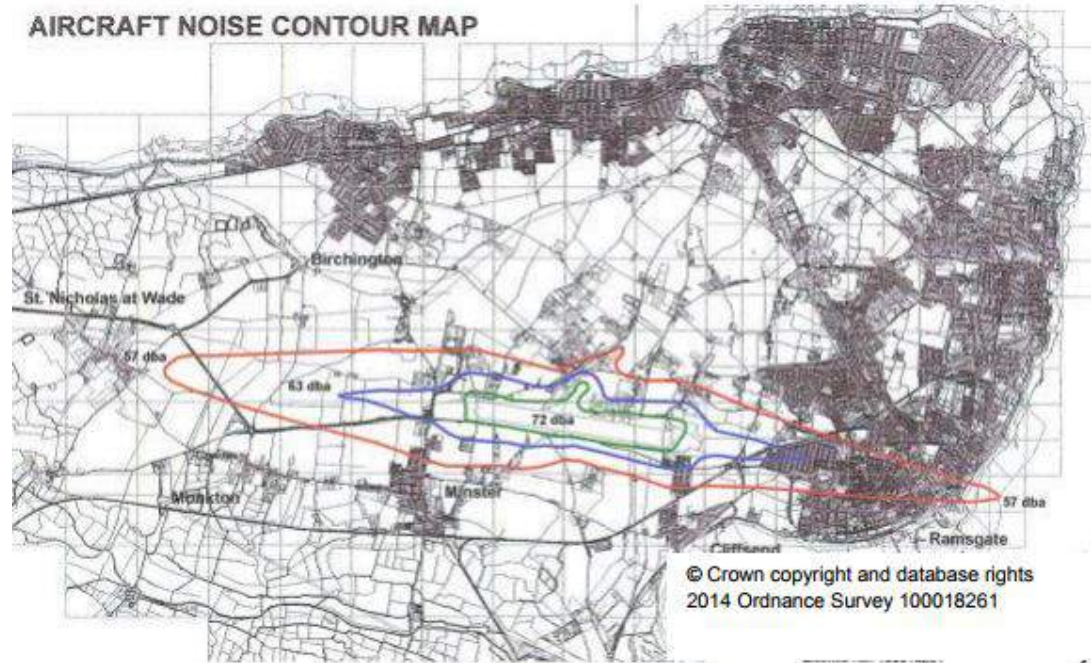
		Policy HE03	<p>Local Heritage Assets</p> <p>The Council supports the retention of local heritage assets, including buildings, structures, features and gardens of local interest. Local Heritage assets will be identified in a Local List as part of the Heritage Strategy.</p> <p>Once adopted where permission is required, proposals will be permitted where they retain the significance, appearance, local distinctiveness, character or setting of a local heritage asset.</p>
15	Climate Change	Policy CC01	<p>Fluvial and Tidal Flooding</p> <p>The sequential test and exception test as set out in the NPPF will be applied to applications for development within identified flood risk areas. Development proposals in these areas will need a Flood Risk Assessment to be carried out by the developer.</p>
15	Climate Change	Policy CC02	<p>Surface Water Management</p> <p>New development will be expected to manage surface water resulting from the development using sustainable drainage systems (SUDS) wherever possible. SUDS design should be considered as an integral part of the masterplanning and design process for new development.</p> <p>Proposals for SUDS at sites within the Groundwater Source Protection Zone as shown on Map 19, or sites near the Groundwater Source Protection Zone, must demonstrate that the methods used will not cause detriment to the quality of the groundwater.</p> <p>Sites identified as a Tidally Sensitive Area (as identified in surface water management plans) will need to incorporate Sustainable Drainage Methods and a maintenance schedule where appropriate, at the design stage of a planning application, and a Flood Risk Assessment will be required before planning permission can be granted.</p>
15	Climate Change	Policy CC04	<p>Sustainable Design</p> <p>All new buildings and conversions of existing buildings must be designed to reduce emissions of greenhouse gases and function in a changing climate. All developments will be required to:</p> <ol style="list-style-type: none"> 1) achieve a high standard of energy efficiency in line with most recent government guidance; 2) make the best use of solar energy passive heating and cooling, natural light, natural ventilation and landscaping. All new buildings and conversions of existing buildings must be designed to use resources sustainably. This includes, but is not limited to: 3) re-using existing buildings and vacant floors wherever possible; 4) designing buildings flexibly from the outset to allow a wide variety of possible uses; 5) using sustainable materials wherever possible and making the most sustainable use of other materials; 6) minimising waste and promoting recycling, during both construction and occupation.

			New developments must provide safe and attractive cycling and walking opportunities to reduce the need to travel by car.
16	Safe and Healthy Environment	Policy SE01	<p>Potentially Polluting Development</p> <p>Development with potential to pollute will be permitted only where:</p> <ol style="list-style-type: none"> 1) Applicable statutory pollution controls and siting will effectively and adequately minimise impact upon land use and the environment including the effects on health, the natural environment or general amenity resulting from the release of pollutants to water, land or air or from noise, dust, vibration, light, odour or heat; and In determining individual proposals, regard will be paid to: 2) The economic and wider social need for the development; and 3) The visual impact of measure needed to comply with any statutory environmental quality standards or objectives. Permission for development which is sensitive to pollution will be permitted only if it is sufficiently separated from any existing or potential source of pollution as to reduce pollution impact upon health, the natural environment or general amenity to an acceptable level, and adequate safeguarding and mitigation on residential amenity.
		Policy SE03	<p>Contaminated Land</p> <p>Development proposals that would enable contaminated sites to be brought into beneficial use will normally be permitted, so long as the sites can be rendered suitable for the proposed end use in terms of the impact on human health, public safety and the environment, including underlying groundwater resources.</p> <p>Development on land known or suspected to be contaminated or likely to be adversely affected by such contamination will only be permitted where:</p> <ol style="list-style-type: none"> 1) An appropriate site investigation and assessment (agreed by the Council) has been carried out as part of the application to establish whether contamination is present and to identify any remedial measures necessary to ensure that the site is suitable for the proposed end use; 2) The proposed remedial measures would be acceptable in planning terms and would provide effective safeguards against contamination hazards during the development and subsequent occupation of the site. Planning conditions will be attached to any consent to ensure that remedial measures are fully implemented. In the case of sites where contamination is only considered to be a possible risk, a site investigation will be required by condition. Sites where contamination is believed to have been removed or where the full site history is unknown should not be able to be considered as contaminated land

		Policy SE04	<p>Groundwater Protection</p> <p>Proposals for development within the Groundwater Source Protection Zones identified on Map 19 will only be permitted if there is no risk of contamination to groundwater sources. If a risk is identified, development will only be permitted if adequate mitigation measures can be implemented.</p> <p>Proposals for Sustainable Drainage systems involving infiltration must be assessed and discussed with the Environment Agency to determine their suitability in terms of the impact of any drainage into the groundwater aquifer.</p>
		Policy SE05	<p>Air Quality</p> <p>All major development schemes should promote a shift to the use of sustainable low emission transport to minimise the impact of vehicle emissions on air quality, particularly within the designated Urban Air Quality Management Area. Development will be located where it is accessible to support the use of public transport, walking and cycling.</p> <p>Development proposals that might lead to a significant deterioration in air quality or an exceedence of air quality national objectives or to a worsening of air quality within the urban Air Quality Management Area will require the submission of an Air Quality Assessment, which should address:</p> <ol style="list-style-type: none"> 1) The cumulative effect of further emissions; 2) The proposed measures of mitigation through good design and offsetting measures that would prevent the National Air Quality Objectives being exceeded or reduce the extent of the air quality deterioration. These will be of particular importance within the urban AQMA, associated areas and areas of lower air quality. <p>Proposals that fail to demonstrate these will not be permitted.</p>
		Policy SE06	<p>Noise Pollution</p> <p>In areas where noise levels are relatively high, permission will be granted for noise-sensitive development only where adequate mitigation is provided, and the impact of the noise can be reduced to acceptable levels. Development proposals that generate significant levels of noise must be accompanied by a scheme to mitigate such effects, bearing in mind the nature of surrounding uses. Proposals that would have an unacceptable impact on noise-sensitive areas or uses will not be permitted.</p>
		Policy SE08	<p>Aircraft Noise</p> <p>Applications for noise sensitive development or redevelopment on sites likely to be affected by aircraft noise will be determined in relation to the latest accepted prediction of existing and foreseeable ground noise measurement of aircraft noise. Applications for residential development will be determined in accordance with the following noise exposure categories:</p>

Map 20 - Aircraft Noise Contour Map

AIRCRAFT NOISE CONTOUR MAP



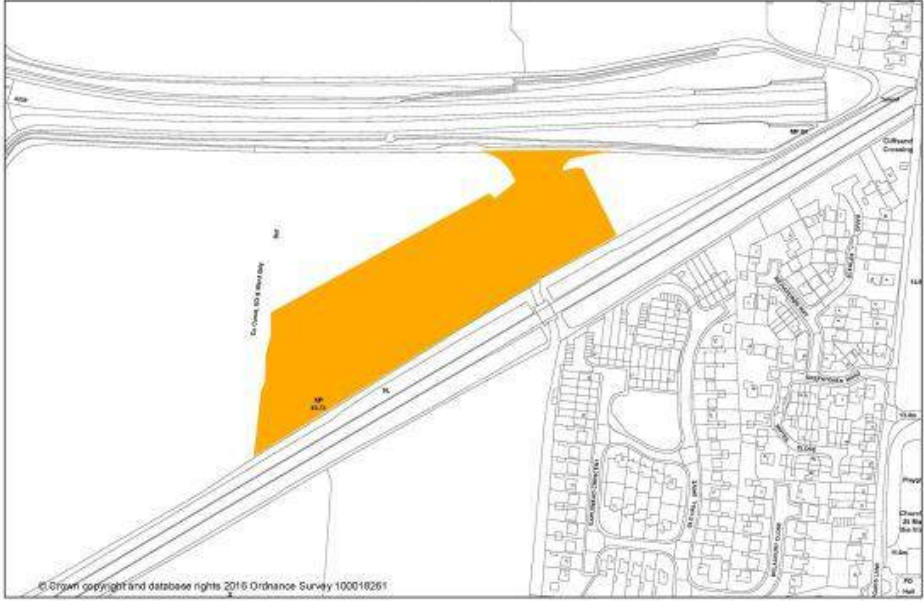
Nec	Predicted aircraft noise levels (dbl aeq.0700-23.00)
A	<57 Noise will not be a determining factor
B	57- 63 Noise will be taken into account in determining applications, and where appropriate, conditions will be imposed to ensure an adequate level of protection against noise.
C	63- 72 Planning permission will not be granted except where the site lies within the confines of existing substantially built-up area. Exceptionally, where residential development is granted, conditions will be imposed to ensure an adequate level of protection against noise.
D	>72 Residential development will not be permitted.

		Policy SE09	<p>Aircraft Noise and Residential Development</p> <p>When planning consent is granted for residential development on any land expected to be subject to a level of aircraft noise of above 57db(a)**, such consent will be subject to provision of a specified level of insulation to achieve a minimum level of sound attenuation in accordance with the following criteria:</p> <table border="1" data-bbox="934 365 1675 503"> <thead> <tr> <th colspan="3">NEC Predicted Aircraft Minimum Noise Levels Attenuation required (dB(A) (frequency range 100-3150 Hz)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td><57</td> <td>No attenuation measures required</td> </tr> <tr> <td>B</td> <td>57-63</td> <td>20dB</td> </tr> <tr> <td>C</td> <td>63-72</td> <td>30dB</td> </tr> </tbody> </table> <p>** LAeq 57dB 07.00-23.00</p>	NEC Predicted Aircraft Minimum Noise Levels Attenuation required (dB(A) (frequency range 100-3150 Hz)			A	<57	No attenuation measures required	B	57-63	20dB	C	63-72	30dB
NEC Predicted Aircraft Minimum Noise Levels Attenuation required (dB(A) (frequency range 100-3150 Hz)															
A	<57	No attenuation measures required													
B	57-63	20dB													
C	63-72	30dB													
		Policy SE10	<p>Light Pollution</p> <p>Development proposals that include the provision of new outdoor lighting should be designed to minimise light glare, light trespass, spillage and sky glow in order to preserve residential amenity, the character of the surroundings and prevent disturbance to wildlife. A Landscape and Visual Impact Assessment will be required for proposed developments that fall in to the E1 category. Proposals that exceed the Institute of Lighting Professionals standards will not be permitted.</p>												
18	Transport	Policy TP01	<p>Transport Assessments and Travel Plans</p> <p>Development proposals which the Council considers would have significant transport implications shall be supported by a Transport Assessment and where applicable a Travel Plan. These should show how multi-modal access travel options will be achieved, and how transport infrastructure needs arising from the expected demand will be provided.</p>												
18	Transport	Policy TP02	<p>Walking</p> <p>New development will be expected to be designed so as to facilitate safe and convenient movement by pedestrians including people with limited mobility, elderly people and people with young children. The Council will seek to approve proposals to provide and enhance safe and convenient walking routes including specifically connection to and between public transport stops, railway stations, town centres, residential areas, schools and other public buildings.</p>												
18	Transport	Policy TP03	<p>Cycling</p> <p>The Council will seek the provision at the earliest opportunity of a network of cycle routes. Development that would prejudice the safety of existing or implementation of proposed cycle routes will not be permitted. New development will be expected to consider the need for the safety of cyclists and incorporate facilities for cyclists into the design of new and improved roads, junction improvements and traffic management proposals. Substantial development generating travel demand will be expected to provide convenient cycle parking and changing facilities. New residential development will be expected to provide secure facilities for the parking and storage of cycles.</p>												

18	Transport	Policy TP04	<p>Public Transport</p> <p>Development proposals will be expected to take account of the need to facilitate use of public transport. The Council will seek to approve proposals consisting of or incorporating:</p> <ol style="list-style-type: none"> 1) improvement of passenger and waiting facilities 2) measures to improve personal security 3) improved accessibility for people with mobility limitations 4) bus/rail interchange facilities 5) secure cycle storage
18	Transport	Policy TP06	<p>Car Parking</p> <p>Proposals for development will be expected to make satisfactory provision for the parking of vehicles. Suitable levels of provision will be considered in relation to individual proposals taking account of the type of development, location, accessibility, availability of opportunities for public transport, likely accumulation of car parking, design considerations and having regard to the guidance referred to below:</p> <ol style="list-style-type: none"> 1) In considering the level of parking provision in respect of proposals for residential development (use class C3), the Council will refer to the guidance provided in Kent Design Review: Interim Guidance Note 3 - Residential Parking. 2) In considering the level of parking provision in respect of proposals for other development, the Council will refer to the indicative guidance in Appendix E. <p>Where the level of provision implied in the above guidance would be detrimental to the character of a conservation area or adversely affect the setting of a listed building or ancient monument then a reduced level of provision may be accepted. Within the town centres of Margate, Ramsgate and Broadstairs (as defined on maps 27, 28 and 29) new development proposals will not be required or expected to provide onsite car parking spaces. Where feasible such proposals</p>
18	Transport	Policy TP08	<p>Freight and Service Delivery</p> <p>New development proposals will be expected to demonstrate adequate off street servicing.</p>

Proposed Revisions to the Local Plans (Preferred Options) (2017)			
2	Former Airport Site	Policy SP05	<p>Former Airport Site</p> <p>Land is allocated for a mixed use settlement at the site of the former Manston Airport as defined on the policies map. The site has the capacity to deliver at least 2,500 new dwellings, and up to 85,000sqm employment and leisure floorspace.</p> <p>The overarching principle of development of this settlement is the creation of a single sustainable settlement that can be easily served by public transport and with good, easily walkable access to central community services and other facilities.</p> <p>Contributions will be required to meet the following provisions and proposals will be judged and permitted only in accordance with a development brief and comprehensive masterplan for the whole site detailing:</p> <ul style="list-style-type: none"> • How the requirements of the Transport Strategy will be met including the upgrade of Manston Court Road and improvements to Spitfire junction. • The relationship to the Parkway Station and Ramsgate Port including a southern bypass of Manston village and a direct link from the site to the A299 roundabout linking with the southbound dual carriageway. • A travel plan to include a public transport strategy linking the site to existing services, demonstration of how the site links with and relates to neighbouring settlements; • Key routes for traffic-calming measures • Coherent phasing and evidence of deliverability • A business plan to demonstrate how the employment will be delivered, and how it will relate and link to Manston Business Park • The provision of a District Centre to meet the retail need of the development, fit within the retail hierarchy and serve the appropriate catchment, as well as provision of complementary uses such as community business space and leisure uses/recreational facilities. • Provision of community facilities as outlined in the Infrastructure delivery plan (IDP) including a primary school facility at 4 forms of entry, and a Doctors Surgery <p>A Landscape and Visual Impact Assessment to address</p> <ul style="list-style-type: none"> • the visual sensitivity of the site focussing on retention of open space and protecting wide open landscape and strategic views; • how new built development will be designed to minimise visual impact on the open landscape of the central island. Particular attention must be given to roofscape for the purposes of minimising the mass of the buildings at the skyline when viewed from the south.

			<ul style="list-style-type: none"> • Design and Heritage statements to include: • An appropriate landscaping scheme, to be designed and implemented as an integral part of the development. • Provision of 31.77 Ha open space in accordance with Table 7 as required by Policy GI04, and integrated green infrastructure to include walking, cycling and equestrian routes and facilities • A buffer between the development and Manston Village. Settlement separation between the villages of Manston, Minster, Cliffsend and Acol and Thanet Urban Area • Pre design archaeological assessment • Links to the sites heritage to support tourism in Thanet, including consideration of proposals that would permit a limited element of aviation use • Detail as to how the runway will be incorporated into the development scheme and what functions it will serve. • Provision of surface water management/sustainable drainage schemes that will not contaminate groundwater sources, and any proposed initiatives that will improve the condition of the groundwater <p>Development proposals must:</p> <ul style="list-style-type: none"> • Provide an appropriate mix of dwellings to meet the requirements of Policy SP18 • Provide affordable housing to meet the requirements of Policy SP19 (nb. Policy SP19 is being amended to request affordable housing for more than 10 units) • Provide one electric car charging point for every 10 parking spaces provided • Consider accommodating any self-build requirements included in the self-build register • Contribute towards the Strategic Access Management and Monitoring scheme to meet the requirements of SP25 • Include an assessment of the sites functionality as a roosting or feeding resource for the interest features of the Thanet Coast and Sandwich Bay SPA Protection Area, including areas within 400m of the development sites boundary, and provide mitigation where necessary • Retain existing boundary features where possible • Provide a connection to the sewerage system at the nearest point of adequate capacity, in collaboration with the service provider • Allow future access to the existing water supply infrastructure for maintenance and upsizing purposes • Provide for the installation of digital infrastructure • Provide a Statement of Social Impacts addressing any needs for community facilities identified in the Infrastructure Delivery Plan
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7	Thanet Parkway Station	SP39 and Map 15	<p>The proposed location of the Thanet Parkway Station site has been revised, the wording for Policy SP39 remains unchanged.</p>  <p>The map, titled 'Thanet Parkway Station', shows a large orange-shaded area representing the proposed station site. This area is bounded by Thanet Parkway to the west and south, and a road labeled 'B2190' to the east. The map also shows surrounding residential areas, roads like 'Culford Crossing' and 'Spitfire Way', and a railway line. A copyright notice at the bottom left of the map reads '© Crown copyright and database rights 2018 Ordnance Survey 100018261'.</p>
8	New Strategic Routes Policy	New Strategic Routes Policy	<p>Strategic Policy - Strategic Routes</p> <p>The following areas, as shown on the Policies Map, are safeguarded for the provision of key road schemes and junction improvements, to support the implementation of the Thanet Transport Strategy, including land at:</p> <ol style="list-style-type: none"> 1. B2050 Manston Road (from Manston Manston Court Road to Spitfire Junction) 2. B2190 Spitfire Way (from Spitfire Junction to Columbus Avenue Junction)

**APPENDIX 6 : RPS EMPLOYMENT AND HOUSING LAND
TECHNICAL REPORT (MARCH 2018)**

RPS

Employment and Housing Land Technical Report

In respect of

Kent International Airport,
Manston

On behalf of

RiverOak Strategic Partners

RPS Ref: PA/JCG21463

March 2018

Secure & Stable
ADDING VALUE

QUALITY MANAGEMENT

Prepared by:	Paul Aldridge
Authorised by:	Angela Schembri
Date:	March 2018
Project Number/Document Reference:	JCG21463

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CONTENTS

1	INTRODUCTION	1
2	LABOUR DEMAND AND SUPPLY	7
3	HOUSING.....	12
4	EMPLOYMENT AND HOUSING LAND AVAILABILITY	18
5	CONCLUSIONS	27
APPENDIX 1: STUDY AREA DEFINITION PLANS.....		29

1 INTRODUCTION

- 1.1 RPS has been commissioned by RiverOak Strategic Partners (RiverOak) to prepare a technical report on the employment implications of providing a dedicated air freight facility, which offers passengers, executive travel, and aircraft engineering services at Manston and the likely consequential scale of any additional housing provision that might be required to house airport related workers.
- 1.2 This report is one of a number of technical studies that provide the evidence base against which the proposals for Manston are being assessed and considered. The report is informed by work undertaken by others and therefore its findings should read in conjunction with the conclusions of these other studies.
- 1.3 In particular, this report draws upon the employment forecasts for the Airport set out within Azimuth Associates report entitled *'The economic and social impacts of airport operations'* (Volume IV). Their report provides information relating to the general economic profile of the East Kent including Thanet and provides details of the number and types of jobs that will be created at Manston Airport.
- 1.4 The forecasting of airfreight and passenger movements has been conducted across a 20 year period from the anticipated grant of a Development Consent Order in 2019. Operation of the Airport is forecast to commence in 2020 (Year 1) with air freight movements beginning in 2021. Passenger services are anticipated to start in 2022. Construction of the final phase of development at the Airport would be complete by 2037 and the airport would reach its modelled operational capacity by 2039 (Year 20).
- 1.5 The facilities for air freight and cargo operations would be able to handle a minimum of 10,000 air freight traffic movements per year. This will include the construction of 65,500sqm cargo facilities. The Airport is expected to handle 96.5K tonnes of air freight in 2021 rising to 340.7k tonnes by 2039. Similarly, passenger numbers are expected to increase from 662,768 in 2022 to 1.4M by 2039 (Table 5, Forecast Job Creation, Azimuth Associates).
- 1.6 The strategic importance of the site is not dependant on the overspill role for the London and South East air passenger market. Accordingly, its potential effects are larger mutually exclusive of the operation of other airports within the South East.
- 1.7 This report has regard to a defined *Study Area* which most closely reflects the area from which Manston is expected to draw the majority of its forecast workforce. It is reasonable and logical to assume that any housing and employment effects would generally be felt more keenly closer to the airport. The study area used for the purposes of this report is examined fully below but in brief comprises the following districts; Thanet, Canterbury, Swale, Dover and Shepway.
- 1.8 RiverOak have commissioned related work which examines the socio-economic effects of Manston Airport which demonstrates that there will be a good spread of jobs with an emphasis on professional and managerial posts and unskilled work. The remit of this report however is on the overall employment and housing effects consequently this information is not reproduced here.

1.9 The method of converting the employment arising from Manston Airport to in-migrant workers to a potential housing requirement relies upon the basic proposition that the introduction of such a significant development and the associated opportunities it creates will have some impact in terms of reducing unemployment and commuting and increasing economic activity rates. Such a major proposal has clear potential to reduce the need to recruit people from outside the study area by stimulating the local economy in a positive and beneficial manner. In combination, these factors should translate into a lesser demand for new housing to support the forecast work force of the Airport.

1.10 There is also a specific opportunity to address identified areas of local deprivation within the study area where there are higher levels of unemployment and lower activity rates which do not reflect the study area as a whole. For example, there are opportunities to introduce specific initiatives to target high unemployment. Again, the effects of such initiatives are likely to be relatively small but potentially significant in relation to reducing the need to attract in-migrants.

Methodology

1.11 In order to assess the potential employment and housing implications of Manston Airport the following broad methodology has been adopted.

1. Definition of a study area within which most of Manston's workforce will be drawn
2. Derivation of forecast direct, indirect and induced employment for Manston Airport
3. Quantification of potential levels of in-migrants to the Study Area to take up airport related employment who will require housing
4. Production of population household and employment forecasts for the Study Area based on a range of assumptions
5. Assessment of historic and potential future land supply for the Study Area
6. Comparison of demand and supply in the context of the overall Study Area

Study Area

1.12 In order to structure the assessment a study area has been defined. The local labour market and housing impact analysis is undertaken for the defined study area. The study area is the area within which most of the potential employees of the Airport would live.

1.13 In order to define the study area RPS has had regard to drive time and distance isochrones and also competing sources of major employment attraction. In particular, in defining the study area regard has been had to the following:

1. Kent County Council published data (based on 2011 census information) on Distance Travelled to Work reveals that 89% of people resident in Thanet travel 0-40km to work. The equivalent figure for the County of Kent is 88% (so comparable). It demonstrates that people are prepared to travel considerable distances for employment purposes.
2. A modelled 40km distance from the airport which equates approximately to a 45min drive time area
3. The East Kent Super Council is being promoted by Thanet, Canterbury, Dover and Shepway thereby creating a regionally significant area.
4. The borough of Ashford has been excluded as Ashford performs quite differently to the coastal authorities in East Kent and with high speed connections to the west and London, employees are likely to be more persuaded to travel in that direction

- 1.14 The adopted study area includes the following five local authority areas:
- Thanet
 - Dover
 - Swale
 - Canterbury
 - Shepway
- 1.15 Where possible, parts of Shepway (Romney Marsh and New Romney areas) have been excluded to remove the potential overlap and duplication with comparable airport facilities at Lydd (Ashford) Airport.
- Airport Employment*
- 1.16 The proposed development at Manston Airport will give rise to additional (direct) employment and lead to further increased demand for labour in the local economy as a result of supply chain effects and the household spending of employees (indirect and induced employment).
- 1.17 The impact of increased airport related employment on local labour markets and on the need for housing are relevant issues for local authorities and other stakeholders in terms of planning, economic development and the provision of services. It is therefore appropriate to establish the possible scale and importance of these impacts in absolute and relative terms. In particular, the Airport may also result in some in-migration to the study area. In-migration will give rise to a direct requirement for additional housing.
- 1.18 Forecasts relating to the labour market and housing needs in this particular case involve dates that extend far into the future. Full capacity at the Airport is not expected to be reached until 2039. Many forecasts only extend until the early 2030s. Consequently this requires the extrapolation of the data to generate forecasts to 2039 which carries with it a number of uncertainties. Even so, this report is intended to present a broad picture of the potential employment and consequential housing effects that may arise from the Airport.
- 1.19 Both housing and employment land provision are key considerations for local authorities when preparing their forward plans. In addition, the prospective impact on labour demand needs to be put in context. It is important to establish the employment effects of Manston relative to other changes in the labour market. It may be that other changes dwarf the effects of Manston (so that the Manston effects can be regarded as being of minor importance) or alternatively that Manston impacts will be a material influence on net outcomes. Even so, it is fair to state that Manston represents a significant investment in the local economy, the scale of which is not replicated by any other current project.
- 1.20 Consideration of these issues requires an analysis of the following matters:
1. Manston Labour Demand Impact . analysis of the impact of Manston on labour demand in the study area

2. Labour Market Effects . analysis of the net impact on labour market in the area in terms of the balance between supply and demand in absolute terms and in the context of overall forecasts of future labour demand and labour supply in the study area
 3. The Impact on Housing Need . analysis of the effect on migration and thus on the number of houses required in the area
- 1.21 The impact (before mitigation) of Manston related employment on the balance of labour supply and demand in the study area will be affected by the local response to increased demand. There are a number of potential sources of additional labour from the projected workforce:
1. *Reduced unemployment* . the employment associated with Manston Airport might be met partly by reductions in the level of unemployment in the study area. It is very difficult to forecast potential levels and rates of unemployment in the local area up to 20 years into the future. Accordingly, this report analyses trends in the total level of unemployment in the study area and its characteristics. Using this analysis and information on total labour supply will inform a judgement on the potential scope to meet some of the additional Manston labour requirements from the pool of unemployed people. This aspect of netting down gross employment is distinct from any initiatives by RiverOak and/or others to increase recruitment in the more deprived areas of the study area.
 2. *Enhanced economic activity rates*: the additional job opportunities could lead to an increase in activity rates in the study area. Analysis of current and past activity rates are undertaken to reach a judgement on the potential scope to meet some of the labour requirements from enhanced activity rates.
 3. *Commuter drawback/increased commuting*: the enhanced employment opportunities at Manston associated with the proposed development may lead to a reduction in commuting out of the study area. 2011 Census data will be examined and a judgement reached on the extent to which this could be reduced to provide further local recruitment to meet some of Manston's labour requirements.
- 1.22 Once these sources of potential labour have been examined, an estimate of the labour demand associated with the proposed development which could give rise to increased net in-migration is assessed.
- 1.23 The future position in the study area labour market is shown by analysis of labour demand and supply. The relative impact and significance of the employment associated with Manston Airport are then assessed.

Impacts on Housing Need

- 1.24 The net impact of Manston Airport on the need for additional housing is assessed by translating the projected impact of net labour demand into an impact on migration and thus on housing demand. The analysis allows for the extent to which people moving to the area in response to job opportunities created by Manston bring with them economically active partners/family members, (the number of migrant households will be less than the number of jobs filled by migrants). The report provides a direct assessment of the impact of increased labour demand on migration and thus on the formation of new households and housing demand in the study area.

Land Supply

- 1.25 The data utilised by this report to assess the availability and sufficiency of potential employment and housing land has been derived from various sources. RPS has examined the employment land reviews prepared by local authorities that inform their development plan preparation. For housing land supply the data is based principally on Strategic Housing Land Availability

Assessments (SHLAAs) but excluding sites that are deemed totally unsuitable as far as possible. In relation to employment land, local authority evidence base can vary significantly in terms of the adopted methodology and the frequency of update. In contrast, assessments of housing land availability tend to be more consistent having regard to the guidance laid down by government for preparing such assessments.

1.26 Whilst both sources have limitations, the data is intended to present a general perspective on the availability of employment and housing land within the adopted study area. There is no obvious source of significant additional land supply, particularly for housing, beyond current planning horizons. Other data has been derived from Kent County Council and forecasts of future employment for the study area have been sourced from Oxford Economics East of England Forecast Model (2014).

1.27 Whilst a view on the demand for both employment and housing land are fundamental to an assessment of the potential implications of meeting that demand, it is also important to relate it to an understanding of the land requirements for both uses and the issues associated with accommodating those requirements. In order to do this, this report examines how Manston Airport would principally impact on the town planning system in relation to the associated development implications (as compared with the planning of the Manston itself).

Past Development Rates

1.28 The starting point in this analysis is an assessment of past rates of new employment land take up and housing completions to establish the general levels of development that have occurred during the period when Manston was operational, taking into account the peaks and troughs in the historic economic cycle. Such analysis provides a general perspective and a reference point for looking forward.

Current Planning Horizons - the medium term

1.29 The assessment examines the levels of supply in the context of local authorities current and emerging forwards plans to identify how much provision is already in the system and on the assumption that Manston Airport would begin operating again in 2020. It is accepted in this regard that proposed provision in emerging plans is subject to statutory processes and could change. With that qualification however, to the extent that draft figures represent the position of a local authority at a particular point in time and dependent on the stage of plan preparation, they represent a reasonable view of future supply to the end dates of plans. On this basis, it should be possible to establish an overall supply picture to the early to mid 2030s with a reasonable degree of certainty.

The Longer Term

1.30 For the mid to late 2030s, we review potential sources of supply based on the following main categories:-

- Any likely overrun in relation to major, strategic sites
- Continuing windfall rates of development on previously unidentified sites and brown field land.

- Sites that have been previously actively considered but not taken forward.
 - Sites in Strategic Housing Land Availability Assessments (SHLAAs and similar exercise).
- 1.31 These potential sources are more speculative, as beyond 2031 there is no planning guidance currently in place, or likely to be in place for some time. In relation to the latter two categories (where there may be some overlap) the assessment must be qualified on the basis that decisions about suitability and timing in respect of any particular site or area would ultimately be a matter for local planning authorities to determine in future reviews of their development plans. The aim of this report is simply to give some overview of capacity.
- 1.32 This report sets the Manston related and study area demand side employment and housing outputs against the overall supply analysis and provides a commentary on the implications of the results.
- 1.33 The above commentary sets the context within and the methodology for assessing the effects of Manston Airport in terms of the forecast number of jobs and any consequential need for new housing to accommodate airport related workers over the period to 2039. Our detailed findings are set out in the remainder of this report which is organised as follows:
- Section 2: Labour Demand and Supply
 - Section 3: Housing
 - Section 4: Employment and Housing Land Availability
 - Section 5: Conclusions

2 LABOUR DEMAND AND SUPPLY

- 2.1 Manston Airport will give rise to (direct) employment and lead to increased demand for labour in the local economy as a result of supply chain effects (indirect employment) and the household spending of the wages and salaries of the additional direct and indirect employees (induced employment). It is therefore appropriate to establish the possible scale and importance of the impact of additional airport related employment to the local labour and housing markets in absolute and relative terms.
- 2.2 This section of the report provides an estimate of Manston related employment within the study area. The estimates of Manston related employment are based upon the assumption that Manston could capture a market of circa 222-340K freight tonnes between 2030 and 2039. Freight tonnage in the initial year of operation (2021) is expected to be circa 96.5K tonnes.
- 2.3 The forecasts of Manston related employment are then set in context by considering the potential future levels of labour supply and demand in the study area.
- 2.4 The labour market and Manston related employment forecasts in this assessment involve dates that extend far in to the future. The Airport is planned to commence operations from 2020 with the capacity of the Airport not being reached until around 2039. 2039 is beyond the forecasting period adopted by most models of employment and household growth including estimates prepared by Kent County Council and Oxford Economics referred to earlier.

Manston Related Employment

Definition

- 2.5 The development at Manston Airport will create specific employment opportunities in the local labour market in the following categories:
- *Direct employment:* people whose jobs are entirely related to and dependent on the operation of the airport. Direct employment is split into two categories . direct on-airport and direct off-airport. The distinction relates to the location of employment either within or outside the airport boundary.
 - *Indirect employment:* employment created by businesses located at the airport purchasing goods and services from suppliers in the study area who in turn may purchase further goods and services from local suppliers.
 - *Induced employment:* further employment in the study area supported by the expenditure of those whose incomes are derived directly or indirectly from the airport.
 - *Catalytic or 'attracted' employment:* wider economic benefits associated with the aviation sector. Air transport contributes to tourism and therefore impacts tourist spending in the economy. Air transport also impacts trade, facilitating the import and export of goods by air and therefore their manufacture and distribution as well as productivity.

- 2.6 The general approach to forecasting direct and indirect employment in the opening year and future years assumes that employment grows in line with air passenger and air freight growth of the Airport.
- 2.7 Further details regarding the methodology and assessment of future jobs related to airport operations at Manston are set out within Section 4 and 5 of Azimuth Associates report entitled 'The economic and social impacts of airport operations'.
- 2.8 Forecasts of future employment related to Manston Airport are summarised in the table below according to modelled passenger numbers and freight tonnage:

Table 2.1: Estimates of Manston Airport Employment

Type of employment	Year				
	2020	2025	2030	2035	2039
Direct Jobs	116	2,466	2,870	3,595	4,271
Indirect/Induced Jobs	0	5,178	6,027	7,550	8,970
Total Jobs	116	7,644	8,897	11,145	13,241

Source: Volume IV, The economic and social impacts of airport operations, Table 5, Azimuth Associates 2018

- 2.9 As can be seen, total jobs (excluding catalytic jobs) is estimated to increase from 2,655 in 2020 (the commencement of operations) to 9,333 in 2030 and 13,241 by 2039.
- 2.10 The Azimuth Associates report also models revised forecasts of future employment in response to the results of consultations undertaken by RiverOak. These revised forecasts are summarised in the table below.

Table 2.1A: Revised Estimates of Manston Airport Employment

Type of employment	Year				
	2020	2025	2030	2035	2039
Direct Jobs	116	2,466	2,812	3,164	3,417
Indirect/Induced Jobs	0	4,438	5,062	5,695	6,151
Total Jobs	116	6,904	7,874	8,859	9,568

Source: Volume IV, The economic and social impacts of airport operations, Table 4, Azimuth Associates 2018

- 2.11 As can be seen, there is a potential reduction in employment of 3,673 by 2039 in terms of direct and indirect/induced jobs. This report tests the forecasts of employment set out in Table 2.1 but also provides commentary in relation to the revised forecasts of employment as presented in Table 2.1A.
- 2.12 In addition to the above jobs, there will be a number and range of jobs associated with the construction of the proposed development which are excluded from the above calculations.

Labour Supply and Demand in the Study Area

- 2.13 These forecasts of Manston related employment creation should be placed within the context of the study area labour market and the projected future level of labour supply and demand. The following paragraphs duly provide an overview of the key characteristics of the local labour force.

Labour Supply

- 2.14 Labour supply can be defined as the number of people in work or looking for work in the study area. It is dependent on the resident population of working age and the proportion of that population who wish to work (the economic activity rate). Forecasts of labour supply over a long period such as to 2039 are subject to high levels of uncertainty particularly around key variables such as future levels of migration and activity rates.
- 2.15 The actual labour supply available to employers in the study area will depend upon the number of local residents who wish or choose to work in the study area and the number of non-residents who commute into the area to work from surrounding districts and regions. Commuting patterns and the extent of any inflows and outflows will in part be influenced by the quality of local transport infrastructure including public transport services and number and frequency of connections.
- 2.16 Forecasts of population and labour supply for the study area have been derived from Kent County Council and cover the period to 2036. The population for 2039 has been projected forward by adopting the average annual projected increase for the preceding period.
- 2.17 Projections of population by age band are shown in Table 2.2 for the period 2017 to 2039 for the study area. The population of the study area is forecast to increase from 678,900 in 2017 to 775,000 by 2030 and to 823,420 by 2039. This represents an increase of 144,520 (21%) over the period 2017 to 2039. The majority of the increase in the population is in the over 65 age group which is forecast to increase by 94,740 between 2017 and 2039. The population of working age is forecast to increase by 233,360 (circa 8.2%) between 2017 and 2039.

Table 2.2: Population forecasts by Age for the Study Area 2017 – 2039

Age	Year					
	2017	2020	2025	2030	2035	2039
<16	121,300	126,000	131,500	133,400	135,800	137,720
16 - 64	409,200	415,300	432,400	438,600	440,800	442,560
65+	148,400	158,200	178,200	203,000	225,300	243,140
Total	678,900	699,500	742,100	775,000	801,900	823,420

KCC Population Forecasts, September 2017

- 2.18 The resident labour supply is also forecast to increase over the period 2017 to 2039. Modelling undertaken by Kent County Council indicates that the resident labour supply of the study area is forecast to increase from 322,700 in 2017 to 343,600 by 2025 and to 363,080 by 2039. The figure for 2039 has been calculated by reference to the average annual growth achieved in the preceding period. This is shown in Table 2.3 below. The resident labour supply is forecast to increase by 40,380 (circa 12.5%) over the period 2017 to 2039.

Table 2.3: Forecast Resident Labour Supply within the Study Area, 2017-2039

Year	2017	2020	2025	2030	2035	2039
Labour Supply	322,700	331,400	343,600	353,900	359,000	363,080

KCC Housing Led Forecasts

Labour Demand/Employment

2.19 Forecasts of employment for the study area have been obtained from Oxford Economics East of England Forecasting Model 2014 (updated January 2015). The county council does not have its own forecasts of employment but previously subscribed to the East of England model. Forecasts of future employment based upon the East of England model are set out within Table 2.4 below.

Table 2.4: Forecast of Employment within the Study Area (1000s)

District	1000's Employment per Year					
	2017	2020	2025	2030	2035	2039
Canterbury	76.9	79.5	83.3	87.2	91.1	94.2
Dover	39.8	40.7	41.6	42.5	43.3	43.9
Shepway	44.3	45.5	46.8	48.2	49.5	50.5
Swale	56.1	57.8	59.9	62.1	64.3	66.1
Thanet	50.3	51.3	52.1	53.0	53.9	54.6
Total Study Area	267.4	274.8	283.7	293.0	302.1	309.3

Oxford Economics East of England Forecast Model 2014

2.20 Employment in the study area is forecast to increase from 267,400 in 2017 to 293,000 in 2030 and to 309,300 by 2039. Again, the forecast for 2039 has been extrapolated from the average annual growth achieved in previous years as the East of England forecasts only extend to 2031.

2.21 Employment is forecast to increase by 41,900 (15.7%) between 2017 and 2039 within the study area.

Labour Market Position

2.22 The employment and resident labour supply forecasts for the study area are summarised in Table 2.5 below.

Table 2.5: Labour Market Balance within the Study Area (1000s)

Year	2017	2020	2025	2030	2035	2039
Labour Supply	322.7	331.4	343.6	353.9	359.0	363.0
Forecast Employment	267.4	274.8	283.7	293.0	302.1	309.3
Labour Market Balance	55.3	56.6	59.9	60.9	56.9	53.7

Tables 2.3 and 2.4 above

2.23 The study area is forecast to have an excess labour supply over demand throughout the period to 2039. This means that there are forecast to be more people working or looking for work in the study area than there are jobs available. We would expect such a situation to be reflected in some combination of increased unemployment and reduced net in-commuting (as people look elsewhere for employment). The implication of these forecasts is that the employment needs of the Airport should be able to be met by the projected pool of labour supply within the study area. Accordingly the new jobs associated with the operation of the Airport should contribute to an improved labour supply/demand balance.

Relative Impact of Manston Related Employment

- 2.24 The impact of Manston relative to the wider labour market operating within the study area can be assessed by comparing the level of employment associated with the Airport as a proportion of total employment in the study area.
- 2.25 By 2039 (year 20) total Manston related employment (13,241 . direct, indirect and induced) is forecast to account for just 4.3% of total forecast employment in the study area labour market.
- 2.26 It is of course accepted, however, that the effects will be greater closer to the airport having regard to the fact that a number of jobs will be aimed at local people.
- 2.27 The next section of this report examines the effect of employment at Manston Airport on the potential need for additional housing within the study area.

3 HOUSING

- 3.1 Manston Airport will give rise to increased demand for labour. The extent of that demand is described in the previous section of this report.
- 3.2 The additional labour demand could, in principle, result in in-migration to the study area which in turn could generate potential demand for additional housing.
- 3.3 This section of the report analyses the potential impact of the increased demand for labour associated with the Airport on the need for housing in the study area.

Manston Employment Resident in the Study Area

- 3.4 As evidenced by Table 2.1 in the previous section of this report, estimates of Manston related employment by direct, indirect and induced employment indicate a peak in 2039 of 13,241 employees over the study period.
- 3.5 Not all of the Manston related jobs located in the study area will be filled by residents of the study area. For example, some people will commute from further afield to access the range of employment opportunities that will be available.
- 3.6 In order to provide an estimate of the extent to which the employment supported by Manston will be taken up by residents living and working in the study area, the following assumptions have been made:
 - Direct on-airport and off-airport employment: it is assumed that 95% of forecast direct on . airport and off-airport employment will be resident in the study area. This is considered to be a conservative estimate but nevertheless a robust assumption meaning that the need for additional housing to meet employment needs will be overstated.
 - Indirect and induced employment: It is assumed that 89.5% of forecast indirect and induced employment will be resident in the study area. This is based upon the proportion of people who live and work in the study area as a proportion of people working in the area (based upon Census information). This is considered to be a robust but conservative assumption.
- 3.7 Applying these assumptions (by component of employment) to the forecasts of employment described previously (Table 2.1) provides an assessment of the number of employees forecast to be resident in the study area (Table 3.1 below refers) over the period to 2039.

Table 3.1 Manston Related Employment in Study Area

Employment Type	Year		
	2030	2035	2039
Direct	2,727	3,415	4,057
Indirect & Induced	5,394	6,757	8,028
Total	8,121	10,172	12,085

3.8 The number of Manston related employees resident in the study area is forecast to increase from 8,121 in 2030 to 12,085 by 2039. The number of jobs created is in line with the overall assumptions relating to forecasts of air freight and passenger numbers.

Recruitment from Within the Study Area

3.9 Not all of this increased employment will be reflected in the balance between the projected labour supply and demand. It is possible that the increased demand will result in changes to the supply of labour, the potential effects of which have been previously described.

3.10 These potential impacts on the supply of labour are examined in further detail below.

Recruitment from the Unemployed

3.11 It is expected that Manston would provide significant opportunities for people who would be otherwise unemployed. The extent to which the employment opportunities can be taken up by unemployed people in the study area will depend upon the number and characteristics of the unemployed, the availability of training and the other employment opportunities available within the study area at any given time. Azimuth Associates report on *“The Economic and Social Impacts of Airport Operations”* describe the range of jobs anticipated to be provided by the Airport. Table 4 of the report provides a breakdown of the number of jobs by type in addition to which there will be a range of different skill levels required which should appeal to a wide spectrum of unemployed people.

3.12 It is not possible to forecast the number and characteristics of the unemployed in the assessment period, but the current and historical unemployment position provides guidance to aid the assessment of future rates of unemployment.

3.13 Table 3.2 below provides a summary of the unemployment rate in the study area by district for the period 2007 to 2018.

Table 3.2: Unemployment Rates by District for the Study Area

District	Year (%)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Canterbury	1.6	1.3	2.1	2.7	2.2	2.6	2.4	1.8	1.1	1.1	1.3	1.3
Dover	2.5	1.9	3.0	3.7	3.3	4.0	4.0	3.2	2.3	1.9	2.1	2.9
Shepway	2.9	2.2	3.3	4.2	3.9	4.3	4.3	3.3	2.4	2.1	2.1	2.3
Swale	2.5	2.0	3.2	4.0	3.6	4.2	4.1	3.2	2.2	2.1	2.2	2.3
Thanet	3.3	2.7	4.3	5.5	5.3	6.1	6.1	5.2	3.5	3.2	3.4	4.2
Kent	1.9	1.5	2.5	3.3	2.9	3.3	3.1	2.4	1.7	1.5	1.6	1.8

Source: KCC, Business Intelligence Statistical Bulletin February 2018. 2017 figure relates to January

3.14 As can be seen, there are significant variations between the various districts and over time including significant increases in unemployment during the global economic crisis (2009 - 2012).

3.15 Although not apparent in Table 3.2, there are also significant variations in the rate of unemployment by ward. The study area contains some of the highest concentrations of unemployment and deprivation within Kent and within the UK as a whole.

- 3.16 Given the relatively high unemployment rates within some of the districts (particularly within certain wards within Thanet and Dover) there will be potential scope to recruit a substantial number of the employees for Manston from the pool of unemployed workers.
- 3.17 The study area as a whole has an unemployment rate of 2.5% (10,360 persons). This compares to the average unemployment rate for Kent of 1.8% (at January 2018). It is reasonable for the study area to aspire to lower levels of unemployment over the study period to 2039.
- 3.18 If the unemployment rate were to fall so that it is more in line with the average for Kent, 2,950 employees would become available from the study area, which would supply a proportion (22% in 2039) of the overall demand for labour predicted at Manston Airport.

Recruitment from Increased Activity Rates

- 3.19 It can also be expected that the labour market demand caused by Manston would result in an increase in local activity rates. The availability of more local jobs has the potential to encourage more people to seek employment. This is the opposite of the so-called ‘discouraged worker’ effect in which the lack of employment opportunities causes people to give up seeking work.
- 3.20 Table 3.3 provides a summary of the activity rates (the proportion of the population which is both employed and unemployed, often referred to as the Labour Force Participation Rate) in the study area for the period 2007 to 2017.
- 3.21 The activity rate was between 73.7% (2013) to 78.7% (2009) in the study area throughout the period. The average activity rate achieved by the study area over the period 2007 to 2017 is 76.6%.

Table 3.3: Activity Rates (%) for the Study Area 2007 – 2017

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
76.8	78.1	78.0	77.4	77.6	75.7	73.7	75.4	76.3	76.6	77.0

Source: Annual Population Survey (ONS) . October to September data . Working Age 16-64

- 3.22 In comparison, the Kent average activity rate in September 2017 was 79%. The average activity rate of the study area is therefore currently 2% below that of the Kent average.
- 3.23 If productivity for the study area improved so that it more closely follows that of Kent as a whole, then by 2039 this would be equivalent to 8,851 employees representing approximately 67% of the overall demand for labour predicted at Manston Airport.

Reduced Out Commuting

- 3.24 The employment opportunities associated with the Airport will provide increased opportunities for people to change jobs. Some people who take up employment at the Airport may already reside within the study area but commute to jobs outside the study area.
- 3.25 There are significant outflows of residents living in the study area to employment locations within London (4,700), Ashford (9,539), Medway (6,697) and Maidstone (6,058).
- 3.26 The study area is part of a complex labour market with substantial commuter flows into and out of the area. According to the Census, in 2011, there were 87,117 people living in the study area

and commuting to work outside the area and 20,934 people working in the study area, but living outside the area. On this basis there is a net out-flow of over 66,183 people who live in the study area and work elsewhere.

3.27 The extent to which commuter drawback can provide a source of labour for Manston related employment will depend upon the current level of out commuting and the nature and number of jobs available.

3.28 We have assumed that the level of out-commuting could be reduced by 5% which would provide 3,309 employees throughout the forecast period to 2039.

Summary of Local Recruitment

3.29 Table 3.4 provides a summary of the potential level of local recruitment from within the study area. The effect of which will reduce the number of new homes required to support the forecast number of jobs associated with the Airport.

Table 3.4: Potential Local Recruitment from Study Area 2039

Reduced Unemployment	Increased Activity Rates	Commuter Drawback	Total Local Recruitment
2,950	8,851	3,309	15,110

3.30 By 2039, it is estimated (based upon the above assumptions) that 15,110 people could be recruited from the local area.

3.31 Table 2.3 identified that the labour force of study area is forecast by Kent County Council POPGROUP model to increase by about 9,180 between 2030 and 2039 based upon certain assumptions. Whilst the forecasts are not directly comparable the analysis undertaken above, it is nevertheless expected that Manston employment opportunities would be attractive to some of this natural increase in the workforce which would provide further potential for Manston to recruit its employment needs from within the study area without additional need for new housing to accommodate workers.

3.32 There is no basis on which to derive a forecast of Manston's future share of the additional labour force, but it is reasonable to expect that the natural increase in the labour force will be a further potential source of labour as this is predicted to occur irrespective of the proposals for Manston. The effect of Manston recruiting some additional employees from this natural increase in labour would reduce the level of additional Manston employment to be met from in-migration with an associated reduction in the number of additional Manston related households.

Potential In-Migration and Households

In-Migration

3.33 The forecast of Manston related employees resident in the study area must therefore be reduced by the potential level of local recruitment to derive the employment estimate which could be met through generated in-migration. The effect of this is shown in Table 3.5 below. No allowance has been made, however, for Manston taking a share of the natural increase in the labour force in the

study area. We have assumed that this increase in the labour force is entirely associated with non-Manston+ labour demand. Accordingly, the effects described below can be considered as maximum estimate of in-migrant airport workers attributable to Manston.

Table 3.5: Manston Related Employment to be met from Migration 2039

Forecast Manston related employees resident in study area (Table 3.1)	12,085
Local Recruitment (Table 3.4) reduction	15,110
Employment generated by in-migration	-3,025

3.34 As can be seen, the potential level of local recruitment from the study area is estimated at 15,110 in 2039. On the basis of the assumptions set out above, Manston is therefore forecast to require no in-migrant workers by 2039. Consequently there would be no additional households created and no requirement for the provision of new housing directly related to Manston Airport.

Conclusions – airport specific housing

3.35 In 2039, having regard to the above analysis and assumptions, the Airport will generate employment which requires no additional households (dwellings) within the study area. Accordingly, the proposals will have no effect in terms of the planned growth of new houses within the study area set out within local authority development plans.

3.36 If consideration is given to the lower levels of forecast employment (Table 2.1A) for the airport, then the same conclusions will be reached having reached to the assumptions set out in the preceding sections of this report, namely, there would be no effect in terms housing need.

“Catalytic” effects and housing pressures

3.37 The above conclusions relate to the direct, indirect and induced, employment arising from the proposed development at Manston and the housing implications flowing directly from the predicted levels of employment. The consideration of potential catalytic effects is excluded from the above analysis, but such effects are briefly explored below.

3.38 Catalytic effects are associated with the proposition that general growth can occur on the basis that employers that have no obvious association with the airport would nevertheless actively choose to locate close to the Airport as a result of its inherent economic significance.

3.39 Some employers may, for example, choose to locate near to an airport because of the access they offer to particular markets for example international markets. This, in turn, could lead to clustering of some activities. Other employment could then arise to specifically service this employment and so on.

3.40 Catalytic growth therefore presents both an opportunity and a potential challenge in planning terms.

- 3.41 Catalytic effects are distinct from those arising from employment that can be traced directly back to the operation of the Airport itself which is the basis for the forecasts in this document. The direct and indirect employment in these forecasts is specifically airport related whilst the induced element reflects the jobs that the direct and indirect work force creates through the purchase of the goods and services they obtain in the local economy.
- 3.42 One significant reason why catalytic effects are not part of the forecasts is that there is no single recognised method of calculating them because of the major problems associated with establishing any meaningful, measurable relationship between an airport, or any other similar large economic generator, and overarching growth.
- 3.43 Nevertheless, it would however be reasonable to conclude that the influence of the airport prior to its closure in May 2014 (up to that time) on the local economy, and including the implications for new housing, was already reflected in the overall employment population and household forecasts that were used to inform planning policy. Accordingly, the catalytic effects of the airport have to some degree already been built into to the planning process.
- 3.44 The preceding sections of this document that deal with household projections, employment forecasts and land supply, planned levels of house building are significantly below unconstrained projections. This is not at all surprising as the planning system does not, by definition, necessarily aim to fully meet unconstrained demand.
- 3.45 The extent to which such unconstrained demand might be accommodated in the future involves balancing a wide range of factors including the economic benefits and the environmental implications that will arise. This balancing exercise occurs principally in the context of the forward planning activities of local authorities.
- 3.46 In overall terms therefore, whilst the employment and housing provision put forward in this report can be regarded as necessary for the airport to function, the extent to which catalytic effects are allowed to express themselves is ultimately a matter for policy and the operation of the planning system.
- 3.47 It cannot be suggested that any unconstrained general growth pressures associated with airport would inevitably have to be accommodated even if a reliable assessment could be made as to what those pressures were. Put simply, the extent to which the wider economic benefits of Manston are allowed to manifest themselves in terms of jobs and homes and the land required to accommodate them is ultimately a matter of planning judgement and choice.
- 3.48 Overall, therefore, whilst the wider economic effects of Manston Airport could reasonably be expected to support the economy of the study area as well as regeneration objectives the management of these wider effects and the associated development pressures is most appropriately addressed in the context of the statutory planning system. Given the timescales involved there is ample time and opportunity to respond to the issues arising from Manston and its broader economic context in successive local plan reviews. This is consistent with the approach adopted in relation to similarly exercises that have been undertaken to consider other airport proposals.

4 EMPLOYMENT AND HOUSING LAND AVAILABILITY

Introduction

- 4.1 This section of the report provides estimates of current levels of employment and housing land supply within each of the local authority areas comprising the study area to enable comparisons to be made with potential future total demand for jobs and housing.
- 4.2 The assessment utilises existing information from the respective local authorities within the study area prepared predominately in support of development plan documents. This is considered to be the best available data in order to undertake this exercise. There are however differences in approach to calculating employment and housing need adopted by the various local authorities, including different assumptions regarding base and projection dates and overall methodology. Even so, the purpose of this section of the report is to present a broad picture of potential supply of housing and employment land within the study area.
- 4.3 In addition to individual local authority data, Kent County Council collates employment and housing land data published as a series of **Housing Information Audits** and **Commercial Information Audits**. These Audits are informed by individual local authorities but benefit from the adoption of a common assessment methodology by the County thereby enabling direct comparisons between datasets. In relation to employment land, much of the County Council's data stems from the period 2014/2015, since when some local authorities have produced more up to date assessments of employment and housing land supply.
- 4.4 In addition, the data published by local authorities can be for different time series reflective of the plan period of their respective development plans. In general, most local authority data relating to housing and employment land runs to the period ending 2031.

Employment Land

- 4.5 Employment land supply is more dynamic than housing land principally because of greater variations in vacancy rates and the fact that the way that jobs relate to floorspace and land varies much more than for residential development across different geographical areas and also over time.
- 4.6 The way that the data is collected and monitored for employment land (B Class uses) and property also varies more than for housing which makes the task of aggregating the information for different local authority areas more difficult.
- 4.7 The picture presented in this section of the report is therefore indicative. Certain assumptions have had to be made in order to assimilate data regarding employment land across the various local authorities. Where data published by the County Council is more up to date than that published by individual local authorities, the County data has generally been used. Generally, where there are contrasting estimates of employment land, a conservative approach has been adopted.

- 4.8 In general, there is a tendency for available floorspace to be underestimated because vacant floorspace is not generally included within local authority information. In addition, there are complications relating to assessing mixed use developments which may include an element of Class B employment floorspace. Similarly, some employment floorspace is categorised as mixed, but the precise composition by type of employment activity is unknown. In such occurrences, RPS has had to make assumptions regarding the split of the floorspace.
- 4.9 Similarly, converting floorspace to a number of jobs is sensitive to small changes in the density ratio applied (i.e. floorspace to worker ratios) particularly for office and mixed-use development which make up a significant proportion of the total assessed supply.
- 4.10 For the purposes of this report, available employment land information has been categorised under five headings that generally correspond with most local authority assessments. These categories are:
- Offices (Use Class B1a, B1b)
 - Industrial (Use Class B1c, B2)
 - Warehousing (Use Class B8)
 - Mixed employment (Use Class B1 . B8)
 - Mixed B1 (Use Class B1)
- 4.11 Furthermore, the mixed employment category can sometimes include elements of retail, education, health and other uses. Whilst these comprise a range of employment generating uses, these are not typically considered employment uses (Class B uses) by planning policies set out within Local Plans. This section of the report is solely concerned with the supply of employment land for Class B uses.
- 4.12 In all cases, local authority information for the study area is expressed in terms of floorspace thereby removing the need to apply a conversion factor to land using applicable plot ratios by type of employment to calculate floorspace.
- 4.13 In terms of assessing possible job generation, the advice set out within the *Homes and Community Agency Employment Density Guide* (3rd Edition, November 2015) has been used. This provides a figure for the number of full-time equivalent jobs generated by the supply of employment floorspace. Different employment uses have different employment densities. The following densities have been adopted for the purposes of the calculations set out in this section of the report.
- Offices – 12sqm*
- 4.14 This is based on the general office category within the Guide. The Guide adopts densities ranging from 8sqm for call centres to 13sqm for corporate use. The Guide suggests that these categories should be based on Net Internal Area (NIA).
- Industry – 41sqm*

- 4.15 This is slightly less than the mid-point between the rates for Use Class B2 (36sqm) and B1(c) (47sqm) to reflect the fact that the Guide suggests that these categories should be based on Gross Internal Area (GIA) and Net Internal Area (NIA) respectively.

Warehousing – 82sqm

- 4.16 This reflects the mid-point between national distribution centres (95sqm) and final mile distribution centres (70sqm). On the basis that the amount of warehousing in the supply is relatively small and worker/floorspace ratios are high for this form of use, no adjustment is made to reflect net to gross.

Mixed employment B1 – 30sqm

- 4.17 This relates to the mid-point between B1(a) general office (12sqm) and B1(c) light industry (47sqm). Given there is no specific mixed category of employment provided within the Guide, no adjustment has been made in relation to a gross to net assumption.

Mixed Employment (B1-B8)

- 4.18 For employment floorspace categorised as mixed i.e. Class B1 . B8, an assumption has been made relating to an equal split in floorspace across the types of Class B use and then the employment densities described above have been separately applied and aggregated.

- 4.19 In relation to offices, the Guide suggests a reduction of 15% to 20% when converting from gross to net internal floorspace when applying employment densities. For the purposes of this exercise the total office space (B1a, B1b) has been reduced by 17.5% before applying a rate of 12sqm per full time equivalent job.

- 4.20 Table 4.1 below summarises the position in terms of employment land supply for the defined Study Area by local authority.

- 4.21 The figures set out in Table 4.1 have been sourced from employment land assessments prepared by each of the study area local authorities and/or from Kent County Council Commercial Information Audits. With the exception of Dover, most of these studies examine the employment land supply position for the period up to 2031. With respect to Shepway, the employment land supply relates to Folkestone, Hythe and the North Downs areas only (i.e. for the reasons previously explained we have excluded New Romney and Romney Marsh given the presence of Lydd Airport).

Table 4.1: Employment Land Supply within the Study Area to 2031 (sqm)

Local Authority	Offices (B1a, B1b)	Industrial (B2, B1c)	Warehousing (B8)	Mixed B1	Mixed B1 – B8	Total
Thanet	2,540	38,584	38,967	47,122	163,450	290,663
Dover	24,381	114,497	70,530	145,112	34,763	389,283
Canterbury	33,286	56,558	49,228	20,611	155,364	315,047
Swale	43,608	232,397	99,402	60,385	169,141	604,933
Shepway*	42,870	56,083	28,042			126,995
Total Study Area	146,685	498,111	286,169	273,230	522,718	1,726,921

Source: Local authority Employment Land Assessment 2010 . 2017 and Kent County Council Commercial Information Audits. * Shepway excludes Lydd/New Romney/Romney Marsh sub area. Assumes equal split between B1c, B2 and B8.

- 4.22 The above figures include various assumptions as per individual assessments undertaken by local authorities and the County Council (where applicable). Where employment floorspace supply by use class is not provided an assumption has been made regarding the split of uses to enable comparisons to be made and enable data to be presented in a consistent manner.
- 4.23 A number of local authorities are in the early stages of reviewing their local plans. In such cases, additional sites are in the process of being identified (in addition to those identified in the table above) whilst other sites may potentially fall away. For example, in relation to Swale, the recently adopted Local Plan allocates sites sufficient to deliver circa 500,000sqm Class B floorspace through site allocations set against a target of 130,000sqm over the plan period to 2031 meaning a potential surplus in supply of circa 370,000sqm Class B floorspace. Similarly, in other areas, for example Dover, the evidence base indicates the potential of four sites to accommodate an additional 97,000sqm Class B floorspace (excluded from data presented in the table above).
- 4.24 As previously indicated, some local authority employment land evidence includes reference to the contribution of vacant employment floorspace. Such floorspace has particular importance in relation to some local authority areas, for example, within Dover the former Pfizer premises at Sandwich (renamed Discover Park and granted Enterprise Zone status).
- 4.25 As local authorities move towards reviewing their local plan policies and the supporting evidence base including allocations for employment land the position will change. Table 4.1 is likely to present a conservative assessment of potential available employment land over the period to 2031 and beyond. Some sites will inevitably fall away whilst other sites may become available over time. Nevertheless, Table 4.1 provides a broad estimate of the level of potential supply in the period up to 2031. At that time Manston will have a workforce of 9,333 employees (direct, indirect and induced employment) representing 70% of the total number of jobs anticipated by 2039.
- 4.26 Table 4.1 indicates that the total Class B employment floorspace with the study Area comprises in excess of 1.72M sqm. Shepway has the least amount of projected available employment land (126,995sqm) however this figure only relates to part of the District excluding the New Romney area which has been excluded due to the presence of Lydd (London Ashford) Airport. Even so, the Council's Employment Land Review 2017 indicates there is sufficient supply to meet anticipated demand over the emerging development plan period to 2026.
- 4.27 It is clear from reviewing the employment land assessments that many of the local authorities within the study area have potentially significant surpluses of employment land which are judged as being more than sufficient to accommodate existing projected employment needs for the current and emerging plan periods.
- 4.28 Table 4.2 below converts the supply of employment (Class B) floorspace identified in Table 4.1 above into potential numbers of jobs generated having regard to the employment densities referred to earlier.
- 4.29 The employment land supply figures relate to gross floorspace and therefore it is necessary to convert these to a net floorspace figure (where applicable) in order to apply certain employment

densities. The Employment Density Guide indicates a range of between 15 . 20% for Class B1 offices. For the purposes of this exercise a mid-point of 17.5% has been applied. A similar conversion factor has been applied in respect to industrial and mixed B1 uses. No conversion is applied to warehousing. For Mixed B1 - B8 uses an assumption has been made regarding an equal split of this floorspace across the three use classes and then individual employment densities have been applied in order to provide an indication of the potential number of jobs created.

Table 4.2: Jobs from Land Supply by 2031

Local Authority	Offices (B1a, B1b)	Industrial (B2, B1c)	Warehousing (B8)	Mixed B1	Mixed B1 – B8	Total
Thanet	175	776	475	1,296	5,506	8,229
Dover	1,676	2,304	860	3,991	1,171	10,002
Canterbury	2,288	1,138	600	567	5,234	9,828
Swale	2,998	4,676	1,212	1,661	5,698	16,245
Shepway *	2,947	1,129	342			4,418
Total Study Area	10,085	10,023	3,490	7,514	17,610	48,721

*Excludes New Romney/Romney Marsh area

4.30 As can be seen, the supply of employment floorspace is potentially capable of providing around 49,000 jobs based upon the various assumptions outlined above. This compares to 9,333 employees at Manston. In 2031 Manston is equivalent to 19% of the total number of jobs potentially capable of being delivered by identified employment land within the study area. This indicates the significance of Manston as a major employer within the study area.

4.31 Each of the local authorities within the study area have prepared various studies which examine a requirement for employment land based upon the forecast number of jobs expected over the respective plan period. In the case of Dover and Shepway, the studies date from March and May 2017 and these are being used to inform the emerging development plans in terms of the need to allocate land for Class B employment purposes. In relation to the other authorities, the evidence base is more dated and stems from the period 2012-2013. In the case of Thanet, forecasts of future job creation were last undertaken by Experian Business Strategies in 2012. The Council is in the process of updating its employment evidence base to inform the emerging local plan.

4.32 Having regard to these studies, Table 4.3 below provides a summary of the range of forecast employment requirements for each authority over the period to 2031.

Table 4.3: Employment Requirements 2011 to 2031

Local Authority	Floorspace (Max) sqm	No. of Jobs (Max)
Canterbury	233,513	4160
Dover*	4,000	100
Shepway**	13,690	1,100
Swale	128,376	5385
Thanet	12,000	600
Total Study Area	391,579	11,345

* 2016-2037, ** 2016-2026 relates to entire District requirement

- 4.33 Comparing potential supply of employment land (floorspace, jobs etc - Table 4.1 and 4.2) to forecast demand for jobs (Table 4.3), it is apparent that the potential supply of employment land significantly exceeds the forecast requirement within the study area.
- 4.34 The forecast growth in the number of jobs over the period to 2031 (+11,345) is considerably below the potential of employment sites identified by employment land review documents (+48,721) by 37,376. Similarly, examining the position regarding floorspace (391,579sqm compared to 1,726,921sqm) demonstrates the sufficiency and potential significance of supply to meet forecast growth in terms of supporting the level of jobs predicted within the study area. In this respect it seems clear that even if development at Manston stimulates the wider economy of the study area there is a substantial amount of potential employment land that is capable of accommodating such requirements.
- 4.35 The forecasts of employment for the study area prepared by Oxford Economics as part of the East of England Forecasting Model indicate growth in employment of 41,900 over the period 2017 . 2039 and 25,600 jobs between 2017 and 2030. Similarly, the number of jobs is forecast to increase from 2011 to 2031 by 34,700.
- 4.36 In comparison, the assessment undertaken above in relation to the jobs potential of identified employment land for the study area for the period 2011 . 2031 is 48,721 jobs (Table 4.2 refers). This excludes part of Shepway. This indicates a healthy supply of employment land over the period at least until 2031. It is reasonable to assume that this surplus of land will not significantly deplete over the period to 2039 when the Airport is expected to reach operational maturity.
- 4.37 No attempt has been made to estimate how many years supply of employment land the totals in Table 4.1 above might represent. Attempting to look forward on the basis of future take-up rates is unrealistic on the basis of the information available.
- 4.38 Having identified the potential scale of surplus of employment land, the following paragraphs explore the position in relation to housing land availability.

Housing Land

- 4.39 Housing land supply is approached in a different manner to employment land. It is, in most respects, a simpler exercise than the exercise in relation to employment land because the operation of the housing market is less complex and less prone to variability except in relation to overall volume. Housing land assessments also tend to be undertaken in a more consistent manner by local authorities in accordance with guidance laid down by government for assessing housing needs within the development plan.
- 4.40 Furthermore, housing provision also tends to be more specifically projected in terms of overall housing targets to be achieved and associated annual house building rates. In this way a picture of how land supply relates to possible future scenarios for employment can be constructed.
- 4.41 Table 4.4 below summaries the housing land supply position as set out mainly within local authorities Strategic Housing Land Availability Assessments (SHLAAS).

4.42 The inclusion of sites within SHLAAs does not confirm their acceptability for housing in planning terms. SHLAAs focus upon site suitability and deliverability and therefore represent a potential supply of land rather than sites being committed

4.43 Where relevant, sites that are deemed undeliverable or unsuitable have been omitted. No windfall estimates have been included. Similar to the employment land data, different assessment periods are utilised by the various local authorities comprising the study area.

Table 4.4 Housing Land Supply to 2031

Local Authority Area	No of Dwellings
Thanet	20,456
Dover	22,367
Canterbury	13,841
Swale	13,262
Shepway*	7,405
Study Area Total	77,331

* Excludes New Romney/Romney Marsh area - 2026

4.44 As can be seen, Table 4.4 indicates that the potential total supply of dwellings over the period to 2031 is 77,331 dwellings.

4.45 Table 4.5 shows the planned average annualised house building rates for local authorities in the study area in current and emerging local plans. Some of these figures have yet to be fully tested through the statutory development plan process and there are variations over the time periods in which they operate. However, they do enable an overall perspective to be obtained of planned house building rates for the study area.

4.46 For the study area, planned average annual rates comprise 3,479 dwellings per annum over the period to 2031. Using this rate of house building, the total supply of 77,331 dwellings (Table 4.3 above) in the study area would represent about 22 years supply.

Table 4.5: Planned House Building

Local Authority Area	No of Dwellings per annum
Thanet**	857
Dover	700
Canterbury	800
Swale	776
Shepway*	346
Study Area Total	3,479

*Shepway excludes New Romney/Romney Marsh/Lydd. Annual house building adjusted to reflect proportion of identified sites. **Based upon Local Plan Preferred Options Modification March 2017

4.47 Table 4.6 below provides details of the Housing Targets set by development plans for the delivery of new dwellings within each local authority area comprising the study area.

Table 4.6 Housing Target set by Development Plans

Local Authority Area	Housing Target set by Development Plan for Plan period 2031
Thanet*	17,140
Dover**	14,000
Canterbury	16,000
Swale	13,192
Shepway***	8,000
Study Area Total	68,332

*Based upon 2017 Local Plan Modification ** Dover relates to 2026 ***Shepway entire district

4.48 Different population and household projections have been obtained for the study area including a baseline (provided in the form of Household Projections prepared by DCLG, July 2016) and Kent County Council Housing Led Household Forecasts (September 2017). The forecast of the increase in the number of households for the study area for the period 2011 . 2039 is set out in Table 4.7 below.

Table 4.7: Projected Household Increase within the Study Area 2011-2039

Forecast	Year						
	2011-2039	2011-2017	2017-2020	2020-2025	2025-2030	2030-2035	2035-2039
DCLG unconstrained	88,172	19,658	10,196	16,870	17,325	16,336	7,787*
Kent CC (Housing Led Sept 2017)	81,617	10,500	9,100	21,400	18,100	16,200	6,317*
Planned Growth (Table 4.5)	97,412**	20,874	10,437	17,395	17,395	17,395	13,916

*extrapolated using growth from preceding years ** assumes rates of planned house building for period 2011-2039

4.49 As can be seen from Table 4.7, the planned rates of house building are very comparable to unconstrained household growth within the study area. The total unconstrained growth in the number of households over the period 2011-2039 for the study area is approximately 88,172. The potential supply in Table 4.4 (77,331 dwellings) represents 88% of this total.

Conclusions

4.50 In summary the broad picture emerging in relation to both employment and housing land supply is that there would appear to be sufficient land generally in the study area to be reasonably confident in relation to the period to 2031 in relation to current levels of planned growth.

4.51 The position is more favourable in relation to employment land on the basis of the way housing and employment land supply relate to the respective unconstrained, trend base projections. This general view does not account for what are likely to be local variations in supply and the different challenges that individual local planning authorities face in relation to environmental and other constraints.

4.52 For the period to 2031-2039 it would appear unlikely that additional land will be required for employment purposes. In contrast additional land for housing is likely to be required towards the end of this period.

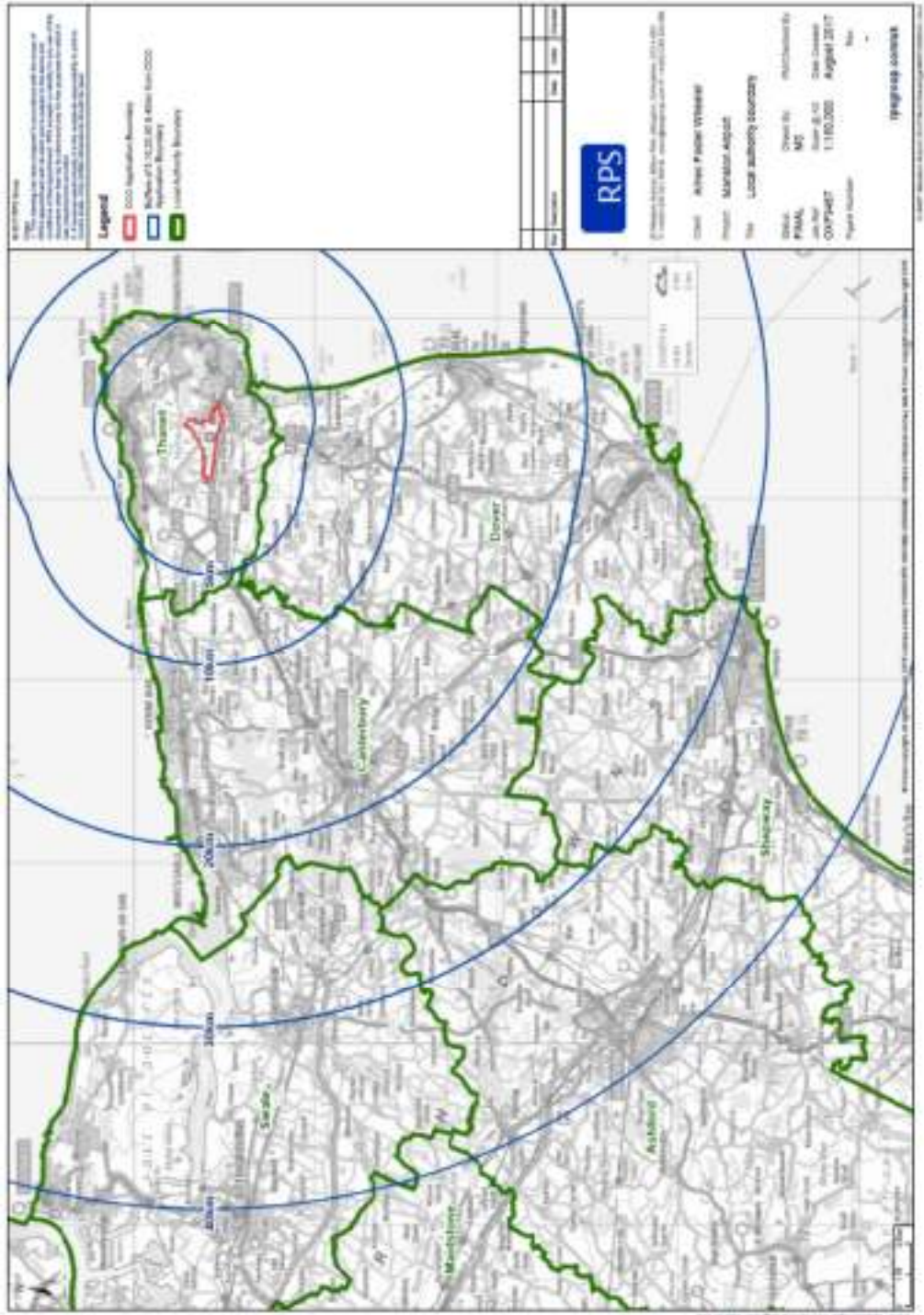
5 CONCLUSIONS

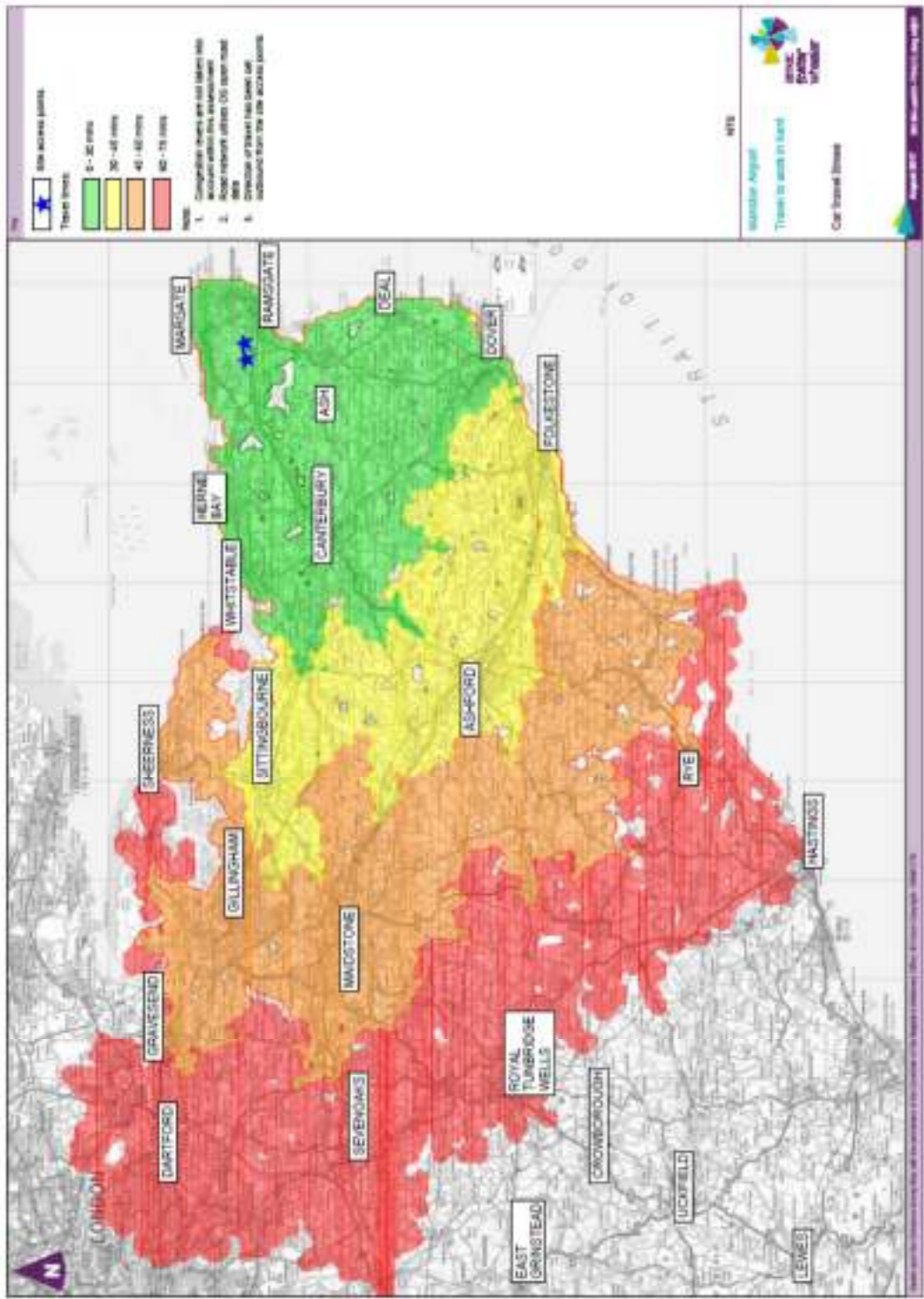
- 5.1 Airport related employment within the study area is expected to reach a maximum of 13,241 jobs (direct, indirect and induced employment) by 2039 based upon assumptions relating to the predicted growth of air freight movements and passengers numbers
- 5.2 In comparison, the growth in the total number of jobs in the study area over the period 2017 to 2039 is forecast to be around 41,300. The Airport would therefore represent about 25% of the forecast growth in the number of jobs set against a potential excess of labour supply over demand by 2039 (+53,400).
- 5.3 The implication in purely quantitative terms is that the employment created by the Airport should be able to be met from the projected labour supply within the study area thereby contributing to an improved labour supply/demand balance. However, we recognise that there will be a range of reasons why Manston has the potential to attract people from outside the study area.
- 5.4 The amount of Manston related employment in the study area at 2039 is predicted as 12,085 employees having regard to the assumptions set out in this report. It is also plausible that increased demand will result in changes to the supply of labour for example in relation to recruitment from the unemployed, improvement in activity rates and a reduction in out commuting. Based upon conservative assumptions, such changes have the potential to provide a total of 15,110 employees by 2039, meaning that the potential for in-migration directly related to the employment opportunities associated with the Airport is -3,025 employees. This means there is no requirement for additional homes in the study area by 2039 to meet the forecast employment needs of the Airport.
- 5.5 In relation to the supply of land for employment and housing, the impact of Manston Airport will be limited based on the assumption that future growth in the study area post 2030 will continue within the range represented by the employment and household forecasts that have been used in this report. Planned growth would have to decrease significantly during the 2030s for the proportional impact of Manston to be significantly greater than that suggested in this report.
- 5.6 The general picture in relation to land supply is that, in crude terms, sustaining planned levels of growth to around 2031 in terms of housing and employment seems to be achievable. Beyond that point the situation becomes much less clear with obvious implications in relation to how and where growth should be accommodated. By 2031 the Airport will have reached approximately 70% of its employment capacity, with the remaining 30% of jobs (direct, indirect and induced) to be delivered over the period 2039.
- 5.7 As is often the case, and notwithstanding the significant problems with the relevant information, the situation in relation to employment land in the study area relates better to unconstrained growth than the equivalent picture for housing which tends to be more tightly controlled.
- 5.8 This report does not attempt to explore specific options for where growth beyond 2031 might be located. As will be clear from the above comments in relation to potential catalytic effects, given the timescales involved it is considered that there will be ample opportunity for the relevant local planning authorities to deal with the issues arising from Manston Airport and its associated

operational needs and is not likely to unduly affect the scope for local authorities to determine how future growth will be addressed.

- 5.9 Due to the nature of the labour market, employment growth will not require net additional housing, as residents are expected to fill the new jobs. Consequently, there is no need for new housing to support the new workforce.
- 5.10 The estimated generation of nearly 13,241 new jobs across the adjacent districts of Thanet, Swale, Dover, Shepway and Canterbury will help to build on the employment strengths and address the weaknesses of these areas. Our work concludes that there is sufficient housing available to meet the needs of new employees working at a reopened Manston.

APPENDIX 1: STUDY AREA DEFINITION PLANS







Appendix 4

Manston Airport DCO – Azimuth Report (Volumes I to IV) (July 2018)



RiverOak Strategic Partners

7.4 Azimuth Report Volumes 1 to 4

TR020002/APP/7.4

Project Name: Manston Airport Development Consent Order
Regulation: Regulation 5(2)(c) of the Infrastructure Planning
(Applications: Prescribed Forms and Procedure)
Regulations 2009, as amended
Date: July 2018



MANSTON AIRPORT:
A NATIONAL AND REGIONAL
AVIATION ASSET

VOLUME I
Demand in the south east of the UK

JULY 2018

Prepared for:

RiverOak Strategic Partners Ltd



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Disclaimer

Whilst every effort has been made to ensure the accuracy of the material in this document, neither RiverOak Strategic Partners Ltd (**RiverOak**) nor the report's author will be liable for any loss or damages incurred through the use of the report.

Authorship and acknowledgements:

This report has been produced by Dr Sally Dixon, an independent aviation and business research consultant. The author wishes to thank all those who contributed to the research. However, the views expressed herein are those of the author only and are based upon independent research by her.

Executive Summary

This report aims to answer three key questions:

1. Does the UK require additional airport capacity to meet its political, economic, and social aims?
2. Should this capacity be located in the South East of England?
3. Can Manston Airport, with investment from RiverOak, relieve pressure on the UK airport network and meet the requirement of a nationally significant infrastructure project?

On 24 October 2017, Chris Grayling MP, Secretary of State for Transport, said the Government's recently updated aviation demand forecasts:

"show that the need for additional runway capacity is even greater than originally thought. They show that all 5 of London's main airports will be completely full by the mid-2030s, and 4 of them within a decade." (HC Deb 24 October 2017, c 197WS)

A further consultation on the revised draft Airports National Policy Statement (**NPS**) took place at the end of 2017 with oral evidence given to the Transport Select Committee during early 2018. On 26 June 2018, the Secretary of State designated the Airports NPS, which supports the Government's decision to allow the construction of the third Heathrow runway. However, a new runway at Heathrow is not likely to be operational until at least 2030¹ and may be subject to further delays due to the complexity of such a project, its controversial nature, and potential legal challenges.

Airport capacity

The aviation sector is of vital importance to the UK, contributing £52 billion (3.4%) to UK GDP and supporting 961,000 jobs (Oxford Economics, 2015, p. 4). In 2014, the total value of tradable goods carried through UK airports exceeded £140 billion (Airports Commission, 2015, p. 73). The importance of air travel is forecast to continue to grow, with 50% more flights in 2035 than there were in 2012, from around 9 million per year to 14.4 million (Eurocontrol, 2013). The freighter fleet is set to increase by 70% over the next 20 years while air cargo traffic more than doubles (Boeing, 2016b, p. 4).

In the UK, Government forecasts show that all UK's main airports except Manchester (where an increase in capacity is expected) will be full by 2050. In London, the need for additional runway capacity is greater than originally calculated. All five of London's main airports will be completely full by the mid-2030s, and four of them within 10 years. Already HGVs are used in place of direct flights to truck goods to and from the UK and Europe.

In 2017, global cargo volumes grew by 9.3%, more than double the increase in the previous year, with growth of 4.5% forecast for 2018². In Europe, the increase in cargo volumes was 11.9%³. In London, total cargo tonnage increased by 8.8% and dedicated freighter tonnage up 5.5% for the rolling year to Q4 2017 (CAA, 2017, p. 10). There were also improvements in load factors, yields and revenues. Speed is the most important

¹ 8 February 2016, The Transport Committee heard evidence from the Secretary of State for Transport on the Government's plans for airport expansion in the South East

² <http://www.iata.org/whatwedo/cargo/Documents/cargo-strategy.pdf>

³ <http://www.iata.org/publications/economics/Reports/freight-monthly-analysis/freight-analysis-dec-2017.pdf>

selling point for air cargo transport⁴ and demand is increasing for a number of reasons including:

- The need to restock inventories quickly to meet demand
- Just-in-Time and inventory reduction methods
- The need to transport perishable and time sensitive items
- Declining costs as a result of liberalization and technological progress
- Overseas production facilities and global supply chains
- The growing importance of e-commerce
- Customer demand for rapid delivery and return of products purchased online

At the end of November 2017, air freight in Europe reached capacity, which has led to an increase in prices and delays⁵ Heathrow Airport also reported severe congestion, with trucks queuing and some being turned away⁶. E-commerce is set to be a game changer for the air freight market, with customers demanding next day delivery. Amazon is leading the way with its purchase of a fleet of dedicated freighters. The impact of e-commerce on air freight has already led to capacity issues and rate increases. Indeed, the competing demands of Low Cost Carriers and all-cargo operators are a major issue in the global debate over airport capacity.

Airport capacity is a problem not just in the UK but also in Europe. By 2035, European capacity is forecast to increase by 17%, leaving a shortfall of around nine runways' worth of capacity (Eurocontrol, 2013). By 2035, European airports will be unable to accommodate around two million flights due to capacity shortages leading to a loss of between 434,000 and 818,000 jobs and between €28 billion and €52 billion in EU GDP (EC, 2015).

Whilst globally around 56% of all air freight (measured in revenue tonne-kilometres (**RTKs**) is carried in dedicated freighters (Budd and Ison, 2017, p. 34), the DfT reports the UK figure (by weight) at between 30% and 22% (DfT, 2017, paras 3.32 and 4.4). The market for dedicated freighter services, including perishables, time sensitive, outsized, and luxury items, is distinct from the belly freight market. The lack of availability in the UK for freighter slots, airports' preference - in a constrained market - for passenger flights, and delays in loading and unloading freighter aircraft indicate airport capacity constraints, particularly in the South East, as a plausible explanation for the lower proportion of freighter to belly freight transport of goods in the UK compared to the rest of the world.

In the UK, non-EU trade accounts for just under half of all trade and 35% of these goods are air freighted. Both figures could increase following the UK's withdrawal from the EU (Oxford Economics, 2013, p. 5). The Airports Commission forecast that, over a 60-year time frame without additional capacity, there would be a £21 to £23 billion cost to users and providers of UK airport infrastructure and £30 to £45 billion in costs to the wider economy (Airports Commission, 2015, p. 17).

Demand in the South East of England

It is clear that the aviation market prefers the South East, with forecasts showing that by 2050, the value of air cargo lost to London due to capacity constraints would equate to

⁴ *ibid*

⁵ https://aircargoworld.com/allposts/freightos-warns-of-airfreight-rate-jump-as-europe-reaches-capacity/?goal=0_1711f92e66-42df020a11-39626945

⁶ <https://www.flexport.com/help/381-freight-market-update-november-8-2017>

£106 billion per annum with net national losses of around £3.9 billion per annum (Oxford Economics, 2013, p. 5). The London airports facilitate 76% of the UK's air freight (Oxford Economics, 2013, p. 3) and all London airports will be at full capacity by 2030 to 2035 (Airports Commission, 2017, p. 103).

Without extra capacity in the South East, 2.1 million tonnes of freight would have to be diverted elsewhere (York Aviation, 2015, p. 19), mainly to Northern European airports. This tonnage equates to some 108,000⁷ truckloads including around 77,000⁸ to Europe, and could put huge additional pressure on the UK's road network and the Channel crossings.

Manston Airport

Manston Airport is located in the South East where aviation industry demand is highest and most constrained. The airport has a long runway, an ideal airspace location, benefits from easy surface access to London and the rest of the UK, is located close to mainland Europe, and, with RiverOak's proposed investment, can provide rapid handling and turnaround times for air freight. The airport would provide almost immediate relief to the pressing situation that is causing £2 billion in potential trade from being lost to the South East each year if it remains without additional runway capacity (Centre for Business Research, 2016).

The DCO process requires RiverOak to provide evidence that shows Manston Airport is a nationally significant infrastructure project (**NSIP**) and in particular that it would be capable of handling at least 10,000 freighter movements per year. York Aviation (a firm of air transport consultants), in an unpublished report for Transport for London (**TfL**) entitled *Note on Freight Connectivity*, specifically mention Manston, saying the airport⁹ can take 14,000 movements per annum, relieving other South East airports (York, 2013, p. 7). Whilst in the short to medium-term Manston will be vital as an operational airport, even in the longer term, after the opening of Heathrow's third runway and to 2050, Manston provides the only airport infrastructure in the South East that can provide the capacity needed to support the overspill predicted within all timeframes (see Section 5 for full details).

Conclusion

There can be little doubt that, in an increasingly competitive economic climate, the UK cannot afford to lose one of its long-serving and strategically significant airports. This report describes the unmet demand in the South East and shows that Manston Airport, with the level of investment proposed by RiverOak, its geographic location and airspace position, is capable of handling air freight in the volumes required by the DCO process. Indeed, this report demonstrates that Manston Airport is a valuable regional and national asset, capable of providing infrastructure badly needed by the UK in the short, medium and long-term. Manston could play a vital role in helping Britain's connectedness and trade with the rest of the world, and of making a substantial contribution to the future economic and social well-being of the UK.

⁷ See footnote 32 on page 22 and Figure 5 on page 38 for an explanation of this calculation

⁸ York Aviation estimate that 71% of total excess would go to European airports

⁹ York Aviation say, "*It is reasonable to assume that around 14,000 freighters a year could still be accommodated in the vicinity of London by using capacity at airports such as Manston*". However, it should be noted that there are no other airport such as Manston in the London area in terms of runway length, airspace, slot availability, land available for warehousing, etc.

Definitions and abbreviations

ACI	Airports Council International
Air freight	The carriage of goods by aircraft
ATM	Air Transport Movement and/or Air Traffic Movement
BAA	Formally the British Airports Authority
Backload	The transportation of cargo on a return trip to the originating airport
Belly freight	Cargo stowed under the main deck of a passenger aircraft
BIP	Border Inspection Post
CAA	Civil Aviation Authority
Cargo	The term cargo and freight are used interchangeably in this report and refer to goods carried by road, sea or air
Consolidator	A person or company that combines small volumes of commodities from different originators so they can be shipped together and who usually owns the aircraft used for transport
CPO	Compulsory Purchase Order
DCO	Development Consent Order
Dedicated carrier	An aircraft that transports only freight (not passengers)
DfT	Department for Transport
EASA	European Aviation Safety Agency
ECAA	European Common Aviation Area
EIA	Environmental Impact Assessment
EU	European Union
EUROCONTROL	European Organisation for the Safety of Air Navigation
FAA	Federal Aviation Administration
FNV	The Netherlands Trade Union Confederation
Freight	The term freight and cargo are used interchangeably in this report and refer to goods carried by road, sea or air
Freight forwarder	A person or company that organises the shipment of commodities from an originator (manufacturer, producer, etc.) to a destination (customer, etc.) but generally does not own the aircraft used in the transport
FTA	Free Trade Agreements
FTK	Freight tonne kilometre
GDP	Gross Domestic Product
GVA	Gross Value Added
HAL	Heathrow Airport Limited
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
ICT	Information and communications technology
Integrator	Integrators provide a door-to-door service, usually using their own road transport, handling, transit warehousing facilities and aircraft. Normally integrators contract directly with the shipper.
JIT	Just-in-time, a manufacturing system that allows materials or components to be delivered just as they are required in the manufacturing process, thereby minimising storage costs
LCC	Low cost carrier
LCY	London City Airport
LGW	London Gatwick Airport
LHR	London Heathrow Airport
Long haul	No generally agreed definition as 'long' or 'short' is subjective. In Europe, a flight taking more than four hours to complete and/or

	originating/destined outside Europe is considered long haul
MAG	Manchester Airports Group
MOD	Ministry of Defence
MRO	Maintenance, Repair and Overhaul
NPS	National Policy Statement
NSIP	Nationally Significant Infrastructure Project
RFS	Road Feeder Service
RTK	Revenue tonne-kilometre
Short haul	As above. Short haul in Europe generally indicates a flight within Europe so taking around four hours or less to complete
TfL	Transport for London
TMA	Terminal Manoeuvring/Control Area
UK	United Kingdom
UKIP	UK Independence Party
USA	United States of America
WTO	World Trade Organization

Table of Contents

1	Introduction	1
1.1	Background and rationale	1
1.2	RiverOak's vision for Manston Airport	2
1.3	Aim and objectives of the report	2
1.4	The aims of the DCO	3
1.5	Report structure	3
2	UK airport capacity	4
2.1	Constraints in the UK airport network	5
2.2	Aviation's contribution to the economy	7
2.3	Political setting	8
3	Airfreight markets	10
3.1	Types of air freight	11
3.2	Air freight models	11
3.3	Main air freight carriers	12
4	The growth in air freight	15
4.1	The UK air freight market	15
4.2	Air freight forecasts	17
4.3	The UK's competitive position	18
4.4	The need for air freight capacity in the South East	20
5	Airport capacity for freighter operations in the South East	23
5.1	Stansted Airport	23
5.2	London Heathrow Airport	25
5.3	London Gatwick Airport	26
5.4	London Luton Airport	26
5.5	London City Airport	27
5.6	Southend Airport	27
5.7	East Midlands Airport	27
5.8	Other South East UK airfields	28
6	Potential impacts on the demand for air freight	31
6.1	The continuing impact of e-commerce	31
6.2	The potential effect of BREXIT on UK aviation	32
6.3	Dedicated freighter use compared to belly freight	33
6.4	Air freight trucking	36
7	Manston Airport	41
7.1	History	41
7.2	Previous operations	43
7.3	Infrastructure	44
7.4	Airspace issues	45
8	Potential opportunities for Manston Airport	48
8.1	The Thames Estuary 2050 project	49
8.2	The Lower Thames Crossing	50
8.3	Manston's role in the resilience of the UK airport network	50
8.4	Capacity restrictions at Schiphol Airport	50
8.5	Enterprise Zones	52
9	Conclusions	53
10	References and Bibliography	55

Table of figures

Figure 1	Map showing the location of UK airports	4
Figure 2	Central growth scenario, no new runways, London airports, timeline of capacity usage.....	6
Figure 3	The door-to-door value chain	12
Figure 4	Location of businesses served by integrators at EMA.....	28
Figure 5	HGV maximum payloads	37
Figure 6	Cross channel air freight tonnage	39
Figure 7	Map showing location of Manston Airport.....	41
Figure 8	Aeronautical chart showing location of Manston Airport.....	46

Table of tables

Table 1	Proportion of capacity used by airport, central demand, baseline capacity	6
Table 2	Characteristics of different transportation modes.....	10
Table 3	Top 50 air freight carriers in 2016.....	13
Table 4	2017 South East UK Airport operations.....	15
Table 5	2017 cargo ATMs at UK airports	16
Table 6	Freighter movements at the main European airports	20
Table 7	South East Airfields.....	30
Table 8	Manston Airport operations.....	43

1 Introduction

1.1 Background and rationale

1.1.1 This report is the first in a series of documents that make the case for Manston Airport to return to full operation. These reports cover:

- **Volume I: The need for airport capacity in the South East of the UK and the potential role of Manston Airport as part of the UK's airport network**
- Volume II: The findings from a qualitative study that identifies the push and pull attractors for Manston Airport and details the opportunities and the sectoral and geographical markets the research uncovered
- Volume III: The forecast for air freight and passenger traffic for Manston Airport over the first twenty years of operation
- Volume IV: A description of the socio-economic impacts of the operation of Manston Airport as described by the forecast in the third volume of this body of work

1.1.2 For many decades the UK has struggled to resolve the issues surrounding airport capacity expansion. Whilst we now have an Airports NPS, discussions and legal challenges over the third runway at London's Heathrow are likely to continue and it may be some time before the new infrastructure is operational. As a global trading nation, the UK relies on the ability to import and export goods. Our domestic and international transport infrastructure, including airports, railways, seaports and roads, must therefore be fit for purpose and with sufficient capacity if the UK is to continue to prosper in a highly connected world.

1.1.3 To help speed the process of approving major infrastructure projects including airports, the Government introduced the 2008 Planning Act. This was followed by the appointment of the Airports Commission under Sir Howard Davies who was tasked with recommending a solution to the UK's airport capacity issues. In July 2015 the Airports Commission report was published and, in line with the Airports Commission's recommendation, the Government (on 25 October 2016) and Parliament (on 26 June 2018) decided to support construction of a third runway at London's Heathrow Airport. However, the Government is not expecting extra capacity to be available until at least 2030¹⁰. This means the UK and the South East in particular, has some years to wait before airport congestion is relieved. Even when this expansion is in place, there will be a need for additional capacity particularly for freight. Without immediate capacity expansion, delivered responsibly, the forecasts described in this report show that the UK, and particularly the South East of England, will continue to miss out on the full social and economic benefits they could derive from aviation.

1.1.4 This document therefore makes the case for Manston Airport to be reinstated as a freight-focused airport. Its re-opening would ease the pressure on existing infrastructure in the South East of England and allow some of the currently unmet demand to be handled now and in the future. The Secretary of State for Transport, Chris Grayling, confirmed he would be supportive of proposals to develop a freight hub at Manston Airport, although he believed, at that time, that the matter was in the hands of

¹⁰ 8 February 2016, The Transport Committee hears evidence from the Secretary of State for Transport on the Government's plans for airport expansion in the South East.
<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/news-parliament-2015/airport-expansion-ev-session-15-16/> at 15.07.35

the local authority (HC Deb 15 September 2016, c OA1020). However, the airport, with its 2,742-metre runway, has been closed since May 2014. Ann Gloag, co-founder of Stagecoach, purchased the Manston Airport site on 1 November 2013. Staff were given notice of Ms Gloag's intention to close the airport on 19 March 2014 and the airport closed on 15 May 2015. The intention of the current owner is to secure a change of use from airport to a mixed-use development called Stone Hill Park. The present landowners now propose to seek planning consent to build up to 3,700 homes, a business park, and sports facilities. Such change of use would forever lose the airport facility and the important role it can play in the success of the local, regional and national economies.

1.2 RiverOak's vision for Manston Airport

1.2.1 RiverOak has a clear vision for the future of Manston Airport: To revive Manston as a successful freight-focused airport with some passenger operations, aircraft maintenance and repair, and the creation of a hub for aviation-related commercial opportunities. RiverOak, whose directors specialise in identifying profitable market opportunities, has identified the substantial need for additional and specialised airport capacity for dedicated freighters in the South East of England. The only cargo hubs in the UK are East Midlands and Stansted airports, both of which focus on the integrator market. The UK needs a new hub for dedicated freighters, providing them with rapid turnaround times and the specialist security clearing ability that is currently absent at other UK airports.

1.2.2 The ideal location for this is close to the main market in the South East. RiverOak's long-term plan is to integrate Manston into the UK's airport network, effectively providing Heathrow with its fourth runway primarily dedicated to freighter cargo. Mindful of Manston's long and distinguished history, RiverOak will maintain its heritage and enhance the economic benefits to the region by creating a wide range of aviation-related employment opportunities as well as training and education to meet the necessary skills requirements.

1.3 Aim and objectives of the report

1.3.1 The aim of this report is to consider whether there is a compelling case in the public interest to create a freight-focused facility at Manston Airport. The decision about whether Manston Airport should be returned to operational use hinges on three key questions:

1. Does the UK require additional airport capacity in order to meet its political, economic, and social aims?
2. Should this additional capacity be located in the South East of England?
3. Can Manston Airport, with investment from RiverOak, relieve pressure on the UK airport network and meet the requirement of a nationally significant infrastructure project?

This report demonstrates that the answer to each of the above questions is overwhelmingly yes.

1.3.2 The report summarises the available statistical data to underpin the proposal and support business planning and development at Manston Airport. There are a number of other objectives set out for this work and in particular the results will:

- Provide the information required to support the DCO application
- Inform the Manston Airport business case and master plans

- Inform Manston Airport’s marketing strategy
- Initiate stakeholder consultation
- Continue to inform and gain support from key stakeholders
- Provide a platform for lobbying Government and industry organisations
- Play a key role in forming Government policy for air freight in the UK

1.4 The aims of the DCO

1.4.1 A Development Consent Order (**DCO**) will be sought by RiverOak to secure the rights and consents necessary for Manston’s re-development as an airport as required by the Planning Act 2008. This means that, at the end of a process overseen by the Government’s Planning Inspectorate, the Secretary of State for Transport will decide the future of Manston Airport.

1.4.2 The DCO process was established by the Planning Act 2008, as amended by the Localism Act of 2011 and the Infrastructure Acts of 2013 and 2015. This procedure was introduced to streamline the decision-making process for **NSIPs**. One of the main aims of the DCO is to provide a one-stop shop for those promoting NSIPs¹¹. There are two main pre-conditions for the inclusion of a Compulsory Purchase Order (**CPO**) within a DCO.

“The first criterion is that the land is required for the development to which the development consent relates. For this to be met, the promoter should be able to demonstrate to the satisfaction of the decision-maker that the land in question is needed for the development for which consent is sought. The decision-maker should be satisfied, in this regard, that the land to be acquired is no more than is reasonably required for the purposes of the development.”

(Guidance Related to Procedures for Compulsory Acquisition (DCLG), February 2010, issued under section 124 PA 2008, paragraph 24)

The second pre-condition is that there is a compelling case in the public interest for the land to be acquired compulsorily.

1.5 Report structure

1.5.1 Following this introductory section, the report commences with an overview of the UK’s airport infrastructure, particularly considering national and South East capacity issues. This section is followed by a description of air freight markets before considering the growth and forecasts for these markets. Next, the report considers the capacity of the main UK air freight airports as well as airfields in the South East to determine the potential for additional air freight capacity in the short- to medium-term.

1.5.2 These sections are followed by an outline of the potential impacts on the demand for air freight before considering Manston Airport specifically and its potential as a freight-focused airport. The penultimate section considers a number of additional opportunities for Manston Airport. The report concludes with a summary of the findings in relation to the three questions posed and recommends that the Planning Inspectorate, through the DCO process instigated by RiverOak to reinstate Manston as an operational airport.

¹¹ Neil Cameron QC, Landmark Chambers available from http://www.landmarkchambers.co.uk/userfiles/documents/resources/Development_Consent_Orders_-and-_Compulsory_Purchase_-_NC.pdf

2 UK airport capacity

2.0.1 The huge growth in aviation over the past eight decades has been at the focus of a wide range of contrasting arguments about when, where and if airports should be built or expanded. Since the 1920s and '30s, when aerodromes were owned privately or by local authorities or municipalities, airports have been nationalised, denationalised and privatised. A wide range of options for the expansion of existing airports and for the construction at sites mainly in the Thames Estuary have been driven by the 'predict and provide' approach to aviation of successive governments. However, on-going and often unresolved issues persist, providing politicians with a choice to make: Should they favour aviation's links to economic growth and job creation or should they preference the concerns of some local people?

2.0.2 Figure 1 shows the location of the UK's airports, with the largest concentration being in the South East of the Country.

Figure 1 Map showing the location of UK airports



Source: www.gov.uk/government/uploads/system/uploads/attachment_data/file/450387/avi0109.pdf

2.1 Constraints in the UK airport network

2.1.1 The most recent and widely circulated documents that describe the UK's airport capacity situation are those used by the Airports Commission in its 2017 report and the DfT's 2018 report. However, a number of other studies (see for example York Aviation, 2015; Oxford Economics, 2013, 2015) also point to the urgent need for airport capacity in the UK. Indeed, on the 24 October 2017, Chris Grayling MP, Secretary of State for Transport said that evidence from updated aviation demand forecasts, "*show that the need for additional runway capacity is even greater than originally thought. They show that all 5 of London's main airports will be completely full by the mid-2030s, and 4 of them within a decade.*" (HC Deb 24 October 2017, c 197WS) The new government figures show that in 2016 Air Traffic Movements (ATMs) in the UK grew by 10%, "*despite average load factors being higher and airlines using bigger aircraft*" (Department for Transport, 2017, p. 9).

2.1.2 In 2015 the Airports Commission reviewed all available information and consulted widely, arriving at the conclusion that:

"While London remains a well-connected city its airports are showing unambiguous signs of strain. Heathrow is operating at capacity, and Gatwick is quickly approaching the same point. There is still spare capacity elsewhere in the South East for point-to-point and especially low-cost flights, but with no availability at its main hub airport London is beginning to find that new routes to important long-haul destinations are set up elsewhere in Europe rather than in the UK. Other UK airports are increasingly squeezed out of Heathrow, with passengers from the nations and regions obliged to transfer through other European airports, or Middle Eastern hubs. That costs them time and money, and is off-putting to inward investors. Without action soon the position will continue to deteriorate, and the entire London system will be full by 2040." (Airports Commission, 2015, p. 3)

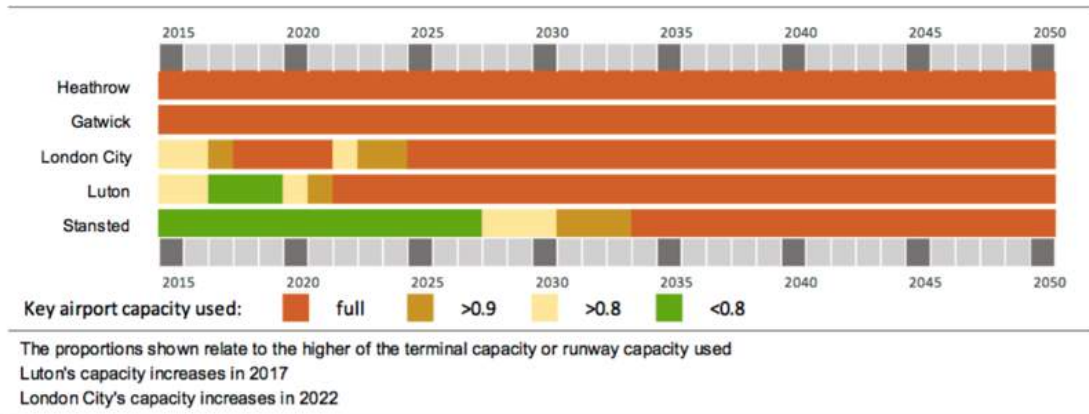
2.1.3 By 2017, the Airports Commission's analysis of the capacity at the London airports shows that:

"even in the low demand growth scenario all London airports are full by 2040. Under the high demand growth scenario, all the London airports are full by 2030" (DfT, 2017, pp. 102-3).

Figure 2 shows the central growth scenario for the London airports without new runways. The figure shows the timeline of capacity usage; where airports are full, or have less than 90% and 80% or more than 80%.

2.1.4 For the UK as a whole, the DfT central demand figures show that all the main airports except Manchester (where an increase in capacity is expected) will be full by 2050 without additional capacity. This is shown in Table 1. However, it should be noted that the figures focus on passenger aircraft usage and do not specifically differentiate the need for freighter aircraft going forward.

Figure 2 *Central growth scenario, no new runways, London airports, timeline of capacity usage*



Source: DfT, 2017, p. 103 section 7.23 figure 7.4

2.1.5 The lack of airport capacity in the UK is losing the country considerable potential trade, particularly with non-EU countries. Figures compiled by the Centre for Economics and Business Research (CEBR, 2016) for the Let Britain Fly campaign show that, based on 2015 figures, the UK could be missing out on at least £9.5bn in potential trade each year. Without airport development, CEBR predicts that losses could continue to accumulate at the rate of £1.1 million every hour. For the South East, these losses due to lack of runway capacity amount to £2 billion in potential trade each year.

Table 1 *Proportion of capacity used by airport, central demand, baseline capacity*

	2016	2030	2040	2050
Heathrow	100%	100%	100%	100%
Gatwick	100%	100%	100%	100%
Stansted	70%	88%	100%	100%
Luton	81%	100%	100%	100%
London City	80%	100%	100%	100%
London	93%	98%	100%	100%
Manchester	89%	81%	70%	91%
Birmingham	50%	66%	95%	100%
Bristol	76%	95%	100%	100%
East Midlands	79%	63%	87%	100%
Southampton	82%	99%	100%	100%

2016 is modelled

The proportions shown relate to the higher of the terminal capacity or runway capacity used

The London total proportions relate to a weighted average by number of passengers

Runway capacity is assumed to increase at Manchester; so lower utilisation figures reflect an increase in capacity rather than a decrease in demand

Source: DfT, 2017, p. 102 section 7.20 Table 33

2.1.6 Whilst the European aviation market is becoming more mature, it is nonetheless predicted that there will be 50% more flights in 2035 than there were in 2012, from around 9 million per year to 14.4 million (Eurocontrol, 2013). However, across Europe, it is estimated that airport capacity will increase by just 17% by 2035, leaving a shortfall

of around nine runways' worth of capacity (*ibid*, 2013)¹². The EU's calculations show that by 2035, European airports will be unable to accommodate around two million flights due to capacity shortages. This will lead to a loss of between 434,000 and 818,000 EU jobs and between €28 billion and €52 billion in EU GDP (EC, 2015, p. 7). It is, as Eurocontrol say, essential therefore that we make the best possible use of existing infrastructure.

2.2 Aviation's contribution to the economy

2.2.1 Oxford Economics (2015, p. 4) calculates that the aviation sector contributes £52 billion or 3.4% to UK GDP and supports 961,000 jobs. In terms of the value of the UK air freight industry, Oxford Economics estimate that airlines earn around £3.1 billion from shippers annually, carrying 2.3 million tonnes to, from, and within the UK (*ibid*, p. 5). Indeed, the Airports Commission says that:

"[A]viation supports British manufacturing, carrying high value exports, particularly to emerging markets, and helping to secure the position of UK based manufacturers in complex global supply chains. Today around 40% of the UK's trade with economies outside the EU by value is transported by air and in 2014 alone, the total value of tradable goods carried through UK airports exceeded £140 billion." (Airports Commission, 2015, p. 73)

2.2.2 The importance of air freight to economies is increasing for a number of reasons:

- Firms using Just-in-Time (**JIT**) methods to reduce inventories use air freight to transport products, components and raw materials in the fastest and most reliable way.
- For perishable and time sensitive items, air freight is the fastest way to transport products to customers to meet their needs and preferences.
- Declining costs as a result of liberalization and technological progress make air cargo logistics more appealing.
- Firms with production facilities overseas and global supply chains increasingly rely on air cargo logistics.
- The growing importance of e-commerce is allowing firms to sell into global markets, including growing economies such as India and some in Asia, increasing the demand for air freight.
- Customers are demanding rapid delivery and return of the products they purchase online. (See Bilotkach *et al*, 2017, p. 1)

2.2.3 Aviation makes an enormous impact on our economy, creating jobs and contributing to GDP (Oxford Economics, 2013). Indeed, most studies conclude that world air freight traffic is strongly correlated to GDP (e.g. Boeing, 2014, 2016b) and that world merchandise trade is a component of GDP, is an important measure of economic performance (Boeing, 2014, p. 2), and that transport infrastructure contributes to economic development (Ishutkina, 2009; Prud'homme, 2005).

"In 2014, airlines transported 51.3 million metric tons of goods, representing more than 35% of global trade by value . . . equivalent to USD6.8 trillion worth of goods annually, or USD18.6 billion worth of goods every day." (IATA, 2015, p. 4)

¹² This figure does not suggest that only nine new runways are required but indicates the scale of the problem

2.3 Political setting

2.3.1 From the advent of commercial aviation, government policy has been to meet rather than to manage demand for airport capacity (Humphreys *et al*, 2007). This strategy is derived from the close link between a country's economic status in world rankings (including attracting inward investment and creating jobs) and their global connectivity. As the DfT say in their Airports NPS:

“2.1 International connectivity, underpinned by strong airports and airlines, is important to the success of the UK economy. It is essential to allow domestic and foreign companies to access existing and new markets, and to help deliver trade and investment, linking us to valuable international markets and ensuring that the UK is open for business. It facilitates trade in goods and services, enables the movement of workers and tourists, and drives business innovation and investment, being particularly important for many of the fastest growing sectors of the economy.

2.2 International connectivity attracts businesses to cluster round airports, and helps to improve the productivity of the wider UK economy. Large and small UK businesses rely on air travel, while our airports are the primary gateway for vital time-sensitive freight services. Air travel also allows us ever greater freedom to travel and visit family and friends across the globe, and brings millions of people to the UK to do business or enjoy the best the country has to offer.” (DfT, 2018b, p. 13)

2.3.2 However, issues about where to locate new airport infrastructure are dogged by local politics. Members of Parliament represent their constituents and there are considerable anti-airport development lobbies in areas such as Heathrow, Gatwick and Stansted. In Thanet both local MPs and the new Leader of Thanet District Council fully support the re-opening of Manston as an airport.

2.3.3 One of the justifications for the privatisation of the UK's airports was a desire to increase competition between UK airports, particularly the London airports. This competition is seen as essential if customers, both passengers and freight, are to benefit in terms of service and pricing. However, capacity constraints defeat the free market ideal, putting upward pressure on fares and creating significant barriers to entry for new players who are unable to acquire landing and take-off slots at main airports (Airports Commission, 2015).

2.3.4 Indeed, since the 1986 Airports Act, the UK government no longer builds airports or adds runways (DfT, 2003) and, *“can only encourage and incentivize airport operators to invest in new capacity, when it believes capacity would best benefit the national interest”* (Humphreys *et al*, 2007, p. 341). As such, it is vital that government makes, *“best use its regulatory, fiscal and planning levers to encourage the investment it wants”* (*ibid*, p. 343).

2.3.5 The UK's international transport networks are a key enabler to trade in goods and services (DfT, 2009). Therefore uncertainty about the location of additional airport infrastructure, particularly runways, has led to considerable frustration over past years. Despite differences of opinion between the merits of Heathrow and Gatwick, now resolved (at least in Parliament), there is general consensus that additional airport capacity is urgently needed to relieve the congestion in the London system.

2.3.6 At present, neither the UK nor EU governments have specific policies for air freight. However, the UK Airports NPS states that:

“the Government has confirmed that it is supportive of airports beyond Heathrow making best use of their existing runways. .” (DfT, 2018b, p. 11)

The NPS also states that,

“The Commission noted in its final report that a new runway [Heathrow] will not open for at least 10 years. It therefore considered it imperative that the UK continues to grow its domestic and international connectivity in this period, which it considered would require the more intensive use of existing airports other than Heathrow and Gatwick.” (DfT, 2018b, p. 5)

2.3.7 The 2018 Airports NPS makes clear the importance of air freight to the UK economy. Highlighting the need to increase the speed of delivery between manufacturer and customer, they say:

“2.7 Air freight is also important to the UK economy. Although only a small proportion of UK trade by weight is carried by air, it is particularly important for supporting export-led growth in sectors where goods are of high value or time critical. Heathrow Airport is the UK’s biggest freight port by value. Over £178 billion of air freight was sent between UK and non-European Union countries in 2016, representing over 45% of the UK’s extra-European Union trade by value. This is especially important in the advanced manufacturing sector, where air freight is a key element of the time-critical supply chain. By 2030, advanced manufacturing industries such as pharmaceuticals or chemicals, whose components and products are predominantly moved by air, are expected to be among the top five UK export markets by their share of value. In the future, UK manufacturing competitiveness and a successful and diverse UK economy will drive the need for quicker air freight. .” (DfT, 2018b, p. 14)

2.3.8 The Airport NPS indicates the Government’s concerns over capacity constraints, pointing to the impact on connectivity. Profit maximisation means that profitable routes are operated at higher frequencies but other routes cease to be served, reducing the possibility of using belly freight to those destinations and increasing the need for dedicated freighters.

“2.14 The consequences of not increasing airport capacity in the South East of England – the ‘do nothing’ or ‘do minimum scenarios’ – are detrimental to the UK economy and the UK’s hub status. International connectivity will be restricted as capacity restrictions mean airlines prioritise their routes, seeking to maximise their profits. Capacity constraints therefore lead to trade-offs in destinations, and while there is scope to respond to changing demand patterns, this necessarily comes at the expense of other connections. Domestic connectivity into the largest London airports will also decline as competition for slots encourages airlines to prioritise more profitable routes.” (DfT, 2018b, p. 15)

3 Airfreight markets

3.0.1 Air freight, goods carried between one point and another in aircraft, is only one of the various means of transporting goods. However, air freight has played an important role in enabling the rapid delivery of goods between countries. Table 2 shows the characteristics of different modes of transport. Due to air freight's particular qualities, it is generally used to transport commodities with high value, high business impairment value or time critical (not having the item would incur considerable cost to business), low demand predictability, or that are perishable (Gourdin, 2006).

Table 2 *Characteristics of different transportation modes*

	Rail	Road	Pipeline	Air	Water
Door-to-door	Sometimes	Yes	Sometimes	No	Sometimes
Price	Low	High	Very Low	Very high	Very low
Speed	Slow	Fast	Slow	Very fast	Very slow
Reliability	Medium	Medium	Very high	Very high	Low
Packaging needs	High	Medium	Nil	Low	High
Risk of loss and damage	High	Medium	Very low	Low	Medium
Flexibility	Low	High	Very low	Very low	Low
Environmental impact	Low ⁱ	High ⁱⁱ	Low ⁱⁱⁱ	Medium ^{iv}	Low ^v

ⁱ Minimal air and noise pollution, low energy consumption per ton-kilometre travelled

ⁱⁱ Air and noise pollution, traffic congestion, high energy consumption per ton-kilometre travelled

ⁱⁱⁱ Pipeline rupture could result in catastrophic environmental damage

^{iv} Air and noise pollution, very high energy consumption per ton-kilometre travelled

^v Minimal air and noise pollution, low energy consumption per ton-kilometre travelled

Source: Gourdin, 2006, p. 88

3.0.2 Compared to passenger transport, air freight is more complex, “because the former [air freight] involves more players, more sophisticated processes, a combination of weight and volume, varied priority services, integration and consolidation strategies, and multiple itineraries of a network than the latter [passenger transport].” (Feng et al, 2015, p. 265)

3.1 Types of air freight

3.1.1 Boeing (2014) segment air freight into three main service sectors:

- **Scheduled freight**
 - Including general and express freight
 - Accounts for 88% of the world air freight market
 - Express freight continues to grow faster than the average world air cargo growth rate
- **Charter freight**
 - Made up of urgent and/or special handling requirements
 - 8% of the market
 - Almost entirely carried on dedicated cargo aircraft rather than as belly freight
- **Mail**
 - Forecast to grow at 1% per year
 - Risks to growth include express operators moving to mail, increasing internet communication, a move to express services by mail air freight operators, and more stringent security requirements

3.1.2 Gardiner and Ison (2007, p. 5) segment the air freight industry rather differently:

- **Belly freight**
 - Percentages vary by airport, from almost all at Heathrow to less at East Midlands
- **Express freight**
 - Carriers operate dedicated freighter aircraft on a time-definite basis
 - Worldwide almost 50% of airport movements in this sector take place at night
- **Heavy freight**
 - Dedicated cargo either on a scheduled or charter basis

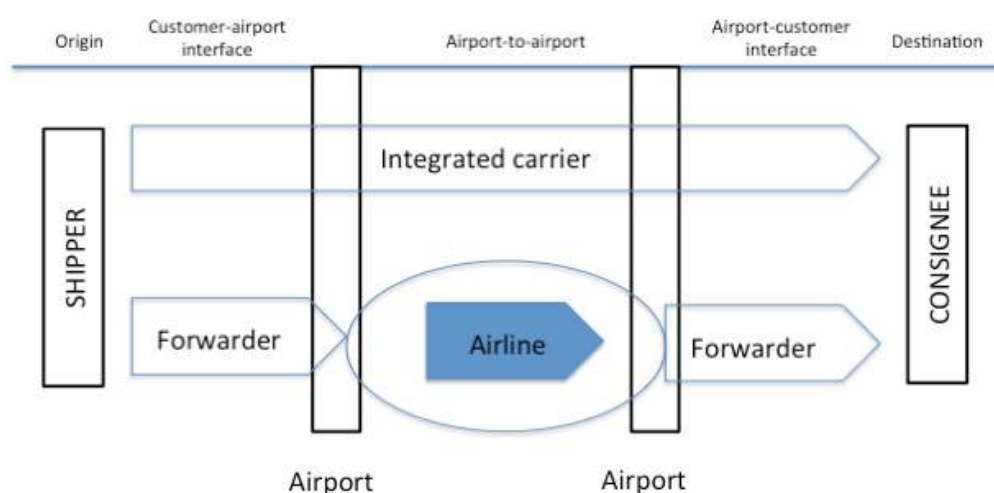
3.1.3 Other industry segmentations of the air freight market include:

- **General air cargo**
 - Includes individually planned and time-defined services suited to price-sensitive cargo with non-urgent transit times that are not hazardous or dangerous
- **Express freight/perishables**
 - The fastest growing market, including all urgent and time critical cargo
- **Specialist or niche cargo**
 - Including dangerous goods and live animals
- **Mail**

3.2 Air freight models

3.2.1 There are two models of air freight: the air freight forwarding model and the integrated air freight model. Figure 3 shows the door-to-door air freight value chain from its origin with the shipper to its destination with the consignee. The customer contracts with either an integrated carrier (such as FedEx, UPS, DHL, etc.) or a freight forwarder.

Figure 3 The door-to-door value chain



Source: Clancy *et al*, 2008 in Khan, 2010, p. 10

3.2.2 Air freight forwarders: These organisations provide a service to shippers and importers that has evolved over the last few decades. Originally freight forwarders received a consignment of freight from a shipper and arranged its routing, transportation handling and documentation to either the final receiver or to a foreign airport without owning the vehicles (trucks or aircraft) involved. In more recent years, the role of the forwarders has developed with the largest companies now describing themselves as logistics providers. Most air freight forwarders use belly freight on scheduled passenger services using wide bodied aircraft although there are a number of dedicated all-cargo freighter aircraft.

3.2.3 Integrators: These companies provide a door-to-door service, usually using their own road transport, handling, transit warehousing facilities and aircraft. Normally integrators contract directly with the shipper. Originally branded as express operators, they now compete more directly with freight forwarders and airlines. Integrators mainly use dedicated freighter aircraft although they may buy capacity on passenger aircraft.

3.2.4 The types of commodities transported by air include high value and generally low weight items; perishable goods such as fruit, vegetables, and flowers; and process critical items such as medical items (pharmaceuticals, etc.), and machinery parts where outages would be costly (such as for aircraft and telecommunications equipment). A significant proportion of the UK's total air freight flow consists of transshipments (DfT, 2009).

3.3 Main air freight carriers

3.3.1 The large integrators, FedEx, UPS, and DHL rank in the top four airlines in terms of tonnes carried per year. All these integrators use East Midlands Airport and FedEx and UPS also use Stansted Airport. Table 3 shows the World's top 50 air freight carriers by freight tonne kilometres (**FTKs**) in 2016 and compared to 2015 FTKs. It should be noted that airline groups have been used so, for example, AirBridgeCargo is included within the Volga-Dnepr Group and Lufthansa Group includes Swiss, Austrian and Brussels Airlines.

Table 3 *Top 50 air freight carriers in 2016*

Rank	Airline (or Airline Group)	2015 rank	FTKs (millions)	% change from 2015
1	Federal Express	1	15,712	-0.9
2	Emirates	2	12,270	-0.4
3	UPS Airlines	3	11,264	3.9
4	DHL Express Group	6	10,562	15.1
5	Cathay Pacific Group	4	10,208	-3.6
6	Lufthansa Group	5	9,469	1.6
7	Qatar Airways	9	9,221	19.6
8	Air France-KLM	7	8,133	-9.2
9	Korean Air	8	7,666	-7.1
10	Cargolux	10	7,453	7.7
11	Air China Group	11	6,809	1.0
12	China Southern Group	12	6,744	3.9
13	Singapore Airlines	13	6,345	2.2
14	Atlas Air	14	5,875	0.4
15	China Airlines	16	5,273	-4.0
16	IAG Group	15	5,148	-6.3
17	Volga-Dnepr Group	19	5,102	17.5
18	China Eastern Group	17	4,727	-1.6
19	Etihad Airways	18	4,481	-1.7
20	All Nippon Airways	20	4,315	7.5
21	Asiana Airlines	21	3,813	-4.5
22	Turkish Airlines	28	3,640	30.0
23	United Airlines	22	3,534	-7.4
24	EVA Air	24	3,480	-4.5
25	LATAM Group	23	3,278	-13.7
26	American Airlines	26	3,168	-6.2
27	Nippon Cargo Airlines	27	2,899	3.4
28	Delta Air Lines	26	2,577	-19.5
29	Qantas Airways	32	2,273	10.1
30	Japan Airlines	29	2,142	-9.8
31	Thai Airways	31	2,123	-1.2
32	HNA Group	35	1,774	15.0
33	Air Canada	34	1,732	8.1
34	Kalitta Air	30	1,557	2.5
35	Silk Way West Airlines	41	1,536	62.5
36	Ethiopian Airlines	38	1,500	16.4
37	Virgin Atlantic	36	1,416	3.6
38	Air New Zealand	39	1,231	4.5
39	Avianca	40	1,126	2.3
40	Malaysia Airlines	33	870	-50.8
41	Saudi Arabian Airlines	43	834	-1.7
42	Finnair	45	759	8.0
43	South African Airways	42	743	-15.1
44	Jet Airways	44	732	-0.4
45	Aeroflot Russian Airlines	48	728	17.2
46	Garuda Indonesia	49	688	21.6
47	SAS Scandinavian Airlines	47	674	5.1
48	Air India	46	571	-12.2
49	Philippine Airlines		540	
50	Alitalia		514	

Source: <https://aircargoworld.com/allposts/freight-50-top-50-carriers-chart/> compiled from IATA, U.S. Department of Transportation, Cargo Facts database, 2017

3.3.2 The growth of airlines such as Silk Way West (up from 41st to 35th ranking on FTKs), Turkish Airlines (22nd from 28th), Qatar Airways (now 7th from 9th) and Emirates (who hold 2nd place and ranks amongst the integrators) is attributed to “*diverse cargo growth strategies*”¹⁸. Asian operators such as Korean Air, Air China, China Southern Group, Singapore Airlines, China Eastern Group and Etihad rank highly in terms of world RTKs. The potential for increased trade with China has been demonstrated by the impact of direct flights operating from Manchester. The DfT report that the value of goods exported by businesses from Manchester Airport has doubled since the route commenced (DfT, 2018a, p. 38). This success provides an indication of the potential for East Kent should routes between China and Manston Airport be made available.

¹⁸ <https://www.aircargoweek.com/iata-wcs-2017-freighters-boeings-crabtree/>

4 The growth in air freight

4.0.1 At the end of November 2017, air freight in Europe reached capacity for the first time in at least 10 years. This situation led to a rise in shipment costs, with the price reaching as high as US\$13 per kilogram for a trans-Atlantic route¹⁹. According to press reports, “major airports in Europe are experiencing delays of a week in uplift, particularly Milano Malpensa Airport”²⁰. Heathrow Airport was severely congested, with queuing trucks, truck wait fees, and trucks being turned away²¹. With warnings that services on key trade routes from Heathrow are reaching capacity, the UK’s exporters could be hampered by lack of access to markets²². In particular, routes such as Shanghai, Delhi, Mumbai, Los Angeles, Kokyo Haneda and Dubai are affected.

4.1 The UK air freight market

4.1.1 London’s six airports, Heathrow, Gatwick, Stansted, Luton, London City and Southend facilitate 76% of the UK’s air cargo. Providing sufficient aviation capacity to meet future air freight demand is, say Oxford Economics (2013, p. 8), the first step to encouraging future trade growth. Connectivity will become ever more critical as the UK, an island nation, commences its exit from the EU. Table 4 shows the 2017 figures for passengers and freight at the London airports.

Table 4 2017 South East UK Airport operations

Airport	Passenger	%	Tonnes freight	%	ATM	%
Heathrow	78,012,825	45%	1,698,461	83%	475,783	40%
Stansted	25,931,639	15%	236,892	11%	189,919	16%
Gatwick	46,515,945	27%	96,983	5%	285,912	24%
Luton	15,990,197	9%	21,027	1%	133,743	11%
London City	4,595,854	3%	65		80,490	7%
Southend	1,092,445	1%	0		26,674	2%
Total	172,138,905	100%	2,053,428	100%	1,192,521	100%

Source: CAA Airport Data, 2017²³

4.1.2 The government’s emerging strategy for aviation makes clear the importance of the rapidly growing UK air freight sector:

“4.5 Whether in the bellyhold of commercial airlines or in dedicated aircraft, air freight plays a crucial role in the sector and is currently flourishing. The strategy will establish our approach to place the UK at the forefront of air freight technology and facilitation processes.” (DfT, 2018a, p. 36)

¹⁹ https://aircargoworld.com/allposts/freightos-warns-of-airfreight-rate-jump-as-europe-reaches-capacity/?goal=0_1711f92e66-42df020a11-39626945

²⁰ <https://www.flexport.com/help/381-freight-market-update-november-8-2017>

²¹ <https://www.flexport.com/help/381-freight-market-update-november-8-2017>

²² <http://www.aircargonews.net/news/airport/single-view/news/uk-exporters-warned-they-could-be-held-back-by-lack-of-air-cargo-access.html>

²³ <https://www.caa.co.uk/Data-and-analysis/UK-aviation-market/Airports/Datasets/UK-Airport-data/Airport-data-2017/>

4.1.3 The busiest UK airport for air freight is London’s Heathrow, where most freight is carried in the hold of passenger aircraft. However, industry leaders have called for infrastructure changes at Heathrow to resolve a number of access issues. Heathrow has seen cargo volumes increase by 10% in 2017, leading to congestion, delays and an inability to reach the airport’s cargo centre²⁴.

4.1.4 For freight-only aircraft, Stansted and East Midlands currently dominate (DfT, 2017, p. 67). In terms of cargo-only ATMs, Table 5 shows 1% growth between 2016 and 2017 at all reporting UK airports. Between 2016 and 2017, East Midlands cargo-only ATMs increased by 10%. Heathrow’s cargo ATMs increased by 21%, whilst Stansted’s decreased by 10%. This is perhaps an indication of the capacity constraints at Stansted impacting on cargo-only operations.

Table 5 2017 cargo ATMs at UK airports

Airport	2017 cargo ATMs	2016 cargo ATMs	% change
Gatwick	1	0	
Heathrow	2,971	2,452	+21%
Luton	1,490	1,778	-16%
Stansted	10,126	11,246	-10%
All London	14,588	15,476	-6%
East Midlands	21,286	19,357	+10%
All reporting	52,330	51,863	+1%

Source: CAA monthly airport data, Table 6

4.1.5 Aircraft-to-aircraft movements account for around 15% of air freight traffic in the UK, mainly through Heathrow (DfT, 2009). Three of the four largest integrators, DHL, UPS and TNT, have a strong presence at East Midlands with offices at Heathrow, Stansted and other airports. Fedex’s UK base is Stansted.

4.1.6 In terms of mail carried through UK airports, the Royal Mail dominates the market. Their strategy is to wet lease aircraft (hire aircraft with flight crew) and take space on other flights through integrators. In 2017, 182,000 tonnes of mail were carried through UK airports (down from 206,000 in 2015 and 185,000 in 2016). Heathrow handles most mail (99,000 tonnes) on scheduled passenger flights (CAA Table 18, 2017). However, overall, the use of passenger aircraft for mail reduced in 2017 by 6% in favour of cargo aircraft.

4.1.7 By weight, the UK imports (57% or around 1.3 million tonnes) more than it exports (43% or approximately 1 million tonnes) (DfT, 2009, p. 9). A large proportion of exports, by both weight and value, include machinery and transport equipment. Imports are more mixed across all types of commodities when measured by weight but by value, machinery and equipment dominate. The US and Asia are the primary markets for UK air freight for both imports and exports (*ibid*, p. 9).

²⁴ <http://news.moov.com.ng/london-heathrow-airport-struggles-with-increasing-cargo-congestion-delays/>

4.2 Air freight forecasts

4.2.1 By 2000, UK air freight had become constrained, particularly at the London airports (DfT, 2003; Oxford Economics, 2013, York Aviation, 2013, 2015). In London, the cargo-only market grew by 5.5% in terms of tonnage between Q1 2016 to Q4 2016 and Q1 2017 to Q4 2017 (CAA, 2017, p. 10). This took the total tonnage carried in dedicated freighters to and from London airports to 374.1 tonnes per year. The regional figure for dedicated freighters (outside London) increased by 8.6% over the same period.

4.2.2 Despite the constraints, the UK freight market seems strong, having increased by 10.6% in Q4 2017 compared to the same quarter in 2016 (CAA, 2017, p. 10). There was an increase in both imports and exports (October 2017 figures) and manufacturing orders from overseas customers was high²⁵. AirBridgeCargo has increased its freighters into Heathrow, Etihad has commenced freighter services at Stansted and East Midlands, and Manchester Airport saw 15% growth to China with the addition of Hainan Airline's Beijing service.

4.2.3 Boeing's traffic and market outlook describes an air cargo market recovery that began in 2014. Their market outlook 2016-2035 (Boeing, 2016a) forecasts air cargo traffic, measured in RTKs, to increase annually at 4.2% (although there are differences between the forecasts for regional pairs). For example, Asia-Europe is forecast to grow during the period to 2035 by 4.6% (Boeing, 2016b, p. 16). The Airbus forecast is for growth at 4% globally (Airbus, 2016). The Boeing and Airbus forecasts are based on the opinions of experts who summarise the world's major air trade markets and identify key trends.

4.2.4 Overall, demand for air cargo services set to more than double over the next 20 years, with the number of aircraft in the freighter fleet expected to increase by 70% (Boeing, 2016b, p. 4). IATA confirm that:

“Large wide-body freighter aircraft utilization is trending upwards and is now back to levels last seen in 2012. At the same time, airlines are managing to maintain the freight load factor at levels last seen in late 2014.” (IATA, 2018)

4.2.5 IATA 2017 figures show air freight growth of 9.3% globally²⁶ and 11.8% year-on-year in Europe when measured in freight tonne kilometres²⁷. Full-year 2017 demand for air freight grew at twice the pace of the expansion in world trade, which was 4.3%. IATA contribute air freight's outperformance of world trade to strong global demand for manufacturing exports as companies restock inventories²⁸. In contrast, capacity (available freight tonne kilometres) in Europe grew by only 5.9%, accounting for only half the increase. IATA reports their outlook for 2018 as optimistic since consumer confidence is buoyant, forecasting 4.5% expansion in 2018²⁹.

²⁵ <https://theloadstar.co.uk/brexit-effect-seems-positive-comes-uk-air-freight-market/>

²⁶ <http://www.iata.org/whatwedo/cargo/Documents/cargo-strategy.pdf>

²⁷ <http://www.iata.org/publications/economics/Reports/freight-monthly-analysis/freight-analysis-dec-2017.pdf>

²⁸ <http://www.iata.org/pressroom/pr/Pages/2018-01-31-01.aspx>

²⁹ <http://www.iata.org/pressroom/pr/Pages/2018-01-31-01.aspx>

4.2.6 IATA surveys also show increased confidence in the market, with 58% of respondents expecting further increases in freight volumes in the coming year and just 11% expecting a decrease³⁰. Indeed, IATA says:

“The results of our latest survey of airline CFOs and heads of cargo, conducted in early-July, suggest that the squeeze on industry profit margins peaked in the first quarter of the year. 77% of respondents reported that profitability increased in year-on-year terms in Q2 2017 – more than double the corresponding share in the previous survey and the highest proportion in almost seven years. Having been at or below the 50-mark for the past four surveys, the weighted-average score jumped to its highest level in more than two years.”

4.2.7 Air freight increases appear to have resulted in increased demand for cargo charters. For example, UK-based Air Charter Service reports a hike of 11% in 2017, to 4,300 cargo charter contracts, some 15,000 flights³¹.

4.2.8 Despite 2017 figures and industry forecasts, the DfT are currently showing no growth from 2016 figures in the all cargo market (DfT, 2017, 2.5.6). This issue was raised at a meeting with the DfT on 25 January 2018. The DfT’s response, received on the 1 June 2018, points out that they do not model freight in detail and the zero percent growth is an assumption. The Department is currently reevaluating air freight policy as part of the developing Aviation Strategy. It is unclear whether the zero percentage growth assumption is due to the absence of detailed information or is simply pragmatic, since the lack of capacity for dedicated freighters would preclude any substantial increase in movements, particularly in the South East.

4.2.9 Indeed, York Aviation (2013) highlights the lack of a central means by which to calculate how much freight is handled at any particular airport. The mix of belly freight and dedicated freighters makes the relationship between departures and air freight tonnage very difficult to approximate. This means that predicting freight movements and tonnage at an airport level is difficult and contentious. Having a common database of figures (akin to the National Air Passenger Demand Model) and an agreed methodology would help considerably.

4.3 The UK’s competitive position

4.3.1 On the 25 October 2016, the Government decided on their preferred option for the future direction of air freight and passenger travel in the UK. Several options were considered, including a new airport on the Isle of Grain or the Outer Estuary. This proposal was discounted, leaving only a third runway at Heathrow or a second at Gatwick on the table. Heathrow was the preference of the Airports Commission and is now supported by the Government under Theresa May and by Parliament.

4.3.2 However, given the complexity of the Heathrow project, its controversial nature and the potential for legal challenges, new infrastructure is unlikely to be operational within the next decade or longer. This leaves the air freight industry and those who depend upon it, to operate under constrained conditions unless more use of existing infrastructure can be made. Moreover, even once a third runway is in place at Heathrow,

³⁰ <http://www.iata.org/whatwedo/Documents/economics/bcs-jul-17.pdf>

³¹ https://aircargoworld.com/allposts/air-charter-services-cargo-charters-soar-in-2017/?goal=0_1711f92e66-16658a24b0-39626945

and into the long-term, considerable capacity constraints for dedicated freighters may still remain.

4.3.3 Since there is a clear case for additional freight capacity in the UK, it seems undeniable that there is a compelling case, in the public interest, to consider a freight-focused facility at Manston Airport. A facility already exists at Manston and, with appropriate investment, can be brought back into use relatively quickly. The UK lacks a specialist freight hub such as Liege and Leipzig and capacity issues at airports such as Amsterdam-Schiphol highlight how the preference for passenger flights negatively impacts dedicated freighter operations (see Section 8.4 for more details).

4.3.4 The UK's airports operate in a global marketplace, competing against airports in northern Europe. Indeed, York Aviation describes the role of Germany, The Netherlands and Belgium acting as the major freight centres in Western Europe. Their 2013 report says:

“These airports have developed major and specialist air freight roles, with freight being trucked from all over Europe to feed these freight hubs. The integration of trucking with air freight should not be overlooked, even within the UK.” (York Aviation, 2013, p. 3)

4.3.5 These concerns seem justified when the UK's airports are compared to those in the rest of Europe. Table 6 shows the total air transport in freight tonnes and the number of freighter movements at the main European freight airports in 2016, 2015 and 2014. The figures highlight the reliance on belly freight at most of the UK's airports.

4.3.6 The figures in Table 6 also point to the importance of the relationship between freight handled and the presence of integrators located at the airport. For example, East Midlands Airport handles a relatively small tonnage of freight compared to Heathrow but much of this is carried on dedicated freighters. East Midlands is the UK's hub for DHL and UPS and supports operations for TNT and Royal Mail. As the UK progresses with negotiations to exit the EU, the UK may find it advantageous to have sufficient capacity at airports that can handle dedicated freighters, without the need to truck to airports in mainland Europe.

Table 6 *Freighter movements at the main European airports*

	Freight tonnes			Freight flights ('000s)		
	2016	2015	2014	2016	2015	2014
Leipzig	1,044,952	982,534	904,110	37	36	33
Paris CDG	2,211,265	2,175,838	1,475,817	28	30	31
Cologne	768,138	739,457	738,430	28	27	26
Liege	592,146	625,285	581,802	17	26	24
East Midlands	319,609	321,150	307,242	21	22	22
Frankfurt	2,111,358	2,075,657	2,131,585	21	22	21
Amsterdam	1,771,106	1,655,328	1,670,671	17	16	16
Brussels	472,710	483,121	408,045	13	13	12
Luxembourg	801,058	736,880	707,150	9	10	10
Milan MXP	548,765	511,192	469,658	10	10	9
Stansted	245,658	226,776	225,851	12	10	9
Madrid	404,284	382,628	376,827	9	9	9
Copenhagen	185,691	196,579	200,054	5	8	7
Helsinki	182,198	177,441	187,419	1	7	8
Vienna	216,382	209,053	210,277	5	5	5
Munich	353,495	336,030	309,148	4	4	4
Dublin	134,207	137,267	127,448	4	4	4
Heathrow	1,637,582	1,588,884	1,585,885	2	2	2
Luton	*25,426	*28,008	*27,414	*2	*2	*2
Rome	160,904	145,017	143,008	1	1	2
Manchester	*109,630	*100,021	*93,466	*1	*1	*1
Gatwick	*79,588	*73,371	*88,508	*0	*0	*0

Source: http://ec.europa.eu/eurostat/statistics-explained/index.php/Air_transport_statistics#Further_Eurostat_information
 Except those marked * CAA statistics

4.4 The need for air freight capacity in the South East

4.4.1 Quantifying the cost of existing airport capacity constraints, the Airports Commission estimates that over a 60-year time frame and without additional capacity, there would be a £21 to £23 billion cost to users and providers of airport infrastructure and between £30 to £45 billion to the wider economy (Airports Commission, 2015, p. 17). In terms of cargo, Oxford Economics (2013) forecasts suggest that, “by 2050, the value of air cargo lost to London due to capacity constraints would equate to £106 billion per annum” (Oxford Economics, 2013, p. 5). They also calculate that in the same timeframe, “net national losses due to airfreight capacity constraints could equate to £3.9 billion per annum.” (ibid, p. 5)

4.4.2 These figures were calculated prior to the referendum on the UK’s exit from the EU. In 2012, non-EU trade accounted for just under half of all UK trade, with around 35% of these goods being air freighted (Oxford Economics, 2013, p. 5). If the proportion of trade changes, with a greater reliance on non-EU activity after the UK’s withdrawal from the EU, the demand for air freight would be likely to increase.

4.4.3 The London airports facilitate 76% of the UK’s air freight (Oxford Economics, 2013, p. 3). However, the Airports Commission shows that all London airports will be at capacity by 2030. London’s Heathrow and Gatwick airports are already constrained and London City Airport is expected to reach capacity by 2025 with Luton and Stansted

airports following closely behind (Airports Commission, 2013, p. 20). What the Airports Commission makes clear is that, “*the demand for landing slots in London and the South East of England will continue to grow*” (2015, p. 54). Whilst some commentators criticised the Commission’s focus on capacity in London and the South East, the Commission believes the strength of the London aviation system is crucial to the UK as a whole.

4.4.4 Boris Johnson, the then Mayor of London, proposed construction of a new airport in the Thames Estuary, an idea originally mooted in the 1950s. Johnson believed that locating an airport to the east of London and away from the major conurbations of the capital would have significant benefits including reducing the environmental and security problems of aircraft over-flying London. Manston Airport’s location brings many of these benefits without the need to overcome the technical issues, environmental impact on protected habitats, and huge cost involved in constructing an airport in the Estuary.

4.4.5 York Aviation predicts that by 2050 the London area could require an additional 80,000 freighter slots per year to meet demand if no additional airport infrastructure is provided (York Aviation, 2015, p. 19). If this capacity is not provided in the UK, 2.1 million tonnes of freight will be trucked elsewhere at a cost of more than £400 million in trucking and user time (*ibid*, p. 31). York Aviation calculates the GVA lost to the sector’s economy and to the wider economy at £637 million and £978 million respectively (*ibid*).

4.4.6 Indeed, York Aviation predicts that, even with the third runway at Heathrow, capacity for 45,000 freighter movements will be required elsewhere (York Aviation, 2015, p. 19). Section 5 of this report considers where freighter aircraft could be handled, concluding that an operational Manston Airport is the only viable option. Furthermore, York Aviation’s earlier report for TfL states that, “*around 14,000 freighters a years could still be accommodated in the vicinity of London by using capacity at airports such as Manston, which already handles some long haul freighters*” (York Aviation, 2013, p. 7).

4.4.7 2.1 million tonnes of freight that would be diverted elsewhere by 2050 without additional capacity in the London area (York Aviation, 2015, p. 31) is equivalent to around 108,000 truckloads per year in addition to current movements³². Even with additional runways at Heathrow or Gatwick the volume of freight to be diverted elsewhere would be around 1.2 million and 1.7 million tonnes respectively (*ibid*, p. 19). York Aviation says they derived these figures as follows:

“we have considered the potential air freight capacity that might exist in London under different scenarios. In line with the structure of the market now, we have assumed that the majority of capacity will be provided via aircraft bellyhold freight. We have estimated this capacity based on the number of forecast international movements at the relevant airports in the London system multiplied by the expected average tonnage per international movement in 2050 at each airport. The latter has been derived by taking the tonnes per international movement now estimated from CAA Statistics and growing this by 0.5% per annum to 2050 to reflect increasing loads and larger aircraft. In relation to the 2nd Runway at Gatwick scenario, we have made a

³² Maximum total truck weight (truck, fuel and load) is 44 tonnes for trucks with 6 axles. Maximum payload is 28.1 tonnes. For trucks with 5 axles, maximum payload is 20.3 tonnes. See Figure 5 for details. Average load used for this calculation is 19.4 tonnes to take account of various truck sizes and lighter or part loads.

further adjustment to allow for the fact that we would expect the airport to attract more long haul services in such a scenario. We have assumed that tonnage per movement in this scenario would increase significantly to be around double that observed at Gatwick in the other scenarios in 2050. This reflects the Gatwick Airport long-term demand forecasts from its submissions to the Airports Commission, which suggest a doubling in the proportion of long haul traffic at the airport by 2050.” (York Aviation, 2015, p. 19)

4.4.8 Around half the goods that could be transported between Heathrow and continental Europe as air freight are already trucked by road (DfT, 2009, p. 50). The movement of surface traffic has pinch points on the M25 and at Dover. Not only does this delay the movement of commodities, it puts extreme pressure on the road network in the South East. With South East airports at or near capacity, resilience of both the airport and road networks are key issues. It is clear from the figures presented here that the capacity available at Manston Airport is vital to the continued competitiveness of the UK.

5 Airport capacity for freighter operations in the South East

5.0.1 2014 marked 100 years since the birth of commercial aviation. This century of flight has transformed the way we live and how and with whom we conduct business³³. The history of air freight has always been entwined with that of passenger aviation, with mail the first cargo transported by air. However, after the Second World War, airmail gave way to the age of air freight. The use of air freight was prompted by a general worldwide trend towards globalisation, a change in management practices including just-in-time (JIT) and made-to-order models, trade and economic liberalisation between countries, and other political changes (Ishutkina, 2009) including open skies agreements.

5.0.2 The previous sections have outlined some of the arguments that demonstrate the need for additional airport infrastructure in the UK. This section considers the South East of England particularly and focuses on the potential for increasing air freight operations at existing airports. The DfT 2017 report shows that it is the South East that has the greatest difference between unconstrained and constrained passenger demand (defined as “*those passengers deterred from travelling to or from mainland UK*”), in excess of 7.5 million by 2050 (DfT, 2017, pp. 98-99).

5.0.3 This section demonstrate that other South East airports cannot accommodate sufficient capacity for freighter aircraft to meet the forecasts for demand outlined in Section 4.4. Whilst little research on competition in the air cargo airport market has been undertaken (Kupfer *et al*, 2016), it is apparent that air freight operators have no enduring loyalty to specific airports, particularly in situations where there are other options located within a few hours trucking time. For this reason, East Midlands Airport, with its focus on freight has also been included in the review.

5.1 Stansted Airport

5.1.1 The Airports Commission ruled Stansted out of its preferred three options for airport expansion, focusing their shortlist on Gatwick Airport and two options at Heathrow. The Commission did not favour the construction of a four or five-runway hub airport at Stansted Airport since it may involve the closure of either Heathrow or Gatwick, be excessively costly, and require extensive improvements to surface transport. Neither did the Commission shortlist the construction of a second runway at Stansted although this may be reconsidered sometime between 2040 and 2050.

5.1.2 The Airports Commission noted that planning conditions prevent Stansted from operating to its maximum capacity and will reconsider lifting these during the next phase of its work if there is a case for optimising aviation capacity in the London system. Stansted Airport’s owners, Manchester Airport Group (MAG), are seeking to raise the passenger cap from 35 million per year to 44.5 million and the number of aircraft movements per annum from 274,000 to 285,000. However, the final report by the Airports Commission (2015, p. 332) recommends that the cap at Stansted (the G1 planning cargo-only cap was 20,500) be reviewed on the basis of extensive stakeholder consultation.

³³ <http://www.flying100years.com>

5.1.3 In October 2017 and following extensive consultation, Stansted Airport's CEO, Ken O'Toole, issued a statement explaining that whilst residents supported ongoing growth and investment in the airport, there are concerns about an increase in the current cap on the number of aircraft movements. Mr O'Toole's statement says they have listened to residents' concerns and adapted their proposals:

*"so that growth can be met within the current cap on the number of aircraft movements. That means the airport's growth over the next ten years to serve 43 million passengers can be achieved without increasing the existing limits on aircraft movements and noise."*³⁴

5.1.4 TfL is working to improve passengers' surface access to Stansted Airport and once in place, these improvements are likely to stimulate the demand at Stansted for passenger flights. Indeed, Ryanair already has increased the frequency and number of routes it provides from the airport. Ryanair's expansion will continue to increase pressure on slots, particularly at peak times such as early morning, Ryanair is the dominant carrier at Stansted Airport and, since the low cost carrier (LCC) model is based on fast turnarounds, the airline will not tolerate interference from cargo handling. Ryanair is increasing their offering to more distant destinations including Turkey, North Africa, Cyprus and the Middle East. For the airline to operate four rotations per day to maximise the profitability of each aircraft, late evening and potentially night time slots will be required.

5.1.5 It seems likely that MAG will want to maximise the use of their infrastructure, in line with the DfT's desire to make full use of existing capacity (DfT, 2013b). Given the statement by the CEO in October 2017, this is likely to focus on the passenger market. At present, Stansted Airport has capacity to accommodate a number of freighter flights. However, cargo-only flights account for only around 8% of ATMs at Stansted. Freight carriers have traditionally used night slots at the airport and these may become less available if the LCCs utilise them.

5.1.6 According to the European Shippers' Council, the battle between LCCs and all-cargo operators, *"will be central to the global debate over airport capacity for the next decade"*³⁵. For airports nearing capacity and handling both LCCs and air freight, the impact will be to:

*"pit the rival economic benefits of high-value cargo with its huge economic importance as a wealth multiplier, against leisure airlines catering to populations which desire cheap and regular flights to global destinations on services which often carry limited or no bellyhold cargo."*³⁶

The Managing Director at the European Shippers' Council additionally says:

*"We have huge passenger and cargo growth ahead, so we need a full discussion about how to accommodate that to avoid disruptions especially for the cargo market."*³⁷

³⁴ <http://mediacentre.stanstedairport.com/london-stansted-airport-targets-growth-within-current-environmental-and-aircraft-movement-limits/>

³⁵ <http://www.aircargonews.com/1217/120417/Growing-Slot-Squeeze-Impacts-Cargo.html>

³⁶ *ibid*

³⁷ *ibid*

5.1.7 Stansted Airport's Local Rule 4 states that:

“Planning Condition ATM1 limits the number of air transport movements at Stansted Airport to 264,000 during any 12 month calendar period. (Of which no more than 243,500 may be PATM's and 20,500 may be CATM's)”³⁸

264,000 passenger movements (PATMs) per year represents an average of one every two minutes based on a 24-hour per day operation. Given that there is a preference to operate during the daytime, this per-minute figure is likely to be much higher. To put this in context, Gatwick is currently the busiest single runway airport and handled 282,000 ATMs in 2017³⁹. Passenger airlines focus on punctuality, particularly the LCCs and Ryanair has its biggest base at Stansted. Viscount Aviation's analysis of this situation is that cargo flight timings are likely to be impacted severely since the airport will prioritise servicing Ryanair. This is because the proportion of the airport's income derived from Ryanair is considerable. This focus on service quality of the LCCs, coupled with the high usage of the single runway is likely to result in all-cargo flights waiting to land or take off, causing a knock-on effect to their schedules and hampering their operations. LCCs and Ryanair in particular will, given slot availability, switch services to a competing London airport in the event of regular service issues. By contrast, cargo services are much more difficult to relocate as handling facilities such as warehousing may not be available at competing airports.

5.1.8 The preference for passenger flights over cargo occurred at Schiphol Airport (see Section 8.4 for more details), where air traffic capacity constraints were announced in September 2017. Hong Kong, Paris, Brussels, Chicago, Beijing, Mexico City, Frankfurt, Shanghai, and Heathrow are also suffering capacity constraints that are affecting freighter operations⁴⁰ as passenger flights are preferenced for a number of reasons. As such, it may be that moving freight to Manston Airport could represent a significant opportunity for MAG should they want to free up slots for higher value passenger aircraft use.

5.2 London Heathrow Airport

5.2.1 Heathrow is the UK's only hub airport, handling around 476,000 ATMs per year (CAA 2017 figures), with average daily movements of nearly 1,300. Whilst Heathrow handles around 63% of the UK's air freight, relatively few dedicated cargo aircraft use the airport (CAA, 2016). CAA figures show that around 95% of air freight at Heathrow is carried in the hold of passenger aircraft as belly freight. However, Heathrow does handle almost 3,000 freighter movements per year, including Cathay Pacific and Emirates

5.2.2 The proposed addition of a third runway at Heathrow is unlikely to resolve the capacity issues for dedicated freighters. Since Heathrow's passenger market has been constrained for some years, the new runway may be used to meet as yet unmet passenger demand. Should Low Cost Carriers, who generally do not carry belly freight for operational reasons, fill much of the additional runway capacity, Heathrow's freight handling, in terms of tonnes per year, may not increase substantially. Heathrow's focus

³⁸ <https://www.acl-uk.org/wp-content/uploads/2017/07/STN-Local-Rule-4-1.pdf>

³⁹ <https://www.gatwickairport.com/business-community/about-gatwick/company-information/gatwick-by-numbers/>

⁴⁰ <http://www.aircargonews.com/1217/120417/Growing-Slot-Squeeze-Impacts-Cargo.html>

on passenger and belly freight markets is also likely to continue to keep dedicated freighters out of the airport. This means that markets not served by passenger aircraft will remain unreachable for UK importers and exporters without a dedicated freighter operation.

5.2.3 However, in 2015, Heathrow Airport Limited (**HAL**) announced their blueprint for a £180 million overhaul to their cargo facilities. The plans include new underground access roads, improved air-to-air facilities and a specialist pharmaceutical storage area. HAL's aim is to reduce what they declare as their current processing time of eight to nine hours to around four hours⁴¹, still considerably longer than Manston's previous and proposed processing time. Even so and as York Aviation figures indicate, there will be a shortfall of slots for dedicated freighters, likely to be in the region of 45,000 by 2050 (York Aviation, 2015, p. 19).

5.2.4 Of interest to the Manston Airport freight forecast is that Delta Airlines reported to the CAA that whilst Heathrow is a good connecting airport for the US, it is not so well placed for Europe (CAA, 2016, p. 38). The CAA (*ibid*, pp. 34-35) report a number of concerns expressed by cargo operators, including:

- *Problems with airfield access leading to bottlenecks at control posts and cargo access points viewed as a lower priority than passenger equivalents*
- *Limited space to hold cargo and empty equipment resulting in more vehicle movement*
- *Road congestion becoming increasingly an issue and impacting on already lengthy journey times*

5.2.5 As such, even with an operational third runway at Heathrow Airport, Manston Airport will still be vital to ensure the UK meets the needs, wherever possible, of the demand for air freight.

5.3 London Gatwick Airport

5.3.1 Whilst Gatwick Airport's submission to the Airports Commission did not include plans for freight, a subsequent statement says their plans are to make provision for ten times the amount of freight the airport currently handles⁴². Gatwick Airport handled only one dedicated freighter in 2017 and none in 2016. This lack of experience, which is a key element in the choice of a freight airport for operators (Kupfer *et al*, 2016), and without a second runway, means that Gatwick is not a serious competitor in the freight market.

5.4 London Luton Airport

5.4.1 Luton Airport is located close to the M1 and therefore well situated to access the UK's road network. The current number of stands at Luton are unable to support significant growth⁴³. In December 2017, Luton Borough Council, owner of the airport, announced a 30-year plan to expand Luton Airport to accommodate 36 to 38 million passengers and 240,000 ATMs. The airport is forecast to reach its current permitted capacity of 18 million passengers per annum by 2021. The airport's operator, London Luton Airport Operations, in association with Luton Borough Council, initiated the redevelopment of the passenger terminal in January 2016. Improvements will also be made to ground transportation and airport parking.

⁴¹ <http://your.heathrow.com/takingbritainfurther/trade-and-exports/improved-cargo-facilities/>

⁴² <http://www.aircargoweek.com/cargo-omitted-from-gatwicks-response/>

⁴³ <https://www.caa.co.uk/WorkArea/DownloadAsset.aspx?id=4294972551>

5.4.2 Luton Airport handles around 28,000 tonnes of cargo each year with DHL, MNG Airlines and British Airways operating dedicated freighters from the airport. Luton Airport's business profile is similar to Stansted Airport's in terms of the dominance of LCCs, focusing the airport on passenger traffic. It would therefore be improbable for Luton Airport to provide a hub for dedicated freighters.

5.5 London City Airport

5.5.1 London City Airport has benefited from planning permission to build seven new aircraft stands, a parallel taxiway and to extend the passenger terminal. However, the airport is focused on the passenger market and handled only 69 tonnes of freight in 2016. London City Airport has a short and constrained runway, at 1,900 metres, and is therefore unable to support a large freighter operation.

5.6 Southend Airport

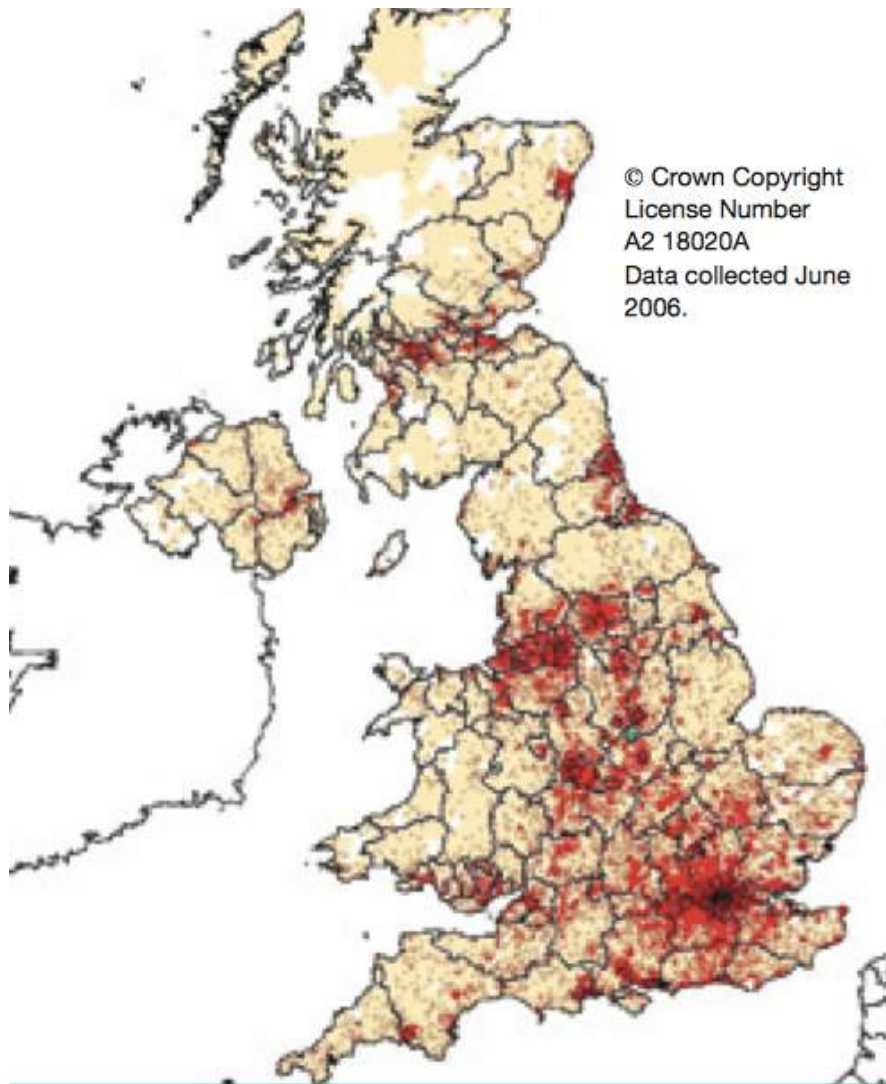
5.6.1 Southend Airport is focused on the LCC passenger market, handling only five tonnes of freight in 2015 and none in 2016. Although extended in 2012, Southend's runway is unlikely to be suitable for long or mid-range freighter aircraft.

5.7 East Midlands Airport

5.7.1 East Midlands Airport is a major successful integrator hub, focused on handling packages and parcels. DHL has a purpose-built facility at the airport and is the major operator. UPS and TNT also use the airport as well as Royal Mail. As with Stansted, the airport is owned and operated by MAG. The airport has a 24-hour licence and imposes additional charges on aircraft using the airport between 23.30 and 06.00, dependent on the noise band of the aircraft. The airport also charges a shoulder supplement between the hours of 06.01 to 07.00 and 21.01 to 23.29.

5.7.2 In 2017, East Midlands Airport handled 21,286 freight aircraft movements, an increase of 10% over the 19,357 movements in 2016. At present the airport serves a wide catchment area as shown in Figure 4. However, surface access to these geographically distant businesses, of which many are concentrated in the South East, is hampered by congestion on the UK's road network. Therefore, total time taken to deliver from origin to final destination increases, particularly around the bottlenecks on some of the major motorways. Figure 2 clearly shows the number of businesses located in the South East, within the Manston catchment area.

Figure 4 Location of businesses served by integrators at EMA



Source: DfT, 2009, page 26 (data collected in June 2006 by Manchester Airports Group)

5.8 Other South East UK airfields

5.8.1 There are few other options for increasing air freight capacity in the South East. The Thames Estuary Airport proposed by Boris Johnson, the then Mayor of London, has been ruled out as an option, with the Airports Commission saying its substantial disadvantages outweighed its potential benefits. Other airports in the South East and the constraints on their development are shown in Table 7. It should be noted that the characteristics of an optimal freight-focused airport are:

- A paved runway with a length of at least 2,500 metres and capable of supporting CAT II/III operations
- Existing infrastructure with capacity to provide facilities for new air freight operators according to demand
- Certified, or the ability to obtain an Aerodrome Certificate from the European Aviation Safety Agency (EASA) or other relevant licensing organisation, for the operation of the types of aircraft currently used and likely to be used in the future by airfreight operators

- Capacity to accommodate dedicated air freighters and warehousing hold freight
- Operations not focused on passenger or other markets that would negatively impact air freight operations
- Availability of new slots/landing times for airfreight operators and a flexibility of existing slots/landing times
- Sufficient warehousing and handling facilities
- Good surface access to the strategic road network with no bottlenecks to access in or around the airport, with an additional advantage of a good connection to high quality public transport infrastructure
- Airspace that is outside of the London Control Zone (also known as the Controlled Traffic Region (CTR)) to provide maximum flexibility and capacity for airport operations
- Located in the south-east of England close to the main significant population and commercial centres, with an additional advantage of a good connection to continental Europe

5.8.2 The final option in the South East is Manston Airport, which is described in detail in Section 0. When all other airports in the South East, as shown in Table 7, are assessed against the criteria for an optimal freight-focused airport, as shown in the previous paragraph, Manston is the only real choice for the location of such an airport in the South East of England. Indeed, The 2003 White paper, The Future of Air Transport, states that Manston "*could play a valuable role in meeting local demand and could contribute to regional economic development*" (DfT, 2003, p. 132).

Table 7 South East Airfields

Airfield	Constraints
Biggin Hill	One operational 1,808m paved runway, which is too short for large freight aircraft operations. The runway orientation and proximity to London Gatwick Airport creates numerous airspace issues. The airport's location and elevated position mean it experiences poor weather conditions impacting operations. The airport's rural/residential location and difficult road access to main M25 artery are unlikely to support HGV movements associated with a freight airport. The airport also has restricted opening hours with no night flights permitted. Operators are now focused on business aviation and are reducing the number of light aircraft using the airport.
Bournemouth	Bournemouth handled no cargo aircraft movements in 2016 or 2017. Sold in December 2017 by MAG to Regional and City Airports. In 2016 the airport attracted £40 million of government investment. However, the airport is some 30 miles from the M3 and M27 on a route that passes through the New Forest National Park, not ideal for fleets of trucks.
Farnborough	Two runways approximately 2,400m and 2,450m in length. Restricted number of movement particularly at weekends, only certain aircraft categories permitted. The airport's Business Aviation focus that would not fit with a cargo model and scheduled passenger and freight services are not permitted. The airport also has restricted operating hours, particularly at weekends.
Lydd	Short runway with considerable approach issues (including MOD Hythe firing range and proximity of Dungeness Power Station). Plans to extend the runway by 300m would still result in weight restrictions for aircraft. The airport has a rural location with relatively poor surface transport connectivity
Northolt	An RAF station with safety issues raised due to proximity to Heathrow, difficulties integrating with London airspace. The airport has a relatively short runway of 1,600m, which would not support large freight aircraft.
Rochester	General aviation aerodrome with grass runways. A planning application was validated in September 2017 for a replacement paved lit runway and parallel grass runway. However, the runways are less than 1,000 metres and not suitable for cargo operations. The airport does not have supporting infrastructure to facilitate large-scale freight operations and has restricted operating hours and a cap on aircraft movements.
Shoreham	The airport has two grass and one paved runways and is used for helicopters and light aircraft. The 1,036m paved runway would not support freight operations. Road access is relatively poor and would require reconfiguration to support the HGV movements generated by a freight operation.
Southampton	The airport handled 23 cargo movements in 2017, 6 in 2016 and 4 in 2015. The airport is close to the M3 and M27 and has the benefit of an onsite railway. Southampton Airport focuses almost entirely on the passenger market, handling very little cargo (173 tonnes in 2016). Their master plan and vision statement make no mention of developing an air freight market.

6 Potential impacts on the demand for air freight

6.0.1 This section considers the potential for changes to current trends in the UK air freight market. These trends include the continuing impact of e-commerce, the potential effect of the UK's withdrawal from the EU, the current ratio of belly freight to dedicated freighter use in the UK, and the extent of the use of air freight trucking to airports outside the UK.

6.1 The continuing impact of e-commerce

6.1.1 E-commerce is the fastest growing retail market in Europe and North America with online sales forecast to grow strongly year on year. The UK is second only to Norway for online purchases. In the UK, Germany, France, The Netherlands, Sweden, Italy, Poland and Spain, this market grew from £132.05 billion in 2014 to £156.67 billion in 2015, a growth of 18.6%⁴⁴. 2017 figures show around 19% growth for the year in Europe⁴⁵. In the US, digital sales during Thanksgiving week (between 23 and 26 November 2017) were at an all-time high of \$13 billion, and increase of 14.4% year-on-year⁴⁶.

6.1.2 In the UK, the increasing use of smartphones for internet shopping has driven online spending with UK retailers to £133 billion in 2016, 16% higher than 2015⁴⁷. Retail is not the only market to migrate to e-commerce. The shift to consumer-driven healthcare is creating new e-commerce opportunities throughout the supply chain including retailers, manufacturers, and online merchants. Indeed, e-commerce allows organisations of all types to link their systems together so that information across the 'electronic chain' can be accessed much quicker and more accurately. This decreases transaction costs, enabling significant cost reductions throughout the supply chain.

6.1.3 The International Air Transport Association (**IATA**) says that:

*"E-commerce is a future growth driver for the air cargo industry, and therefore there's an increasing need for speed, visibility and easy returns, all of which will impact the logistics chain"*⁴⁸.

Not only is e-commerce a future growth driver, it is potentially a game changer for the air freight market. Customers are demanding next day delivery and Amazon is leading the way, demonstrating the relationship between e-commerce and air freight with the purchase of a fleet of dedicated freighters. This move to build up dedicated freighter capacity, "is opening a new debate about the viability of cargo airports"⁴⁹. Amazon's interest in Hahn Airport, a former military airbase, 120 kilometres from Frankfurt, which has reported years of losses, low usage, and has a 23.00 to 05.00 hours curfew, is indicative of the potential for the redevelopment of cargo focused airports.

6.1.4 The impact of e-commerce on air freight has led to capacity issues and rate increases. The air freight press is reporting the difficulties felt by forwarders and

⁴⁴ <http://www.retailresearch.org/onlineretailing.php>

⁴⁵ <https://ecommercenews.eu/ecommerce-europe-grows-19-percent-2017/>

⁴⁶ Adobe figures reported in <https://aircargoworld.com/allposts/5-ways-that-this-years-cyber-monday-shook-up-logistics/3/>

⁴⁷ <https://www.imrg.org/media-and-comment/press-releases/uk-online-sales-in-2016/>

⁴⁸ <http://www.iata.org/whatwedo/cargo/Pages/e-commerce-logistics.aspx>

⁴⁹ <https://theloadstar.co.uk/e-commerce-boom-amazon-effect-saving-smaller-cargo-airports/>

shippers, with one commentator saying, “It’s a carrier’s market. Airlines are definitely becoming more selective with what they take and accept. E-commerce is a massive issue this year.”⁵⁰ Since countries with 1% better air cargo connectivity engage in 6% more trade⁵¹, it is imperative for the UK, particularly post-Brexit, to ensure our manufacturers, importers and exporters are fully globally connected, with unconstrained access to air freight transportation.

6.1.5 The potential for further dependence on air freight due to the impact of e-commerce is set against the freight capacity constraints at South East airports. Indeed, forecasts may not yet have taken account of the magnitude of the impact of e-commerce on the air freight sector. Addressing these capacity constraints by bring Manston Airport back into the UK airport network seems to be vital for the continued and growing prosperity of the UK. Without rapid increases in freight capacity, the UK will suffer even greater economic losses than those currently described (see for example Centre for Business Research, 2016).

6.2 The potential effect of BREXIT on UK aviation

6.2.1 At the Royal Aeronautical Society’s conference held in October 2016 on the effect on Britain’s aviation, aerospace and space sectors of the UK leaving the EU, David Jones MP, the then Minister of State at the Department for Exiting the EU, stressed the importance of the UK aerospace sector to the UK’s on-going prosperity. He said the UK’s aerospace sector would be the economic and trade spearhead for forging new links with the rest of the world. The MP stated that the sector is six times more productive than the rest of the UK’s economy and will be central to building a new outward-looking Britain and providing post-Brexit opportunities.

6.2.2 There are many unknowns at this stage - prior to the completion of negotiations – and building a future for the aviation sector will not be without risks. These risks include the ability to influence future EU aviation policy, access to Galileo’s precision satellite navigation signals, participation in the ATM SESAR initiative, collaboration in aviation and military R&D programmes, and aviation market access⁵². Indeed, in principle, UK airlines may lose their rights to fly between European countries. This will adversely affect airlines such as EasyJet, where 24% of their seats are on flights between countries remaining in the EU⁵³.

6.2.3 One option for the UK will be to join the European Common Aviation Area (ECAA)⁵⁴. This is an agreement between the EU and partners from south-eastern and northern Europe (including Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo under UNSCR 1244, Norway and Iceland). The objective of the ECAA was to integrate the EU’s neighbours in southeast Europe in the EU’s internal aviation market, which, at the time, consisted of 25 EU Member States as well as Norway and Iceland. ECAA airlines have open access to the European single market in aviation.

⁵⁰ <https://theloadstar.co.uk/forwarders-shippers-caught-updraught-air-cargo-perfect-storm/>

⁵¹ <http://www.iata.org/whatwedo/cargo/Pages/index.aspx>

⁵² <https://www.aerosociety.com/news/tailwind-or-turbulence-brexit-and-uk-aerospace/>

⁵³ https://peresau.files.wordpress.com/2016/06/2016_06_28-brexit-suau-sanchez-la-vanguardia.pdf

⁵⁴ http://ec.europa.eu/transport/modes/air/international_aviation/country_index/ecaa_en.htm

6.2.4 The EU is currently the UK's most important trade partner, accounting for half of all UK exports and imports (Dhingra *et al*, 2015). Following the vote to exit the EU (so-called Brexit), Britain now has to negotiate Free Trade Agreements (FTA) with the EU. It is likely the UK and the EU will agree trade deals but higher tariffs and non-tariff barriers would make imports and exports more expensive, affecting trade between the UK and the EU. Friction at the borders between EU countries and the UK, particularly at the Channel ports, is likely to increase to meet the demands of security checks and ensuring tariffs are paid where necessary. This may serve to switch transport away from trucking to air freight, avoiding congestion at the Channel crossings. It is also likely that increased trade will occur between Britain and more geographically distant countries. Trucking of goods to these countries will not be an option thus increasing the need for air freight, making the capacity Manston Airport can provide nationally significant to the UK's airport infrastructure.

6.2.5 Backloading (the transportation of cargo on a return trip, using empty space paid for on the outward leg) from international airports is important as this helps airlines to maximise profit on their return journeys. However, this requires fourth or fifth freedom rights, depending if two non-UK countries are involved⁵⁵. Freedoms of the air are a set of commercial aviation rights that grant one country's airlines privileges to enter and land in another country's airspace. They result from the Chicago Convention, the Convention on International Civil Aviation of 1944⁵⁶. There are nine levels of freedoms, where the first provides rights to overfly a foreign country and the eighth and ninth provide full cabotage (rights to operate inside a foreign country). The fifth freedom provides the right to operate between two foreign (non-domicile) countries when the flight originates or terminates in the home country.

6.2.6 The events on the 22 March 2016 at Brussels Airport⁵⁷, the 28 June 2016 at Istanbul and the 18 March 2017 at Paris Orly have put airports around Europe on high alert. Airports in the UK and Europe carry out security checks on passengers as they go airside. Once airside, some airlines scan hand luggage again at the departure gate. Airports are not designed to security check all visitors as they enter the airport. If required, it will cause huge delays and require passengers to arrive many hours (almost certainly at least three) before their flight. These delays may impact belly freight, potentially making a switch to dedicated freighters more likely. This is particularly the case for perishable and high value goods. However, switching from belly freight to dedicated freighters requires slots to be available, particularly in the South East. An operational Manston Airport with a focus on freight would help to accommodate this potential increase, allowing the UK to maximise the economic benefits it derives from trade with the rest of the world.

6.3 Dedicated freighter use compared to belly freight

6.3.1 Belly freight is cargo stowed under the main deck of a passenger aircraft. This means that cargo is restricted to passenger schedules and destinations, which may not serve cargo markets. Since on and off loading cargo can cause delays to passenger aircraft, the LCCs, who rely on fast turnarounds, generally do not carry belly freight.

⁵⁵ Freighters frequently 'hop' between countries rather than make point-to-point journeys to or from the UK and one other overseas country

⁵⁶ <http://www.aviationlaw.eu/wp/wp-content/uploads/2013/09/Freedoms-of-the-Air-Explained.pdf>

⁵⁷ <http://www.dailymail.co.uk/news/article-3504030/Europe-s-biggest-airports-step-security-armed-police-patrols-terror-attacks-Brussels.html>

However, the cost of moving goods by air can be more competitive as belly freight as surplus capacity can be sold at marginal cost since operating costs can be allocated to passenger services (Budd and Ison, 2017, p.2). However, belly freight is not necessarily forwarded on single passenger flights but may take a route involving a series of airports⁵⁸. This adds air miles, additional fuel, and intermediate airport handling to overall forwarding costs and impacts.

6.3.2 By contrast to passenger services, dedicated freighters, which carry cargo only, do not tend to operate a point-to-point, bi-directional service. Instead they 'hop' from airport to airport, picking up and setting down cargo, as demand requires. Many freight operations move between more than one of the main European freight airports as well as a number of overseas airports. Whilst some freighters do operate simple round trips, the data shows that inbound patterns do not necessarily mirror outbound patterns, providing flexibility to add new pick up/drop off points as the market dictates.

6.3.3 Types of cargo carried by dedicated freighters include:

- Perishables such as flowers, fruit, vegetables, fish, seafood
- Other time sensitive items such as electronic components, machinery required to ensure operation of critical services (such as for aircraft, energy generation, etc.) and increasingly consumer goods purchased online including a wide range of items such as computers, mobile phones, clothing and other fashion items.
- Pharmaceuticals
- Heavy, oversized and hazardous items
- Luxury items including cars, food and drink
- Live animals such as race horses, transport to wildlife and zoos
- Niche markets such as cargo for live events and entertainment (rock bands, sports, etc.)
- Mail
- Humanitarian aid and military use

6.3.4 Whilst a large proportion of air freight is currently carried as belly freight in passenger aircraft, particularly in the UK, Boeing says that:

“Dedicated freighter services nonetheless offer significant advantages, including more predictable and reliable volumes and schedules, greater control over timing and routing, and a variety of services for outsize cargo, hazardous materials, and other types of cargo that cannot be accommodated in passenger airplanes. In addition, range restrictions on fully loaded passenger flights and the limited number of passenger frequencies serving high-demand cargo markets make freighters essential where both long-range and frequent service are required.” (Boeing, 2014, p. 3)

6.3.5 The introduction of wide body passenger aircraft, which have larger belly capacity has not significantly reduced the dedicated freighter share over time (Boeing, 2016b, p. 3). Boeing's statistics show that, on some routes, freighters are critical. For example, around 80% of the air freight between Asia and Europe is carried on dedicated freighters. Boeing explains the reasons for using dedicated freighters include restricted passenger routes and range restrictions as follows:

⁵⁸ Derived from examination of the RFS schedules

“Over the past five years, only 30 percent of the lower-hold capacity of new widebody aircraft has served primary cargo airport routes. This underscores the need for freighters to serve these markets and airports. Range restrictions on fully loaded passenger fights and the limited number of passenger frequencies serving high-demand cargo markets make freighters essential where both long-range and frequent service are required.” (Boeing, 2016b, p. 4)

6.3.6 Air freight flights enable the flow of goods between economies. This mode of transport relieves surface infrastructure deficiencies (Gourdin, 2006) and enables access to markets for commodities where speed adds value, provides a different distribution mechanism (such as next day delivery), enables the use of efficient production methods such as JIT manufacturing, and ensures high value machinery and equipment maximise their capital value (Ishutkina, 2009, p. 114). IATA’s Global Shippers’ Surveys show that speed is the number one selling point for air cargo transport, which is linked to reliability and predictability⁵⁹. In 2017, the average time taken between pick up and delivery was 138 hours⁶⁰.

6.3.7 Speed is a key source of competitive advantage and improving time to market is now a priority for many sectors. Advantage can be gained from speed in innovation and use of analytics, product development, time to market, and delivery to and returns from the customer. For electronics firms such as mobile phone manufacturers, time-based competition means that reducing delivery times by even a few days is valuable. With the rise of e-commerce and online purchases, consumers now expect near instant satisfaction of their order. For example, Amazon Prime has made speed of delivery a priority and leveraged competitive advantage from their two-day service. With their launch of Amazon Air, a dedicated air freighter network, Amazon rejected belly freight alternatives that may not have been providing the speed and reliability required to meet customer expectations. It is noted that in terms of profit, airlines that operate freighters generate 90% of the industry’s revenues, with all cargo and passenger belly only generating 10% each (Boeing, 2016b, p. 3).

6.3.8 Globally, around 56% of all air cargo (measured in RTKs) is flown in dedicated freighter aircraft (Budd and Ison, 2017, p. 34). The remaining 44% is carried as belly freight on passenger aircraft, or on combi or quick change aircraft that can accommodate both passengers and freight. Boeing forecasts that:

“Freighters will continue to carry more than half of the world’s air cargo for the next 20 years, as the majority of players in the industry continue to rely on and augment their cargo operations by flying freighters.” (Boeing, 2016b, p. 4).

6.3.9 However, in the UK the DfT report the proportion of cargo in dedicated freighters as between 22% and 30% with the remaining 70% to 78%% being carried as belly freight (DfT, 2017, paras 3.32 and 4.4). The considerable disparity between global and UK patterns of air freight transport indicates an underlying issue in the UK. One potential cause is the UK’s constrained air freight market, particularly in the south east of the Country. Constraints at UK airports, not just in terms of slots but also in handling infrastructure and times, may mean airports outside the UK are used in combination

⁵⁹ <http://www.iata.org/whatwedo/cargo/Documents/cargo-strategy.pdf>

⁶⁰ *ibid*

with trucking (see Section 6.4 for more details). The UK does not currently have a dedicated freighter airport such as Liege or Leipzig. Stansted and East Midlands airports, handling considerable numbers of passengers and passenger ATMs, are more similar to Amsterdam's Schiphol Airport, where constraints have led to pressures on slots for freighter, with many airlines looking to move to other airports in Europe.

6.4 Air freight trucking

6.4.1 The role of road transport in air freight networks, sometimes referred to as airline trucking or Road Feeder Service (**RFS**), is a largely obscure element in logistics models, with a lack of publicly available statistical data differentiating freighter and truck operations (Heinitz *et al*, 2013). Road transport can be complementary to air freight, linking the shipper with freight airports and freight airports with the consignee. RFS can also act as a replacement for freighter flights with trucks given an airline code and customs cleared.

6.4.2 The short haul belly freight market is extremely price sensitive, with airlines competing with trucking companies for loads and around half the goods that could be transported between Heathrow and continental Europe as air freight are already trucked by road (DfT, 2009, p. 50). Whilst price may be the key determinant for cargo destined to travel as belly freight rather than on dedicated freighters, trucking to and from passenger hub airports may also be linked to shippers' preference (including the location of their hubs if relevant), the availability of capacity on particular routes, and in turn, to airport capacity.

6.4.3 Oxford Economics discussed this issue some years ago (before the economic and air freight recovery), saying:

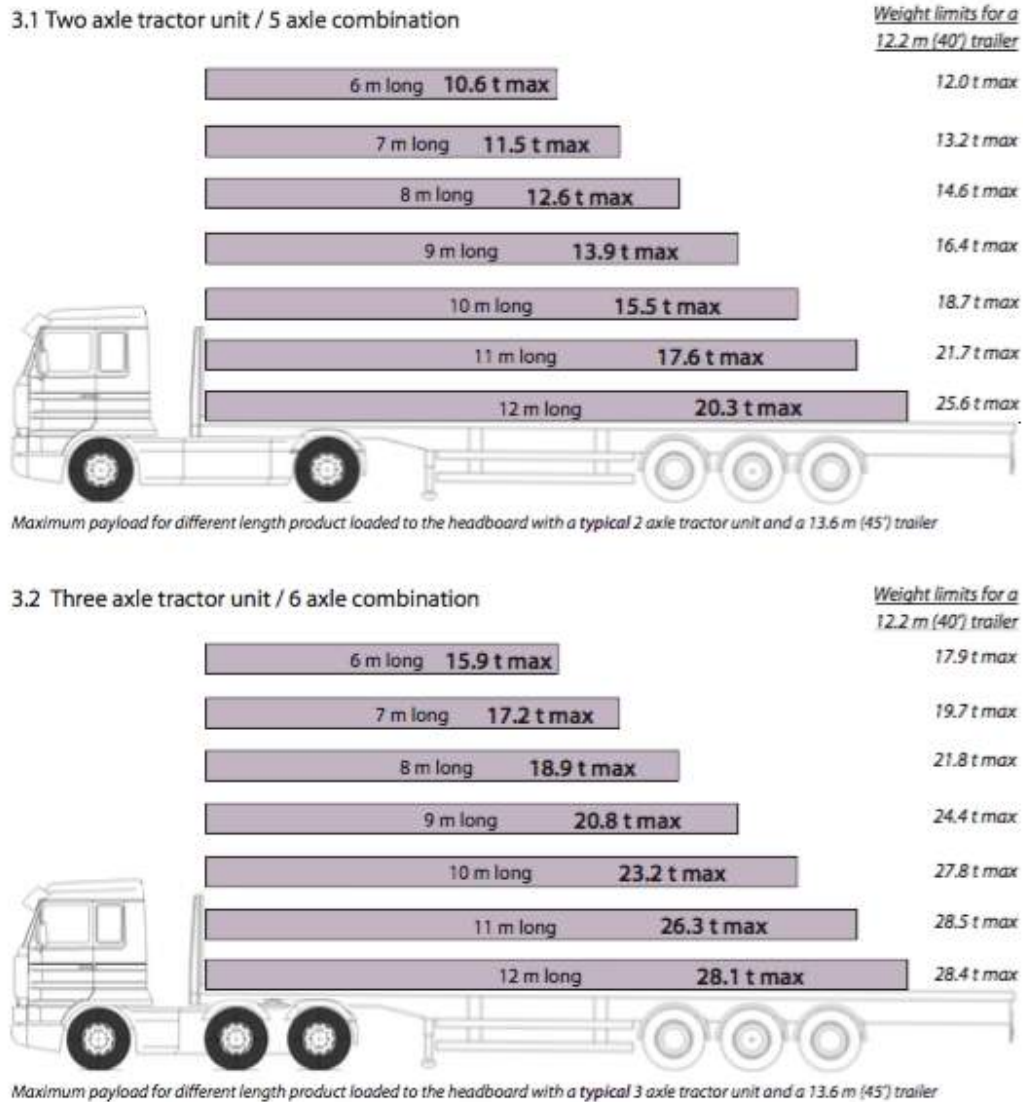
"In all likelihood, short-haul cargo may have fallen due to both capacity constraints at Heathrow and freight forwarders substituting road or rail transport for short-haul destinations. Which phenomenon is more important? Volumes of short-haul cargo peaked around the time the Channel Tunnel opened in 1994 and have fallen ever since. Therefore, this hints that much of the decrease in short-haul volumes may be due to the lower-cost option of truck transport to continental Europe rather than capacity constraints at London area airports." (Oxford Economics, 2013, p. 16)

6.4.4 By contrast, the dedicated freighter market is mainly used for long-haul services where trucking can only be to and from an airport and is not a substitute for transportation by air. Section 6.3 described the types of cargo flown in dedicated freighters. The drivers for dedicated freight (see Volume II for further details) are distinct from those for belly freight. Whereas price is the key driver for belly freight, speed is vital to the dedicated freighter proposition (this is not to say that price does not play a role). Trucking to and from the UK to find capacity at northern European airports adds to overall delivery time and it is with this market that UK airport capacity constraints may be most keenly felt, ultimately resulting in economic losses for UK businesses.

6.4.5 Some years ago, Steer Davies Gleave estimated that 97,000 tonnes of air freight crosses the English Channel by truck each year (2010, p. 73). At an average of 19.4

tonnes per movement⁶¹, this suggests around 5,000 HGV movements, a figure that is dwarfed by more recent estimates (see section 6.4.6 to 6.4.9 below for further details). By comparison, 87,000 tonnes was flown as belly freight directly between the UK and Europe in that year (*ibid*).

Figure 5 HGV maximum payloads



Source: TATA Steel technical information sheet: Axle weights and load distribution available from <http://www.poferrymasters.com/carrierinfo/tis-0012-axle-loads-and-weight-distribution-issue-1.pdf>

6.4.6 York Aviation calculated that by 2050 and without any further airport capacity, 2.1 million tonnes of air freight would be trucked out of the London area. Almost three quarters of this excess demand is likely to be trucked to Europe, particularly Paris CDG (34%), Amsterdam (19%) and Frankfurt (18%) (York Aviation, 2015, p. 23). Using the same truckload calculation, this equates to around 77,000 truck movements per year in

⁶¹ Figure 5 shows HGV maximum payloads. The figure of 19.4 tonnes is midway between the minimum load of 10.6 tonnes and the maximum 28.1 tonnes.

each direction⁶². Even with a third runway at Heathrow, York predicts that excess demand for air freight would be 1.2 million tonnes (York Aviation, 2015, p. 20), some 44,000 truck movements (given the same proportion to European airports).

6.4.8 To provide an example of the scale of trucking in 2018, an examination of one day's RFS operations (Wednesday 4 April 2018) was carried out. Wednesday was selected as a mid-week day to estimate average weekday movements. The information was compiled by Bob Parsons from data from 15 out of 50 cargo carriers for those routes reported. The airlines included are:

- American Airlines
- Air Canada Cargo
- Air France-KLM
- Cargolux
- Cathay Pacific Cargo
- Delta Airlines
- Emirates Sky Cargo
- Etihad Cargo
- International Airlines Group
- Japan Airlines Cargo
- Korean Air Cargo
- Nippon Cargo Airline
- Lufthansa
- Singapore Airlines Cargo
- United Airlines Cargo

6.4.9 The outbound RFS data from the 15 airline schedules shows a total of 134 movements from UK airports to European airports: 43 to Amsterdam-Schiphol, 19 to Brussels, 12 to Paris-Charles de Gaulle, 12 to Frankfurt Main and a further 48 to other European airports. Over a year, RFS movements across the Channel to European airports could amount to around 41,800 (average of 6 days per week since some schedules are 5 days per week and some 7). Using the previous truck load average, in the region of 800,000⁶³ tonnes of air freight per year could be moved from UK airports to other European airports (based only on the data from the 15 airlines analysed). Whilst this figure is a crude estimate, it indicates a considerable increase over the past decade (cf. the 2010 figure of 97,000 tonnes calculated by Steer Davies Gleave detailed in section 6.4.5). It also adds weight to the York Aviation forecast of around 1.5 million tonnes by 2050. The timeline and these three figures are depicted in Figure 6.

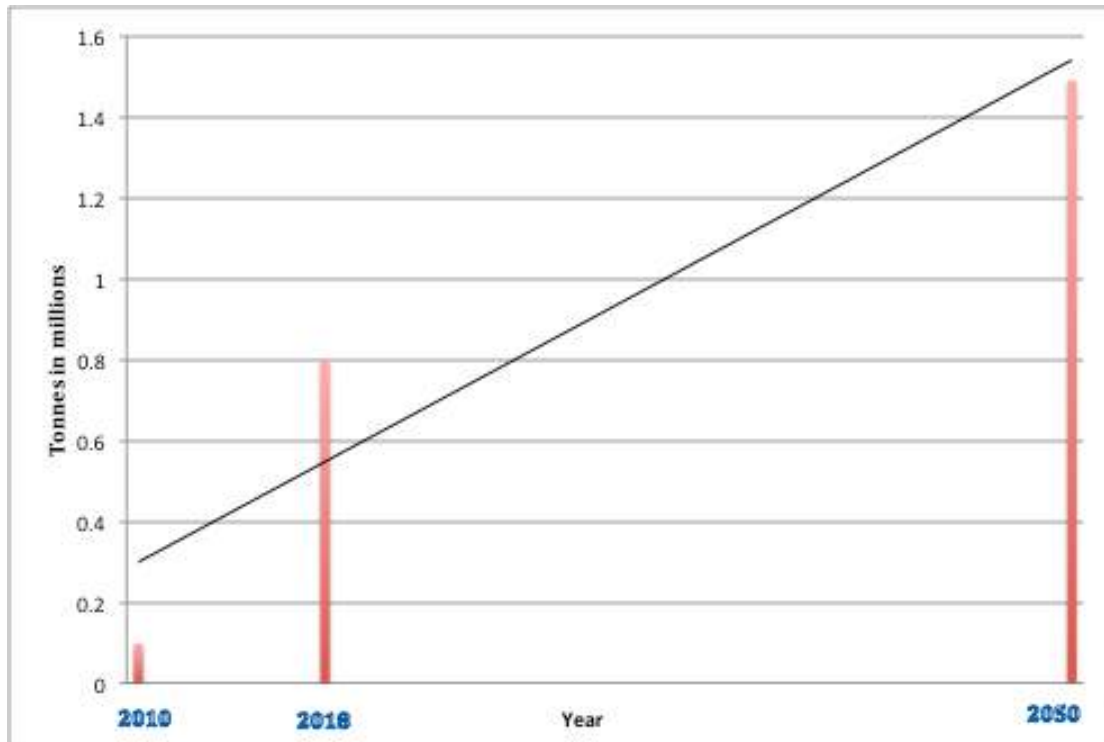
6.4.10 There are noticeable differences between carriers. For example, Asian carriers, such as Singapore Airlines, do not appear to have wide distribution networks whereas others, Emirates for example, seem to market RFS services extensively to regional airports for air segments from London and Manchester. American Airlines Cargo expanded their European RFS network in mid 2017. Almost 2,000 tonnes of freight per month is now fed from the Netherlands, Belgium, Ireland, Germany, France, Denmark and Hungary into the American Airlines network from Heathrow⁶⁴. Further detail of airline trucking activity is provided in Volume II Section 4.2.

⁶² 2.1 million tonnes x 71% = 1.491 million tonnes / 19.4 tonnes = 76,856 truckloads

⁶³ Calculated as 134 x 6 x 52 movements x 19.4 tonnes

⁶⁴ <http://www.aircargonews.net/news/airline/single-view/news/american-airlines-expands-european-trucking-services-as-global-q2-revenues-soar.html>

Figure 6 Cross channel air freight tonnage



6.4.11 Whilst calculations and forecasts from various analysts differ, all indicate that the scale of air freight trucking is considerable. RFS therefore forms a significant element of Channel crossings, which totalled almost 4.25 million HGVs in 2017 (2.6 million through Dover and 1.64 million on Eurotunnel). Capacity constraints such as HGV parking facilities in the event of disruption to crossings are already a concern. During Operation Stack, which has been used since 1996, the coast-bound side of the M20 in Kent has to be closed to traffic in order to park trucks waiting to cross the Channel. Hauliers, who have experienced significant delays due to the migrant situation in Calais, bad weather, and industrial strikes in France, may face further problems after Brexit. Even if Britain negotiates an orderly withdrawal from the EU after March 2019, any increase in customs paperwork risks contributing to substantial delays at Dover. A customs agreement with the EU that substantially adds to bureaucracy could create chaos.

6.4.12 Delays at the Channel crossings are a costly exercise in terms of policing, delay for hauliers, and the effect on the local economy and quality of life. Indeed, the Freight Transport Association calculated the cost to the haulage companies of the three week delay in July 2015 to be £700,000 a day with costs of £250m to the UK economy as a whole⁶⁵. Research by Imperial College London for the BBC has found that two extra minutes on post-Brexit border crossings could triple queues at the Port of Dover⁶⁶. The Deputy Chief Executive of the Freight Transport Association, James Hookham, is reported as saying:

“If you add an average of two minutes to customs processing, you get a 17-mile queue [from Dover] almost back to Ashford. Another four minutes takes

⁶⁵ <http://www.bbc.co.uk/news/uk-england-kent-33688822>

⁶⁶ <http://www.bbc.co.uk/news/uk-england-kent-43318258>

the queue back to Maidstone, six minutes back to the M25, eight minutes and you are up to the Dartford crossing and Essex.”⁶⁷

6.4.13 Delayed truck movements and reduced overall speed of air freight delivery are lost economic opportunities for the UK. The reinstatement and redevelopment of Manston Airport could recapture much of this benefit for the UK. Flying freight from Manston Airport, negating the need to truck to and from European airports for some types of air transportation, should help to ease congestion in the area.

⁶⁷ <https://www.ft.com/content/7ff7c97c-b33c-11e7-a398-73d59db9e399>

7 Manston Airport

7.0.1 Manston Airport is located on the Isle of Thanet in East Kent, 17 miles from the Port of Dover, 65 miles from Central London and 60 miles from the Port of Tilbury. Figure 7 shows the airport's location in the South East of the UK. The airport's runway has a length of 2,748-metres and a width of 60 metres, heading 10/28. It is capable of handling all types of aircraft. The airport has been closed to traffic since May 2014.

Figure 7 Map showing location of Manston Airport



7.1 History

7.1.1 Manston has been an airfield since the Great War. In 1915, aircraft began using farmland at Manston for emergency landings when unable to use their destination landing strip on top of the cliffs at Westgate. By the end of 1916, there were two units stationed at the Admiralty Aerodrome at Manston. By 1939 and the outbreak of World War II, Manston was still an all-grass airfield. It was from here that Barnes Wallace designed and tested his bouncing bombs in the sea near Reculver in preparation for the Dambusters raids. In the 1940s, the runway at Manston, the longest and widest in southern England at the time, was built to assist the safe landing of badly damaged aircraft returning from Europe.

7.1.2 In 1958, Manston became a joint RAF and civil airfield and played a key role in the early and developing years of charter air travel. From this time and during the 1960s, the airport was home to a fleet of five Hermes 4A aircraft, operating successful passenger services from Manston to Le Tourquet for Silver City Airways. In 1961, one of the directors of Silver City, Wing Commander Hugh Kennard, founded Air Ferry, which flew charter flights from Manston. When the company was taken over by Air Holdings Group, Kennard founded Invicta Airways, which operated passenger and cargo flights

from Manston. Indeed, during the summer of 1965, 120,143 passengers were flown from Manston to destinations including Basel, Dusseldorf, Luxembourg, Malaga, Palma, and Seville⁶⁸. The airline operated from Manston throughout its 18-year history.

7.1.3 In terms of passenger operations, several charter services have used the airport over the years of its operation. In the 1990s there were summer services to Jersey, Mallorca, Crete, Cyprus, and the former Yugoslavia. Operators such as Dan Air, the Yugoslavian carrier, Aviogenex, and Aspro Holidays operated successful services from Manston. For several years, Manston hosted seasonal charter flights connecting cruise line passengers from the USA to the Port of Dover. In 2001 this operation accounted for some 9,000 passengers. The airport arranged bonded transportation by coach between the airport and the port so that passengers cleared customs and immigration in Dover. Their baggage was not reclaimed at the airport but delivered to their cabin on the cruise ship.

7.1.4 In 1999, RAF Manston was closed and ownership of the airport passed to the private sector. The Wiggins Group plc/PlaneStation first purchased the civilian enclave from Seaborne Aviation in 1997, completing the purchase of the remainder of the Airport from the MOD in 1999. The Wiggins Group plc/PlaneStation owned the airport until 2005. Infratil, a New Zealand company who also operated Prestwick (Glasgow) airport, took control of Manston in 2005. The Airport has enjoyed a unique position in the hearts of many local people. In 2005, the residents of Thanet expressed, "*broad support for the proposed expansion of the airport*" (MORI, 2005) with 85% in favour of expansion of the airport of which 63% were strongly in favour. More recently, many local people have campaigned vigorously to save the Airport from housing development and a number of action groups coordinate the continuing activities of Manston Airport's supporters.

7.1.5 The low cost carrier EUJet had a base at Manston between 2004 and 2005. The airline used a small fleet of Fokker 100 jets and had a schedule including 21 domestic and European destinations. Between 2010 and March 2012, Flybe operated a daily service from Manston to Edinburgh, Belfast and Manchester. In April 2013, KLM began a twice-daily service between Manston and Amsterdam, which ended when the airport's owners gave notice it was closing.

7.1.6 Helicopter search and rescue operations ran from Manston from the early 1960s until the closure of the RAF base in 1995 (with some small gaps). Manston was the preferred Search and Rescue airport for the area but the closure of the airport forced the contract to be re-awarded.

7.1.7 One of the questions raised by those who doubt Manston's ability to attract air traffic, is why other operators have been unsuccessful. Manston was first privatised in 1999. Sold to the Wiggins Group (later PlaneStation plc), the airport attracted a considerable amount of air freight traffic. However, in 2004/5, the company purchased the low cost airline, EUJet, without apparently completing satisfactory due diligence. In 2005, both PlaneStation and EUJet went into administration.

7.1.8 Ownership of the airport passed to Infratil, a New Zealand-based company. Under their management the airport continued to attract freight traffic and instigated a

⁶⁸ Woodley, C. (2014) Flying to the Sun: A History of Britain's Holiday Airlines. Available from <https://books.google.com/books?isbn=0750968702>

twice-daily rotation with KLM to Amsterdam. However, as Pauline Bradley, Director of Manston Skyport (owners of Manston from 2013), says, the airport suffered from the physical distance between its ownership and operation⁶⁹. Infratil's management of Manston seemed to lack a business plan or strategic direction. Indeed, the airport's management made little investment in their facilities, something airlines would expect to demonstrate a commitment to the medium and long term. Other competing facilities at Stansted, East Midlands, and Doncaster invested significantly and benefited in terms of traffic growth. The constraints imposed on prior operations by the airport's infrastructure limited the potential for business development, particularly since Manston's attraction to air freight customers was in its turnaround times. With increased numbers, these would be severely impeded without the major investment proposed by Riveroak.

7.1.9 In 2013, Infratil sold Manston Airport for £1 to Ann Gloag, co-founder of the Stagecoach Group. Sir Roger Gale, giving evidence at the Transport Select Committee's smaller airports inquiry, said Ann Gloag "*had no intention of running this as an airport and every intention of seeking to turn this into an asset stripping property development*"⁷⁰. Ms Gloag pledged to keep the airport open for two years but within months the airport was closed.

7.2 Previous operations

7.2.1 Before its closure, the operators of Manston Airport managed all airport activities including ATC, fire cover, security, ground handling, catering, duty-free and slot allocation. The airport focused on the cargo market whilst also providing passenger flights. In terms of cargo, Manston Airport established a reputation for speedy handling of perishable cargo, with unloading and throughput times much faster than competitor airports. By 2012, Manston was carrying around 31,000 tonnes of cargo per year. Table 8 shows the extent of the airport's operation from 2004 until its closure in 2014.

Table 8 *Manston Airport operations*

Year	Tonnes of cargo	ATMs	Passengers
2004	26,626	3,460	100,592
2005	7,612	4,862	206,875
2006	20,841	913	9,845
2007	28,371	1,205	15,556
2008	25,673	798	11,625
2009	30,038	811	5,335
2010	28,103	1,469	25,692
2011	27,495	1,965	37,169
2012	31,078	1,004	8,262
2013	29,306	2,073	40,143
2014 (Airport closed in May)	12,696	778	12,385

⁶⁹ <http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/news/smaller-airports-ev2/> on 2nd February 2015

⁷⁰ As above

Source: Department for Transport Statistics, Table 02.2 Summary of Activity at UK Airports, 2004 to 2014

7.2.2 Since Manston Airport suffered from a severe lack of investment, and constraints on the ground are likely to have resulted in capacity restrictions that prevented growth past the figures for cargo shown in Table 8. With only one cargo stand, aircraft were unable to exit to the runway if another aircraft taxied into the cargo area behind it. The airport had limited storage, had not invested in up-to-date handling equipment, and closed their Border Inspection Post. In spite of the lack of investment, there was considerable growth in Manston's cargo market from 2010 until 2013. This growth, as shown below⁷¹, indicates that Manston Airport, with the investment required could have a strong future.

- 2010: 4 weekly freighters
- 2012: 7 weekly freighters
- 2013: 9 weekly freighters
- 2014: 13 weekly freighters
- 2013: 5th busiest UK airport on tonnage handled
- 2013: Overtook Luton Airport to become 4th busiest airport in the South East
- 2013: 3rd busiest UK airport handling dedicated freighters

7.2.3 In 2011, York Aviation reviewed the then owner's forecasts for Manston in light of proposed night time operating. Referring to Boeing and Airbus world freight forecasts for 5.9% growth per annum, York Aviation stated that Manston Airport:

"stands to benefit from these levels of growth within the South East of England due to the likely growth of constraints in airport capacity in the region." (York Aviation, 2011, para 2.22, p. 13)

Since 2011, these constraints have increased considerably. In 2011, York Aviation stated that:

"whilst the MSE [Manston Airport] Master Plan indicates growth rates above the worldwide average forecast by Boeing and Airbus, it is expected that some of the growth will come from the relocation of existing services from other London region airports. It is for the relocation of these services that MSE is ideally geographically positioned. Furthermore, the greatest opportunities are foreseen in the markets which are growing above the 6% p.a. average, such as the Middle East and points in Asia and South Asia." (York Aviation, 2011, para. 2.23)

7.3 Infrastructure

7.3.1 The Manston site extends to some 732 acres (296 hectares), 618 (250 hectares) on the main site and 114 (46 hectares) on the Northern Grass. Whilst the airport has been decommissioned, buildings that housed the passenger terminal and office facilities, Border Inspection Post (BIP) and cargo hangers still stand, as does the car parking area. The existing taxiway network requires modification in order to allow Manston Airport to attract the widest range of operators as well as being EASA compliant. Improvements would include a new taxiway parallel to the runway, new taxiways linking the aprons

⁷¹ Provided by Alan McQuarrie, cargo manager at Manston Airport at time of closure

and stands, and modifications to existing taxiways to ensure gradients are EASA compliant.

7.3.2 Much of the equipment that was installed at the airport has now been removed. This, however, is not seen as a drawback as RiverOak plans to upgrade to state-of-the-art navigation and operational equipment. A new radar facility will be installed in its original position to the northwest of the site on what is known as the Northern Grass. Modifications to the airport site will match the forecast produced for Manston. In particular, construction work will allow for the parking of up to 11 aircraft (eight freighters and three passenger) including those classified as Codes E⁷². Full details are provided in Volume III of this series of reports. Access to the new cargo facility, which will cover approximately 66,000 m², is proposed from the B2190 (Spitfire Way) to the west of the existing access.

7.3.3 RiverOak Strategic Partners intend to redevelop the site, providing standing for eight freight aircraft and three stands for passenger use. Airport improvements will also include cargo storage and handling, and a new passenger terminal, within two years of taking ownership and before reopening Manston Airport. Construction and development will allow the airport to accommodate at least 10,000 freight movements and up to one million passengers per year within the first six years of operation. Further developments will be made in the medium-term to accommodate the predicted increase in both freight and passenger traffic.

7.3.4 Almost all air cargo is intermodal in that it has to be transferred from airport to final destination by surface transport, generally by road on trucks. Surface access is therefore vital to the success of a freight airport and Manston has good arterial road links. The completion of the East Kent Access Road (A299) means that Manston is now accessible directly from the national trunk road network. In terms of drive time, the airport is less than 60 minutes from the M25 London Orbital, significantly widening the passenger catchment area of the airport.

7.3.5 The proposed new Lower Thames Crossing, announced in April 2017, will improve access from Manston to Essex, Suffolk and Norfolk, reducing travel times from the M25 and onto the M11, A1, and M1. The new proposed crossing means that freight arriving and leaving Manston Airport from/to continental Europe avoids the need to further congest the M25. Manston Airport has excellent high-speed rail links from Ramsgate station, less than 10 minutes' drive from the airport, to Ashford International and Central London.

7.4 Airspace issues⁷³

7.4.1 Airspace is an essential element in determining whether Manston is viable as an airport. Major airports must be able to integrate into the European Air Traffic Management Network, which considers air routes, airways and airports across Europe in a seamless and contiguous manner. Successful integration entails connectivity - identifying suitable entry and exit points to join and leave the network - as well as minimising impact by ensuring aircraft can climb to cruising altitude without blocking

⁷² Aircraft codes are defined by ICAO (Annex 14) and derive from the most restrictive of either the aircraft wingspan or the aircraft outer main gear wheel span. Codes E and F cover the largest aircraft. Code E includes B747 -100, 200, 200, 400, B777, B787 and A330. Code F includes B747-8 and A380-800 when available

⁷³ Provided by Osprey Consulting Services Ltd.

multiple levels. The South East of England, and the London area in particular, has amongst the busiest and most congested airspace in Europe. However, as Figure 8 shows, from an airspace perspective, Manston's location is ideal. The airport is sufficiently close to the confluence and convergence of major routes, such as those that converge on the Dover beacon, to be able to exploit them whilst sufficiently far away for aircraft to gain height safely before doing so. Aircraft departing from Manston can climb to 6,500 feet (and higher if routed to the north) before having any impact on the efficiency of the Air Traffic Management network.

Figure 8 Aeronautical chart showing location of Manston Airport



Source: UK(L)1, No 1 AIDU, Flight Information Publication, En-route Low Altitude, Southern UK (for reference only)

7.4.2 From an airspace perspective, expansion of an airport also requires consideration of the impact on adjacent airfields and traffic patterns, the routing of civil and military aircraft operating in the area, and the impact on third parties on the ground in terms of safety and noise. The recent proposed airspace changes at airports in the London area highlight the considerable resistance from the broader aviation community. Both civil and military stakeholders raised objections because of the potential impact on their operations as well as concerns over noise.

7.4.3 Although any proposed changes to airspace would be subject to extensive public and aviation stakeholder consultation, development at Manston would have no adverse impact on either civil or military aviation in the area. Indeed, the infrastructure at Manston previously allowed the airport to be designated for emergency diversions for aircraft crossing the Channel. Manston is outside the London Terminal Manoeuvring/Control Area (**TMA**) and can therefore provide landing facilities for emergency incidents without causing disruption to the London airports.

7.4.4 For aircraft approaching from the east, the vast majority of the flight path will be over the sea. Only the final 2.5 miles are over land, which includes 1.5 miles over-flight of part of Ramsgate. For aircraft approaching from the west, the area is comparatively lightly populated. Aircraft approaching in this direction may route over Herne Bay but will be at an altitude of around 2,400 feet at this point. As part of the development of approach and departure flight paths and operating procedures for Manston Airport, population densities would be taken into account to minimise the number of people affected by aviation noise. Where operationally and meteorological conditions allow, noise mitigation will be a factor when selecting runway direction during periods of low intensity operations. Such proposals would be subject to close scrutiny by the CAA as part of their Airspace Change Process.

8 Potential opportunities for Manston Airport

8.0.1 The previous sections have made a clear case for the reopening of Manston as a freight-focused airport with supplementary passenger operations. Capacity constraints in the South East have particularly affected freighter aircraft. Heathrow Airport lands very few freighter aircraft and with Stansted Airport reaching its current operating capacity, particularly at peak times, the situation is becoming increasingly critical, resulting in air freight being trucked to and from northern European airports (see Volume II for details).

8.0.2 There are a number of factors that influence a cargo airline's choice of airport including congestion, airport delays, custom clearance times, turnaround time and market access (Kupfer *et al*, 2016, p. 56). Kupfer and colleagues' research on the drivers behind freight airlines' choice of airport includes the presence of forwarders⁷⁴, night-time operations, airport charges, the airport's experience with cargo, and demand for air freight services from the local region. These authors find that the presence of a major forwarder is the most important attribute for airlines when choosing an airport. The RiverOak vision is to encourage integrators⁷⁵, customs brokers and agents to locate in the Manston area, have a competitive pricing structure, and build on the previous excellent cargo handling service provided by the airport. Manston is well located, with easy surface access throughout the South East. The proposed Lower Thames Crossing would improve access and the Thames Estuary 2050 project aims to stimulate business in the local area.

8.0.3 Freighter operators find competitive advantage by locating at an airport that minimises flying time. Gardiner (2006, p. 11) outlines these savings in fuel costs as well as potentially in ACMI costs (aircraft, crew, maintenance and insurance). Gardiner discusses how, when it was operational, carriers chose Manston Airport, which is 65 miles southeast of London, to avoid the London Air Traffic Control area when approaching from the south. Savings of up to 45 minutes flying time and 20 minutes taxiing can be made when compared to Heathrow or Stansted airports, a potential attraction for future users. Additionally, Manston was highly efficient in offloading aircraft and the time taken to get cargo onto trucks could be as little as 45 minutes. This compares to an average of 4 to 7 hours at Stansted Airport and far longer at Heathrow Airport. Gardiner quotes the Managing Director of MK Airlines as saying, "*Why bother flying a product at eight miles a minute when it sits in a warehouse for 7 hours?*" (Gardiner, 2006, p. 154)

8.0.4 Airports are both drivers of economic growth in a region as well as drawing on the success of the region to fuel their own growth. In March 2015, Kent County Council, in their brochure, 'Manston Airport under private ownership: The story to date and future prospects' say that, "*For decades we have argued that Manston was a sleeping giant: a regional and national asset.*" (KCC, 2015, p. 2) Looking to the future, there are a number of pertinent developments that, whilst not critical to the viability of Manston,

⁷⁴ A person or company that organises the shipment of commodities from an originator (manufacturer, producer, etc.) to a destination (customer, etc.) but generally does not own the aircraft used in the transport

⁷⁵ Integrators provide a door-to-door service, usually using their own road transport, handling, transit warehousing facilities and aircraft. Normally integrators contract directly with the shipper.

are likely to increase the success of the airport including the proposed The Lower Thames Crossing and the Thames Estuary Growth Commission 2050.

8.1 The Thames Estuary 2050 project

8.1.1 During his 2016 budget speech, the Chancellor of the Exchequer announced the extension of the Thames Gateway project. Lord Heseltine was commissioned to develop and implement a plan to create high productivity clusters along the Thames Estuary. The development zone is a critical economic corridor, linking the Channel Tunnel and the seaports of Tilbury and Dover with London. This corridor includes Manston Airport, the only freight-viable airport within the Thames Estuary area.

8.1.2 In December 2017, the new Chair, Sir John Armit, announced the priorities for the Thames Estuary Growth Commission. The Commission, whose final report is due in 2018, will focus on⁷⁶:

- Sectors: creating internationally-competitive centres of excellence that build on the corridor's sector strengths, for example in ports and logistics, and making the most of growth sectors such as the creative industries
- Connectivity: making the most of planned investments such as the Lower Thames Crossing, and assessing the case for other investments that have been proposed, such as further river crossings and extending the Elizabeth Line to Ebbsfleet
- Communities: ensuring that people right across the corridor benefit from expected growth, including equipping them with the right skills, making sure high-quality housing is available, promoting use of the river, and enhancing the Thames Estuary's natural environment
- Delivery: working closely with organisations and communities to develop a plan for delivering the vision, aligning with the Government's intention to explore ambitious housing deals in the area.

8.1.3 Discussion in Parliament ⁷⁷ indicates that the Thames Estuary Growth Commission places significance on the aviation sector. The case was made for Southend Airport and the Parliamentary Under-Secretary of State for Housing, Communities and Local Government, Jake Berry, confirmed that the airport is, "*at the heart of the Thames estuary commission's growth plans*". However, Manston Airport, also within the Thames Estuary area, has far greater potential for development due to the length of the runway, potential for connectivity outside Europe, and the significance of RiverOak's commitment to infrastructure development.

8.1.4 As part of the ambitious Thames Estuary 2050 project, a freight-focused airport at Manston will provide a considerable boost to the local and regional economies. The UK is calculated to be missing out on at least £9.5bn in potential trade with emerging economies per year due to the lack of runway capacity (Centre for Business Research, 2016). The presence of a freight-focused airport in the Thames Gateway will provide businesses with the means to import and export high value, time-sensitive and perishable goods and alleviate some of the trade that is currently lost due to a lack of UK airport infrastructure.

⁷⁶ <https://www.gov.uk/government/news/thames-estuary-2050-growth-commission-priorities-confirmed>

⁷⁷ <https://hansard.parliament.uk/commons/2018-01-22/debates/3319205D-A97C-4A48-934B-B1D0540FC585/ThamesEstuary2050GrowthCommission>

8.1.5 Azimuth Associates on behalf of RiverOak has made a submission to the Commission concerning the potential for a Manston-based Aviation Academy. Subject to further detail and agreement, this academy would be delivered in association with the outstanding conglomeration of Further and Higher Education Institutions in East Kent, with whom RiverOak has been engaging.

8.2 The Lower Thames Crossing

8.2.1 The proposed new crossing, once complete, would allow surface traffic to access Manston Airport from the east of the Country without negotiating the M25 and the associated bottlenecks. This would be particularly important for freight since trucks would be able to operate between Manston and East London, the East of England, and onwards to the Midlands and the North. The importance of the Lower Thames Crossing and potentially other crossings was confirmed in December 2017, with the Thames Estuary 2050 Growth Commission announcing their priorities, which include:

“making the most of planned investments such as the Lower Thames Crossing, and assessing the case for other investments that have been proposed, such as further river crossings and extending the Elizabeth Line to Ebbsfleet”⁷⁸.

8.2.2 The improvement to road infrastructure in Kent is expected to negate the previous accessibility issues that were previously raised about the location of Manston Airport. Indeed, since Manston is located to the south east of London, closer to continental Europe, using the airport would save fuel (potentially around \$2,000 to \$3,000 per movement) and crew time (see comment by an interviewee detailed in Volume II). This saving for airlines adds to the attractiveness of Manston as a London area airport.

8.3 Manston’s role in the resilience of the UK airport network

8.3.1 In addition to the ability to harness the opportunities outlined above, an operational airport at Manston has the benefit of providing valuable resilience in the UK airport network. This is particularly vital at times when nearby airports such as Heathrow and Gatwick are closed or restricted. Manston Airport has a long and wide runway with hard standing available away from the runway, which makes the airport particularly important as an emergency diversion airport. Stansted, the current South East diversion airport, has to be closed during an emergency, causing major disruption to passenger flights, which can cause knock on effects such as missed connections.

8.4 Capacity restrictions at Schiphol Airport

8.4.1 Amsterdam’s Schiphol Airport has an annual quota restricting its operation. The Alders Agreement of 2008 and the Aviation Policy Memorandum (Luchtvaartnota) set medium term (to 2020) limits on aircraft movements. The 2020 maximum was set at 510,000 movements of which 32,000 can take place at night or early morning. It was envisaged that regional airports, including Eindhoven and Lelystad, would be used to provide 70,000 movements in additional capacity.

8.4.2 Air traffic movements at Schiphol increased from 450,679 in 2015 to 478,864 in 2016⁷⁹. The year-to-date figure for August 2017 is 4.2% higher than the same period in

⁷⁸ *ibid*

⁷⁹ Figures from <https://www.schiphol.nl/en/schiphol-group/page/transport-and-traffic-statistics/>

2016. For this reason, it is expected that the airport will exceed its agreed quota by the end of the year. Therefore, in September 2017, it was announced that air traffic capacity constraints will be introduced at Schiphol for the forthcoming winter season.

8.4.3 These constraints mean that slots may be de-allocated to airlines that have failed to use less than 80% of their requested flight schedules. Since air freight is less predictable than passenger transport, it is likely that freighter airlines will be most affected⁸⁰. Indeed, the airport announced that full freighter movements reduced by 12.4% to November 2017. Their estimate was for 10.5% in 2018, approximately 1,900 ATMs, previously estimated. The airport states specifically that, *“The decrease in full freighter flights is a direct result of the slot scarcity at Schiphol”*⁸¹ One of the operators affected is Russia’s AirBridge Cargo. The Netherlands Trade Union Confederation (FNV) has said that hundreds of jobs are at stake with Menzies Aviation reportedly cutting 101 positions⁸². The Dutch Transport Minister has acknowledged the need a Local Rule for freighter airlines but no date has yet (March 2018) been given for implementation⁸³.

8.4.4 Schiphol currently handles around 1.75 million tonnes of freight. Compared to prior years, 2016 saw an increase of 2.5% and the 2017 figure shows a 5.4%. Whilst the quota will be reviewed for the period from 2020, the airport is planning a new passenger terminal by 2023, which will increase Schiphol’s capacity by 14 million passengers per year to more than 70 million. In terms of ATMs, any new agreement would need to be substantially higher to accommodate both increasing passenger and freighter movements.

8.4.5 Manston Airport, focused on air freight, may benefit from the relocation of operations from Schiphol and the knock-on effect in northern Europe. As airports in the region become increasingly congested, many seem to preference passenger services, squeezing out freight, particularly dedicated freighters. Indeed, the ACI say that:

*“With demand for air travel set to increase by 50% by 2035, airport capacity is one of the most pressing issues facing European mobility today. As competing global hubs in the Middle East and other emerging economies power ahead with their own infrastructure roll-outs, European air traffic is set to be heavily congested in 2035. EUROCONTROL estimates that 12% of demand will be unaccommodated, meaning 237 million passengers unable to fly.”*⁸⁴

8.4.6 These constraints may have a significant impact on freighter operations and affect logistics centres based around airports such as Schiphol. Scarcity in capacity tends to increase air cargo rates (and passenger fares – see Burghouwt *et al*, 2017), which impacts businesses in the supply chain. As such, freighter operators and the distribution centres, logistic operations and other supporting businesses may choose to leave airports like Schiphol and locate elsewhere. Airports who focus on freight and understand the nature of the industry, which does not follow the more regular patterns of the passenger market, seem likely to benefit. A freight-focused operation at Manston

⁸⁰ <http://www.aircargonews.net/news/airport/single-view/news/schiphol-airport-braces-for-loss-of-105-of-freighter-slots.html>

⁸¹ <https://www.schiphol.nl/en/cargo/page/local-rule-cargo-to-be-discussed-by-mid-december/>

⁸² <https://www.ch-aviation.com/portal/news/59960-airbridge-cargo-loses-schiphol-slots-seeks-alternatives>

⁸³ <http://www.aircargoweek.com/shippers-call-urgent-implementation-schiphol-local-rule/>

⁸⁴ <https://www.aci-europe.org/policy/position-papers.html?view=group&group=1&id=1>

Airport, in the South East of England but close to the rest of Europe, may provide an ideal option.

8.5 Enterprise Zones

8.5.1 In the 2011 Budget, the Government announced the creation of a number of Enterprise Zones across England. Enterprise Zones define a geographical area where fiscal incentives and simplified planning controls encourage businesses to flourish by reducing the barriers to growth. Enterprise Zones have been established to include or be based around a number of airports including Manchester, Luton, Newquay and Cardiff. The Government's Aviation Policy Framework (DfT, 2013b, pp. 75-6) outlines the effect of Enterprise Zone Status on airports including transforming airports into international business destinations, creating jobs, and attracting investment to boost air connectivity and maximise economic impact. Should Manston Airport re-open, it may be possible to apply to the Government for Enterprise Zone status, providing incentives for businesses to locate to the area, bringing additional employment and economic benefits to Thanet. These businesses might include a Maintenance, Repair and Overhaul (**MRO**) facility, an aircraft recycling facility, the return of the flying school, and a business jet operation.

9 Conclusions

9.0.1 This report has pointed to the considerable challenges faced by the UK as our airports reach capacity. Airports generally tend to preference the passenger market, which can lead to particular issues for freighter airlines. An example is the experience of Schiphol Airport, where dedicated freighter airlines are being forced to look to other European airports for slots. Volume II of this body of work explores the impact on UK operations in more detail.

9.0.2 In the future, the UK and its reliance on air freight faces a number of issues including the potential ramifications of a withdrawal from the EU, the continuing impact of e-commerce and changes to manufacturing practices. Speed is now a key source of competitive advantage and this is potentially a game changer for the air freight market. Using dedicated freighters may be the only way to reliably shorten delivery times across the global marketplace. Rationalising supply chains may mean that cargo is decoupled from passenger flights to meet the need for speed in delivery to both end customer and supply chain partner.

9.0.3 Trading further afield as a result of the UK's exit from the EU and the increasing importance of growth markets may mean less short haul and more long haul freighter business. This will reduce the potential for trucking to be used as a replacement for air freight. Complementary road transport would still be used to feed freight airports, particularly specialist freight airports who can operate unencumbered by passenger operations, providing reliability and speed to shippers.

9.0.4 This report set out to answer three key questions, the first of which was:
Does the UK require additional airport capacity to meet its political, economic, and social aims?
The forecasts discussed in this report highlight the need for additional airport capacity. The UK patently and urgently requires additional airport infrastructure. Without this, the UK is hemorrhaging potential trade, particularly with non-EU countries. In monetary terms, the UK could be missing out on at least £9.5 billion in potential trade each year, accumulating losses at the rate of £1.1 million every hour (CEBR, 2016).

9.0.5 The second question was:
Should additional capacity be located in the South East of England?
The London airports facilitate 76% of the UK's air freight and all London airports will be at capacity by 2030 (Airports Commission, 2017). The South East is particularly hard hit by the lack of airport capacity with losses in potential trade running at £2 billion each year (CEBR, 2016). Demand is driven by where airlines want to fly to and from and demand is highest in the South East. Dedicated freighters are squeezed out of airports that focus on passengers as their preferred market, including all main South East airports. Other airports in the South East either do not have the runway length or space for warehousing to accommodate a vibrant freight operation, which may be seen, particularly by LCCs who do not carry belly freight, to interfere with passenger operations.

9.0.6 The final question posed by this report was:
Can Manston Airport, with investment from RiverOak, relieve pressure on the UK's airport network and meet the requirement of a nationally significant infrastructure project?
Manston Airport was operational for 100 years until its closure in May 2014. Due to its size, location and lack of airspace constraints, Manston has the potential to attract and

accommodate at least 10,000 cargo movements per year. Manston Airport would seem to be the only viable option for a freight-based airport in the South East in the short, medium, and long-term. Moreover, the work in this report shows that the addition of a third runway at Heathrow Airport does not change the need for a freight-based airport at Manston.

9.0.7 It is clear from the data presented in this report that there is a substantial need for Manston Airport. Manston can be operational in as little as two years from the transfer of its ownership to an airport operator. Its strategic location, runway length and potential to accommodate all necessary infrastructure together with the considerable local backing mean it is without comparison in the UK. As this report shows, Manston is the only airport in the South East that can provide airport infrastructure for freight cargo that is needed by the UK both now and in the long term.

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MANSTON AIRPORT:
A NATIONAL AND REGIONAL
AVIATION ASSET

VOLUME II
A qualitative study of potential demand

JULY 2018

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Disclaimer

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This report has been produced by Dr Sally Dixon, an independent aviation and business research consultant. The author wishes to thank all those who contributed to the research. However, the views expressed herein are those of the author only and are based upon independent research by her.

Executive Summary

The research detailed in this report seeks to examine the demand for Manston Airport as a freight hub for the South East of the UK with additional passenger and general aviation services. There is clear demand for additional airport capacity in the South East of England, with evidence that existing airports are increasingly focusing on the passenger market as they near capacity.

Manston Airport is located in the South East where aviation industry demand is highest and most constrained (DfT, 2017). The airport has an ideal airspace location; benefits from easy surface access to London and the rest of the UK; and can provide rapid handling and turnaround times for air freight. The airport would provide almost immediate relief to the pressing situation that is causing £2 billion in potential trade to be lost to the South East each year we remain without additional runway capacity (Centre for Business Research, 2016). Indeed, examples of unconstrained freight-focused airports in Europe, such as Frankfurt Main, show the difference between a true market, where capacity is available to attract freighter flights, and a constrained market such as that in London.

Assessing demand for freight is no easy matter, with forecasts usually calculated by extrapolating past trends for a region or country before allocating a proportion to individual airports. This approach may miss any currently unmet demand and is inappropriate for an airport such as Manston with a history of underinvestment and no data to extrapolate from since 2014. As such, a quantitative approach would not be the most appropriate.

Findings from the literature review suggest a lack of datasets for freight forecasting, the unreliability of using historic data to predict the future, the inability to infer forecasts for individual airports from national figures, and the volatility in the freight sector. Academic and industry experts contacted through this research process confirmed these findings, validating the qualitative approach taken. The intention of the research was to uncover the drivers of demand for dedicated air freighter transport and provide a foundation for the forecast presented in Volume III. As such, the report provides qualitative information derived from 24 interviews with industry experts. These interviews and information from other sources identify potential demand for sectoral and geographic freight markets, passenger and other aviation opportunities.

Evidence collected for this report suggests that a vast quantity of freight is already trucked to and from northern European airports, losing revenue for UK airports and increasing costs for all those in the supply chain. A number of issues have been identified through this research that present opportunities for Manston Airport including:

- The lack of available slots at South East airports
- Bumping¹ of freight from passenger aircraft
- Security issues particularly with oversized cargo
- Speed of turnaround and bottlenecks for air freight

¹ Bumping in this context means air freight that has been booked onto a passenger flight is denied loading. Interviewees contacted for this research explain that this may happen numerous times before the goods are loaded into the belly-hold of a passenger flight or the shipper decides to use a different route or means of transport.

Interviewees also provided insight into potential markets for Manston Airport, which include:

- Perishables including fruit, vegetables, flowers, fish, and shellfish
- Outsized freight
- Express freight
- Formula One and luxury cars
- Live animals (for breeding or racing)
- Time sensitive items such as aircraft and the oil and gas industry
- Humanitarian and military flights

The research has also identified opportunities for aircraft recycling, an on-site maintenance, repair and overhaul facility (**MRO**), a Fixed Base Operation (**FBO**), and a flying school. Additionally, there is the potential to attract an integrator to Manston Airport, which would dramatically increase the profitability of the airport.

In terms of passenger services, this research has identified opportunities including providing a base for a number of low cost carrier aircraft (**LCCs**), for charter and scheduled flights, and for a tie up with Dover Harbour Board to receive passengers destined for cruise ships. The proposed London Resort and Ebbsfleet Garden City developments are expected to increase demand for both in and outbound flights. The proposed Lower Thames Crossing will improve accessibility by road to Manston Airport. The Thames Estuary 2050 regeneration project would be likely to stimulate demand for the airport whilst also benefiting from the presence of a freight-focused facility at Manston.

This report concludes that Manston Airport is of strategic importance to the UK, having the ability to attract significant air traffic, particularly the dedicated freighter market. In light of the findings described in this report, there can be little doubt that, in an increasingly competitive economic climate, the UK cannot afford to lose one of its long-serving airports. This report shows that Manston Airport is a valuable regional and national asset, capable of providing infrastructure badly needed by the UK and playing a role in helping Britain's connectedness and trade with the rest of the world.

Definitions and abbreviations

ACI	Airports Council International
ACI-NA	Airports Council International North America
Air freight	The carriage of goods by aircraft
ATM	Air Transport Movement and/or Air Traffic Movement
BAA	Formally the British Airports Authority
Backload	The transportation of cargo on a return trip to the originating airport
Belly freight	Cargo stowed under the main deck of a passenger aircraft
BTO	Build-to-Order
CAA	Civil Aviation Authority
Cargo	The term cargo and freight are used interchangeably in this report and refer to goods carried by road, sea or air
Consolidator	A person or company who combines small volumes of commodities from different originators so they can be shipped together and who usually owns the aircraft used for transport
CPO	Compulsory Purchase Order
DCO	Development Consent Order
Dedicated carrier	An aircraft that transports only freight (not passengers)
DfT	Department for Transport
EASA	European Aviation Safety Agency
ECAA	European Common Aviation Area
EEA	European Economic Area
EIA	Environmental Impact Assessment
ETS	Emissions Trading Scheme
EU	European Union
EUROCONTROL	European Organisation for the Safety of Air Navigation
FAA	Federal Aviation Administration
FBO	Fixed Base Operation
Freight	The term freight and cargo are used interchangeably in this report and refer to goods carried by road, sea or air
Freight forwarder	A person or company that organises the shipment of commodities from an originator (manufacturer, producer, etc.) to a destination (customer, etc.) but generally does not own the aircraft used in the transport
FSM	Four-step model
FTG	Freight trip generation
GBFM	Great Britain Freight Model
GVA	Gross Value Added
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
ICT	Information and communications technology
Integrator	Integrators provide a door-to-door service, usually using their own road transport, handling, transit warehousing facilities and aircraft. Normally integrators contract directly with the shipper.
JIT	Just-in-time, a manufacturing system that allows materials or components to be delivered just as they are required in the manufacturing process, thereby minimising storage costs
LCC	Low cost carrier
LCY	London City Airport
LGW	London Gatwick Airport
LHR	London Heathrow Airport

Long haul	No generally agreed definition as 'long' or 'short' is subjective. In Europe, a flight taking more than four hours to complete and/or originating/destined outside Europe is considered long haul
MDir	European Transport Model Directory
MRO	Maintenance, repair and overhaul facility
MROL	Maintenance, repair, overhaul and logistics
NAPAM	National Air Passenger Allocation Model
NAPDM	National Air Passenger Demand Model
NEAC	European model for freight transport
OAG	Official Airline Guide
RTK	Revenue tonne kilometres
Short haul	As above. Short haul in Europe generally indicates a flight within Europe so taking around four hours or less to complete
SIC	Standard Industrial Classification
STN	Stansted Airport
TfL	Transport for London
TNO	The Netherlands Organisation for Applied Scientific Research
WACF	World Air Cargo Forecast
WTO	World Trade Organization

Table of Contents

1	Introduction	1
1.1	Background and rationale.....	1
1.2	Aim and objectives.....	1
1.3	Delimitations and limitations.....	2
1.4	Report structure.....	2
2	Review of air freight forecasting literature	3
2.1	Four-step models.....	4
2.2	Airports Council International (ACI).....	5
2.3	Airports Commission demand forecasting model.....	7
2.4	ASTRA	7
2.5	Boeing	8
2.6	Department for Transport national level forecasts	8
2.7	DG-TREN projects.....	9
2.8	MDir	10
2.9	SCENES	10
2.10	STEMM.....	10
2.11	Eurocontrol.....	11
2.12	GB Freight Model.....	12
2.13	International Air Transport Association.....	13
2.14	International Civil Aviation Organisation.....	14
2.15	NEAC Model.....	14
2.16	OAG.....	14
2.17	Transportation Research Board	14
2.18	TRANSTOOLS.....	15
2.19	WebTAG	16
2.20	Game theory	16
2.21	Gravity models	17
2.22	Conclusions from the literature review	17
3	Research methodology	20
3.1	Research design.....	20
3.2	Interviewee identification.....	21
3.3	Semi-structured interview schedule design	21
3.4	Interview data collection.....	22
4	Findings	25
4.1	Findings by category of interview question.....	25
	The process and issues associated with air freight.....	25
	Likely trends in air freight.....	27
	Motivation to use Manston Airport.....	28
	Demand model and data for Manston Airport.....	29
4.2	Freight-focused findings.....	30
	Trucking activity.....	31
	Perishable goods	36
	Fish and live animals	38
	Other imports and exports.....	38
	Integrator services.....	40
	Military and humanitarian operations.....	41
	Comparison to Frankfurt Main Airport	41
4.3	Channel Crossings market share.....	43

4.4	Passenger-focused findings.....	46
	KLM	47
	Low cost carriers	48
	Resident passenger carriers	48
	Charter flights	50
	Cruise passengers	51
4.5	Other potential revenue streams	51
	Maintenance, Repair and Overhaul (MRO) facility	52
	Aircraft recycling facility.....	52
	Enterprise Zone	54
	Flying School	54
	Business jet operation.....	54
	Diversion airport.....	54
5	Discussion	56
5.1	Attracting air freight to Manston Airport.....	56
	Issues at London Heathrow Airport.....	56
	Channel crossings and trucking.....	57
	Security issues	57
	Changes to preference for belly freight.....	58
	Speed of turnaround.....	58
5.2	Market opportunities for Manston Airport	58
	Sectoral markets.....	58
	Geographic markets	58
	Attracting integrators and freight forwarders	59
5.3	External environment scenarios	59
	The UK's position in Europe	59
	Changes to fuel prices.....	60
	Availability of more efficient aircraft	61
	Onshoring of manufacturing in the UK.....	61
	Changes to logistics and transport systems in Kent	62
	Dramatic changes to economic performance.....	63
	Integrator/forwarder base	63
	Amazon base	64
	Drone hub.....	64
	Summary of scenario impacts.....	65
5.4	Manston Airport passenger demand.....	66
6	Conclusions.....	67
6.1	Recommendation.....	67
6.2	Implications for policy.....	67
6.3	Implications for RiverOak.....	68
7	References and Bibliography	70

Table of figures

Figure 1	Range of aviation forecasting techniques.....	4
Figure 2	MDir proposed freight forecasting model.....	10
Figure 3	Components of the STATFOR seven-year forecast.....	12
Figure 4	GBFM compared to the four-step model.....	13
Figure 5	GBFM processes.....	13
Figure 6	Research design.....	20
Figure 7	Categories of interview questions.....	21
Figure 8	Three hour trucking times from Manston.....	33
Figure 9	Cargolux trucking.....	34
Figure 10	Cathay Pacific trucking.....	34
Figure 11	Lufthansa trucking.....	35
Figure 12	Royal mail air and rail.....	35
Figure 13	Drive times to Manston Airport.....	46
Figure 14	Rail travel times to Manston Airport.....	47
Figure 15	Airspace design for small drone operation.....	65

Table of tables

Table 1	STATFOR IFR movement forecast for the UK.....	11
Table 2	Attributes of aviation forecasting techniques.....	18
Table 3	List of interviewees.....	23
Table 4	Frankfurt freighter schedule.....	42
Table 5	Port of Dover historic traffic figures.....	44
Table 6	Eurotunnel historic traffic figures.....	45
Table 7	Marginal airlines at Heathrow Airport.....	49
Table 8	Key characteristics of post-Brexit UK-EU models.....	60
Table 9	Impact of scenarios on the Manston forecast.....	66

1 Introduction

1.1 Background and rationale

1.1.1 This report is the second in a series of documents that make the case for Manston Airport to return to full operation. These reports cover:

- Volume I: The need for airport capacity in the South East of the UK and the potential role of Manston Airport as part of the UK's airport network
- **Volume II: The findings from a qualitative study that identifies the push and pull attractors for Manston Airport and details the opportunities and the sectoral and geographical markets the research uncovered**
- Volume III: The forecast for air freight and passenger traffic for Manston Airport over the first twenty years of operation
- Volume IV: A description of the socio-economic impacts of the operation of Manston Airport as described by the forecast in the third volume of this body of work

1.1.2 There is an urgent need for airport capacity in the South East of the UK as outlined in the first report in this series, *Manston Airport: A national and regional aviation asset: Volume I: Demand in the south east of the UK*. Whilst Parliament has now decided to support the proposed construction of a third runway at Heathrow, it will take many years before the political, legal, environmental and development issues are resolved and a third runway is operational. In these intervening years, likely to be until at least 2030², the UK will suffer continued airport congestion and lose the economic benefits associated with meeting demand for air travel. Even with a third runway in place, there may still be a need to accommodate additional freight.

1.1.3 Having noted the opportunity to reopen Manston Airport in 2014, RiverOak, now a UK-registered investment company, began the process of negotiating with the owner of the airport, Ann Gloag, co-founder of the Stagecoach organisation. However, approaches to Ms Gloag have been unsuccessful and the airport was closed in May 2014. The re-opening of Manston is now subject to an application for a Development Consent Order (DCO), promoted by RiverOak, which, if granted would authorise the compulsory purchase of the site.

1.1.43 The intention of the current owner is to secure a change of use from airport operations to a mixed use development called Stone Hill Park. This development would include up to 4,000 homes, a business park, and sports facilities over the next 20 years. Such change of use, if granted, would remove the opportunity to increase airport capacity in the South East in the short term and the important role it can play in the success of the local, regional and national economies in the long term. This report describes the research carried out to understand the potential for Manston Airport.

1.2 Aim and objectives

1.2.1 The aim of this report is to investigate the demand for Manston as an operational airport. This investigation includes freight and passenger demand as well as other potential revenue generating activities the airport can support. The results of the

² 8 February 2016, The Transport Committee hears evidence from the Secretary of State for Transport on the Government's plans for airport expansion in the South East.
<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/news-parliament-2015/airport-expansion-ev-session-15-16/> at 15.07.35

investigation have been used to support the development of a 20-year demand forecast for Manston Airport. This forecast includes the number of aircraft movements per year, an indication of the type and tonnage of freight moved, the number of passengers, the airlines' origin and destination, and the type of aircraft predicted to use Manston Airport. A review of the extant literature is used to ensure a robust methodology is followed, particularly with regard to air freight demand forecasting.

1.2.2 There are a number of objectives set out for this work and in particular the results:

- Provide the information required to support the DCO application
- Inform the Manston Airport business case and master plans
- Inform Manston Airport's marketing strategy
- Initiate stakeholder consultation
- Continue to inform key stakeholders
- Open dialogue with academic institutions from Higher and Further Education
- Stimulate innovation and the future business direction for the airport
- Provide a platform for lobbying Government and industry organisations
- Play a role in forming Government policy for air freight in the UK

1.3 Delimitations and limitations

1.3.1 The delimitations of a study are the boundaries the sponsor imposes during the selection of their research questions. This contrasts the limitations of the study, which refer to conditions or influences that cannot be controlled by the researcher. For this paper, the delimitation is the focus on Manston Airport and in particular its potential for air freight operations. An unconstrained approach, looking beyond Manston to develop a forecast for the UK or Europe, is outside the scope and resources of this study.

1.3.2 Research of this nature has its limitations. Indeed, transport models generally are at best "*imperfect representations of reality*" (DfT, 2014, p. 3). The limitations of this study, including the particulars of the research design and methodology, are not intended to be generalizable beyond Manston Airport. However, since there are no current UK government guidelines for assessing air freight demand at an airport level, it is hoped this study will provide a valuable resource to DfT policy makers.

1.3.3 Every effort has been made to ensure the robustness of this study. Decisions on the selection of the method used to assess demand, its design, and inputs are transparent and straightforward to audit. Key stakeholders have been invited to influence all aspects of the research and will continue to be able to monitor, assess and challenge the validity of the information produced. Air freight is subject to a wide range of external influences. These influences make the process of assessing demand for air freight complex. In mitigation, this study incorporates a process of triangulation, checking and re-checking with industry specialists to ensure the best assessment of quality possible in the circumstances.

1.4 Report structure

1.4.1 The report commences with a review of air freight forecasting literature, which guides the choice of methodological approach for this study. Next, the method used is outlined. The following section describes the findings from the research, structuring them so that freight, passenger, and other potential revenue streams are reported separately. A discussion of the information gathered follows the findings section. The report concludes with recommendations for government and RiverOak.

2 Review of air freight forecasting literature

2.0.1 There is a distinct lack of academic literature in the field of air cargo (Gardiner and Ison, 2007, p. 15). Forecasting air freight is quite different from forecasting passenger movements for a number of reasons. Firstly, passengers tend to make round trips whereas air freight moves in one direction only. Origin-destination (O-D) information is much harder to collect because passengers generally prefer direct routings whereas shippers are concerned only with ensuring cargo arrives within the agreed timescale. This may mean belly freight makes any number of aircraft changes (Khan, 2010). Secondly, air freight forecasting is complicated by the relative lack of statistics available and by the range of alternative options available to shippers. It is perhaps for these reasons the literature on air cargo volume forecasting has always been secondary to passenger forecasting (Khan, 2010, p. 70).

2.0.2 This section sets out the way in which the literature was interrogated to define a means by which to assess the demand for air freight movements at Manston Airport. Secondary research involves the collation and examination of existing information. A review of the extant literature helps build a robust case and make clear the premises on which subsequent work is based. The literature review method comprised three stages. The first stage was to clearly define the problem under investigation. In this case, the aim was to identify any useful and credible methods that had been used for forecasting air freight. These methods could originate in academia, government departments, or industry.

2.0.3 The second stage was to undertake a preliminary review of literature through Google and academic database searches. Known sources of credible information were accessed first. These included:

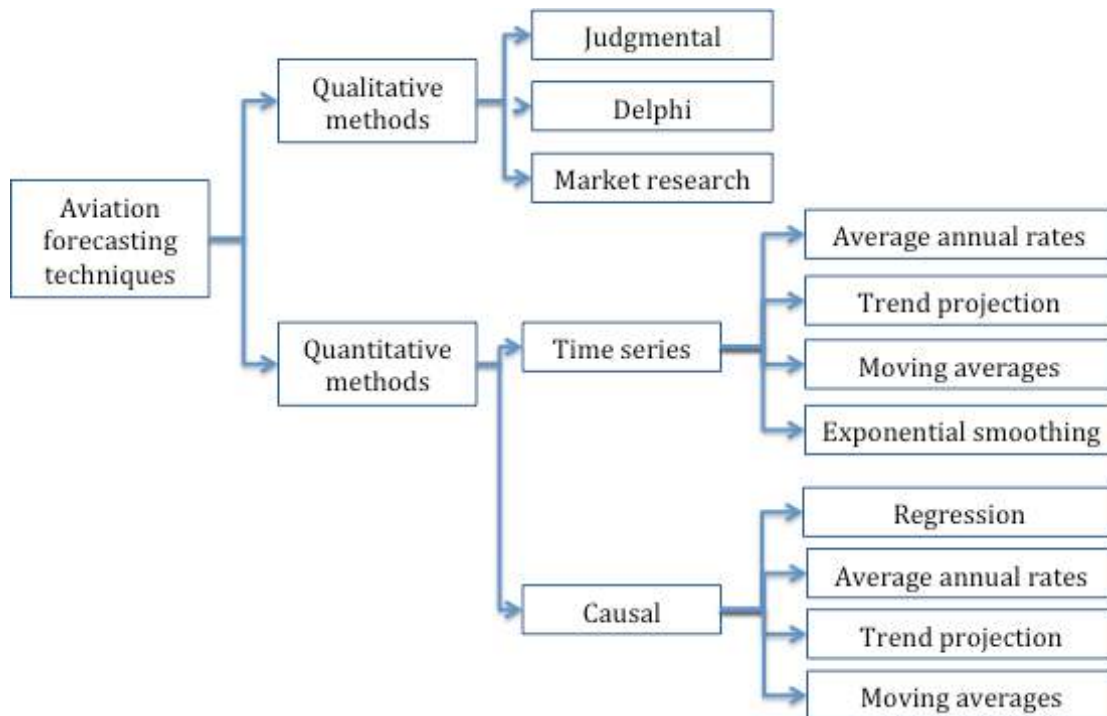
- The EU's Transport Research and Innovation Portal, an online database of research documents
- The EU's website, particularly the transport pages
- The UK Government's Department for Transport website
- The Airports Commission publications

2.0.4 The final stage was to follow citations found in the preliminary review. Information from these documents was then incorporated in the review. All literature has been referenced using the Harvard system, in text and in the list of references at the end of the report. Footnotes have been used where citations refer to opinions quoted in the press or on websites and do not form part of the literature review.

2.0.5 Broadly, aviation forecasting techniques can be divided into three main categories: qualitative methods; quantitative time series methods; and quantitative causal methods. Figure 1 shows the range of forecasting techniques available in aviation modelling.

2.0.6 Forecasts for freight are carried out on a 'demand pull' basis, where the importing country/region causes the demand for the commodity. This contrasts the LCC passenger model, where low prices cause 'demand push' to airports that may not usually 'pull' passenger traffic. However, there is evidence to suggest that an important driver in freight transport demand is the location of logistics centres with efficient service quality (Gardiner, 2006).

Figure 1 Range of aviation forecasting techniques



Source: Silva, 1994

2.0.7 The review of literature uncovered a number of forecasting techniques, which are described in the following sections.

2.1 Four-step models

2.1.1 The history of demand modelling for passenger travel has been dominated by an approach referred to as the 'four-step model' (**FSM**) (McNally, 2007). De Jong *et al* (2004, pp. 105-6) describe the four steps in freight forecasting as:

1. Production and attraction: Marginals of the O-D matrix (quantities of goods to be transported)
2. Distribution: Cells of the OD matrix (flows between origins and destinations)
3. Modal split: Allocation to modes of transport
4. Assignment: Convert tonnes of freight to transportation mode units (i.e. number of aircraft)

2.1.2 De jong *et al* review models for each of these steps:

1. Production and attraction
 - Trend and time series models that extrapolate historical data to provide a forecast into the future.
 - System dynamics models where growth in GDP is fed back into the model (for example the ASTRA - Assessment of Transport Strategies - system dynamics model). These models may not provide sufficient detail to show point-to-point flows.
 - Zonal trip rate models predict the number of trips originating in or destined for a particular traffic analysis zone. However, a 2012 paper produced for the

Association of European Transport by Holgiun-Veras and colleagues calls into question the accuracy of freight trip generation (**FTG**).

- Input-output and related models are macro-economic models that start from input-output tables. These tables describe the movement of goods (in units of currency), import and export, between sectors and consumers. These statistical tables are produced nationally.
2. Distribution
 - Gravity models
 - Input-output models
 3. Modal split
 - Elasticity-based models
 - Aggregate modal split models
 - Neoclassical economic models
 - Econometric direct demand models
 - Disaggregate modal split models (including inventory-based models and models on SP data)
 - Micro-simulation approach
 - Multi-modal network models
 4. Assignment
 - Separate assignment stage model
 - Multi-modal network model

2.1.3 Issues associated with freight modelling include the conversion between the value of goods being transported and their weight. Value/weight ratios need to be calculated by commodity groups to get an accurate as possible forecast. De Jong and colleagues also point out that shipment frequency, shipment size, return loads, and vehicle utilisation rates influence transport decisions.

2.2 Airports Council International (ACI)

2.2.1 Two documents have been reviewed in this section: The first is the 2011 ACI Airport Traffic Forecasting Manual; and the second is Chapter 3: Demand Forecasting Techniques from the ACI North America Air Cargo Compendium 2013.

2.2.2 ACI Airport Traffic Forecasts (ACI, 2011) use a blend of methods including data from a sample of around 250 airports, econometric variables, and estimates based on airline capacity considerations. Forecasts take account of capacity constraints as well as demand data. The 20-year timeframe includes short and medium-term forecasts. ACI data includes:

- Development of worldwide passenger traffic
- Traffic projections by region
- Individual forecasts for over 140 countries
- Forecast traffic growth between world regions
- Freight and aircraft movements

2.2.3 The ACI North America Air Cargo Compendium provides more specific information on forecasting techniques for air freight at individual airports. They recommend deriving customised inputs from a detailed market assessment informed by

carriers, their business partners and other supporting entities in the air freight community (ACI-NA, 2013, p. 3). Unlike their sister body, the ACI-NA propose forecasting unconstrained market-driven demand.

2.2.4 The ACI-NA also discusses how airports might stimulate local air freight activity. They suggest that in the US, airports have developed truck drop centres near major highways, *“to efficiently pull air traffic away from gateway airports”* (ACI-NA, 2013, p. 5). They also suggest that airport users find certain infrastructure and facilities desirable, including, *“newly built air cargo facilities, easier airport access, warehousing sorting and storage space, smoother customs policies, secure airside access, and shorter taxi-time”* (ACI-NA, 2013, p. 6).

2.2.5 The ACI-NA’s forecasting model separates air cargo demand from supply in the stages as described below (ACI-NA, 2013, pp. 7-13):

Air cargo demand

- Origin/destination
- Commodity (perishability, value, weight, and physical dimensions)
- Level of service (desired transit times)
- Shipment size
- Regional/local economic indicators (demographics, employment, production, industrial location)
- Demand side indicators (economic, industrial and demographic factors affecting destination/origin markets)

Air cargo services and other supply factors

- Integrated air cargo carriers
- Combined passenger/freight carriers
- Freight forwarders
- Customs brokers
- Trucking firms
- Warehousing, ground handling, and 3PL firms
- Current and future fleet trends
- Time through the airport (including security screening)
- Cost of using the airport
- Restrictions at the airport (night flying, noise, emissions, etc.)

2.2.6 In terms of supply considerations, ACI-NA believe the most important consideration is assessing whether existing patterns and trends are set or whether change can be expected and should be incorporated into air freight forecasts (ACI-NA, 2013, p. 12).

2.2.7 The activity measures the ACI-NA advise incorporating into forecasts are shipment weight and value; the number and capacity of aircraft operations by category, type and aircraft size; truck activity to and from the airport; and infrastructure at and near the airport (ACI-NA, 2013, pp. 12-13).

2.2.8 In terms of a specific forecasting method, ACI-NA recommends the following activities (ACI-NA, 2013, pp. 16-20):

- Collect and analyse data
 - Current aviation industry and cargo trends

- Catchment area socio-economic data
- Historical air service and cargo traffic trends
- Benchmarking against similar airport
- Competitor analysis
- Employ modelling technique
- Use a market share forecast (if using data for a region or country)

2.2.9 The ACI-NA recommends using both near-term and long-term forecasts, where the method for each can differ. Whilst the long-term forecast can be based on statistical regression analysis linked to projections for GDP, the near-term forecast should take account of judgements by industry specialists.

2.2.10 The ACI manual (2011) also provides information on constructing ultra-short-term forecasts to optimise operational performance (used to produce resource plans, avoid departure delays, etc.).

2.3 Airports Commission demand forecasting model

2.3.1 The Airports Commission based their forecasting model on the DfT's aviation forecasts. However, they also analysed how demand for air travel is likely to change in the future in response to national and global economic development, policy changes, and fuel price changes. Additionally, the Commission took account of national and international competition, particularly the effect of UK airport capacity constraints. However, the Airports Commission says they did not follow a mechanistic 'predict and provide' approach. Instead they developed new assessment methodologies including noise impacts, surface access, cost and deliverability.

2.3.2 The main details of the Airports Commission demand forecasting model is contained within their standalone report (Airports Commission, 2013). Very generally, the Airports Commission classify forecasts into one of three main categories (Airports Commission, 2013, pp. 6-7):

- Naïve – where tomorrow is forecast to be like today
- Causal – where dynamic links to economic, fiscal, and demographic drivers are modelled into demand forecasts
- Judgement based – where data is limited or simply not available, the Airports Commission recommend using expert witnesses to predict how demand might look in the future. Several methods are useful including executive judgement, the Delphi Method, and market research. Use of these methods requires transparency of assumptions and testing on different scenarios (see Section 13 of this report for a discussion of various scenarios).

2.3.3 The Airports Commission's forecasts focus heavily on passengers, with little description of how air freight was handled. The uncertainties and scenario testing carried out all involved passenger transport. Since the Commission declare their base forecast was provided by the DfT, it can be assumed, since no mention of a change to the air freight forecasts took place, that these stand.

2.4 ASTRA

2.4.1 ASTRA (Assessment of Transport Strategies) is a system dynamics model developed for the European Commission (ASTRA, 2000). With this type of system, changes to freight transported over time are fed back as an impact on the economy and GDP. This in turn affects freight figures. ASTRA has a macro-economic module that allows regional growth in GDP to be predicted. However, system dynamics models do

not usually contain sufficient detail to allow zone-to-zone forecast flows and link loadings to be made (de Jong *et al*, 2004).

2.5 Boeing

2.5.1 The Boeing (and Airbus etc.) forecasts are good references for macro-level information. These sources consider international volume growth but do not provide micro-level, airport-specific forecasts or the methodology to do so. The next update to the World Air Cargo Forecast (**WACF**) is due in the fourth quarter of 2018.

2.5.2 Boeing (2014, p. 10) says four approaches provide useful forecasts. These are:

- Econometric modelling - useful for medium- and long-range forecasts in regional markets
- Evaluation based on judgment – used to account for predictable changes in non-econometric growth factors
- Trend analysis - useful in evaluating general changes in the market attributable to the combined effects of numerous factors
- Potential analysis - useful for forecasting markets in their early stages of development. This approach projects air freight from total freight using the value of the goods (Boeing suggest more than \$16 per kilogram) to estimate which will be moved by air.

2.5.3 The most recent Boeing air cargo forecast shows 4.2% world growth annually over the next 20 years, measured in revenue tonne kilometres (**RTKs**) (Boeing, 2016, p. 2). For Europe the annual growth figures are:

Europe-Asia	4.6%
Europe-North America	2.4%
Latin America-Europe	3.8%
Africa-Europe	3.8%
South Asia-Europe	5,0%
Middle East-Europe	3.9%
Intra Europe	2.2%

2.5.4 Global e-commerce is expected to grow rapidly over the coming years and has the potential to bolster air cargo growth. China is the key growth trading bloc, with online retail sales growing at an average of 56% per year. Boeing expects that China's e-commerce market will be larger than the existing US, UK, Japanese, German and French markets (Boeing, 2016, p. 2).

2.6 Department for Transport national level forecasts

2.6.1 Despite an in depth literature search, the air freight forecasting method used by the DfT seems sparse when compared to the passenger information they provide. Their 2013 publication, UK Aviation Forecasts, says:

“This forecast assumes that demand for air freight, the share of freight carried on dedicated cargo flights and the average payload of these flights will follow the average trend over the period 1990 – 2011. This results in a future projection for air freight ATMs that grows from 2011 outturn at an average rate of 0.4% a year.” (DfT, 2013a, p. 55)

2.6.2 Later in the same report, the DfT refer to the MDS Transmodal³ 2000 model, used by Halcrow in the earlier version of the freight model 97. This model links freight demand to GDP in the long-term, providing a much higher demand than the final DfT output. This is due to the DfT taking the view that the downturn in freighter ATMs from 2001 will continue. They therefore reduce their freight ATM forecasts between 2011 and 2050 from growth of around 2% to only around 0.5%. By 2030, this reduces their forecast ATMs from an unconstrained 120,000 to 60,000 (DfT, 2013a, p. 103).

2.6.3 The 2001 report by MDS (a consultancy providing analysis and advice on issues related to freight transport and logistics) and others for the DfT, forecasts air freight between 2000 and 2010. Instead of GDP, MDS linked air cargo to international trade, applying an increasing share to UK trade projections (Morrell, 2011). Their assumptions of stimulated competition between airports resulted in an increased forecast for freighter cargo from 30% in 1998 to 57% by 2030. Indeed, under an alternative scenario, this move towards cargo being carried on dedicated freighters resulted in an increase to 74%.

2.6.4 The 2017 updated aviation demand forecasts (DfT, 2017, p. 33) confirms that freight is not modelled in detail. An assumption that the 2016 number of movements will remain unchanged has been used. Based on analysis of CAA figures, the DfT found that:

“Total freight carried at the UK airports in the department's model rose from 2.9 million tonnes in 2011 to 3.1 million tonnes in 2016, with a growth of 4% in cargo tonnage on freighter aircraft and 5% increase in bellyhold freight on passenger aircraft.” (DfT, 2017, p. 67)

2.6.5 To be complete, the methodology used by the DfT for forecasting passenger traffic has been included here. The model has two stages: The first is the National Air Passenger Demand Model (**NAPDM**), which forecasts national demand. This demand is disaggregated into sub-markets including origin-destination, country of residence, business/leisure, and final destination/transit. The second stage is to allocate demand to individual airports. This is carried out through the National Air Passenger Allocation Model (NAPAM). No such models exist for air freight traffic.

2.6.6 Time series regression analysis follows to identify the drivers for passenger air travel and to model these relationships. These drivers can be categorised as those that affect economic activity (such as consumer expenditure, GDP, and trade) and those that influence airfares (oil prices, carbon prices, and airline costs). Drivers are allocated elasticity of demand factors for each of the passenger segments (business/leisure, etc.). Following the two-stage process, Air Traffic Movements (**ATMs**) can be forecast for each airport. This data can then be used to produce forecasts for the aircraft fleet mix at each airport and by route.

2.7 DG-TREN projects

2.7.1 DG-TREN is the European Directorate General for Mobility and Transport. According to DG-TREN, the aviation sector is strategically important, making a vital contribution to the EU's overall economy and employment. Aviation supports almost five million jobs and contributes €300 billion, or 2.1%, to European GDP.

³ See DfT, 2013, p. 103 (UK Air Freight Study Stage 1, MDS Transmodal, August 2000; UK Air Freight Study Stage 2, MDS Transmodal, August 2001; and, SERAS Stage 2, Appraisal Findings Report – Supporting Documentation: Freight Forecasting, Halcrow, May 2002)

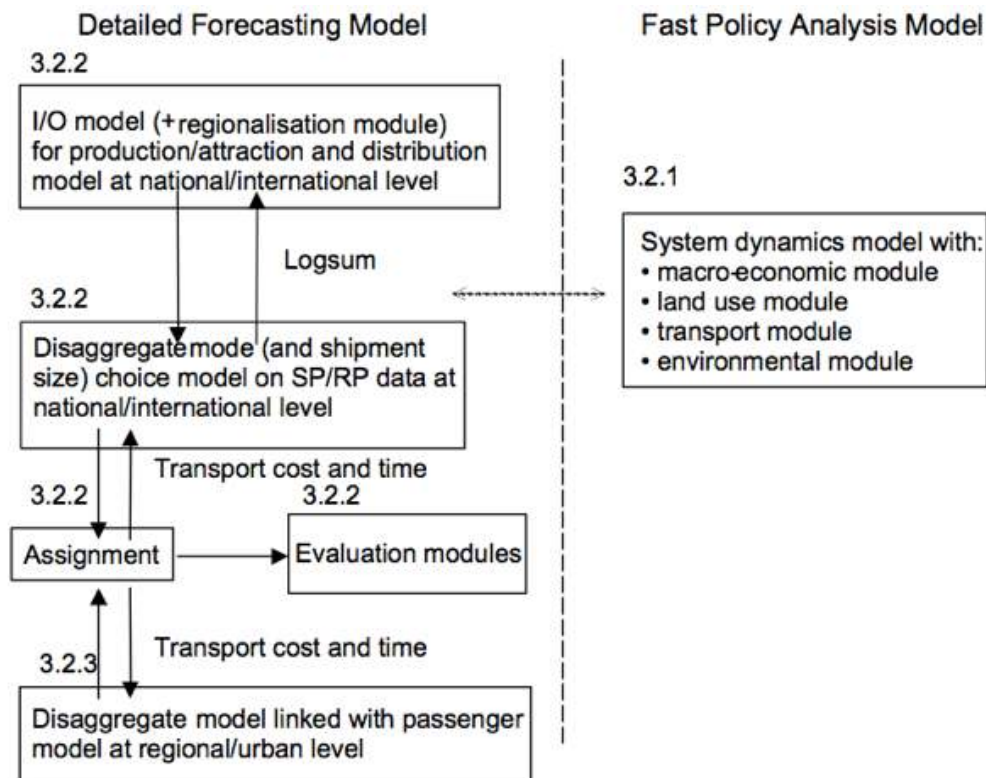
2.7.2 As part of their remit, DG-TREN has funded the development of a number of advanced tools for transport policy decision-making. Included in these are MDir, SCENES and STEMM, brief descriptions of which follow.

2.8 MDir

2.8.1 The European Commission, as part of a project for DG-TREN, established a European Transport Model Directory (**MDir**). This directory contains information on freight transport models and also on joint passenger and freight transport models (De Jong *et al*, 2004). The project does not include air freight specifically. The project lists a number of national freight models. For the UK, MDir lists the STEMM national freight transport forecast system (see below).

2.8.2 The project recommends development of a model with high and low-resolution levels for detailed and policy analysis respectively. Figure 2 shows the steps involved in the proposed model structure, which is based on a four steps process.

Figure 2 MDir proposed freight forecasting model



Source: De Jong *et al*, 2004, p. 12

2.9 SCENES

2.9.1 The SCENES Internet database is a databank of variables including 33 sectors and more than 200 European zones, covering passengers and freight. The objective of SCENES is to allow the production of transport demand scenarios for the EU. These scenarios are made up of external, socio economic scenarios, and sets of policy scenarios (ME&P (UK) *et al*, 2002).

2.10 STEMM

2.10.1 DG-TREN's STEMM project (Strategic European Multimodal Modelling) is a sophisticated passenger, multi-country passenger and freight transport model. Again,

this project failed to incorporate air freight, focusing on road, rail and sea. However, the project developed a methodology for modelling intermodal chains for passenger and freight transport. The project aimed to assist policy makers to reduce barriers to intermodality arising from institutional and regulatory measures⁴.

2.10.2 The researchers had problems with data collection for the freight transport aspect of the model, with the voluntary survey resulting in an inadequate sample size. The model was completed using data from other sources. A number of policy scenarios were built into the model including a strongly anti-road orientated strategy⁵.

2.11 Eurocontrol

2.11.1 The latest edition of the European Commission’s Eurocontrol Network Manager seven-year forecast was published in February 2016. Eurocontrol is the European Organisation for the Safety of Air Navigation. It provides Europe-wide impartial air traffic forecasts, market analysis, and statistics to the aviation community. Due to its focus on air navigation, only IFR (Instrument Flight Rules) flights are included.

2.11.2 Eurocontrol/STATFOR takes an econometric forecasting approach to provide impartial Europe-wide air traffic forecasts. Other Eurocontrol units use this high level forecast, shown in Table 1 for the UK, to provide forecasts at the level of individual airports. The forecast uses the most up-to-date input forecasts of economic growth, population, low-cost market share growth, load factors, future events, future high-speed rail network, and future airport capacities. It uses scenario-based inputs to describe the future combined with data-driven models (such as the development of high-speed rail).

Table 1 STATFOR IFR movement forecast for the UK

IFR Flight movements ('000s)	All IFR traffic			Cargo traffic @ 3.4% of total		
	High	Base	Low	High	Base	Low
2012		2,211			75.2	
2013		2,225			75.7	
2014		2,269			77.1	
2015		2,322			78.9	
2016	2,410	2,384	2,358	81.9	81.1	80.2
2017	2,480	2,435	2,382	84.3	82.8	81.0
2018	2,570	2,484	2,395	87.4	84.5	81.4
2019	2,641	2,531	2,416	89.8	86.1	82.1
2020	2,732	2,585	2,439	92.9	87.9	82.9
2021	2,799	2,622	2,445	95.2	89.1	83.1
2022	2,869	2,655	2,457	97.5	90.3	83.5

Source: European Commission, 2016, p. 70 (cargo traffic calculated by author)

2.11.3 The Eurocontrol forecast is based on the interaction between supply and demand. They find the three most influential inputs to be economic growth, regulation, and overflight patterns. The 2016 forecast has been revised upward for the UK, to 2.7%. The Spanish forecast was also revised upwards to 6.7% whilst Germany remains stable at 2.7% and France and Italy have been revised downwards to 2.2% and 1.8%

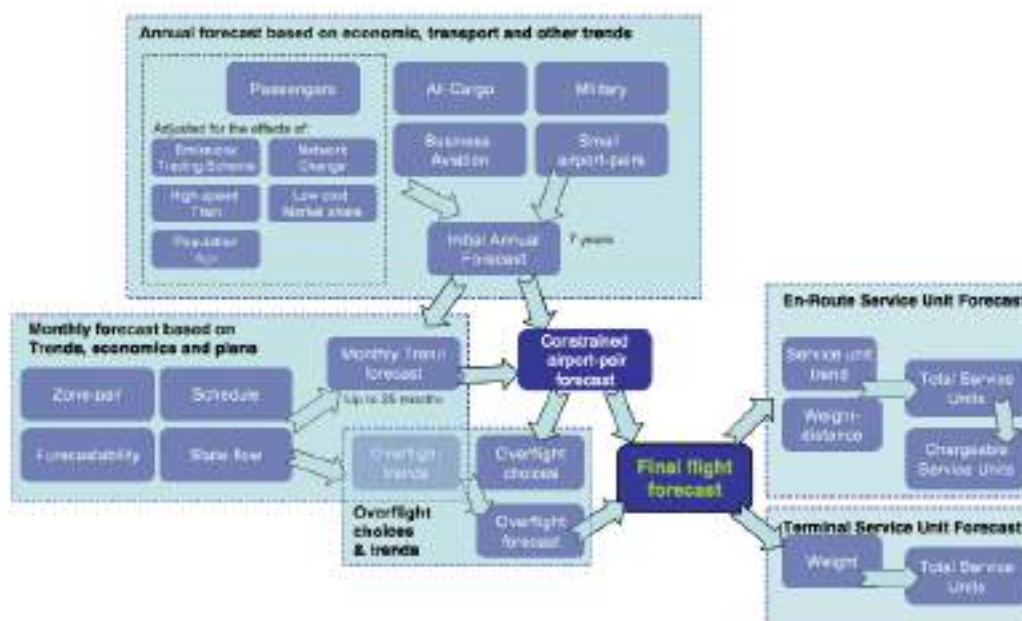
⁴ http://cordis.europa.eu/result/rcn/22642_en.html

⁵ <http://cordis.europa.eu/transport/src/stemmrep.htm>

respectively. In terms of air freight, the all-cargo segment grew by just below 1% for the second year running and makes up 3.4% of the total IFR traffic in Europe.

2.11.4 Figure 3 shows the components of the Eurocontrol/STATFOR seven-year forecast.

Figure 3 Components of the STATFOR seven-year forecast



Source: Eurocontrol, 2016, p. 14

2.12 GB Freight Model

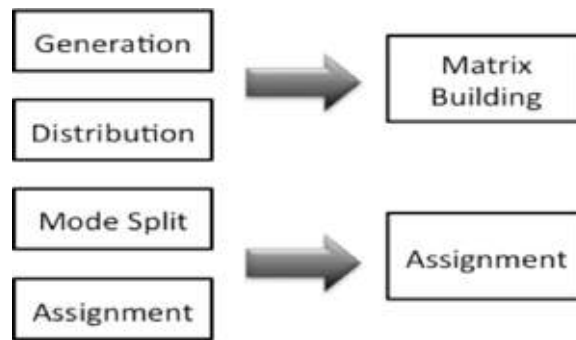
2.12.1 The DfT's GB Freight Model (**GBFM**) evolved from Kent County Council's ferry models of the early 1990s to an international and domestic multimodal national transport model. MDS-Transmodal documented the methodology used to forecast freight in 2004. In 2013, the DfT used external consultants to audit the model to assess its suitability and recommend improvements whilst a more refined freight modelling system is being developed⁶. The Institute for Transport Studies at Leeds University led the freight modelling methodology.

2.12.2 One of the outcomes of the work on the GB Freight Model was the STEMM Freight Model. The model uses the four-step transport forecasting model as a basis. However, the GB model combines the first two steps and the last two steps as shown in Figure 4. The two resulting steps are then used to allocate traffic to freight services – international, domestic multimodal, and domestic road.

2.12.3 The two stages within the GBFM contain a number of processes as shown in Figure 4. The F-Logit specification, as shown in Figure 5, came from the STEMM project. The F-Logit calculates the probability that an alternative route will be chosen. The model contains a number of criteria that can be defined to show choices between pairs of alternatives. The assignment stage focuses on how multimodal systems are used. The model does not, however, forecast air freight traffic.

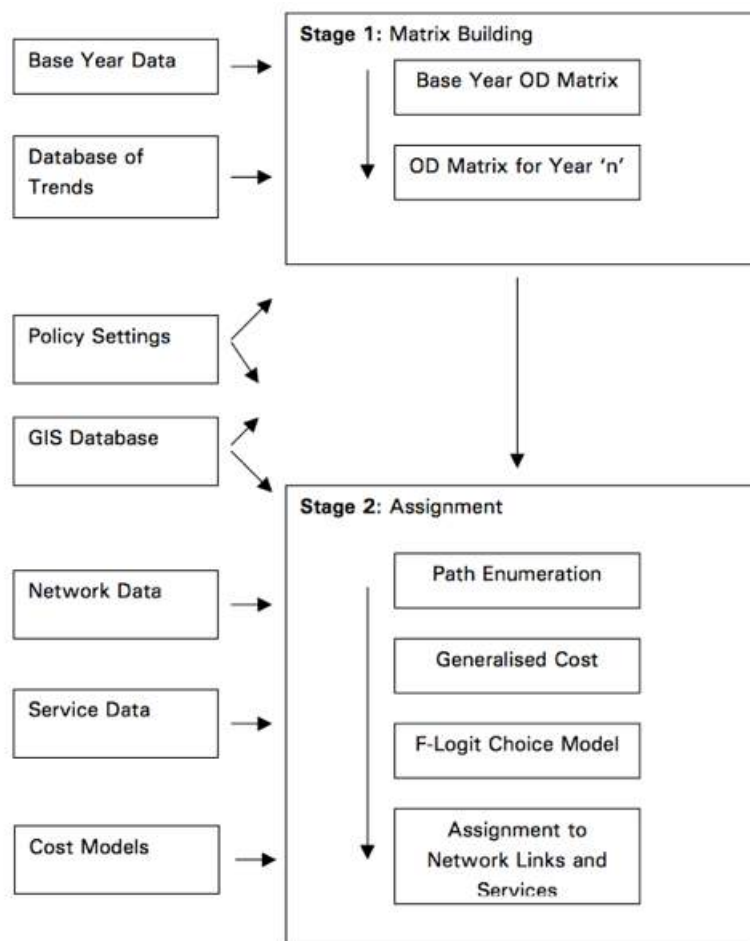
⁶ <http://www.dft.gov.uk/rmd/project.asp?intProjectID=11780>

Figure 4 *GBFM compared to the four-step model*



Source: MDS-Transmodal, 2004, p. 18

Figure 5 *GBFM processes*



Source: MDS-Transmodal, 2004, p. 30

2.13 International Air Transport Association

2.13.1 The International Air Transport Association (**IATA**) December 2017 Air Freight Market Analysis shows a continuing global recovery in freight volumes with the strongest year for air freight growth since 2010 (IATA, 2017, p. 1). IATA sells their Airline Industry Forecast for around US \$1,500 (approximately £1,100). The report provides detailed five-year traffic forecasts for more than 3,000 individual country-

pairs, plus aggregate results at regional and global levels. The forecast derives from the results of a survey of the industry's major airlines, civil aviation and airport authorities. Freight tonnes and five-year forecasts for inbound and outbound freight are provided for over 1,000 international country pairs, including aggregated values for six world regions, 17 world sub regions, and more than 900 country to sub region forecasts⁷.

2.14 International Civil Aviation Organisation

2.14.1 The International Civil Aviation Organisation (**ICAO**) produces short to medium-term forecasts for total world air cargo traffic (Morrell, 2011). These forecasts are available at global, regional and route-group levels. ICAO uses a judgement-based consensus approach to forecasting, which combines forecasts from a range of other organisations and discussion with experts. The objective of their forecasts is to support commercial aviation development. In particular, ICAO aim to support airports with their planning issues. NEAC Model.

2.15 NEAC Model

2.15.1 The European model for freight transport (**NEAC**) is a tool for analysing and forecasting national and international transport flows. As a forecasting model, NEAC uses a database of information on transport flows between regions, based on the specialisation of countries or regions. In addition to the supply and demand elements (gravity model based on supply factors of the exporting country/region and the demand factors of the importing country/region), barriers to trade such as transport costs, tariffs (or conversely free-trade zones) and cultural differences are taken into account. More specific NEAC models can be coupled with the database including:

- A trade model for forecasting of future trade flows
- A modal-split model (estimation and forecasting of modal-split)
- An assignment model (assignment of traffic flows on transport networks)
- A container forecasting model (estimation of containerised transport)
- An environment model (calculation of emissions resulting from transport)
- The EcoNEAC model (estimation of the effect of transport and infrastructure on the economy)

2.16 OAG

2.16.1 The Official Airline Guide (**OAG**) produce medium-term air freight forecasts with a 10-year horizon. Their customised cargo flight data can be used to plan shipments, manage supply chain activities and monitor trends⁸. Prices available on application.

2.17 Transportation Research Board

2.17.1 The Transportation Research Board, part of the US National Research Council, explains how demand forecasting for new facilities (Chapter Four, pp. 23-34). For a new facility or project, where forecasters do not have the benefit of a past on which to project future use, they say that:

"In summary, the following four steps describe demand forecasting for new facilities:

1. *Identify the potential freight market*
2. *Forecast changes in the market*

⁷ <http://www.iata.org/publications/Pages/airline-industry-forecast.aspx>

⁸ <http://www.oag.com/markets/cargo>

3. Estimate the new facility's market share, and
4. Evaluate the effects of alternative futures" (National Research Council, 1997, p. 23)

2.17.2 In terms of identifying the potential freight market, the first step is to identify competing facilities, which may be nearby or more distant. Changes in the market can be estimated using either economic indicators or statistical procedures. Identifying sources of demand for a new facility may arise from four key sources:

- Diversion of traffic from a competing facility without any change in modes used (for example to air transportation from road haulage or sea crossings)
- Diversion of traffic from another mode
- Increased production by existing shippers in the area
- Establishment of new shippers in the area (ibid, p. 24)

2.17.3 The techniques required to estimate route diversion to new facilities include estimating carriers' or shippers' flows, comparing costs, and projecting the sensitivity of current flows to changes.

2.17.4 As the authors of this report say:

"A major reason for considering the development of a new transportation facility may be the hope that it would result in new shippers moving into the area. Although a new transportation facility may increase the attractiveness of the area to potential new shippers, actual location decisions will depend both on the resulting transport costs and quality of service, as well as on a variety of other locational factors." (ibid, p. 26)

2.18 TRANSTOOLS

2.18.1 TRANSTOOLS, tools for transport forecasting and scenario testing, provides a European transport network model for passengers, freight, and intermodal transport. The TRANSTOOLS team say they have developed the most comprehensive European transport model available. The model is free although requires ARC-GIS (an information system for working with maps and geographic information) and TRAFFIC ANALYST to run. The TRIP website⁹ says the TRANSTOOLS Freight Demand Module consists of the following sub-modules:

- *The TRANSTOOLS Trade Module, which uses the ETIS O/D freight transport matrix. Its output is a forecast O/D matrix for freight including origin region, in-between trans-shipments and destination region, as well as transport mode at origin, in-between trans-shipments and at destination, commodity group and tonnes.*
- *The TRANSTOOLS Modal Split Module for freight transport based on the model in NEAC. It adjusts the stable modal split resulting from the Trade Model. Its output is the ETIS freight matrix (a forecast O/D matrix including forecast modal split).*
- *The TRANSTOOLS Logistics Module. Based on SLAM, which is a module appended to the SCENES model, it evaluates the impacts of changes in the logistic and transport systems within Europe on the spatial patterns of freight transport flows, through changes in the number and location of warehouses for the distribution of goods. Its outputs are unimodal transport matrices used by the Assignment Module, and generalised and monetary costs per origin, destination and commodity type used by the Economic Module.*

⁹ <http://www.transport-research.info/project/tools-transport-forecasting-and-scenario-testing>

2.18.2 The contact for this model is Dr. Chen, at The Netherlands Organisation for Applied Scientific Research (**TNO**), who was emailed on 17 March 2016. The email was forwarded to Dr Mandel of MKmetric. His response to a request for further information was that, in principle the tool does not allow forecasts for a single airport. It is also unlikely that TRANSSTOOLS includes Manston Airport although this was not specifically requested and would need to be checked. However, the air freight forecasting element of TRANSSTOOLS is rudimentary, using fixed air networks, which, it seems, does not provide a realistic forecast.

2.19 WebTAG

2.19.1 The WebTAG modelling and forecasting guidance enables practitioners to produce adequate evidence to support the business case for major transport schemes (DfT, 2014, p. 1). The DfT propose a standard model structure for transport forecasting, consisting of a three step process:

1. Data collection
2. Modelling
3. Forecasting

2.19.2 This model is aimed at road traffic forecasting but has been included here for its standardisation and application in the UK by the DfT. The DfT prefer incremental models (2014, p. 7), where there is a more heavy reliance on observed data than on the mathematical specification of an absolute model. In the case of Manston Airport, it is impossible to base forecasts on current observable traffic since the airport closed in 2014. However, data is available for the years prior to its closure and this could be used as a proxy for observable data.

2.20 Game theory

2.20.1 Game theory aims to predict equilibrium outcomes, which lie at the intersection of the various players' strategies for winning the game. Essentially, a negotiated equilibrium is reached when there is no incentive, given the choices of the other parties, for any of the parties to change their strategy (Sebenius, 1992). Lenoir (1998) describes the air transportation system as chaotic, rendered so by the strategic behaviour of the actors in this oligopolistic sector. She says that game theory can be applied to try to make sense of what drives actors' decisions. Since the industry has a limited number of actors, the behaviour of one has consequences, in terms of pricing and total capacity, on the entire market. (Lenoir, 1998, p. 15)

2.20.2 In support of this premise, Balakrishnan (2008) describes the air transportation system as having multiple stakeholders with competing interests. Using game theory, she says, makes it, "*possible to develop algorithms for the scheduling (and rescheduling) of air transportation resources that address issues of equity and incentives for gaming among airlines.*" (Balakrishnan, 2008, p. 3)

2.20.3 A few academics have considered the use of game theory in air transportation. In 2009, the California Management Review, which serves as a vehicle of communication between those who study management and those who practice it, considered whether airports would expand or delay depending upon their competitor's actions. D'Alfonso and Nastasi (2012) investigated contracts between airports and airlines. They looked at two competing facilities and three types of agreements, developing a multistage game showing whether competing airports and their dominant airlines decide would enter a contractual arrangement.

2.20.4 Saraswati and Hanaoka (2014) also looked at airport–airline cooperation using game theory. These authors considered a contract where an airport shares a percentage of its commercial revenue with an airline for a fixed payment. The objective was to observe how the revenue share allocation maximised profit for the airport but was also acceptable to the airline. Saraswati and Hanaoka, drawing on Starkie (2008), Fu *et al.* (2011) and Hihara (2012), note that cooperation between airports and airlines takes a number of forms:

- Long-term terminal leases
- Long-term negotiated charges for the use of airport facilities
- Signatory airline status in airports (where airlines have certain rights over airport use and capital improvement projects)
- Concession revenue sharing
- Airline ownership of airports
- An airport making a contingent payment to/from the airline, “based on the difference between the realized load factor and the target load factor set at the start of the contract period.” (Saraswati and Hanaoka, 2014 p. 17)

2.20.5 Aside from the airport-airline ‘game’, Ordonez and Stier-Moses (2010) used network games to model the interaction between agents who select routes to go from their origins to their destinations. Saeed (2012) and Krajewska and Kopfer (2009) look at game theory in the context of vertical and horizontal cooperation between independent freight forwarders. Ting (2009) uses game theory to consider competitive pricing in logistics services and Theys *et al* (2008) use this method to analyse cooperative networks in intermodal transportation.

2.21 Gravity models

2.21.1 Gravity models derive from the literature on international trade and the transport economics literature. They take the concept of gravity as an attractor and apply it to the transport sector. Gravity models assume links between origin and destination nodes (such as cities) and use this gravity to calculate traffic volumes. A friction factor is calibrated to show any impedance in the route¹⁰. The ‘pull’ between the two nodes (the origin and destination) is proportional to the size of the nodes (cities) and inversely proportional to a function of the distance between them.

2.21.2 York Aviation (2015) used a gravity model to forecast the airport destination of the excess air freight demand from the London system. Their premise is that if demand cannot be met in London, freight will be trucked to other airports. York Aviation forecast that a total excess tonnage of freight of 2.1 million that would have to go elsewhere by 2050 without airport expansion in the UK. This amounts to some 80,000 freighter movements (York Aviation, 2015, p. 15). They found that 34% would be trucked to Paris Charles de Gaulle, 19% to Amsterdam, and 18% to Frankfurt. The remainder would go to Birmingham (13%), East Midlands (8%) and Manchester (7%) (*ibid*, p. 23).

2.22 Conclusions from the literature review

2.22.1 Most modern transport planning is carried out by modelling demand and supply. Holguin-Veras and colleagues (2012) describe how poor understanding of freight transportation behaviours and a lack of data has ensured that few freight demand models are available to planners. A thorough understanding of how a freight system functions is necessary if a good model of that system is to be developed. Such an

¹⁰ <http://www.princeton.edu/~alaink/Orf467F08/The%20Gravity%20Model.pdf>

understanding comes from in depth discussions with both the users and providers of the system. As such, qualitative investigations with industry experts must form a key part of the development and population of a demand model.

2.22.2 Indeed, whilst focusing on airline traffic forecasting, Table 2 provides a good summary of the advantage and disadvantages of the qualitative and quantitative methods available. According to Khan (2010, p. 73) only econometric modelling, trend analysis, and the three qualitative methods have been used to forecast air freight demand. However, as Table 2 shows, none perform well in the short, medium and long-terms.

Table 2 *Attributes of aviation forecasting techniques*

	Qualitative methods			Time-series				Causal
	Exec. Judg' ment	Market research	Delphi	Annual Ave. Growth	Expo. Smooth-ing	Linear Trends	Moving Ave	Regre-ssion
Accuracy:								
0-6 months	Good	Good	Fair/good	Fair	Good	Fair	Fair	Good
6-24 months	Fair	Fair/Fair/poor	Fair/good	Fair	Fair	Poor	Fair	Fair/good
5 years	Poor	poor	Fair	Poor	Poor	Poor	Poor	Fair
Suitability for forecasting:								
Traffic growth	Good	Good	Good	Good	Good	Good	Good	Good
Traffic reaction	Poor	Fair	Poor	n/a	n/a	n/a	n/a	Good
New routes	Poor	Poor	Poor	n/a	n/a	n/a	n/a	Poor/fair
Ability to identify turning points	Poor/fair	Fair/good	Fair/good	Poor	Fair/poor	Poor	Poor/fair	Good
Ready availability of input data	Good	Fair/poor	Poor	Good	Good	Good	Good	Poor/fair
Days required to forecast	1-2	90+	30-180	1-2	1-2	1-2	1-2	30-90
Cost	Very low	Very high	Mod.	Low	Low	Low	Low	High

Source: Adapted from Doganis, 2002, p. 234

2.22.3 Whilst econometric models have been the forecasting method of choice by the DfT, Airports Commission and the EU, these are generally used to forecast passenger air traffic for a country or region. As the ACI says, "Any airport wishing to apply an econometric forecasting approach is advised to begin by examining its historic traffic and survey data" (ACI, 2011, p. 25). This suffices at country level or for established airports where the past can be used to predict behaviour in the future. However, in the case of Manston Airport, closed for several years and lacking investment for many more, this approach is not appropriate. Any attempt to build an econometric model would have to

establish criteria whereby a proportion of the total predicted UK air freight traffic was 'diverted' to Manston. However, deciding upon the proportion to divert to Manston raises significant problems.

2.22.4 Therefore, instead of providing a mathematical forecasting model, this review of the literature suggests a qualitative approach that aims to predict human and organisational behaviour. Indeed, the DfT (2014, p. 3) place a heavy reliance on an understanding of human behaviour in achieving realistic outputs. A qualitative approach that gathers the opinions of industry experts would allow areas of potential demand for Manston Airport to be identified. It is this type of approach that has been selected in the case of Manston Airport.

2.22.5 This approach is similar to that described by the US Transportation Research Board (described in outline in section 2.17 above), which promotes initial identification of the potential freight market (Transportation Research Board, 1997). This has been largely carried out in Volume I of this series of reports. The second phase is to forecast changes in the market, interpreted for this project as to identify the underlying drivers of demand for dedicated air freighter transport. The third stage recommended by the Transportation Research Board is to estimate potential market share. For Manston Airport this includes examination of airports in the South East of the UK as well as those in northern Europe, who may be used in place of constrained UK airports. Finally, consideration of alternative futures is recommended.

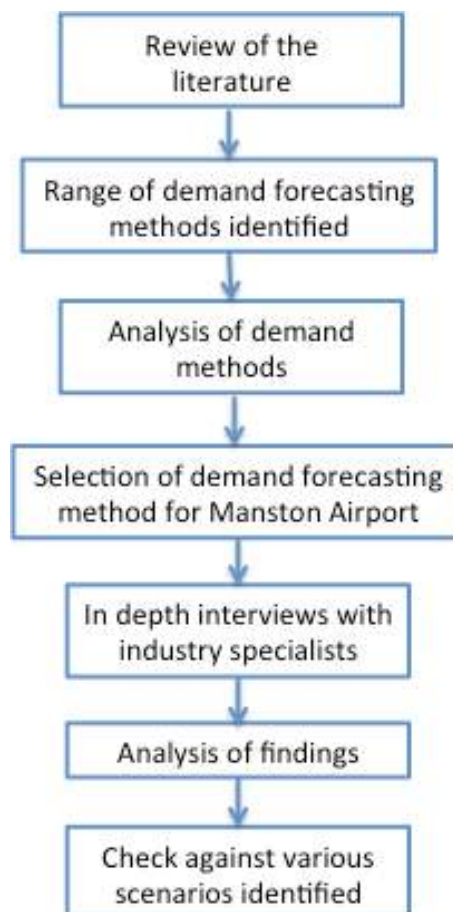
3 Research methodology

3.0.1 Forecasts are our best assessment of how the future will unfold. Whilst no forecast can guarantee to be fully accurate, we can make certain that our assumptions are unbiased, robust and clearly described so that interested parties can assess the resulting output. This section therefore describes the methodological approach taken to complete this research project so that the reader can understand the processes involved in compiling an assessment of demand for Manston Airport.

3.1 Research design

3.1.1 The aims of this research project were firstly to identify a suitable method by which to assess air freight demand for Manston Airport. This work is described in the review of literature shown in the previous section. The second aim was to use the qualitative approach identified through the review of the literature to demonstrate the potential demand for Manston Airport. As such, research was designed to meet these aims and was carried out using both primary and secondary data. Figure 6 shows the design of the research project. It should be noted that a comparative case study approach was not deemed possible, as no airports in sufficiently similar circumstances were identified.

Figure 6 Research design



3.2 Interviewee identification

3.2.1 This qualitative study necessitated discussion with experts in the field. This was essential if an overview of the potential demand for Manston Airport could be collated. The first step at this stage of the research process was therefore to identify potential interviewees.

3.2.2 The Mint UK database, which is a comprehensive database of company information, was then interrogated to identify potential interviewees. Standard Industrial Classification (SIC) code 52290 ('other transportation support activities') produced 245 results for Kent. Further analysis identified the air freight agents and brokers, freight forwarders, and hauliers. These potential interviewees were added to a contacts database compiled by the RiverOak consultancy team. A total of 94 potential interviewees resulted, covering:

- Kent transport infrastructure
- Government and public sector
- Industry associations
- Freight forwarders and consolidators/integrators
- Local import/export businesses
- Cargo airlines

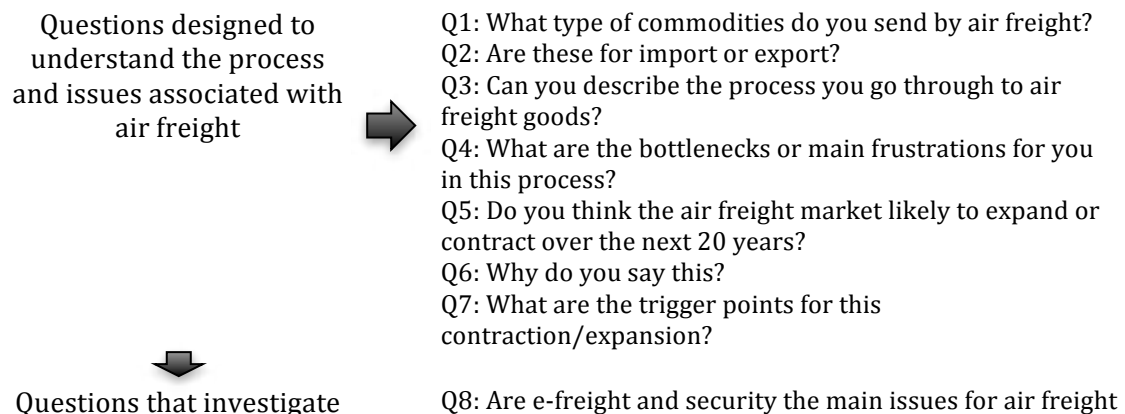
3.2.3 A full list of interviewees is shown in Section 3.4. These prospective interviewees were contacted by email in the first instance to arrange face-to-face interviews wherever possible. If not, telephone or email communication was used. The objectives for the primary data collection phases of this work were to:

- Understand the processes and issues associated with air freight
- Investigate the likely trends in air freight in the future
- Identify what might motivate airlines and other organisations to use Manston Airport
- Provide information to use in preparing the forecast for Manston Airport

3.3 Semi-structured interview schedule design

3.3.1 A semi-structured approach was used to collect rich data from the interviewees whilst keeping the interviews on track to ensure all objectives were met. Questions were devised under each of the objective headings detailed in Figure 7. The interview schedule was used as a guide and depending on their expertise, not all questions were asked of all categories of interviewees.

Figure 7 Categories of interview questions



the likely trends in air freight in the future



Questions that identify the motivations for organisations to use Manston Airport



at the moment?

Q9: Are there any other current issues or trends in the sector?

Q10: What do you think will be the likely issues and trends in air freight in the future?

Q11: Thinking about why you use a belly freight service, why do you do this rather than use a dedicated freighter (e.g. convenience, price, habit, etc.)?

Q12: How are capacity constraints at UK airports affecting you?

Q13: How do you think these constraints will affect you over the next 20 years?

Q14: What drives your business decisions about which air freight route to use (cost, speed, etc.)?

Q15: Can you rank these issues by their importance to your business?

Reduced flying time

Congestion in London airspace leading to delays in take off/landing

Speed from aircraft to road haulage

Access to road networks including Northern Europe

Landing costs

Refueling

Availability of land for development of storage/processing facilities

Q16: Is it essential for you to be located at LHR,STN,EMA, etc.?

Q17: Have you ever considered using Manston Airport?

Q18: What could the airport offer that would encourage you to seriously consider using Manston?



Questions that help define the demand forecasting model for Manston Airport



Q19: Do you forecast air freight traffic?

Q20: If so, how do you do that (use of a model, etc)?

Q21: Do you think the government/Airports Commission model is accurate?

Q22: How do you think they could have improved the air freight element of their forecasts?



Questions that elicit information for the Manston demand model



Q23: What volume of freight are you currently having to truck or ship by sea that you would prefer to air freight?

Q24: Where is this freight coming from/going to?

Q25: What are the main markets for imports/exports handled as air freight?

Q26: What are the main types of commodities that are being imported/exported that you would prefer to air freight?

Q27: If you were to use Manston Airport, how would you get freight to and from the airport?

3.4 Interview data collection

3.4.1 The data collection phase of this work commenced in mid-April 2016. Both primary and secondary data were collected using a variety of methods. Primary data involved interviewing key industry experts by means of face-to-face, telephone or email interviews. In line with the qualitative method chosen, the collation of primary data was the focus of the research. Some 93 primary contacts from an in-house database were

initially emailed and interview appointments were made with the 24 participants who responded, as shown in Table 3. On some occasions, interviewees were contacted more than once. In these instances, the date of the first discussion is shown in the table.

Table 3 *List of interviewees*

Name of Organisation	Contact	Date	Method
ACC Shipping Ltd	Managing Director	27 April 2016	Telephone
Active Transport Ltd	Managing Director	26 April 2016	Telephone
Aeroconsult	Axel Grossmann	13 October 2016	Email
AvMan Engineering (Modern Jet Support)	Chairman	20 May 2016	F2F*
Baltic Air Charter Association	Past member	13 May 2016	F2F
British International Freight Association (BIFA)	Policy & Compliance Advisor	26 April 2016	Email
Chartered Institute of Logistics and Transport (CILT)	Chairman, Aviation Policy Forum	28 April 2016	Telephone
Coyne Airways	Sales & Development Project Manager	28 April 2016	Telephone
Department for Transport, Department for Aviation Statistics	Aviation and Ports Analyst	27 April 2016	Email
DHL	Director DHL Air Ltd	23 May 2016	Telephone
Equinus Transport Consultancy	Bob Parsons	7 October 2016	Email
Eurotunnel	Public Affairs Director	21 April 2016	Telephone
FedEx Express	Senior International Legal Advisor	3 June 2016	Telephone
Freight Transport Association	Head of Global Policy	22 April 2016	Telephone
Infratil Airports Europe	Former Chief Executive	27 April 2016	F2F
Locate in Kent	Chief Executive	20 April 2016	F2F
Polar Helicopters	Operations Manager	27 October 2016	F2F
Securitas	Operations Manager - Aviation	8 June 2016	F2F
SmartLynx	Vice President - Technical	27 November 2016	Telephone
Taft International	Owner	6 October 2016	F2F
TG Aviation	Manager	23 October 2016	F2F
Transport for London	Principal Transport Planner - Aviation	8 June 2016	F2F
Visit Kent	Chief Executive	26 April 2016	Telephone
White's Transport Ltd	Operations Director	28 April 2016	F2F

*Note that F2F indicates that the interview was conducted face-to-face

3.4.2 Transcripts have not been made available as part of this report due to the confidentiality of the interviews and the commercial sensitivity of the data collected. Responses have been incorporated into the findings presented in Section 4.

3.4.3 It should be noted that in addition to the 24 full interviews were carried out, information was collected from numerous other sources such as the manager of Charter Sales at National Airlines, Florida and Tracey Deakin, COO, Le Bas International in respect of some of the questions shown in Figure 7.

4 Findings

4.0.1 The following sections outline the key findings from the research undertaken. The section commences with a summary of the categories of questions posed to interviewees as shown in Figure 7. A section that details the freight findings that will help define the demand for Manston Airport follows this initial summary. The findings relating to freight commence with a section on trucking issues before detailing the findings relating to perishable goods, fish and live animals, other import and export markets, integrator demand, and military and humanitarian flights. The freight findings conclude with an analysis of freight at Frankfurt Main Airport.

4.0.2 The freight findings section is followed by findings relating to demand for passenger travel, with sub-sections presenting specific types of passenger airline covering KLM, low cost carriers, resident carriers, charter flights, and Dover cruise terminal related findings. The section concludes with more general findings relating to other potential income streams for Manston Airport.

4.1 Findings by category of interview question

4.1.1 This section provides a summary of the responses to each of the interview schedule questions by the category allocated to these questions. These categories cover the process and issues associated with air freight, likely trends in the sector, motivations to use Manston Airport, and demand data for Manston.

The process and issues associated with air freight

Q1: What type of commodities do you send by air freight?

4.1.2 Interviewees were involved with a range of commodities including oil and gas equipment, hazardous goods, commercial goods such as clothing and electronics, urgent aircraft parts, pharmaceuticals, and electronics. In terms of markets, one interviewee said, *“The USA is our strongest market with the main hubs in Atlanta, New York, Chicago and Houston. We fly from Heathrow and Manchester”* (ACC Shipping). Another interviewee said, *“Most aircraft parts come from the US, Asia, and Russia. They currently come into Heathrow, Stansted, Luton and also East Midlands. For example, the Iron Maiden plane went tech at Stansted and required a new engine.”* (Active Transport) Another interviewee said their main markets, *“are Afghanistan, Azerbaijan, Iraq, and Georgia. Services to Baku in Azerbaijan are growing. Iraq is the next big market but already rates look very cheap. Africa is the place to look at with limitless opportunities. People will start ordering phones and electronics, etc.”* (Coyne Airways) Another interviewee said, *“Nigeria is a growing market.”* (White Transport)

4.1.3 For the integrators, their main market is high value, low weight cargo. In terms of pricing, one interviewee said, *“Charges are around 80 pence per kilo from Amsterdam or £1.20 from Heathrow so it works out the same if you have to truck to Amsterdam”* (ACC Shipping). In terms of tonnage, there was a wide range between 90 tonnes and 20,000 tonnes per year for the smaller shippers to vast amounts for the integrators.

Q2: Are these for import or export?

4.1.4 Answers to this question varied from 99.9% export (Coyne Airways) to almost all import (White Transport).

Q3: Can you describe the process you go through to air freight goods?

4.1.5 The process used to air freight goods varied depending on the type of shipper. For airlines, they tend to pick up bookings from a freight forwarder. One respondent said, *“freight is tendered through a handling agent who trucks to Amsterdam”* (Coyne Airways).

Q4: What are the bottlenecks or main frustrations for you in this process?

4.1.6 Most of the interviewees who answered this question talked about problems at Heathrow and at the Channel crossings. Many also discussed getting bumped from belly freight. This means that freight booked onto a passenger flight to be carried in the hold is left at the departure airport without uploading onto the aircraft and has to wait for a later flight. Of Heathrow, some examples of interviewee comments include:

“Delays happen at Heathrow where trucks are queuing for at least three hours. Drivers get very frustrated. It is not going to get better – I just can’t see how it will.” (Coyne Airways)

“Heathrow is the worst as it is the busiest. There is at least a two or three hour wait at all airports.” (Active Transport)

“It is nigh on impossible to get a dedicated freighter into Heathrow and you would have to go to Prestwick or Stansted” (Active Transport)

“The biggest problem is congestion and the impact in terms of delays with customs and getting equipment/cargo in and out of airports and moving the schedule. It can take more than four hours with BA, with drivers sitting around for that time. It is expected to get worse in the next 20 years as there will still be growth before any new infrastructure comes on line.” (ACC Shipping)

4.1.7 Compounding delay at Heathrow is the issue of security clearing huge amounts of oversized freight. One interviewee (Securitas) reported that at present there are no UK facilities for clearing oversized air freight so items arriving in the UK are loaded onto trucks and transported by road to northern Europe, including Brussels, Liege, Amsterdam and Rotterdam, for security clearing. In Europe, sniffer dogs and air samples from containers are used to check for a variety of illegal goods including explosives, drugs and money. There are currently no canine units in the UK but Securitas is in negotiation with the UK Government to approve the use of dogs in security checking oversized freight.

4.1.8 Talking about the Channel crossings, interviewees said:

“We were trucking freight to Amsterdam but have been experiencing increasing delays using the Channel crossings. We now use Harwich to ship freight to Holland. Bottlenecks and main frustrations are that there is a lot of trucking to the continent and getting out of the UK through Calais is a nightmare. We have lost a lot of cargo stuck in Dover.” (Coyne Airways)

“Calais is a nightmare. We won’t go near after dark, which often means parking up early in Belgium, losing three hours as the driver has to park up early and wait until morning.” (Active Transport)

4.1.9 Discussing getting bumped from belly freight, interviewees said:

“As there are no slots in the UK, flights are often bumped for two or three flights. If this is likely then parts for aircraft gone tech will be airfreighted to Europe [mostly Luxembourg, Amsterdam, Frankfurt, Frankfurt Hahn, Brussels and Leipzig] and trucked to wherever the aircraft is in the UK.” (Active Transport)

“We want the best service for the cheapest price and you have to go with what your customer wants even though we get bumped from belly-freight and the customer moans.”
“Insuring that traffic does not get bumped off is a big problem, particularly to Dubai. Dubai is not really an export country – purely import. It is really a price priority so anyone who pays a higher price gets on the flight. Sometimes cargo will get changed from London to Amsterdam, which will go by rail or truck.” (ACC Shipping)

Q5: Do you think the air freight market likely to expand or contract over the next 20 years? Q6: Why do you say this? Q7: What are the trigger points for this contraction/expansion?

4.1.10 Most of the interviewees who answered this question thought the market would expand although there is considerable pressure on price for air freight carriers. Interviewees mentioned the potential effect of Brexit and also change in fuel price as trigger points for contraction/expansion. One interviewee said, *“We expect general growth in movement of freight. There is the referendum but most of our work is from outside the EU.”* (Active Transport) Another said, *“The market is likely to expand but it doesn’t feel like that at the moment. There was a respite with the fuel price being lower but people will go out of business and start parking freighters if the price goes back up. This is except for the Middle East. They are ordering planes and flying to more and more places.”* (Coyne Airways)

Likely trends in air freight

Q8: Are e-freight and security the main issues for air freight at the moment?

4.1.11 Most interviewees agreed that security was an issue for the sector. One said, *“It all comes down to security – preventing smuggling and terrorism.”* (Active Transport) Another said, *“The main issues are around physical load security, particularly around the issues with Calais”* (White Transport). The interviewee from Securitas explained that having a dedicated canine detection unit at a UK freight specialist airport would make a considerable difference to the security issues that are currently being experienced. At the moment, it is estimated that between 30 and 120 trucks are dispatched from Swissport Manchester and Heathrow each day for security checking outsized freight. If this situation is repeated at other airports, the number of truck movements per year involved is substantial, potentially in the region of 50,000 per year.

4.1.12 Whilst e-freight was considered an issue, it did not seem to be a major problem for interviewees although one interviewee said, *“E-freight is a topic. There are difficult deadlines for implementation and they get missed. IATA e-freight makes it difficult to get documentation up to standard. However, it will cut down paperwork eventually.”* (Coyne Airways)

Q9: Are there any other current issues or trends in the sector?

4.1.13 Some interviewees reiterated the problems with getting bumped from belly freight (as shown in Q4). Other issues mentioned were safety, particularly with the carriage of lithium batteries, and reducing yields. One interviewee said, *“They [lithium batteries] need to be transported but there are moves to ban them from passenger flights.”*

The US is pushing ahead with this. Cargo airlines are not too keen either. There are more and more things palletised with batteries included. (Coyne Airways)

Q10: What do you think will be the likely issues and trends in air freight in the future?

4.1.14 Interviewees generally think there will be a continuation of the current situation; not imagining improvements or major changes in the way the sector operates. Some interviewees mentioned the reduced capacity for freight on the A380 passenger aircraft. One interviewee was concerned that the industry would concentrate in the hands of fewer operators, particularly those from the Middle East (Coyne Airways).

Q11: Thinking about why you use a belly freight service, why do you do this rather than use a dedicated freighter (e.g. convenience, price, habit, etc.)?

4.1.15 The feeling was generally that the use of belly freight was due to availability. One interviewee said, *“Not many freighter routes operate now apart from FedEx and UPS. There are less and less - maybe only a handful per week to and from the US to UK whereas there are hundreds of passenger flights.”* (Coyne Airways) This interviewee also said that, *“Most intra-Europe passenger flights are narrow bodied so can’t take much weight. The market has sprung up flying around Europe. Few routes are flown by wide-bodied aircraft so there are freighter hops around Europe every night.”*

Motivation to use Manston Airport

Q12: How are capacity constraints at UK airports affecting you?

4.1.16 The issues with Heathrow and a general lack of slots in the South East for freighters were affecting interviewees, as shown in Q4.

Q13: How do you think these constraints will affect you over the next 20 years?

4.1.17 Interviewees found it difficult to respond to this question apart from to express a concern that the situation was unlikely to improve for some decades.

Q14: What drives your business decisions about which air freight route to use (cost, speed, etc.)?

4.1.18 For those freight airlines, business decisions are driven by where they can make money. One said, *“If we can fill an aircraft at a good enough rate to make money we will fly”* (Coyne Airways).

Q15: Can you rank these issues by their importance to your business?

- **Reduced flying time**
- **Congestion in London airspace leading to delays in take-off/landing**
- **Speed from aircraft to road haulage**
- **Access to road networks including Northern Europe**
- **Landing costs**
- **Refuelling**
- **Availability of land for development of storage/processing facilities**

4.1.19 Generally cost, speed and access to road networks were considered important. One interviewee said, “Speed is very important to business. The speed at which we get cargo from LHR onto a plane and to a destination is a combination of a number of things including queuing times.” (Coyne Airways) Another said, “Cost is always the most important.” (ACC Shipping) One interviewee talked about the potential cost saving of using Manston Airport, saying, “If heading south, there is a saving to be made on time and fuel. The saving on fuel burn from Manston is likely to be, depending on aircraft type, compared to EMA headed south-east, 45 minutes to one hour and therefore USD 2,000 to 3,000 per flight and more as fuel prices increase. Total cost of a flight is generally 75% fuel.” (Coyne Airways)

Q16: Is it essential for you to be located at Heathrow, Stansted, East Midlands, etc.?

4.1.20 Most interviewees felt that it was not too important for sales departments particularly to be located at these airports. Some interviewees have their offices in Central London.

Q17: Have you ever considered using Manston Airport?

4.1.21 Some interviewees had previously used Manston Airport and their experiences had been good. These people generally expressed the opinion that it would be a benefit to reopen Manston Airport. One interviewee said, “I speak to people all this time who say it would be useful to have Manston operating.” (White Transport) Another said, “we miss Manston Airport and hope it will return” (Active Transport). Others had not previously considered using the airport, with one interviewee saying, “we have never seen any publicity advertising the airport.” (ACC Shipping)

4.1.22 An email received from the Manager of Charter Sales at National Airlines based in Orlando, Florida, dated 26th January 2017 reads:

“Having worked for the Manston regulars such as Das Air, African International (Intavia) and MK Airlines along with many other carriers while I worked for Chapman Freeborn in the UK, MSE was always our first choice for freighter charters.

When it closed it was a great loss!”

I’m sure you could also reach out to the likes of Magma, Cargo Logic Air and ANA as they would be keen to bring the African flowers back in to MSE.”

Q18: What could the airport offer that would encourage you to seriously consider using Manston?

4.1.23 Some interviewees said that the road links were excellent and could not be improved. Others talked about airport operating hours with one interviewee saying, “it’s not going to work if you can only fly between 10.00 and 21.00” (Active Transport). Others talked about competitive landing fees. Some talked about the airport needing to be easy to use and well equipped with the latest technology including scanning equipment. Some mentioned having warehousing of all sizes available. One airline felt that Manston Airport should find a niche such as becoming well-known perishables centre (Coyne Airways).

Demand model and data for Manston Airport

4.1.24 Generally, interviewees were either unaware of airport demand forecasting models for air freight or felt that they were too difficult to construct. The findings

gathered from the interviewees and other research that help to define the demand for Manston Airport are detailed in the following sections.

4.2 Freight-focused findings

4.2.1 Many interviewees talked about the potential effect of Brexit on the freight market with a general feeling that with a decline in the value of sterling, export markets will be stimulated. At present, Eurotunnel, for example, carry more imports than exports and 45% of trade is with Europe where goods include those destined for the automotive and high tech sectors (Eurotunnel). However, continued uncertainty after the referendum over the terms of the UK's exit from the UK may negatively affect trade.

4.2.2 The main issues for interviewees were security, smuggling and terrorism (Active Transport, ACC Shipping). Several interviewees mentioned escalating problems with the carriage of lithium batteries. Scanning oversized items was also cited as a problem for all airports. Locating a canine detection unit at Manston Airport would alleviate many of the delays associated with security clearing air freight (Securitas). One interviewee believed Manston Airport must have, *"all the mod cons and equipment including warehousing of all shapes and sizes, and security screening for all sizes of cargo"* (Coyne Airways).

4.2.3 One interviewee (Coyne Airways) felt that success at Manston Airport depended upon identifying a niche market and becoming known for excellence. In particular, suggestions included a perishables centre, handling of live animals, easy access for charter flights, and handling cargo that is not necessarily straightforward (Coyne Airways).

4.2.4 Several interviewees said that it is almost impossible to get a dedicated freighter into Heathrow due to slot restrictions. Delays and queuing to off load and upload freight at Heathrow was reported by many interviewees to be considerable. One interviewee said, *"It is not going to get any better. I can't see how it will"* (Coyne Airways). It is perhaps because of these frustrations that one interviewee reported feeling that life will continue to be difficult for air freighters, with Air France, for example, ceasing to use freighters (Coyne Airways).

4.2.5 However, freight is frequently bumped from passenger aircraft, often up to three times, before goods are uploaded onto a flight. If it is impossible to wait, if items are needed urgently such as parts for aircraft, then they are loaded onto a flight to Europe and trucked back to the UK (Active Transport, ACC Shipping). One interviewee (ACC Shipping) found that bumping from passenger aircraft was particularly problematic on flights from Dubai. He felt this was because Dubai is not generally an export market and so anyone who is prepared to pay a premium price would get priority.

4.2.6 One interviewee felt there had been a respite due to lower fuel prices making operations more cost effective (Coyne Airways). He also felt that Middle Eastern carriers would gain advantage over European based operators because of the difference in fuel price. Operators from the Middle East, *"are ordering planes and flying to more and more places"* (Coyne Airways). The interviewee felt that the industry is worried about the expansion of Middle Eastern carriers but that, since it is a free market, nothing can be done. He felt that, *"full liberalisation of flying rights would be good but would benefit those with the money"* (Coyne Airways).

4.2.7 If freight was banned from Heathrow or conditions for freight operators was made more difficult, then other airports that could handle freight would benefit (Coyne

Airways). Manston Airport could benefit. Transport links to Manston Airport are considered to be good with one interviewee (Active Transport) saying that even with road diversions access was “brilliant”. One key issue reported by an air freight operator is easy airport access for cargo. He said, “that would be a big thing” (Coyne Airways). Another interviewee talked about Manston’s location close to mainland Europe as an advantage (DHL). One interviewee (Taft) who has been in road haulage in Thanet for thirty years, stated that his view has always been that Manston is perfectly located to become northern Europe’s premier hub for air freight.

4.2.8 The interviewee from Transport for London (TfL) discussed the expected increasing pressure on Stansted Airport for passenger flights. TfL are working hard to provide surface links for passengers from London to Stansted, which is predicted to increase demand. In this case, freight may be squeezed out of the airport as slots and handling become more focused on the passenger market. TfL undertook an extensive exercise as part of the work to define the need for the proposed Estuary Airport. This work by York Aviation shows that almost 54,000 additional freight movements per year would be required in the South East by 2050 with current infrastructure operating at maximum use (York Aviation, 2013, p. 7).

4.2.9 The DfT’s 2017 report shows that with no new runways and under a central growth scenario, all London airports will be at capacity by 2030. Heathrow and Gatwick airports are considered to be full or almost full. London City Airport is deemed full between 2017 and 2021 with some additional capacity¹¹ relieving their situation until 2025. Luton Airport will be at capacity by 2021 and Stansted constrained by 2030 and at capacity by 2034 (DfT, 2017, p. 103). Under a high growth scenario (based on the Airports Commission’s global growth and low-cost is king scenarios)¹², Stansted would be constrained by 2026 and full by 2029 (*ibid*, p. 139)

4.2.10 The TfL report by York Aviation specifically mention Manston in their 2013 report, stating that, “**around 14,000 freighters a year could still be accommodated in the vicinity of London by using capacity at airports such as Manston**” (York Aviation, 2013, p. 7). Without sufficient air freight capacity in the South East, cargo is trucked to and from northern European airports, putting pressure on the Channel crossings and on the surrounding road network, particularly when delays occur and trucks have to be parked in Operation Stack. The following section discusses the trucking activity and the implications for Manston Airport.

Trucking activity

4.2.11 Manston is ideally located for airport-to-truck and truck-to-airport consolidation for cargo destined for or originating from continental Europe. Due to its location if heading south and quick turnaround times, the location of Manston is considered to save time and money by many interviewees. Fuel savings compared to East Midlands were likely to be in the region of \$2,000 to \$3,000 (approximately £1,500 to £2,200) and more as fuel prices increase (Coyne Airways). Total costs are generally around 75% fuel so this is a considerable saving. As well as fuel savings, there are savings to be made in terms of crew flight time limitations (Baltic Exchange). Indeed, one interviewee believes that, “Manston could be one of the best cargo airports in Europe if not further afield” (Taft).

¹¹ The City Airport Development Programme (CADP), which received planning permission in July 2016, includes seven new aircraft stands, a parallel taxiway and passenger terminal extension.

¹² For definitions of the high and low growth scenarios see DfT, 2017, pp. 83-4

4.2.12 Almost all interviewees talked about the delays at the Channel crossings and the frustrations this causes. The interviewee from Eurotunnel felt there had been a move towards air freight during 2016 due to the migrant crisis in Calais. During the crisis, it was impossible to enter Calais after dark because of attempts to board trucks. Drivers were forced to park overnight in Belgium, losing around three hours at night and several in the morning (Active Transport). The frustration experienced by hauliers struggling with border controls and transport security is likely to drive them to consider air transport but pricing is key to remodelling the freight market (Eurotunnel and Active Transport). Nonetheless, Eurotunnel have three shuttle trains on order that will all be in service by 2018.

4.2.13 There are significantly marked seasons within the Channel crossing freight market with the end of the year being substantially busier to meet the Christmas demand (Eurotunnel). Conversely, the summer period, especially August, is much quieter as factories shut down production. Generally Eurotunnel find freight traffic busier mid-week; weekends are busier for passenger traffic. However, one of the hauliers (White's Transport) stated that there were no large seasonal variations since organisations are now mainly using JIT.

4.2.14 One interviewee (Baltic Exchange) felt that the UK trucking industry would benefit from the reopening of Manston Airport. The sector would see a reduction in costs, less congestion at the Channel crossings and also fewer security risks, uplift of freight would be in the UK, and the ability to offer livestock delivery from the airport as was the case in the 1980s, rather than on long pan-European road transport. Indeed, one of the haulier interviewees (Taft) observed that capacity issues at Heathrow have resulted in the Lufthansa Cargo operation shrinking over the years to a fraction of its former size.

4.2.15 There is a considerable volume of business for road hauliers willing to take goods from the UK to Europe for air freighting, mainly from Frankfurt (Taft). There is also a large amount of return business. However, according to this interviewee, there is very little business for hauliers picking up large loads from freighters landing in the UK for delivery within the UK. There is also very little business for hauliers transporting goods within the UK from a manufacturer to an airport (Taft).

4.2.16 Turnaround times and delay at airports are crucial for airlines and hauliers. The journey by road from Manston to Heathrow takes two hours on average. The time taken to load at Heathrow Airport can vary from two hours to 10 hours, depending on workload at the airport. The journey from Manston to Frankfurt takes eight hours, which is just within a driver's permitted 10 hours. However, because of historic problems at Calais, the return journey can often be subject to delays due to border and police controls. This means drivers who have exceeded their permitted driving hours have to wait around until they are legally able to drive again. One interviewee said that, *"the advantage of Manston is that it might well remove quite a lot of HGVs carrying air cargo from getting caught up in French industrial action or perhaps in the future by UK/EEA customs checks after Brexit, and would bring quite a lot of cargo into a single UK airport from which domestic distribution can take place – whether that is by smaller cargo flights, rail freight or continuing movement by HGVs."* (Equinus)

4.2.17 Taft International provided the three-hour trucking times from Manston. As Figure 8 shows, trucks can reach Basingstoke to the west, Northampton to the northwest, and Ipswich to the northeast within three hours. The proposed Lower Thames Crossing would increase this area, particularly to the northeast.

Figure 8 Three hour trucking times from Manston



Source: Taft International

4.2.18 One interviewee provided details of the trucking activities of Cargolux, Cathay Pacific and Lufthansa. The following maps show the origins/destinations of freight. These origins and destinations are shown as a direct line on the maps although, of course, all truck movements involve either a ferry or tunnel crossing thus passing very close to the Manston Airport site. About two-thirds of the HGVs use ferries rather than Eurotunnel (Equinus). He also said, “I suggest that because of Manston’s position with sea on three sides that any use of rail might benefit by considering how marine intermodal freight is distributed.” (Equinus)

4.2.19 Cargolux has hubs at Prestwick and Luxembourg and Figure 9 shows the destinations to where this freight is trucked.

Figure 9 *Cargolux trucking*



Source: Bob Parsons

4.2.20 Cathay Pacific has hubs at Heathrow and Manchester airports and Figure 10 shows the trucking movements from these two hubs.

Figure 10 *Cathay Pacific trucking*



Source: Bob Parsons

4.2.21 Figure 11 shows Lufthansa's trucking from its hub in Frankfurt.

Figure 11 *Lufthansa trucking*



Source: Bob Parsons

4.2.22 In terms of mail, Figure 12 shows rail movements between mail centres in dark red and air movements in blue.

Figure 12 *Royal mail air and rail*



Source: Bob Parsons

Perishable goods

4.2.23 East Kent is served by the port at Dover and by the Channel Tunnel. The Channel Tunnel does not publish or generally collect data on the type of goods being carried in the 1.5 million trucks per annum who currently use their services. They predict the number of truck movements through the tunnel will rise to two million by 2020. However, the company believes that goods transported through the Tunnel include food and other perishable goods. The Port of Dover carry larger numbers of trucks that also carry perishables.

4.2.24 In the short and medium-term, there is clear demand for perishable goods particularly fruit, vegetables, and flowers with many respondents mentioned this category of air freight. The perishable market was a staple for Manston, and the airport, with reduced flying time compared with other airports, has a reputation for the speed at which cargo can be offloaded and onto the road. One interviewee, who had operated successfully from Manston hauling mainly perishables, confirmed that the unloading operation was the quickest he knew (Taft). However, underinvestment by previous owners had caused constant problems because equipment was old and unreliable.

4.2.25 Whilst the current UK air freight model is for shippers to preference belly freight, this can take up to a week to arrive and dispatch from some of the UK's airports. This research shows how the frustrations associated with this model are impacting all levels of the supply chain. It seems likely, therefore, that the model is set to change, much as the model for passenger flights changed some decades ago. The low cost carriers now dominate many airports, operating point-to-point to offer competitive prices to their customers. As Sales says:

“In today’s aviation world, airports have become the economic drivers of business and industry and the service on the ground for both passengers and freight has become very competitive, especially when customers have alternative choices.

For air cargo, it is the minimum time spent on the ground before and after the flight that can make a particular airport attractive and will play a role in the ultimate selection by the forwarders and consolidators, who will mostly determine how much cargo is directed to and from a particular airport.”
(Sales, 2013, p.43)

4.2.26 In terms of business support, written evidence submitted by David Brown, Group Supply Chain Director Finlays Horticulture, part of Finlays Horticulture Investments Ltd dated 16 January 2015 says the following:

“As a previous large customer to the services of Manston airport, we felt it important that Finlays wrote to explain their previous business and ongoing support for Manston as an infrastructure hub for UK airfreight importation.

Finlays had been a customer of Manston airport through its various ownerships for a period of approx 17 years up to its closure a few months ago. Finlays brought in a large quantity of freight (approx 400t) on various carriers weekly through the airport, as they had become specialists in handling perishable cargo. Since Manston’s closure this Finlays cargo (and other importers cargo) has been transferred to other London airports increasing their traffic, and placing strain on their resources to deal with an additional 1000 tonnes each week. Cargo capacity constraints continue to

mount at airports in the south east of England, which has adversely affected our business. The main factors we see specific to Manston are as follows:

- *Manston were unique in being able to offer such a quick turnaround of getting airfreight onto lorries, with suitable perishable handling facilities, and flexibility in dealing with freight day or night. The freight that we now have arriving at Stansted (approx 2 hours closer to Finlays sites by lorry than Manston) is regularly arriving 6 hours later than the equivalent Manston vehicles.*
- *Manston is one of only 5 UK airports to have a BIP (EU Border Inspection Post) facility. Trade has moved and is still moving to Europe as a consequence of the shutdown.*
- *The overall limits of air freight capacity and restricted handling services in the South East continue to increase, and for the perishable air freight business, other airports are struggling to match the quality and speed of service for which Manston was renowned.*
- *Manston's location to major roads and ports meant that the development of more trade was a distinct possibility and its unique air freight handling service makes it very desirable to the cargo business. In addition Customs, Port Health, FERA and other agencies were all in place to facilitate the airport's operation.*

In our dealings with Manston over the last decade or more we have been very satisfied and actively supportive by putting our cargo business there. It was with deep regret that Manston management took the decision to close the airport. It is noted that other interested airport operators have shown serious interest about taking on Manston as an airport, we strongly hope that a future for Manston can be found. "

4.2.27 As with past operations at Manston Airport, the main target markets for imports will include Africa, particularly East Africa. East Africa has a population of some 125 million and, since the 1980s, has undergone considerable economic reforms to stimulate growth in the private sector. Agriculture is the leading sector and the area exports flowers, fruit, and vegetables. East Africa has eight international airports:

- Bujumbura International Airport (BJM) in Burundi
- Jomo Kenyatta International Airport (JKIA), Mombasa International Airport (MIA) and Eldoret International Airport in Kenya
- Dar es Salaam International Airport (DIA), Kilimanjaro International Airport (KIA) and Zanzibar International Airport (ZIA) in Tanzania
- Entebbe International Airport in Uganda

4.2.28 Discussions by one interviewee (Securitas) with the Algerian Embassy indicate the intention of the Country to export perishable items including fruit and vegetables to the UK. Whilst Algerian airlines are currently experiencing issues with air freight, these problems are expected to be resolved soon.

4.2.29 Fresh flowers also originate in South America with Colombia being the second largest flower exporter in the world after the Netherlands. Other South American countries exporting flowers include Ecuador, Chile and Peru. This area also exports berry and stone fruits as well as salmon, particularly from Chile, and asparagus from

Peru. Additionally, pineapples are imported from Ghana, with green beans and flowers originating in Kenya.

Fish and live animals

4.2.30 By weight, fresh salmon is the top export from Heathrow Airport. During Operation Stack, a considerable amount of Scottish salmon was transported through the Channel Tunnel, a situation that is not ideal for the quality and therefore the price that can be achieved for this fresh fish. According to a number of interviewees, Manston Airport is expected to pick up a proportion of this air freight, particularly perishable goods such as fish and shellfish. One interviewee reported that, in the season, 14 pallets of fish are air freighted to Dubai per fortnight as well as twice-daily flights for spider crabs (Securitas).

4.2.31 There is a considerable market in live animal transportation by air, particularly for racehorses and breeding stock. According to an interviewee, around 260 Arab racehorse flights take place between Dubai and the UK per year (Securitas). One of the interviewees reported problems flying pet animals into Heathrow Airport, as they tend to cause delays to operations (Securitas).

Other imports and exports

4.2.32 In the UK, imports exceed exports (in June 2016 the difference was £48,928 million compared with £43,844 respectively¹³). However, the research undertaken to compile the demand forecast for Manston identified a considerable export market for airlines that operate in developing markets. For example, Kent has a substantial biotech sector, with a hub located at Discovery Park in Sandwich, very close to Manston Airport. One interviewee mentioned the advantage for the pharmaceutical and biotechnology companies in East Kent using a local airport (Locate in Kent). Another interviewee talked about transporting medicines for clinical trials (DHL). As such, particularly in the early years, exports are expected to exceed imports, facilitating the opportunities for UK businesses (see Section entitled 'Onshoring of manufacturing in the UK' at paragraph 6.3.9 onwards for more details).

4.2.33 Exports from the UK are increasing, reaching what was an all-time high of £44.9 billion in April 2016¹⁴ to £49.63 billion in July 2017¹⁵. The top five export commodities from London's Heathrow include precious metals (£26 billion), aircraft turbojets (£3.3 billion), jewellery (£3 billion), pharmaceuticals and medicines (£2.8 billion), and art (£2.4 billion)¹⁶. By weight, next to fresh salmon, the top exports from Heathrow are books and other printed material. The continued growth of the British fashion industry is also a notable export market for the UK. One interviewee mentioned that increasing volumes of high-end fashion items are being air freighted by companies such as Jimmy Choo (DHL).

4.2.34 Several interviewees discussed the large Russian market, which comprises over 140 million consumers with an emerging middle class with a taste for luxury goods. Russia has huge infrastructure needs and exports from the EU to Russia include machinery and transport equipment, chemicals, medicines and agricultural products.

¹³ <http://www.tradingeconomics.com/united-kingdom/exports>

¹⁴ <http://www.tradingeconomics.com/united-kingdom/exports>

¹⁵ <https://tradingeconomics.com/united-kingdom/exports>

¹⁶ <http://www.lloydsloadinglist.com/freight-directory/news/UK-exports-via-Heathrow-rise-9.7/64745.htm#.V7nmwWXmugQ>

The UK exports more products to Russia than it imports and the majority of imports include non-air freightable items such as oil and gas.

4.2.35 One of the freight airlines interviewed (Coyne Airways) said they carried mostly oil and gas extraction equipment and commercial consumer goods including clothing and electronics. They carry almost entirely exports from the UK and fly to places where demand for passenger flights is low including Baku in Azerbaijan, Iraq, Georgia, etc. Iraq is likely to be the next big market but rates to the Country are already quite low (Coyne Airways). Africa is also the continent to consider as the opportunities are limitless – *“people will start ordering mobile phones and electronics”* (Coyne Airways).

4.2.36 The Middle East is a growing market to and from Europe and imports include live animals, particularly race horses, breeding stock, and luxury cars during the summer months. Exports include a variety of products including high value cargo such as electronics and machine parts as well as fresh fish and seafood.

4.2.37 The Indian subcontinent is also a potential exporter and importer of goods to the UK. One interviewee mentioned the potential for airlines from Pakistan to use Manston Airport (Securitas). Pakistan mainly exports clothing and imports consumer goods.

4.2.38 Trade with the US is mature and includes electronics and machine parts including spares for aircraft and oilrigs and Manston Airport is in an ideal location to act as a hub between the USA and the rest of Europe, Russia, Africa and the Middle East. One of the interviewees, a shipper (ACC), said that the US is their strongest market with main hubs in Atlanta, New York, Chicago and Houston. Their air freight includes commercial and hazardous goods. Shipping problems for ACC include delays at Customs and getting goods out of the airport, usually Heathrow or Manchester, which can take many hours and is getting worse.

4.2.39 Aircraft parts are frequently carried by air (Active Transport). Formula One cars (DHL) are also shipped by air, as are luxury cars from the Middle East countries. August is known as Supercar Season with around 300 vehicles per year being flown into London, (Securitas). The press report that fleets of gold covered vehicles including Bentley, Rolls Royce and Lamborghinis frequent the streets of West London. This niche market could potentially be attracted to Manston Airport.

4.2.40 Other types of air freight mentioned included specialist one-off and rather unpredictable opportunities such as transporting the equipment for bands playing at concerts all over the world. Indeed, the Rolling Stones used Manston Airport on a number of occasions. Outsized items (i.e. more than 1.6 metres high) will not generally fit into the belly of a passenger aircraft so air freighters are used to fly these goods. Indeed, other evidence collected during the statutory consultation indicates that this niche market is poorly served by UK airports.

4.2.41 One interviewee mentioned specialist freight carriers such as Harrods Aviation, which has FBOs at Luton and Stansted airports with an engine shop at Farnborough.

4.2.42 Since most intra-European passenger flights use narrow-bodied aircraft that cannot hold much freight, a market has sprung up for freighters flying around Europe (Coyne Airways). Indeed, wide-bodied freighters fly a few routes around Europe every night (Coyne Airways). At present, most of the UK freight is trucked to Amsterdam, Frankfurt or Milan to join these intra-European flights (Coyne Airways).

Integrator services

4.2.43 Increasingly, success in business depends on getting the right goods to the right place at the right time and without holding expensive stocks of either inbound parts and materials or stock ready for distribution but as yet unsold. The use of Just-in-Time (JIT) and Build-to-Order (BTO) approaches aim to eliminate both inbound and outbound inventories. However, these means of controlling inventory places increasing reliance on rapidly response and reliable transportation from suppliers, distributors and customers around the world. Indeed, around 10% of manufacturers' costs are associated with organising the supply of incoming parts and materials and the distribution of outgoing products¹⁷. Parcel delivery is therefore a hotly contested business with UPS, FedEx, DHL and TNT vying for position as market leaders.

4.2.44 One interviewee noted how e-commerce has greatly helped SMEs (small and medium sized enterprises), driving the trend for their increasing use of the services of integrators (FedEx). Whilst most integrator business has been business-to-business, the business-to-consumer market, probably linked to the growth in e-commerce, is growing and integrators are trying to adapt (FedEx). It would seem that the industry generally is migrating to express cargo with increasing demand for rapid delivery of freight (DHL). One interviewee talked about the high operational costs of 'last mile' delivery, which are key to ensuring profitability for the company (FedEx).

4.2.45 Integrators monopolise the freight-friendly airports such as East Midlands (DHL) and are reluctant to change their operations, preferring to cope with slot restrictions at Heathrow rather than moving to other more cost effective airports (DHL, FedEx). The explanation for this is the focus on associated fixed costs and the resources involved to make a move to another airport (FedEx). This reluctance has perhaps been exacerbated because the large integrators do not tend to get bumped from belly-hold on passenger flights and are given preference over smaller organisations (DHL).

4.2.46 The benefits integrators (FedEx) look for from an airport include:

- Excellent transport links by road and rail with connections to London and the rest of the UK
- A location close to London, particularly to the east of London and the Canary Wharf commercial and business districts and with the ability to access the whole of London quickly so companies can compete globally
- Sufficient runway length for larger cargo-only aircraft with available slots
- Situated at the centre of a key UK regional economy

4.2.47 The big issue for integrators at Heathrow Airport is the lack of storage and land availability generally (DHL). Many leases come up for renewal in 2019 (DHL). Slot availability is also a problem and one interviewee mentioned that Chinese freight airlines would like to fly direct to the south east of the UK but cannot get slots (DHL). Security is a big issue for freight integrators and shippers and one of the interviewees said his company was so concerned that they had written to both the French and UK governments on the subject (FedEx). This interviewee also mentioned inconsistencies across Europe, which leads to administrative burdens for the integrators.

4.2.48 One of the integrators (FedEx) discussed the growth markets around the world. His analysis was that:

¹⁷ <http://www.economist.com/node/1477544>

- India is not growing at the moment. The big difficulty is infrastructure on the ground and that many people are without an address.
- Africa could be a growing market if the infrastructure problems could be resolved. As with India, many consumers do not have an address. For both India and Africa, 'last mile' delivery is expensive as there are few domestic players in the market and the countries are plagued by road accidents.
- The Middle East, Far East, and the US are growing markets
- China and Europe have reached saturation
- Russia and the Balkans are big importers of luxury goods although changes to regulations can impact this market (such as restrictions on imports per person per month, which the carrier has a responsibility to report)

Military and humanitarian operations

4.2.49 Outbound flights from Manston Airport are likely to include military movements and humanitarian operations. With the absence of any information to the contrary, it is reasonable to predict both military and humanitarian operations will be similar in terms of numbers to those previously handled at Manston Airport. According to previous Air Traffic Controllers, these numbers are in the region of 30 movements per year for military operations and 20 per year for humanitarian and medevac flights. One interviewee also talked about the need for slots for deportation flights (Securitas).

Comparison to Frankfurt Main Airport

4.2.50 An analysis of freight movements at Frankfurt Main Airport provides an interesting example of a successful European freight operation. Frankfurt has restricted operating hours, which do not permit night flights. All services, including night airmail, now operate between 0500 and 2300. The airport handled more than two million tonnes of cargo in 2015, a reduction from 2010, due mainly to night-time restrictions, of around 193,000 tonnes, some 8%. Whilst there was no doubt a downturn in tonnes handled, these figures contradict the generally held assumption that successful cargo operations need to operate with 24-hour licenses.

4.2.51 In contrast to the operation at Leipzig, Frankfurt has little integrator traffic with the exception of FedEx movements. Leipzig Airport is only able to function as an almost 100% integrator operation because it does not have a curfew. Leipzig handles around one million tonnes of freight per year, a huge increase from 101,000 tonnes in 2007¹⁸ when DHL moved its European hub to the airport.

4.2.52 The Frankfurt and Leipzig figures show the difference between a true market, where capacity is available to attract any number of freighter flights, and a constrained market such as that in London. This example underpins the findings outlined in previous sections, providing support for the rationale behind the forecasting method chosen. Projections based on the constrained London markets do not provide an accurate picture of the potential in the South East. The unconstrained operations at Leipzig and Frankfurt provide a much more accurate estimation of the feasibility of Manston Airport. Another point of interest from the data from Frankfurt Main is the limited types of freight aircraft that use the airport.

¹⁸ <https://www.leipzig-halle-airport.de/en/company/about-us/facts-and-figures/traffic-statistics-158.html>

4.2.53 The Frankfurt Main data shows that cargo-only airlines seem content to operate during the day, if suitable slots are available and off load and turnaround times are expedient. Frankfurt handles a large number of freighters. Examples of those arriving and departing the airport on the 9 and 10 October 2016 are shown in Table 4. For Manston, focusing on the freighter market, and providing slots without the need to preference large numbers of passenger flights, can be key to a successful UK operation.

Table 4 *Frankfurt freighter schedule*

Airline		Example origin-destination
Aerologic	Worldwide	Bangkok, Chicago, Delhi, East Midlands, Hong Kong, Leipzig, Los Angeles, Mumbai, Taschkent
Air Algerie	North Africa	Algiers
Air Bridge Cargo	Europe	Helsinki, Leipzig, Moscow (multiple times per day)
Air China	Far East/US	Beijing, Chicago, Shanghai
Asiana Airlines	Far East	Seoul
Cargo Logic Air	Eurasia	Moscow
Cathay Pacific	Far East	Hong Kong
China Airlines	Far East	Taipei
China Southern	Far East	Guangzhou and Shanghai (multiple times per day)
European Air Transport (EAT)	Europe	East Midlands, Heathrow, Leipzig
Egypt Air	North Africa	Cairo
Emirates	Worldwide	Amsterdam, Atlanta, Dubai (multiple times per day), Mexico City
Etihad	Middle East	Abu Dhabi
Fedex	Worldwide	Cologne, Memphis, Milan, Paris
Korean Airlines	Eurasia, Far East	Navoi (Uzb.), Seoul
LAN Cargo	US	Miami
Lufthansa Cargo	Worldwide	Almaty (Kaz.), Atlanta, Bangalore, Cairo, Chicago, Curitiba (Brazil), Dakar, Guangzhou, Hong Kong, Istanbul, Johannesburg, Mexico City, Miami, Moscow, Mumbai, Nairobi, New York, Riyadh, Sao Paulo, Shanghai, Tokyo
MNG Airlines	Eurasia	Tekirdag (Turkey)
Night Express	Europe	Birmingham
Qatar Airways	Middle East	Doha
Saudia	Middle East	Dammam, Riyadh
Turkish Airlines	Eurasia	Istanbul
United Airlines	Europe	Frankfurt Hahn
Uzbekistan Airways	Eurasia	Navoi (Uzb)

Source: Fraport website <http://www.frankfurt-airport.com/en/b2b/cargo-hub.overview.flights.html#flightschedules/type=departure/page=1/time=2016-10-19T17%3A00%3A00>

4.2.54 With Manston envisioned as primarily an air freighter hub, the Frankfurt Main data leads to two powerful implications. The first is that dedicated cargo carriers do not require night movements. Frankfurt averages over 60 movements per day of dedicated cargo carriers with a full night time restriction between 23:00 and 05:00. With its

dedicated runway for cargo and the ability to service its customers quickly, cargo carriers are clearly able and willing to carry out their business within an 18-hour daily window. The second implication is that the high level of activity at Frankfurt can only mean that a significant amount of cargo landing at Frankfurt is destined for locations other than Germany. With London being a major economy and with scant landing slots available for cargo, a portion of Frankfurt cargo is likely being transported from Frankfurt to London by truck. Manston Airport could readily handle this business in a more cost effective and timely manner, with less environmental impact than trucking from Frankfurt to the UK.

4.3 Channel Crossings market share

4.3.1 One interviewee (Equinus) provided historic data that details the passenger, tourist vehicle, coach, and HGV traffic using the Port of Dover and Eurotunnel between 1995 and 2014. This data is shown in Table 5 and Table 6, which detail the number of movements and percentage change, year-on-year. Colour coding is used to show where movements have increased (green cells) or decreased (red cells), and indicate the peak years for traffic volumes (black cells). Table 5 shows an increase in HGV traffic to more than 2.6 million movements per year in 2017. This represents an increase in HGV movements over the past five years of some 18%, 13% over 10 years and 71% (more than one million movements) over the past 20 years.

Table 5 Port of Dover historic traffic figures

Year	Passengers		Tourist Cars		Coaches		HGV	
1995	17,872,712		2,893,835		158,167		1,075,965	
1996	18,979,719	6%	3,054,781	6%	153,642	-3%	1,071,602	0%
1997	21,463,570	13%	3,558,355	16%	165,002	7%	1,602,863	50%
1998	19,441,608	-9%	3,300,283	-7%	153,700	-7%	1,522,948	-5%
1999	18,276,988	-6%	3,003,364	-9%	156,725	2%	1,667,942	10%
2000	16,232,191	-11%	2,594,824	-14%	148,285	-5%	1,618,184	-3%
2001	16,002,464	-1%	2,554,931	-2%	136,702	-8%	1,771,826	9%
2002	16,442,680	3%	2,632,182	3%	147,549	8%	1,854,234	5%
2003	14,681,003	-11%	2,581,573	-2%	125,224	-15%	1,782,857	-4%
2004	14,333,663	-2%	2,506,667	-3%	128,464	3%	1,980,662	11%
2005	13,348,829	-7%	2,554,772	2%	107,541	-16%	2,045,867	3%
2006	13,797,874	3%	2,647,060	4%	105,774	-2%	2,324,598	14%
2007	14,287,318	4%	2,837,559	7%	105,336	0%	2,363,583	2%
2008	13,893,118	-3%	2,830,238	0%	97,851	-7%	2,307,821	-2%
2009	13,090,309	-6%	2,775,174	-2%	81,209	-17%	2,300,468	0%
2010	13,154,638	0%	2,818,380	2%	86,035	6%	2,091,516	-9%
2011	12,764,699	-3%	2,653,127	-6%	84,938	-1%	2,069,945	-1%
2012	11,921,671	-7%	2,400,471	-10%	84,246	-1%	1,952,138	-6%
2013	12,753,343	7%	2,471,193	3%	90,478	7%	2,206,728	13%
2014	13,295,492	4%	2,456,817	-1%	96,576	7%	2,421,537	10%
2015	13,008,400	-2%	2,335,531	-5%	96,592	0%	2,539,918	5%
2016	12,059,538	-7%	2,179,331	-7%	87,023	-10%	2,591,286	2%
2017	11,723,411	-3%	2,180,611	0%	79,638	-8%	2,601,162	0%
Last 10 Years		-16%		-23%		-19%		13%
Last 5 Years		-8%		-12%		-12%		18%

Source: Compiled from Port of Dover reports

4.3.2 The Eurotunnel figures shown in Table 6 shows huge growth in HGV movements - around 30% in the five years to 2017. Total HGV movements HGV channel crossings from Dover and using Eurotunnel are more than 4.2 million per year. Eurotunnel estimates an equivalent in tonnes of freight carried at 21.3 million in 2017. Additionally, just over 2,000 rail freight trains carry 1.22 million tonnes of freight. In January 2018, Le Shuttle Freight set a new record, carrying 144,272 trucks, an increase of 10% compared to the same month in 2017.

Table 6 Eurotunnel historic traffic figures

Year	Passengers		Tourist Cars		Coaches		HGV	
	Value	%	Value	%	Value	%	Value	%
1995	4,081,000				1,246,000		391,000	
1996	7,909,000	94%			2,136,000		519,000	33%
1997	8,653,000	9%			2,383,000		268,000	-48%
1998	12,901,000	49%			3,448,000		705,000	163%
1999	11,898,000	-8%			3,342,000		839,000	19%
2000	11,198,000	-6%			2,865,000		1,133,000	35%
2001	10,717,000	-4%			2,605,000		1,198,000	6%
2002	10,043,000	-6%	2,335,625		71,911		1,231,100	3%
2003	9,857,205	-2%	2,278,999	-2%	71,942	0%	1,284,822	4%
2004	9,266,325	-6%	2,101,323	-8%	63,467	-12%	1,281,207	0%
2005	9,550,503	3%	2,047,166	-3%	77,267	22%	1,308,786	2%
2006	9,109,663	-5%	2,021,543	-1%	67,202	-13%	1,296,269	-1%
2007	8,260,980	NA	2,141,573	6%	65,331	-3%	1,414,709	9%
2008	9,113,371	10%	1,907,484	-11%	55,751	-15%	1,254,282	-11%
2009	9,220,233	1%	1,916,647	0%	54,547	-2%	769,261	-39%
2010	9,528,558	3%	2,125,259	11%	56,507	4%	1,089,051	42%
2011	9,679,764	2%	2,262,811	6%	56,095	-1%	1,263,327	16%
2012	9,911,649	2%	2,424,342	7%	58,966	5%	1,464,880	16%
2013	10,132,691	2%	2,481,167	2%	64,907	10%	1,362,849	-7%
2014	10,397,894	3%	2,572,263	4%	63,059	-3%	1,440,214	6%
2015	10,399,267	0%	2,556,585	-1%	58,387	-7%	1,483,741	3%
2016	10,011,337	-4%	2,610,242	2%	53,623	-8%	1,641,638	11%
2017	10,300,622	3%	2,595,247	-1%	51,229	-4%	1,637,280	0%
Last 10 Years		13%		36%		-8%		30%
Last 5 Years		2%		5%		-21%		20%

Source: Compiled from Eurotunnel Group. Note that passenger figures from 2007 only include Eurostar passengers, excluding coach passengers and journeys between Paris and Calais and Brussels and Lille. Figures prior to 2007 provided by Bob Parsons

4.3.3 With the UK's exit from the EU, more stringent border control procedures can be expected. The Eurotunnel and Dover figures highlight the potential impact of delays and increased transit times on the more than four million annual HGV movements across the Channel. The figures shown above are consistent with the accounts of other interviewees that attest to freight being trucked to airports in northern Europe. Given increased friction at the border crossings, this market is more likely to consider moving to air freight.

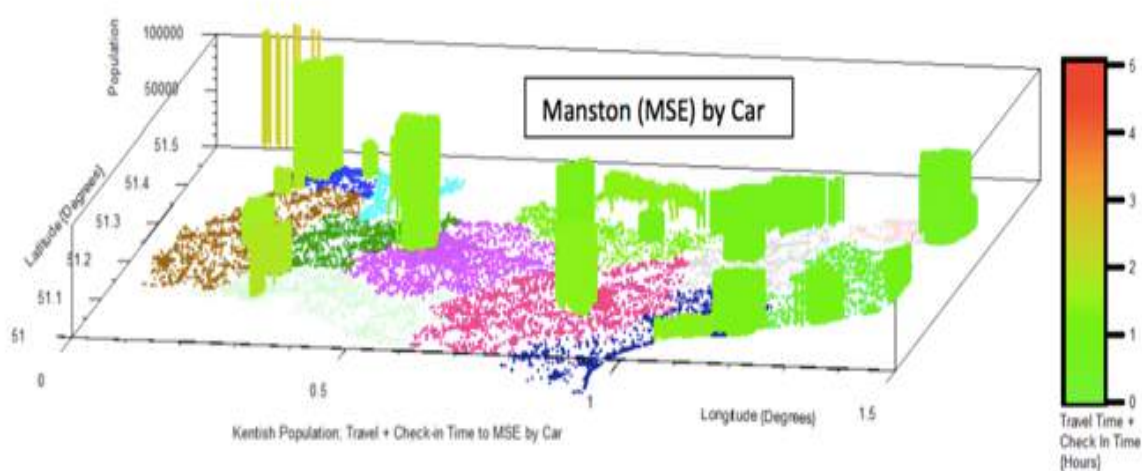
4.4 Passenger-focused findings

4.4.1 This section outlines the main findings related to passenger flights. There are currently estimated to be just in excess of 1.5 million people living in Kent¹⁹. In 2008, 11,000 local residents completed a survey run by Kent International Airport and KOS Media²⁰. 86% of respondents said they were very likely to use scheduled commercial passenger flights from Manston Airport. A further 11% said they were somewhat likely to use flights from the airport. Time saving and locational benefits were given by the majority of respondents as their reasons for wanting to use Manston.

4.4.2 It seems that Manston Airport, with its easy access to both the passenger terminal and from the terminal to the aircraft, may be a huge attraction to older travellers. The Association of British Travel Agents (**ABTA**) recently found that elderly people are missing flights because of the long walk they face at airports. If assistance is not pre-booked, these less able people are required to walk up to a mile between the check-in desk and the departure gate²¹.

4.4.3 In terms of time taken for travel and check-in, research shows that many people should find it quicker to access Manston Airport than either Gatwick or Heathrow airports. Indeed, the proposed opening of the Lower Thames Crossing widens Manston's catchment area to include Essex and North London. The drive and rail times from the main towns in Kent to Manston Airport are shown in Figure 13 and Figure 14.

Figure 13 Drive times to Manston Airport



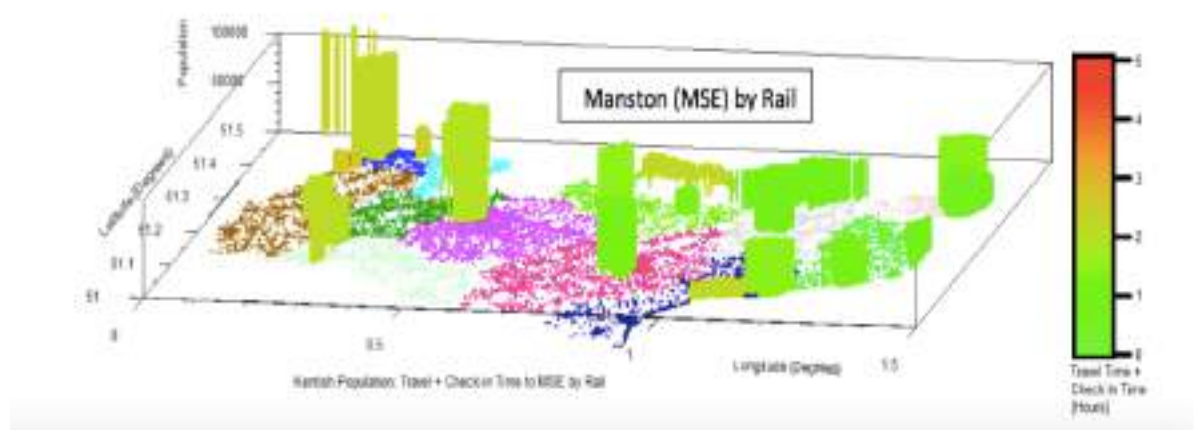
Source: Lab-Tools Ltd.

¹⁹ <http://www.kent.gov.uk/about-the-council/information-and-data/Facts-and-figures-about-Kent/population-and-census>

²⁰ <http://www.uk-airport-news.info/kent-airport-news-310708.htm>

²¹ Daily Telegraph, 27 September 2016, "Older travellers miss flights due to airport walks of almost a mile"

Figure 14 Rail travel times to Manston Airport



Source: Lab-Tools Ltd.

4.4.4 These figures were compiled from population-postcode data for the 12 Kent districts derived from the 2011 census. Travel times for both road and rail were measured at the middle of the day²² and include all aspects of the journey to the queue for the check-in or bag-drop desk. The times assume a 30-minute check-in at Manston, two hours at Gatwick for European flights and three hours at Heathrow for long haul. Even with shorter check-in times at Gatwick and Heathrow for passengers who use online services, travel times remain competitive.

4.4.5 Manston's location means that flights to and from 'sunshine' destinations such as Alicante and Malaga have a reduced flying time compared to other UK airports. For airports in the north of England and Scotland, this can be as much as one hour less in the air for each sector. Less flying time means less fuel and crew time, reducing the cost of each flight for the operator and allowing more rotations per day.

KLM

4.4.6 Between 2013 and 2014, KLM operated twice daily flights (four movements per day) between Manston and Schiphol in Holland. This operation connected passengers from East Kent and from the wider Kent and South East area. In 2013, KLM handled over 40,000 passengers. Tourism in both directions (inbound and outbound) was *"just getting going and had a huge amount of support from all the tourism agencies"* (Visit Kent).

4.4.7 Unfortunately, the company was forced to pull out of the airport before the more lucrative summer season. As such, it is difficult to estimate what passenger numbers would have been if KLM had been able to continue operating from Manston. Emails between the Managing Director of KLM Cityhopper, Boet Kreiken and one of Manston Airport's former Air Traffic Controllers, Andy Wilby, show how KLM felt about their operation from Manston Airport:

²²http://www.lab-tools.com/SMA/Manston_Airport_Kent_has_major_travel_advantages_-_v2b.pdf

“Every time we hear about Manston we feel the lost opportunity for the UK, the Kent region, local employment and our lost venture which did not get the time to materialise with a full summer season. . . . The UK has to come to grips soon with her policy for regional airports and these airports (and e.g. amongst others our Klc operations) and airline connections are a vital lifeline for a modern economy and society as yours is. . . . we are convinced that definitively destructing such a runway and location as Manston is in the long run not such a wise decision as understatement in the greater and continuously expanding London area as well as of a relatively booming South East England. Many regional airports now vie for our connections to Europe and the world.”

4.4.8 Given the current capacity issues at other South East airports, RiverOak have a reasonable expectation that a carrier such as KLM will operate a twice-daily schedule from Manston. Indeed, KLM have reiterated their desire to recommence operations from Manston. Their schedule is likely to resume as before, with a twice-daily service from Manston to Schiphol Airport, Amsterdam. KLM previously used Fokker 70 aircraft, which have a capacity of 80 passengers. Four movements per day, seven days per week equates to around 1,460 movements per year. This type of service provides local people with access to a major hub from where they can fly to destinations around the world.

Low cost carriers

4.4.9 In addition to the KLM flights, RiverOak expect at least one low cost carrier to operate from Manston, basing two aircraft at the airport. Indeed, in 2005, when EUJet, a low cost carrier, was operating from the airport, Manston handled around 207,000 passengers. A new theme park is planned for construction in Kent on the Swanscombe peninsular between Dartford and Gravesend. The proposed 872-acre London Resort entertainment complex would include a large indoor water park, theatres, live music venues, cinemas, rides, restaurants, and 5,000 hotel rooms. The park is expecting 50,000 visitors per day. Visit Kent, the County’s tourism organisation, believes Manston would provide a gateway for visitors to the theme park. Accessing Kent from the east would encourage visitors to see more of the County rather than venturing no further than London. It is expected that this attraction will help drive demand for the services of KLM and low cost carriers.

4.4.10 Ryanair have given RiverOak an indication that they will base two aircraft at Manston in the first three years of operation. These aircraft would be likely to operate a timetable serving 12 to 14 destinations throughout the year, including domestic and leisure routes, offering five rotations in the summer months and four in winter. From the fourth year of operation, Ryanair would consider basing three aircraft at the airport.

4.4.11 With the arrival of EasyJet, Southend Airport has developed a successful passenger operation, increasing from around 4,000 passengers per year prior to 2012 to 900,000 in 2015. However, the 2015 figure is 18% down on 2014 traffic. The short runway and restricted land available for development may mean that some airlines could look to Manston to expand their operations. In particular, should EasyJet, who operates to 16 destinations from Southend, around 10,000 movements per year, consider entering the long haul market, Manston would make an ideal choice, given its location. However, this service has yet to be announced and so no low cost carrier long haul flights can be included in the demand forecast for Manston Airport.

Resident passenger carriers

4.4.12 The CAA calculates that 1.9 million passengers are carried by marginal airlines at Heathrow (CAA, 2013, p. 22). Marginal airlines are defined as, “those most likely to

switch away from the airport in light of a 10 per cent price increase” (ibid, p. 20). These airlines are shown in Table 7. Whilst the CAA describe these airlines as marginal, they note their analysis may be an overestimation since airlines may incur significant switching costs or they may consider their operations at Heathrow to be of strategic significance and would therefore be prepared to bear any increase in costs. This is particularly pertinent if the carrier is part of a strategic alliance or has an interlining agreement in place. For example, Vueling is an unaligned LCC airline, with only 5% connecting passengers. However, it has signed an interlining agreement with BA whereby passengers landing in Barcelona with BA will be able to connect directly to Vueling’s 74 destinations offered from its hub in Barcelona’s El Prat Airport²³.

Table 7 Marginal airlines at Heathrow Airport

Airline	Surface passengers	Connecting passengers	Total passengers	% connecting passengers	Unaligned
Biman Bangladesh Airlines	73,920	8,101	82,021	9.9	X
Air France	608,646	66,361	675,007	9.8	
Arik Air	109,537	11,723	121,260	9.7	X
Turkish Airlines	509,287	49,815	559,102	8.9	
KLM	701,117	66,320	767,437	8.6	
Etihad Airways	462,823	43,234	506,057	8.5	X
Aegean Airlines	381,479	33,993	415,472	8.2	
Delta	1,101,098	97,573	1,198,671	8.1	
Air Astana	17,438	1,491	18,929	7.9	X
Alitalia	773,475	58,643	832,118	7.0	
Contact Air	91,928	6,749	98,677	6.8	
Vueling	246,477	14,036	260,513	5.4	X
Royal Brunei Airlines	164,500	8,243	172,743	4.8	X
Air Botnia (Blue 1)	91,085	4,288	95,373	4.5	X
Air Seychelles	13,135	545	13,680	4.0	X
Aeroflot	237,340	7,788	245,128	3.2	
Tunis Air	43,523	1,267	44,790	2.8	X
Pakistan International Airlines	287,051	8,220	295,271	2.8	X
Uzbekistan Airways	22,743	501	23,244	2.2	X
All charters	53,800	747	54,547	1.4	X
Air China	144,653	-	144,653	0.0	
Azerbaijan Airlines	16,673	-	16,673	0.0	X
EVA Airways	188,837	-	188,837	0.0	X
Syrian Arab Airlines	14,757	-	14,757	0.0	X
Total (Italics)			1,908,695		

Source: CAA Passenger survey 2011

Note: EVA Airways to join Star Alliance in 2013.

Source: CAA, 2013, p. 21

4.4.13 However, the CAA says that:

²³ <http://www.vueling.com/en/we-are-vueling/press-room/press-releases/corporate/vueling-flights-from-el-prat-barcelona-to-connect-with-british-airways-broad-network>

“24 out of 85 airlines at Heathrow (in 2011) carried less than 10 per cent connecting passengers on their services. For these airlines, it is unlikely that the loss of connecting passengers would be a significant switching cost. These airlines accounted for approximately 6.8 million (10 per cent) of the passengers at Heathrow. Of these, airlines accounting for approximately 1.9 million passengers do not belong to an alliance.” (CAA, 2013, p. 35)

4.4.14 Since there is no indication that Heathrow will exercise its market power, no demand for the movement of any of these airlines to Manston has been made as part of the outcome of this research.

4.4.15 However, since capacity at Heathrow and Gatwick is constrained, with Luton and Stansted set to follow, RiverOak would expect to attract other carriers in the medium term. It is also expected that Manston will become the base for one or more regional carriers with three 30 to 50-seater aircraft. These aircraft will serve six to eight business-orientated and niche leisure routes.

4.4.16 In October 2016, the UK and China signed an agreement that increases the current limit of 40 direct flights per week between the countries to 100 in both directions. The new agreement also lifts the restriction on the number of airports that were covered by the previous deal. Previously only six airports in each country could offer direct flights between the UK and China. This means that not only can flights take off and land from other UK airports but will provide direct access to destinations throughout China. One of the interviewees (Visit Kent) in particular felt the Chinese market into Kent is a particular opportunity. Indeed, this interviewee mentioned the announcement of two services into Gatwick and two into Birmingham from China with operators looking for additional slots. This, coupled with the government’s strategy to move tourism to the regions, means, *“there is lots of energy to spread the benefit of inbound tourism”* with funding available (Visit Kent).

Charter flights

4.4.17 As well as daily scheduled flights and regular low cost carrier flights, Manston was previously served by a number of holiday companies including Newmarket Holidays and a Saturday service operated to Jersey. It is expected that Manston would attract at least one holiday company offering flights as part of a package during the season.

4.4.18 According to one interviewee, prior to its closure, the airport was approached by a Romanian airline that wanted to operate two flights per day during the season. The target market for these flights would be agricultural and other workers from Romania and Poland, many of whom come to work within 50 miles of Manston Airport. Therefore, due to the capacity available and constraints at other South East airports, demand at Manston is likely to include a number of charter passenger services, expected to operate at peak times across the year.

4.4.19 There are a number of infrastructure projects that, once complete, will reduce even further the travel times to Manston Airport and widen its catchment area (Visit Kent). These include the proposed Lower Thames Crossing and improved rail travel times to a London terminus. Additionally, the construction of the proposed London Resort and Ebbsfleet Garden City could provide additional passengers for Manston Airport.

4.4.20 An email of support for Manston Airport from the Manager of Passenger Sales at National Airlines based in Orlando, Florida dated 23 January 2017 reads:

“Just as a follow up to our conversation on the Manston Airport. Having used it as an alternative to LGW, LHR and STN when we did the State Farm incentive flying from 12 U.S Cities, I can say with experience, that our customers were absolutely blown away with the service offered by the Manston Airport staff, and were equally impressed with the ease of getting into downtown London. We even tested and timed coaches to and from LGW and STN to downtown and Manston always came out as a shorter total commute both coming and going.

National has looked at, and continues to evaluate niche scheduled service city pairs, and should Manston decide to reopen, it would probably enter into our overall evaluation as an alternative to the congested airports that presently serve the greater London area.”

4.4.21 As such, a forecast for charter flights has been included in the Manston demand for passenger flights.

Cruise passengers

4.4.22 In the past, Manston Airport has worked with The Port of Dover, bringing cruise passengers from the USA to join ships departing from Kent. Indeed, *“Renaissance Cruises were very successful with overwhelmingly positive passenger feedback”* (Visit Kent). The Port of Dover has huge expansion plans for cruise ships (Visit Kent) and *“nowadays cruise passengers are looking for faster transit from the US”* (Visit Kent). Indeed, on their website²⁴, the Port say that:

“Joint initiatives between airports and ports have become more important in recent years. The inter-operability and inter-connections between the two has led to an increase in visitor numbers to countries and regions, and can be a very attractive element in, for example, developing cruise services, linking air and sea in ways that cruise ship operators demand when looking to new services from certain countries and ports.”

4.4.23 Manston Airport is located only 17 miles from the cruise terminal at Dover Harbour, the second busiest in the UK. In previous years, a well-received service operated between the US and Dover via Manston Airport. Passengers left the aircraft at Manston on bonded coaches, which allowed them to use the immigration services at Dover and portage, which reconciled them with their luggage when they reached their cabin on the cruise ship. This service saved passengers the time and inconvenience of travelling through a more distant London airport, and handling luggage between the airport and the coach transfer. Therefore, demand for one return flight per week during peak cruise times is predicted. These services are expected to originate in the US.

4.5 Other potential revenue streams

4.5.1 In addition to the air freight and passenger operations, interviewees mentioned a range of other potential revenue streams for Manston Airport. These include a maintenance, repair and overhaul facility (MRO), aircraft recycling, establishing an Enterprise Zone, re-establishing a flying school, and a business jet fixed base operation.

²⁴ <http://www.doverport.co.uk/consultancy/airport-port-connectivity/>

Interviewees were also keen to mention Manston's role in the resilience of the UK's airport network.

Maintenance, Repair and Overhaul (MRO) facility

4.5.2 Aircraft MRO includes scheduled maintenance to aircraft and unscheduled maintenance due to damage, component and engine failure, mandatory modifications, and upgrades to the cabin interiors, systems or other components.

4.5.3 Several interviewees mentioned the importance of a maintenance base at Manston Airport and indeed it seemed almost taken-for-granted that the airport operator would ensure an MRO facility was available. Not only does an MRO encourage airlines to use an airport but also generates revenue for the operator and creates employment in the region. A study undertaken by the Department for Business, Innovation and Skills (BIS) in 2016 shows the impact of the MRO sector on the UK economy:

"The UK has a 17 percent global market share in aerospace industry revenues, which is the largest in Europe and second only to the US in worldwide terms. In terms of MROL we find that there are over 1,300 companies supporting the UK Maintenance, Repair, Overhaul and Logistics (MROL) sector. Together these companies have a turnover of around £15 billion, and they employ around 57,000 people in the UK." (BIS, 2016, p. 7)

4.5.4 The report by BIS concludes that:

- *There is some consensus that the UK MROL sector is highly regarded throughout the world for: the quality of its work; its aerospace heritage; having a highly skilled, knowledgeable and flexible work force; and the presence of an effective regulator with good excellent regulatory compliance.*
- *The majority of the larger MROs endorse the need for on-going training through apprenticeship schemes*
- *In an international market place, the UK MROL sector is thought to have a particular strength in the provision of high value, sophisticated and advanced MROL services. Building on this capability, the UK MROL industry has the potential to make a significant contribution to the UK Government's intention to double UK exports to £1 trillion by 2020.*

4.5.5 AvMan Engineering has been operating a facility from the Hangar One at the airport since 2009. The company focus on the maintenance of BAE 146/RJ aircraft, as well as the repair and maintenance of Honeywell ALF 502/LF 507 Series engines. The interviewee from AvMan mentioned advances in MRO practices including the use of drones for inspection of aircraft, currently being used by EasyJet.

Aircraft recycling facility

4.5.6 There are an estimated 12,000 aircraft due for retirement in the next two decades²⁵. With a focus on environmentally sound practices, the aircraft recycling industry offers many opportunities for jobs creation and training opportunities. A key part of the RiverOak strategy and discussed by interviewees, movements are likely to be in the region of 10 per year. It should be noted that these are inbound-only movements.

²⁵ <https://afraassociation.org>

4.5.7 One interviewee was particularly keen to return to Manston Airport as his company see huge potential from operating in Thanet (SmartLynx). When asked why they prefer Manston as a location, they report that the location, close to Heathrow and Gatwick but without slot restrictions, is the main reason. The company previously employed around 80 people onsite, most of who were from Thanet. He said that the location of Manston Airport for aircraft recycling is, “*absolutely ideal*”. The following is a letter of support from Thorir Kristinsson of SmartLynx Airlines.

**“To: The Managing Director, Manston Airport
From: Thorir Kristinsson, SmartLynx Airlines**

Date: 28 November 2016

I am writing to support retaining Manston as an operational airport. I have over forty years’ experience of working in aircraft engineering and my accreditation details are as follows:

Aircraft Technician Licence: ICAA, FAA A&P, Licence number: 3566

From 2001 to 2004 I was the Accountable Manager for Aviaservices Ltd and the five JAR 145 workshops owned and operated by the company in the Manston area. I was also the responsible manager for Air Atlanta Icelandic’s stores depot and the line maintenance station at Manston in several buildings occupying a total of 70,000 sq.ft. Then from 2004 to 2006 I was Senior Director Maintenance at Air Atlanta Icelandic.

As far as I remember we had 70-80 permanent staff but I might be able to connect you with our former HR manager Mrs. Dianne Potter who would have this in much better details as she did an excellent job of pushing for training and hiring the locals with an apprentice program for the workshops.

Most of the work performed was related to a fleet of B747’s B767’s B757’s and in the beginning L1011’s aircraft which flew in to Manston for all kind of maintenance works, limited of course as in those days we never had access to a hangar. In busy seasons, usually between contracts of the aircraft, we employed with contractors and mechanics coming with the aircraft - often 100 + people. We maintained around 50 aircraft per year and also salvaged around 5 or 6 aircraft each year. We handled wheels and brakes, battery equipment, catering and cargo equipment, safety equipment, and avionics such as communication and lighting. Our company had CAA approval.

The operation was gradually scaled down because the people who bought the airport in 2005 never really understood the potential of the aircraft maintenance and re-cycling business and without a hangar we were facing all sorts of operational and environmental challenges. Looking back I see it as a lost opportunity because, for a time, the operation was successful and profitable, as well as offering employment opportunities to local people.

In recent weeks I have had conversations with colleagues with many years’ experience in aircraft engineering and re-cycling and I can say that there is a real interest in setting up a new business when Manston re-opens.

It’s also clear to anyone who understands the air freight business that Manston has huge potential as a cargo hub. It can free up slots in LHR and

STN, it's close to the Channel Tunnel and it now has much better rail connections with London. Actually the location is absolutely ideal and I look forward to being able to use Manston Airport again soon."

Enterprise Zone

4.5.8 The Manston Airport site provides the opportunity to derive income from activities other than freight and passenger flights. For example, in the 2011 Budget, the Government announced the creation of a number of Enterprise Zones across England. Enterprise Zones define a geographical area where fiscal incentives and simplified planning controls encourage businesses to flourish by reducing the barriers to growth. Enterprise Zones have been established to include or be based around a number of airports including Manchester, Luton, Newquay and Cardiff.

4.5.9 The Government's Aviation Policy Framework (DfT, 2013b, pp. 75-76) outlines the effect of Enterprise Zone Status on airports including transforming airports into international business destinations, creating jobs, and attracting investment to boost air connectivity and maximise economic impact. Should Manston Airport re-open, it may be possible to apply to the Government for Enterprise Zone status, providing incentives for businesses to locate to the area, bringing additional employment and economic benefits to Thanet.

Flying School

4.5.10 Manston was home to TG Aviation flying school for over 30 years. When Manston closed, the school moved to Lydd Airport. For many years prior to Manston's closure, TG Aviation operated a popular and highly regarded flying school founded by the late Ted Girdler. The company temporarily re-located to Lydd Airport and has expressed a strong desire to return to Manston when the airport re-opens for business.

4.5.11 TG Aviation's former premises comprise a hangar, offices, and a reception area. In discussions with the TG Directors, RiverOak have agreed that, with suitable investment in the buildings, the business should be re-opened but this time as a FBO for executive jets as well as a flying school.

Business jet operation

4.5.12 In addition to the planned FBO, Polar Helicopters operate a fleet of three helicopters, which is due to increase to four. Their core business is in training and helicopter charter and a helicopter connection to Battersea for a client landing at Manston in an executive jet would take around 35 minutes. The interviewee from Polar Helicopters reported that she would be very interested in working in tandem with an FBO operation on the site.

4.5.13 Polar have been at Manston for 10 years, and in Hangar 10 for seven years. Although a well-established business at Manston, Polar Helicopters have not found it easy to operate from a non-operational airport. Indeed, this interviewee expressed the opinion that very little investment was made to improve the cargo operation or any other aspect of Manston as an operational airport except for the equestrian centre.

Diversion airport

4.5.14 Several interviewees mentioned the importance of Manston to the resilience of the UK's airport network (AvMan, Baltic Exchange, Securitas). Manston had previously provided a diversion airport for aircraft either in difficulties or because of conditions (such as fog, snow or problems on the runway) at the original destination airport.

According to one interviewee, Manston was the diversion airport for BA, KLM and Virgin Airways (AvMan). Since the closure of the airport, airlines have great difficulty providing an en-route diversion airport in their flight plan and this impacts on them commercially. In particular it was reported that BA has a problem on the A380 transatlantic routes.

5 Discussion

5.0.1 The aim of this section is to consider the findings from the research, as detailed in the previous section, and to discuss their influence on the likely demand for Manston Airport. The sections first consider the air freight findings, looking at the reasons why Manston Airport will prove attractive to freight operators, before looking at the market opportunities and demand sectorally and geographically. The potential freight demand is then considered against a range of potential scenarios that may impact the sector. Next, the likely demand for passenger flights is discussed before summarising the discussion section.

5.1 Attracting air freight to Manston Airport

5.1.1 The findings have provided a rich variety of information about what might attract air freight to Manston Airport. These include both 'push' and 'pull' factors. 'Push' factors cover those that may lead customers away from other airports or change current transport models and include the issues at Heathrow and the Channel crossings, increasing problems with security, and potential changes to the current dominance of belly freight in the UK. 'Pull' factors work to attract customers due to the offering made by the airport and include speed of turnaround achieved by Manston, cutting edge security clearing, and the location of the airport.

5.1.2 The analysis of Frankfurt Main Airport demonstrates how an unconstrained airport can attract considerable air freight movements. This airport handled more than two million tonnes of cargo in 2017 without operating at night. Contrary to the view that cargo-only airlines prefer to operate at night, Frankfurt shows that if suitable slots are available during the day and turnaround times are expedient, a daytime operation can be successful.

Issues at London Heathrow Airport

5.1.3 Many interviewees discussed the problems they face using Heathrow Airport. These problems include being bumped from belly freight, sometimes up to four times before freight is transported. This causes uncertainty and considerable stress when the items are required urgently, such as parts for aircraft, oil rigs, or valuable machinery. Delays in delivery cause lost revenue for the parties involved. Indeed, delays are common at the airport, with trucks queuing to on- and off-load their cargo. These problems are likely to get worse once work on upgrading and realigning the M25 motorway to meet the demands of the new runway commences.

5.1.4 There seems to be a considerable problem with security screening oversized air freight in the UK. This results in the trucking goods to northern Europe for screening. Securitas, one of the larger organisations involved in security clearing air freight, estimates substantial numbers of truck loads per year are having to undertake this journey. For example, Swissport sends a minimum of 11 trucks daily from all over England and Scotland. This figure can rise as high as 40 in peak seasons, with an estimate of an average of 16 daily over a year, seven days a week from just one handler (Securitas). Together with the bottlenecks at Heathrow, these issues are having a substantial impact on the air freight market. Overcoming these problems provides Manston Airport with an opportunity to attract a considerable market, particularly perishable and time-sensitive items.

5.1.5 There seem to be very limited slots for freighters available at Heathrow. Many interviewees pressed this point, which is a considerable advantage for Manston until

capacity is increased at Heathrow. By the time the third runway becomes available, not likely to be before 2030, Manston is likely to be well established. It is also possible that demand for passenger traffic will be sufficient to fill the third runway at Heathrow, continuing to create a push effect for Manston.

5.1.6 The situation at Stansted seems set to continue to preference passenger traffic, particularly in the period before the third runway at Heathrow is open for business. This is a concern for organisations such as TfL, who are working to improve surface transit to Stansted for passengers.

Channel crossings and trucking

5.1.7 There are more than four million truck movements across the Channel every year. Haulage companies and freight airlines report severe delays, mainly associated with the situation in Calais, now largely resolved. These delays impact profitability and particularly affect the carriage of perishable items that lose their value the longer they remain in transit. Post Brexit, it may be that delays are inevitable as increased customs and immigration checks have to take place at border crossings. Many interviewees talked about the security issues they face when trucking through the Channel crossings.

5.1.8 Any increase in delays may precipitate a move away from trucking to the continent, particularly for high-value time-sensitive goods. Indeed, if trade restrictions are such that the UK has increasingly to look to markets outside the EU, trucking will not be an option. Air freight would then be in competition with shipping, a much slower albeit cheaper form of transit. Even without the impact of Brexit negotiations, York Aviation are forecasting a shortfall equivalent to 2.1 million tonnes of air freight capacity in the UK by 2050 (York Aviation, 2015, p. 19). TfL predict that the South East will be short of capacity for around 54,000 air freight movements (TfL, 2013). The implications for Manston therefore look very positive, with considerable demand potential for air freight movements.

Security issues

5.1.9 Security was a key issue for many interviewees with concerns that the problems currently being experienced will worsen in the future. The carriage of lithium batteries is becoming increasingly problematic, with moves to impose a ban on passenger aircraft. This would affect the ability to use belly-hold space and may have implication for Manston as a specialist freight airport.

5.1.10 Aside from the impact on security from threats of terrorism, other issues included problems with oversized cargo screening. Some airport's inability to screen oversized items can cause delays and frustration. If Manston Airport were equipped to handle and screen these niche items that are often high-value and time-sensitive, the airport would be able to attract specialist freight carriers.

5.1.11 RiverOak are in negotiation with Securitas to operate a canine freight screening operation from the site. Securitas currently truck in the region of 50,000 HGV loads of air freight from UK airports to Rotterdam or a European airport equipped with screening for freight. Given the volume of air freight involved and the considerable advantages of using a UK airport with the specialist equipment required to security clear freight, Manston is likely attract a considerable amount of these movements.

Changes to preference for belly freight

5.1.12 Whilst the UK air freight market is currently dominated by belly-hold rather than dedicated freighters, this is the reverse of the situation in the rest of Europe. Several factors may contribute to a change to this dominant model. These include the LCC model, which generally focuses on rapid turnarounds, precluding the carriage of freight. In addition, many interviewees talked of freight being bumped from passenger aircraft and the negative impact this has on their business. If the market was to move away from belly freight and towards the use of more dedicated freighters, Manston would be well placed to attract this growing market.

Speed of turnaround

5.1.13 Speed of turnaround was mentioned as a key attraction for a freight airport. Manston has a history of rapid turnarounds, often cited as the best in the industry. There can be little doubt that the future operators of Manston would want to focus on providing this excellence of service, which, if well publicised, should attract those involved in time-sensitive markets.

5.1.14 Manston's location means that aircraft heading south make a saving in time and fuel. This saving is in the region of 45 minutes to one hour in terms of time and between \$2,000 and \$3,000 per flight. There are also savings to be made in crew time. These savings increase the benefits of using Manston and may act as a powerful marketing opportunity for the airport.

5.2 Market opportunities for Manston Airport

5.2.1 Many of the interviewees mentioned the markets they believe exist for Manston Airport. These include both sectoral and geographical markets.

Sectoral markets

5.2.2 The niche market opportunities that interviewees identified for Manston include perishables such as fruit, vegetables and flowers, the traditional focus for the airport and fish and shellfish. Timely delivery of fresh produce is vital to supermarkets, which require the maximum shelf life to reduce wastage and increase profit margins. Imports are likely to originate particularly from Africa and South America. The export markets for fish and shellfish, including oysters, and spider crabs that are plentiful in the waters around the south of the UK, include Spain, France, and the Middle East.

5.2.3 It seems Manston would be well placed to dominate niche markets such as Formula One cars, luxury cars from the Middle East, rock band stage sets, live animals such as breeding stock and racehorses, oil and gas equipment, and outsized cargo. These markets should provide considerable business for the airport. Additionally, Manston Airport has a history of handling military and humanitarian operations and these can be expected to return to Manston when the airport is operational.

5.2.4 There seems to be strong interest in aircraft recycling market and, although this would provide only a limited number of movements per year, would provide Manston with many opportunities to increase revenue and to create jobs and increase skills in the region.

Geographic markets

5.2.5 Interviewees identified a number of geographic markets they believe have growth potential. These include both import and export markets with a focus on the

sectoral markets identified and described in the section entitled 'Sectoral markets' at paragraph 6.2.2 onwards above. These markets include:

- Africa particularly for the import of flowers, fruit and vegetables
- Algeria for the import of fruit and vegetables
- China for the import of consumer goods and export of luxury items
- Middle East particularly for export markets
- Pakistan including the export of clothing and the import of consumer goods
- Russia for gas and oil equipment and the export of luxury items
- US for a range of import and exports

Attracting integrators and freight forwarders

5.2.6 Whilst integrators, like many businesses, are generally averse to change, there are a number of potential benefits that may make Manston Airport attractive to this market. In addition to the benefits described previously such as rapid turnaround of aircraft and the availability of slots at Manston, the airport offers other attractions. These include the availability of warehousing and office space either onsite or close to the airport. The connectivity of the airport is also excellent, with a number of interviewees talking about this benefit. The presence of an integrator at Manston would dramatically increase the number of freighter movements from the airport. This scenario is discussed further in the section entitled 'Integrator/forwarder base' at paragraph 6.3.21 onwards.

5.3 External environment scenarios

5.3.1 The external environment in which any airport operates is dynamic and change inevitable. These changes may affect the behaviour of potential users and therefore, in order to enhance the assessment of demand, a range of alternative scenarios has been considered. These scenarios detail key triggers that may impact the air freight industry and Manston's ability to attract air freight. Research from both secondary sources and from the interviews undertaken has been used to identify these triggers. Nine potential scenarios specific to the air freight market for Manston Airport have been identified. These scenarios are:

1. The UK's position in Europe
2. Changes to fuel prices
3. The availability of more efficient aircraft
4. Onshoring of manufacturing in the UK
5. Changes to logistics and transport systems in Kent
6. Dramatic changes to economic performance
7. Manston becomes a major integrator/forwarder base
8. Manston becomes an Amazon base
9. Manston becomes a hub for drone activity

5.3.2 The following sections discuss the potential impact of these scenarios on the demand for air freight at Manston Airport identified through the research undertaken for this report.

The UK's position in Europe

5.3.3 The UK has made one of the most momentous decisions in its history – to exit the EU. Until negotiations between the UK and the EU are complete, it is difficult to predict the impact on air freight to and from the UK. The British Government has

identified three potential options for relationships between the UK and the EU post Brexit. These are:

- Membership of the European Economic Area (**EEA**). This model is used by Norway and ensures full access to the Single Market. In terms of aviation, membership of the EEA would provide membership of the European Common Aviation Area (**ECAA**) and continued access to the Single Aviation Market.
- Bespoke bilateral arrangements, such as those between the EU and Switzerland. For aviation, a UK-EU comprehensive agreement would entail a bespoke arrangement such as the EU-US and EU-Canada agreements.
- A World Trade Organization (**WTO**) relationship, which would mean no special arrangement with the EU is negotiated. For aviation, whilst this would provide the UK with maximum policy freedom with only ICAO's Chicago Convention framework in place, it would exclude the UK from European initiatives such as the Single European Sky.

5.3.4 Table 8 highlights the characteristics of these various options. It is highly likely the airline industry will lobby the Government to retain the Single Aviation Market. Without the freedoms of the air currently in place, air freight operators are likely to experience added costs, more restrictions and increased bureaucracy.

Table 8 Key characteristics of post-Brexit UK-EU models

	Access to Single Aviation Market	Validity of EU horizontal agreements	Influence on EU policy	Policy freedom
Continued EU membership	Full access	Full validity	High	Very limited
ECAA membership	Full access	Would likely remain valid	Very limited	Limited
UK-EU comprehensive	Access	May need to be renegotiated	None	Potentially limited
No formal agreement	Would need to be negotiated	Would need to be renegotiated	None	High

Source: IATA, 2016b, p. 6

5.3.5 A complete exit from the EU would force the UK to negotiate aviation and trade accords with many countries that have to date been covered by EU treaties. However, a “hard” Brexit solution for other policy areas may make a “soft” Brexit for aviation more difficult to negotiate. All commentators have in common the opinion that it is far too early to predict what the outcome of Brexit will be. In terms of Manston Airport and the demand for freight and passengers, no changes to the current findings are proposed until the result of negotiations is clearer. The current demand picture does not contain any intra-EU traffic, although, most cargo airlines do not fly point-to-point, picking up and dropping off on non-direct routes to their final destination. Without this ability, if no formal agreement is reached, freight forecasts may well have to be adjusted, not just for Manston but also for the whole UK and European airport network.

Changes to fuel prices

5.3.6 Fuel costs are one of the largest expenses for the airline industry, around one third of operating costs. Oil prices have been relatively low since mid 2014 but have not

necessarily helped air freight carriers because of the effect of hedging²⁶. This effect should start to drop away and both freight and passenger carriers may tend to be more aggressive with their pricing. Lower fuel costs have allowed some operators to open up new routes, particularly long haul, that were previously unaffordable. However, since fuel is priced in US Dollars, the value of Sterling against the US Dollar is critical.

5.3.7 Since airlines use hedging to protect them from fuel price fluctuations, price hikes are unlikely in the short-term. Indeed, the general trend has been for prices to reduce over time and more efficient aircraft and operating practices seem set to ensure this trend continues. As such, an increase in the choice of air freight over other means of transportation may arise. However, given the uncertainty around the value of Sterling against the US Dollar, the demand identified for Manston has not been changed.

Availability of more efficient aircraft

5.3.8 Aircraft continue to become more efficient, improving fuel consumption and reducing emissions through new engine, aerodynamic devices and aircraft design, and through lighter weight on-board equipment. The Boeing 787 Dreamliner and the forthcoming Airbus A350 are much more efficient than previous generation aircraft. Instead of metal, these aircraft are constructed almost entirely from composite materials, reducing their weight considerably. Whilst these economies should be passed on to the customer, reducing the cost of air freighting, no increases to the demand identified for Manston have been included over the period of the study.

Onshoring of manufacturing in the UK

5.3.9 Since the end of the 1970s, the number of jobs in manufacturing has declined from 25% of the UK workforce to around 8%. Less than three million people now work in UK manufacturing compared with more than three times that number 40 years ago. However, one of the effects of the referendum vote to leave the EU has been a weakening of Sterling. This makes British goods cheaper for overseas customers relative to foreign competitors. Sterling's fall in value and global growth have led to the UK's manufacturing output expanding at its fastest rate since early 2008. January 2018 recorded a ninth consecutive month of growth²⁷. However, economic growth has slowed due to the risk to the economy from Brexit.

5.3.10 Technological changes such as robotics are eroding the comparative advantage of low labour cost countries such as China. Aside from cost issues, many companies are concerned with the cost-quality balance of their production and the challenge of protecting intellectual property. Manufacturing overseas makes it easier for ideas to be stolen and products to be copied, crowding the market and diluting brand names.

5.3.11 Onshoring is therefore predicted to bring manufacturing back to the UK in industries such as vehicles, clothing, and high tech products. Agility is key to competitive advantage, with speed to market and more flexibility required from suppliers. Locating production so far from the market does not allow for agile responses. Whilst the UK looks set to return to some manufacturing, not the mass production of the past but as part of a leaner, more efficient value chain.

5.3.12 Since Just-in-Time practices are likely to be required in these manufacturing processes, the use of air freight may well increase. However, the impact on the

²⁶ Hedging is a risk-management strategy that is used to reduce possible loss incurred due to adverse price movements, in this case in fuel prices

²⁷ <https://www.ft.com/content/5a223fe4-237f-11e8-add1-0e8958b189ea>

manufacturing sector from the UK's exit from the EU is uncertain and therefore it is too early to precisely predict the potential increase to the demand for Manston at this time. However, demand seems to show that exports will exceed imports and this is, in part, a reflection of this expected increase in the UK's manufacturing and exporting ability.

Changes to logistics and transport systems in Kent

5.3.13 Foreign Direct Investment (FDI) figures for 2015 to 2016 showed the UK had a record number of inward investment projects, created the second highest number of jobs ever, and was the top European destination for investment from emerging markets²⁸. However, FDI flows into Britain shrank considerably during 2017 and it is too soon to predict the impact of the UK's withdrawal from the EU and its effect on FDI in the future. Should the situation improve, Kent's lower property costs, around 60% cheaper than in London²⁹, and the County's good transport links including the Channel Tunnel and the Port of Dover, Kent makes a good location for logistics and transportation companies. Indeed, plans for a Lower Thames Crossing will make Kent even more accessible to the east of the Country.

5.3.14 The presence of a vibrant freight-focused airport is likely to stimulate demand for warehousing and office space in the East Kent area, creating a transport and logistics hub around the airport. Under the direction of RiverOak, Manston could play a key role in the supply chain at local, regional and national levels. This objective is in line with the vision IATA has for the air cargo industry. They say:

"To address the competitive pressures facing air cargo, the industry challenged itself in 2014 to meet an important objective by 2020: seeking to optimize the air cargo supply chain for every commodity type transported by air to provide shippers with greater transparency, reliability and predictability. Such industry optimization will help to not just protect the value proposition of air cargo, but will enhance it.

One goal of supply chain optimization could be the reduction of the average end-to-end shipping time by 48 hours, where the customer so demands. To meet this goal, air cargo must modernize its processes, improving quality and reliability, and widen the range of services offered. Key factors of success are data integration, process integration and supply chain partnerships based on common and mutually beneficial scenarios." (IATA, 2015, p. 8)

5.3.15 Figures are difficult to predict but in the medium- to long-term increased demand due to improvements to transportation and logistics in Kent should been taken into account in forecasting demand for Manston Airport.

5.3.16 Issues at Calais have highlighted the pressures on Kent's current infrastructure. Kent Channel crossings have suffered delays in past years. These have centred on ferry worker strikes on the French side and the situation with migrants and refugees trying to enter the UK through the Channel Tunnel. These delays have had a huge impact on industry and local people. Operation Stack parks freight traffic on the M20, causing chaos on local roads as traffic attempts to use other ways to navigate the area.

²⁸ <https://www.gov.uk/government/news/uk-remains-number-one-investment-destination-in-europe>

²⁹ Locate in Kent

5.3.17 The Fresh Produce Consortium estimated that, due to Operation Stack, £10m of fresh fruit and vegetables was thrown away during the first six months of 2015³⁰. Eurotunnel has estimated their costs and lost revenue of the refugee crisis at Calais in 2015 at €29m (£23m), sending a bill for this amount to the British and French Governments³¹. Exact estimates of the impact on UK industry are hard to find but commentators generally talk of costs to the UK economy in millions of pounds.

5.3.18 These delays may well prompt shippers to switch to air freight, particularly if a local freight-focused airport was available. In terms of an increase to the demand for Manston, this may well represent an increase in the short to medium-term if capacity allowed. These movements would be in addition to the previously discussed (see section entitled 'Channel crossings and trucking' at paragraphs 5.1.7 and 5.1.8) estimates for the FTA and TfL that show around 2.1 million tonnes of freight would be diverted from South East UK airports due to lack of capacity by 2050 (York Aviation, 2015, p. 19).

Dramatic changes to economic performance

5.3.19 One of the most important influences on air freight is economic performance at global, European and national levels. Whilst air traffic tends to fall faster than world trade at the start of an economic downturn and increase quicker on the up-cycle, it seems that each 1% increase in world economy gives rise to a 2% increase in air traffic activity (Morrell, 2011). Since air transportation usage and economic activity are interdependent, any dramatic change would impact both passengers and freight flights.

5.3.20 Regulatory frameworks, such as changes to taxation and environmental mitigation strategies, also affect air transportation. However, it is always difficult to predict changes to economic performance but the UK's situation is particularly uncertain following the decision to exit the EU. How the UK decides to conduct its future relationship with Europe will affect how much freedom the UK has to decide its own policies. For example, the ICAO Assembly has agreed to develop and apply a global market-based mechanism to address international aviation emissions by 2020. The EU's Emissions Trading Scheme (ETS) application and its impact are currently reduced and carbon prices are low. It is therefore expected that impact on flight demand will be relatively small in the short to medium-term³². No changes from this scenario to the demand identified for Manston are therefore proposed.

Integrator/forwarder base

5.3.21 An analysis of the origin-destination airport choice of freight operators shows that the presence of forwarding facilities at an airport is the primary deciding factor (Kupfer *et al*, 2016). Freight forwarders act as third party agents to arrange the carriage of goods often without owning or managing transportation assets. By contrast, integrators such as FedEx, DHL and TNT, arrange cargo movements like a forwarder but also own the transportation assets.

³⁰ C. Johnston, The Guardian, 4 July 2015 available from <http://www.theguardian.com/world/2015/jul/04/migrants-try-to-storm-channel-tunnel-sparking-further-delays>

³¹ <http://www.independent.co.uk/news/business/news/refugee-crisis-eurotunnel-sends-29m-claim-to-british-and-french-governments-to-cover-calais-costs-a6882801.html>

³² <https://www.eurocontrol.int/sites/default/files/content/documents/official-documents/forecasts/seven-year-flights-service-units-forecast-2014-2020-feb2014.pdf>

5.3.22 Manston Airport and the Thanet area offer a range of opportunities for the development of warehousing and office space³³. It therefore seems feasible that forwarders and particularly integrators, who would be able to base aircraft at the airport, may choose to locate to Manston. The demand for the airport could therefore include the presence of one integrator basing two aircraft at Manston from the second year of operation and four from the fourth year. If this scenario were correct, integrator movements would be likely to increase from year 10 of operation due to the pressure predicted to be on Stansted for passenger flights by this time.

5.3.23 If Manston became an integrator base for more than one airline or if one integrator based a larger number of aircraft at the airport, this would rapidly increase the number of movements at the airport. This, of course, would have to be in line with capacity available at and around the airport and subject to relevant consents. Subject to these arrangements, demand could potentially increase considerably from year five or six of operation.

Amazon base

5.3.24 Amazon, the online retailer, now has a fleet of some 40 freighters. The Air Transport Services Group began operating ten 767 freighters for Amazon around the middle of 2015, initially as a test network. It has now leased twenty aircraft to Amazon for a period of five to seven years. Atlas Air is also phasing in twenty 767-300s, which they will operate for Amazon. On the 4 August 2016, Amazon unveiled their first liveried freighter, a 767-300ER, which bears the Prime Air logo and is operated by Atlas. Most of the 40 767 freighters in the Amazon Prime Air fleet will operate on a hub-and-spoke basis from Ohio's Wilmington Airport. RSP is in discussion with Atlas Air who have expressed their support for Manston Airport.

5.3.25 Whilst there is still no news about Prime Air's operation in Europe, Amazon is tailoring its route network to meet the needs of the company and to improve delivery times for customers. The company states that it is creating an air transportation network, as evidenced by the \$1.4 billion investment in Cincinnati Airport, and it seems likely this will include Europe. Amazon began posting vacancies for roles with Prime Air based in Cambridge in mid 2016. Cambridge is the UK home of Amazon's drone development (see Section entitled 'Drone hub' at paragraph 5.3.26 onwards for further detail). Whilst Amazon has not taken part in this research, this scenario suggests consideration of Amazon basing for one aircraft from the second year of operation, increasing to two aircraft from year 4. If Amazon based more aircraft in the UK at Manston, the number of movements could increase considerably if capacity allowed.

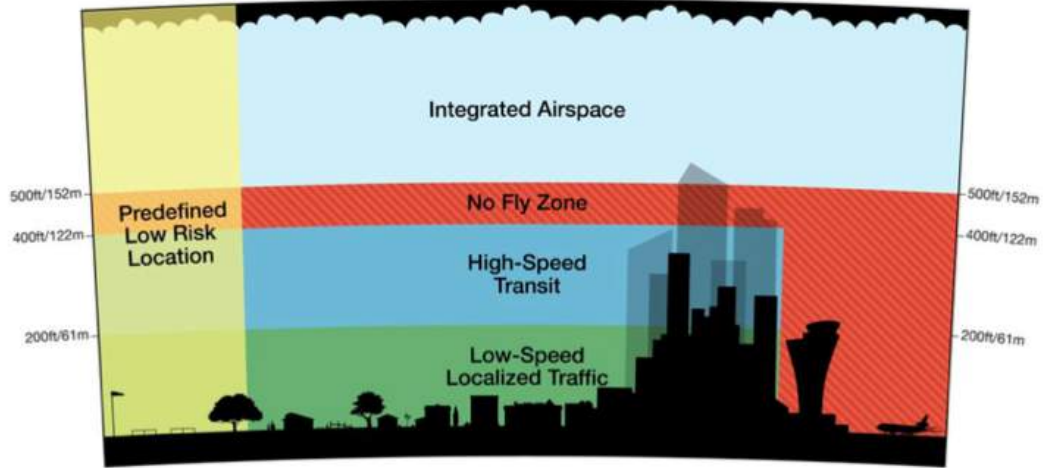
Drone hub

5.3.26 Amazon Prime Air is the company's vision of its future delivery system, using small, unmanned aerial vehicles or drones to get packages to customers. The Amazon drones will carry packages up to five pounds in weight using "sense and avoid" technology to operate beyond the line of sight up to distances of around 10 miles. Amazon proposes the development of an air traffic system that allows drones to operate in civil airspace without interference with other aircraft. They have put forward a design, as shown in Figure 15, that segregates civil airspace below 500 feet. Airspace up to 200 feet would be designated for low-speed traffic, between 200 and 400 feet for high-speed transit, with a no fly zone between 400 and 500 feet.

³³ Locate in Kent provides a database of opportunities

5.3.27 The CAA has granted Amazon permission to test its drones in the UK. The company’s UK operation is currently based in Cambridge with testing reported to be at a location outside the City. An integrated drone/airport operation, whilst fraught with safety problems and many years from CAA certification, could potentially reduce the number of trucks on the UK’s roads. Using Manston Airport and its location close to the Thames Estuary may provide an exciting future for Thanet, putting the Island at the heart of the UK’s distribution network. However, because the use of this technology is some way from implementation, no change to the demand for Manston has been made to reflect this possibility.

Figure 15 *Airspace design for small drone operation*



Source: Amazon, Revising the Airspace Model for the Safe Integration of Small Unmanned Aircraft Systems. Available from https://images-na.ssl-images-amazon.com/images/G/01/112715/download/Amazon_Revising_the_Airspace_Model_for_the_Safe_Integration_of_sUAS.pdf, page 2.

Summary of scenario impacts

5.3.28 Table 9 summarises the impact of each of the identified scenarios on the Manston air traffic forecast.

Table 9 *Impact of scenarios on the Manston forecast*

Scenario	Impact
The UK's position in Europe	Unknown therefore demand unchanged
Changes to fuel prices	Unchanged demand
The availability of more efficient aircraft	No increase over period of investigation made
Onshoring of manufacturing in the UK	Taken into account where possible
Changes to logistics and transport systems in Kent	Taken into account where possible
Dramatic changes to economic performance	No change proposed
Manston becomes a major integrator/forwarder base	Part incorporated but demand likely to increase further
Manston becomes an Amazon base	Considered a possibility for Manston
Manston becomes a hub for drone activity	No change proposed

5.4 Manston Airport passenger demand

5.4.1 Whilst RiverOak will be focusing on the development of Manston as an air freight airport, passenger services will be encouraged to provide an amenity for the local area. The airport could provide landing slots at convenient times that are not available at other airports in the South East. Infrastructure is planned to handle both passenger and air freight traffic.

5.4.2 This research highlighted what the CAA considers to be the marginal airlines at Heathrow (see Table 7 on page 49). However, since there is no particular intelligence that suggests these airlines might move to Manston if the airport was operational, no demand from these airlines has been taken into account. Issues concerning passenger flights that have been considered include:

- Reduced sector length making operations more cost effective
- Access to a major passenger hub through KLM
- Base for a number of low cost carrier aircraft
- Seasonal flights to and from Eastern Europe
- The forecast doubling of flights between the UK and China
- Cruise ship flights
- The theme park formerly known as London Paramount (now London Resort) and Ebbsfleet Garden City development

5.4.3 Specific demand refers directly to the findings shown in section 4.4. This demand includes:

- KLM resuming operations twice daily to Amsterdam
- A LCC base two aircraft at Manston
- The charter market resuming with services to European and potentially US destinations
- A scheduled service by an airline struggling to find slots at other airports
- Flights from the US that tie up with cruise ships leaving from Dover

6 Conclusions

6.0.1 This report demonstrates the potential demand for Manston Airport, indicating its viability and clearly showing that Manston Airport is a valuable local, regional and national asset, providing airport infrastructure badly needed by the UK. Without additional runway capacity, the UK is missing out on potential trade, particularly with non-EU countries. More than four million HGV movements are currently made on Eurotunnel and through the Port of Dover. The advent of Brexit and potential restrictions and delays at the Channel crossings will be a cause of concern for those freight shippers reliant on this form of transport. As such, and with Manston Airport reopened, there may be a change in the model used, away from trucking to Europe and onto aircraft.

6.0.2 Manston Airport, operational for 100 years until its closure in May 2014, has the potential to attract and accommodate considerable cargo movements and to handle a number of passenger flights, connecting Kent to the rest of the world. Indeed, due to its size, location and lack of airspace constraints, Manston is the only viable option in the South East.

6.1 Recommendation

6.1.1 It is recommended that the airport operator incorporate the opportunities shown below into their future development and marketing plans

6.1.2 A number of issues have been identified through this research. These provide opportunities for Manston Airport to attract aircraft movements and include:

- Lack of available slots at other South East airports
- Bumping of freight from passenger aircraft
- Security issues particularly with oversized cargo
- Speed of turnaround

6.1.3 A number of markets for Manston Airport have been identified through this research. These include:

- Parcels and packages through an integrator
- Perishables including fruit, vegetables, flowers, fish, and shellfish
- Oversized freight
- Formula One and luxury cars
- Live animals
- Time sensitive items such as aircraft and the oil and gas industry
- Humanitarian and military flights

6.1.4 Additionally, there are opportunities in aircraft recycling and other revenue generating operations including MRO, a FBO, and a flying school. If warehousing and office space can be made available locally, there is potential to attract an integrator to the airport. Manston is well located to play a vital role in the supply chain activity that will be stimulated by initiatives such as the proposed Lower Thames Crossing and the Thames Estuary 2050 Growth Commission.

6.2 Implications for policy

6.2.1 The UK's policy for aviation should pay more attention to air freight than has been the case in the past. The government consulted widely as they move towards

developing an Aviation Strategy but there remain many unanswered questions. Whilst UK governments no longer operate airports or build runways, they play a key role in ensuring capacity is built or retained where it most benefits the national interest. Government must therefore use its powers to make sure a framework for aviation is always in place, seamlessly migrating between changes of administration. This will, as Philip Hammond said (DfT, 2011, p. 5), rely on moving beyond the sterile debate of many years and working towards a broad consensus on the UK's long-term view of the significance of aviation to the Country.

6.2.2 Issues of global environmental impact, such as aircraft emissions, cannot be dealt with by airport managers alone but must be the province of national government in partnership with other world leaders. These issues are frequently raised during public consultations but innovative solutions are most likely to result from industry-wide efforts. Noise is a ubiquitous concern around airports, particularly from night flights, and the government must make clear their policy and the mitigations they deem appropriate and achievable so that airport managers can implement best practice across the UK. Repeating the same debate time after time does nothing to improve dynamism in the airport sector.

6.2.3 There can be no doubt that the UK needs a National Air Freight Demand Model just as it has a passenger equivalent in the National Air Passenger Demand Model (NAPDM). It is hoped this document will support the development of such a national model, which, as with the passenger version, would have a sister allocation model to allow forecasts to be made at airport level. Indeed, one of the recurrent questions raised during this research was around freight traffic forecasting and there seems to be wide confusion about demand in the UK. Some stakeholders quote a stagnation of air freight in the UK, failing to grasp the correlation between demand and a lack of capacity. Improved demand models would help all parties understand the true air freight picture in the UK.

6.3 Implications for RiverOak

6.3.1 The extensive research that informed this report have been a costly and time-consuming exercise and are only a part of the work being undertaken to secure the future of Manston as an operational airport. This report confirms the robustness of RiverOak's proposals for Manston Airport, providing evidence that the airport has the location, airspace, capacity potential and demand required to persuade the Secretary of State to make the decision to grant a DCO that would allow the redevelopment and reopening of the airport.

6.3.2 The findings from this research can play a key role in informing government policy on air freight in the UK. It also provides a platform for lobbying government and industry organisations and RiverOak will no doubt continue to press for a political environment that is conducive to the vitality of the aviation sector. Such an environment will allow airport management to focus on resolving local concerns and harnessing opportunities for innovation.

6.3.3 This research shows that there is widespread support, and often passion, for Manston Airport, from people in all types of organisation. Manston Airport is in a unique position in the UK, having support from the local community and from a number of airlines and other organisations. It is essential for RiverOak to continue to harness the interest of the local community and to work with them to ensure the area gains the maximum benefit from a vibrant operational airport. In a time of cynicism towards participation, RiverOak is fortunate that the local community is willing and able to

engage in the multiple debates that surround airport operations. Providing rewarding business and employment opportunities, and working with local providers to ensure high quality education and training for local people will be a fitting acknowledgment of their continued commitment to Manston Airport.

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MANSTON AIRPORT:
A NATIONAL AND REGIONAL
AVIATION ASSET

VOLUME III
The forecast

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Executive Summary

This report sets out the forecasts for Manston Airport, for freight and passengers for the first 20 years of operation (currently projected to be 2020 to 2039), and detailing the infrastructure required to deliver the forecast. The report provides the necessary data to underpin the proposal to retain Manston as an airport and re-develop the site as a Nationally Significant Infrastructure Project (NSIP).

Manston Airport is located in the South East of the UK where aviation industry demand is highest and most constrained. The airport has a long runway; an ideal airspace location; benefits from easy surface access to London and the rest of the UK; and can provide rapid handling and turnaround times for air freight (see Volume I of this body of work for further detail). The airport would provide almost immediate relief to the pressing situation that is causing considerable loss of potential trade to the South East each year the UK remains without additional runway capacity.

Table 1 Summary 20 year freight and passenger forecast

	Freight moves	Pax moves	Total moves	Inbound tonnage	Outbound tonnage	Total tonnage	Passenger numbers
Y1	0	0	0	0	0	0	0
Y2	5,252	0	5,252	39,865	56,687	96,553	0
Y3	5,804	4,932	10,736	47,335	61,218	108,553	662,768
Y4	9,700	5,024	14,724	76,326	90,765	167,092	679,868
Y5	9,936	5,064	15,000	81,455	92,286	173,741	686,672
Y6	10,144	6,702	16,846	85,832	95,604	181,436	965,295
Y7	10,872	6,754	17,626	92,357	100,551	192,908	975,591
Y8	11,184	6,754	17,938	96,979	103,694	200,673	975,591
Y9	11,392	6,754	18,146	98,585	104,660	203,245	975,591
Y10	11,600	6,754	18,354	102,609	109,742	212,351	975,591
Y11	12,064	6,966	19,030	107,592	114,785	222,377	1,011,587
Y12	12,547	7,186	19,733	114,034	120,473	234,508	1,049,022
Y13	13,048	7,416	20,464	118,691	125,999	244,690	1,087,954
Y14	13,570	7,654	21,224	125,949	131,039	256,989	1,128,444
Y15	14,113	7,902	22,015	133,064	137,515	270,579	1,170,553
Y16	14,678	8,160	22,837	140,889	143,015	283,904	1,214,347
Y17	15,265	8,428	23,693	146,524	150,070	296,594	1,259,892
Y18	15,875	8,707	24,582	156,271	156,073	312,344	1,307,259
Y19	16,510	8,997	25,507	162,522	162,316	324,838	1,356,521
Y20	17,171	9,298	26,469	171,949	168,809	340,758	1,407,753

Table 1 shows a summary of the freight and passenger forecasts for the first twenty years of operation, from 2020 to 2039, following the reopening of Manston Airport. It should be noted that these forecasts are considerably more conservative than those derived by a macro level, 'top down' method. These forecast have been compiled using a 'bottom up' approach and refer to specific types of traffic. Exports are forecast to slightly exceed imports, particularly in the early years of operation.

Manston Airport is also strategically well located to play a vital role in the supply chain that will be stimulated by initiatives such as the proposed Lower Thames Crossing and the Thames Estuary 2050 Growth Commission. What is clear from this report and the others in the series is that Manston Airport is capable, in terms of its geographic and airspace position, of making a substantial contribution to the future economic and social well-being of the UK. The research conducted to derive the forecasts shown in this report indicate that the opening of Heathrow's proposed third runway will not hamper Manston Airport's viability, whenever the additional capacity at Heathrow becomes operational.

Whilst RiverOak's focus is on the air freight market, the airport is also forecast to handle a considerable number of passengers. Driven by the lack of capacity at southeast airports, passenger numbers at Manston Airport are forecast to commence at around 660,000 per year, rising to 1.4 million by Year 20 of operation. Manston Airport can provide a base for a number of low cost carrier aircraft, host seasonal charter flights, and work with Dover Harbour Board to receive passengers destined for cruise ships. The proposed London Resort and Ebbsfleet Garden City developments are also expected to increase demand for both in and outbound flights.

Infrastructure requirements are scheduled to match forecast demand and construction will take place in four phases. These will be prior to operations commencing, in Years 2 to 4, Years 5 to 11, and Years 12 to 18. Operations will commence with eight stands for freighters. Phase two will see the construction of three stands for passenger aircraft, which will be operational prior to commencement of passenger services in Year 3. The number of freighter stands will rise to 14 in phase 2, 16 stands in phase 3 and 19 stands in phase 4. Passenger aircraft stands will increase from three to four in Year 15. Warehousing and fuel storage will be provided to meet the demand forecasts.

In light of the business case described in this report, there can be little doubt that, in an increasingly competitive economic climate, the UK simply cannot afford to lose one of its long-serving airports. Indeed, this report shows that Manston Airport is a very valuable local, regional and national asset, capable of providing infrastructure badly needed by the UK and playing a role in helping Britain's connectedness and trade with the rest of the world. In short, Manston comprises critical national infrastructure, important for the economic well-being of the UK.

Definitions and abbreviations

ACI	Airports Council International
Air freight	The carriage of goods by aircraft
AFTK	Available freight tonne kilometre
ATM	Air Transport Movement and/or Air Traffic Movement
Backload	The transportation of cargo on a return trip to the originating airport
Belly-freight	Cargo stowed under the main deck of a passenger aircraft
CAA	Civil Aviation Authority
Cargo	The term cargo and freight are used interchangeably in this report and refer to goods carried by road, sea or air
Consolidator	A person or company who combines small volumes of commodities from different originators so they can be shipped together and who usually owns the aircraft used for transport
CTK	Cargo tonne kilometre
DCO	Development Consent Order
Dedicated carrier	An aircraft that transports only freight (not passengers)
DfT	Department for Transport
EU	European Union
Eurostat	A Directorate-General of the European Commission that provides statistical information to EU institutions and promotes the harmonisation of statistical methods across member states
FBO	Fixed Base Operation
Freight	The term freight and cargo are used interchangeably in this report and refer to goods carried by road, sea or air
Freight forwarder	A person or company that organises the shipment of commodities from an originator (manufacturer, producer, etc.) to a destination (customer, etc.) but generally does not own the aircraft used in the transport
FTK	Freight tonne kilometre
LCC	Low cost carrier
Long haul	No generally agreed definition as 'long' or 'short' is subjective. In Europe, a flight taking more than four hours to complete and/or originating/destined outside Europe is considered long haul
MRO	Maintenance, repair and overhaul facility
NSIP	Nationally Significant Infrastructure Project
Pax	Passengers
RTK	Revenue tonne kilometre
Short haul	As per long haul above. Short haul in Europe generally indicates a flight within Europe so taking around four hours or less to complete
TfL	Transport for London
UK	United Kingdom
USA	United States of America

Table of Contents

1	Introduction	1
1.1	Background	1
1.2	Aim and objectives	1
1.3	Report structure	2
2	Forecasting methods	3
2.1	Air freight forecasting method	3
2.2	Short- and medium-term freight forecasting model	5
2.3	Long-term freight forecasting model	7
2.4	Passenger forecasting method	9
2.5	Passenger forecasting model	10
3	Manston Airport freight forecast	12
3.1	Freight forecast by movements	12
3.2	Freight forecast by tonnage	13
4	Manston Airport passenger forecast	16
5	Infrastructure requirements	18
5.1	Air freight infrastructure requirements	18
5.2	Passenger infrastructure requirements	19
5.3	Fuel storage and transport	20
6	Conclusion	21
7	References and Bibliography	22

Table of Figures

Figure 1	Distribution of nights spent by London Gatwick Airport overseas visitors, 2017	11
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Table of Tables

Table 1	Summary 20 year freight and passenger forecast	I
Table 2	Freighter movements by year by ICAO design code	13
Table 3	Export tonnage by year and ICAO design code	14
Table 4	Import tonnage by year and ICAO design code	15
Table 5	Manston Airport 20-year passenger forecast	17
Table 6	Freight infrastructure requirements	18
Table 7	Passenger infrastructure requirements	19
Table 8	Fuel storage requirement	20

1 Introduction

- 1.0.1 This report presents the air traffic forecasts that have been made for Manston Airport. These forecasts include freight and passenger movements for the first 20 years of operation of the airport, from 2020 to 2039. The report also outlines the infrastructure requirements the airport would require in order to deliver the forecast demand.
- 1.0.2 This report is the third in a series of documents that make the case for Manston Airport to return to full operation. These reports cover:
- Volume I: The need for airport capacity in the South East of the UK and the potential role of Manston Airport as part of the UK's airport network
 - Volume II: The findings from a qualitative study that identifies the push and pull attractors for Manston Airport and details the opportunities and the sectoral and geographical markets the research uncovered
 - **Volume III: The forecast for air freight and passenger traffic for Manston Airport over the first twenty years of operation**
 - Volume IV: A description of the socio-economic impacts of the operation of Manston Airport as described by the forecast in the third volume of this body of work

1.1 Background

1.1.1 Unmet demand for freight carrier slots in the South East makes forecasts based on extrapolation of past activity potentially inaccurate. Rather than merely extrapolating past activity, studies that have focused on the 'lost' or suppressed demand include York Aviation's work (2015, p. 19). Their report, prepared for the Freight Transport Association and Transport for London (TfL), considers the potential long-term effects on the UK economy of changes in the UK air freight industry resulting from different potential development scenarios for runway capacity in London. York Aviation's significant report calculates that by 2050 with no additional airport capacity, 2.1 million tonnes of freight (potentially equating to 80,000 freighter movements) may have to be trucked elsewhere, particularly to northern Europe, to find airport slots (York Aviation, 2015).

1.1.2 Examples of unconstrained freight-focused airports in Europe show the difference between a true market, where capacity is available to attract freighter flights, and a constrained market such as that in London. However, forecasts are usually calculated for a region or country before allocating a proportion to individual airports, missing any currently unmet demand. The work detailed in this report takes a different approach by using a qualitative method, identified from the literature review as a more reliable means of forecasting. The approach identifies potential users of Manston Airport and builds a forecast from this intelligence.

1.2 Aim and objectives

1.2.1 The RiverOak vision is to establish Manston Airport as a successful freight-focused airport with supplementary passenger operations. The aim of this report is to provide the forecast figures that underpin the proposal and supports business planning and development at Manston Airport.

1.2.2 There are a number of objectives set out for this work and in particular the results will:

- Provide the information required to support the Development Consent Order (**DCO**) application
- Inform stakeholders during consultation
- Provide information for Government and industry organisations

1.3 Report structure

1.3.1 The report commences by providing the background to the forecasting method chosen to assess the air freight and passenger demand for Manston Airport. Having established the background, the forecasts are presented, shown by freight movements and tonnage, and by passenger movements and numbers. Next, details of the infrastructure required to deliver the forecast are shown. The report concludes with a summary of the case for Manston Airport.

2 Forecasting methods

2.0.1 This section describes the way in which both air freight and passenger forecasting methods were derived and details the models used in the short, medium, and long term.

2.1 Air freight forecasting method

2.1.1 Whilst methodologies for passenger air travel forecasting are well developed, freight markets are much more problematic. As Ishutkina, of the MIT International Center for Air Transportation (ICAT), says:

“freight markets are generally more liberalized when compared to the passenger markets. Therefore, national carrier data do not accurately depict the cargo flows taking place to and from a particular country due to the dominance of only a few major international cargo carriers such as DHL, FedEx and UPS. In addition, aggregate freight data may misrepresent the traffic flows for a particular country because they do not capture the asymmetry, which is often present in cargo flows between economies. In other words, the national cargo carrier data are not representative of the freight flows to and from a particular country.” (Ishutkina, 2009, p. 55)

2.1.2 A detailed review of air freight forecasting literature is presented in the report, ‘Manston Airport: A National and Regional Aviation Asset, Volume II: A qualitative study of potential demand’. This review showed that a qualitative approach was the most appropriate method through which to gather data on the potential demand for an individual airport. The data collected is also shown in Volume II of this series of reports.

2.1.3 However, in order to provide a detailed picture of the potential air freight and passenger demand for Manston Airport, it was necessary to convert this information into a quantitative forecast. This type of forecasting can, of course, be handled in a number of ways and there is unlikely ever to be consensus on either the approach or the data used. There were two main options for forecasting freight at Manston Airport. The first was to use forecasts from one or more sources (such as Eurostat, the Department for Transport (DfT), etc.) and ‘divert’ a proportion of national and international (Northern Europe including France, Belgium, Holland) traffic to Manston. The issue with this approach is the difficulty in identifying a realistic formula by which to divert air freight to Manston.

2.1.4 The second option was to take a qualitative approach focused on collecting market data. This allows base data to be derived from a method that takes account of how commodities are currently transported and how they are likely to be transported in the near future. This approach is particularly applicable in the Manston case since the airport is not currently operational. Indeed, in the short-term, any useful forecast needs to be built from the likely behaviour of potential airport users.

2.1.5 This method is confirmed by the ACI-North America, who represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada, and recommends deriving customised inputs from a detailed market assessment. This assessment should be informed by carriers, their business partners and other supporting entities in the air freight community (ACI-NA, 2013, p. 3).

The Airports Commission also recommends using the Delphi Method¹, pointing out that relying on, “a single, central-point forecast would be a risky approach” (Airports Commission, 2013, p. 8).

2.1.6 Thanet District Council, in their response to the 2017 Manston Airport statutory consultation raised the issue of optimism bias. They say, “No optimism bias has been allowed for in these estimates” (p. 2). Optimism bias is defined as, “the difference between a person’s expectation and the outcome that follows” (Sharot, 2011, p. 941). There is little research on the subject, particularly as it pertains to air traffic forecasting. However, in order to avoid any bias (optimism or pessimism), efforts to quality assure the analysis should be made. For this study, the methodology used to forecast air freight traffic has been peer reviewed by Loughborough University and by the RiverOak consultancy team including Northpoint Aviation, Osprey Consulting and Viscount Aviation. The methodology used was also subject to consultation and only the Thanet District Council comment shown above was received. It should also be noted that the Council’s own forecast by AviaSolutions made no mention of either optimism or pessimism bias.

Primary data collection

2.1.7 A qualitative approach forms the basis for the short and medium-term (years one to ten, 2020 to 2029) air freight forecast at Manston Airport. The collection and analysis of this data is described in Volume II of this series of reports and consisted of face-to-face interviews with representatives from key stakeholder groups including:

- Kent transport infrastructure
- Government and public sector
- Industry associations
- Freight forwarders and consolidators
- Local businesses who import/export
- Cargo airlines

2.1.8 The freight forecast for Manston Airport is split by:

- Air Traffic Movements
- Aircraft type (wide and narrow-bodied)
- Number of tonnes or passengers
- Imports and exports by tonnage

Secondary data

2.1.9 Secondary data was used to provide an overview of the industry, which allowed the primary data to be put into a global and national context. Secondary data was also used to provide information on macro-level growth in the industry, which allowed a percentage increase, year-on-year in the long-term (from Years 11 to 20) to project growth from the short- and medium-term market data forecasts.

2.1.10 IATA data² shows global freight tonne kilometres (**FTKs**) up 9% in 2017. In terms of capacity, IATA data shows that, in 2017, demand grew three times faster than freight capacity, which increased by 3.0% from the previous year. This is the slowest rate in available freight tonne kilometres (AFTK) growth since 2012.

¹ A forecasting method based on gathering opinions from a panel of experts

² <http://www.iata.org/publications/economics/Reports/freight-monthly-analysis/freight-analysis-dec-2017.pdf>

2.1.11 Boeing's traffic and market outlook describes an air cargo market recovery that began in 2014. Their market outlook 2016-2035 (Boeing, 2016a) forecasts air cargo traffic, measured in revenue tonne-kilometres, at 4.2% although there are differences between the forecasts for regional pairs. For example, Asia-Europe is forecast to show growth of 4.6% (Boeing, 2016b, p. 16). Airbus forecast growth at 4% globally (Airbus, 2016). The Boeing and Airbus forecasts are based on the opinions of experts who summarise the world's major air trade markets and identify key trends. These organisations present comprehensive forecasts between and within each of the air freight markets as well as for the world freighter airplane fleet.

2.1.12 Of interest to the forecast for Manston Airport is an observation made by Boeing, who refer to the continued requirement for dedicated air freight operations:

“dedicated freight services offer shippers a combination of reliability, predictability, and control over timing and routing that is often superior to that of passenger operators. As a result, freighters are expected to continue carrying more than half of global air cargo traffic to satisfy the demanding requirements of that market.” (Boeing, 2014)

2.1.13 The CAA produces airport statistics by month and by year. Their 2017 statistics show that around 355,000 tonnes of freight was carried on dedicated freighters at the London airports during the year, an increase of 7% over the previous year. Freight carried on passenger aircraft, which fell by 1% during 2015, increased by 3% in the London area in 2016 and by 10% in 2017.

2.1.14 Freight airlines do not publish timetables, with only some scheduled freighter operations being shown in OAG (an air travel intelligence company based in the UK) information. This makes gathering base data difficult and forces a number of assumptions to be made by those who forecast air freight using a 'top down' quantitative approach. It is perhaps for this reason that the DfT do not model freight in detail (DfT, 2017, para 2.56). Nonetheless, their aviation modelling assumes that, at individual airport level, the number of freighter movements will remain unchanged from 2016 across the system (*ibid*). The DfT have been made aware that there are other evidence-based views that do not support this zero per cent growth assumption³.

2.2 Short- and medium-term freight forecasting model

2.2.1 For this project, short-term is defined as years one to five and medium-term as years six to ten of operation. For Manston, these years are 2020 to 2024 for short-term and 2025 to 2029 for medium-term. 2030 to 2039 are defined as long-term for the purposes of this forecast.

2.2.2 The qualitative data collected for this research and discussed in Volume II of this series of reports, highlights the 'push' and 'pull' factors that are likely to drive demand for Manston Airport. 'Push' factors are those that may lead customers away from other airports or prompt a change to current models. These factors include the bumping of belly-freight at Heathrow, issues with the Channel crossings, increasing problems with security, and potential changes to the current dominance of belly-freight in the UK. 'Pull' factors work to attract customers to the airport. These may include the speed of turnaround achieved by Manston, cutting edge security clearing, and the geographic location of the airport and its airspace.

³ See paragraph 2.3.6 for further details

2.2.3 Whilst one of the key drivers for demand at Manston is a lack of capacity at other airports in the South East, there are a number of push and pull attraction factors to take into account. Indeed, the current UK air freight model is for shippers to preference belly-freight, which can take up to a week to arrive and dispatch from some of the Country's airports. The qualitative research detailed in Volume II of this research describes the frustrations associated with this model and the impact at all levels of the supply chain. It seems likely, therefore, that the model will change, much as the model for passenger flights changed some decades ago with low cost carriers now dominating many airports, operating point-to-point at competitive prices.

2.2.4 In addition, the qualitative findings indicated several issues that present opportunities for Manston Airport. These include:

- The sufficiency of slots at South East airports
- Bumping of freight from passenger aircraft
- Security issues particularly with oversized cargo
- Speed of turnaround and bottlenecks for air freight a particular concern due to, "*longer processing time because of security*" (ACI-NA, 2013, p. 5)
- Review of current regulatory controls on the charges and services Heathrow offers to airlines, due to expire at the end of 2018

2.2.5 Interviews undertaken as part of the qualitative research also indicated a number of potential markets for Manston Airport. These include:

- Perishables including fruit, vegetables, flowers, fish, and shellfish
- Oversized freight
- Formula One and luxury cars
- Live animals
- Time sensitive items such as aircraft parts and the oil and gas industry
- Humanitarian and military flights

2.2.6 As such, and also based on market knowledge and confidential discussions with airlines, airports, and organisations involved in the freight forward and integrator markets, a short and medium-term forecast was produced. The freight movements shown in the forecast relate, where possible, to particular carriers identified through the qualitative research. The identity of these carriers is necessarily confidential for commercial reasons. The forecast includes ten aircraft of various types that will be recycled at Manston Airport. These aircraft will arrive without cargo.

2.2.7 Outputs for the freight forecast show the number of movements and the tonnage by year for imports and exports. Tonnage figures have been calculated from the maximum payload for each aircraft type and multiplying by 65%⁴ to give an indication of tonnage for the main route (either import or export). 65% is an average figure that intends to cover both full loads and out-of-gauge (cargo that exceeds the internal dimensions of a container by length, width or height) rush parts (such as critical parts for oil rigs, aircraft, etc.).

2.2.8 Industry standard load factors are usually expressed as freight capacity used, in tonnes, typically dividing FTKs by ATKs. However, focusing on tonnes carried rather than on capacity as a volume (in cubic metres) may be understating how full an aircraft

⁴ Industry standard figure provided by Viscount Aviation

is. Aircraft are constrained by both the maximum weight they can carry and by their maximum volume. A small but heavy load might reach maximum payload but with little volume, whereas a light load may fill an aircraft by volume. Some commentators⁵ believe that combining the volume and weight load factors would result in a considerably different, more successful, picture of the air freight industry.

2.2.9 Backloads (tonnes carried on the return flight) have been calculated by applying a small percentage, sometimes zero in the early years, increasing over time dependent on the potential in that market in the longer-term (see paragraph 3.2.3 for further details). An indication of origin/destination pairs is also provided. The freighter fleet mix is shown using the ICAO aircraft design code, which are:

- Code C – ATR-72, B727, B737, A310, A320, etc.
- Code D – B757, B767, etc.
- Code E - B747, L-1011, MD-11, DC-10, A330, etc.

2.2.10 Additionally, the costs of switching airports have been taken into account when considering the likelihood of integrators and freight forwarders moving to Manston Airport. These include (CAA, 2013, p. 26):

- The cost of physical relocation
- Cancellation of long-term contracts
- Loss of economies of scale, although if an entire operation is switched, economies of scale would be gained at the new airport
- Market effects such as marketing new routes and a potential loss of custom in the early years following the switch
- Network effects lost by switching to a smaller airport
- Capacity constraints at other airports, particularly in slot allocations
- Sunk costs such as an airline's investment in the airport from which they are switching

2.3 Long-term freight forecasting model

2.3.1 For this project, long-term is defined as in excess of ten years of operation (from 2030). Whilst the proposed third runway at Heathrow may become operational during this timeframe, capacity constraints are predicted to continue in the South East during the forecasting period. These constraints will make operating from the hub airports increasingly difficult and potentially more expensive. Recent research by SEO Amsterdam Economics and Cranfield University shows that every 10% increase in airport congestion leads to an aggregate 1.4% to 2.2% increase in airfares⁶. Additionally and as Ishutkina says:

“secondary airports have several other advantages over the major airports. These include lower-cost facilities and less congestion which allows rapid turnaround times and hence more efficient aircraft operations” (Ishutkina, 2009, p. 91).

2.3.2 In the long-term, forecasts generally have less reliance on qualitative methods. Any trends flagged during the interviews with specialists have been taken into account

⁵ See for example <https://theloadstar.co.uk/open-letter-iata-lies-damned-lies-loadfactor-statistics/>

⁶ <http://www.airport-world.com/news/general-news/6028-the-cost-of-congestion-at-europe-s-busiest-airports-sky-high-air-fares.html>

by adjusting the forecasts in the short and medium-term. Therefore, from Years 11 to 20 an annual percentage growth has been applied to the figures derived for Year 10.

2.3.3 In order to specify a percentage to apply to Year 10 figures, a number of sources were examined. For example, Boeing states that:

“While lower-hold capacity increased 27 percent from 2010 to 2015, the number of large freighters in service increased by 8 percent over this same period. The share of cargo carried on freighters remains high in markets across the world, especially in the world’s two largest trade routes, Asia–North America and Asia–Europe, where more than 70 percent of total air cargo traffic is carried by freighter airplanes.” (Boeing, 2016b, p. 3)

2.3.4 Despite exogenous shocks from economic and political events, and natural disasters, world air-cargo volumes grew at an average of 5.2% per year over the three decades to 2016⁷. Global air freight grew 9% (measured in FTKs) in 2017. Europe performed particularly well, with year-on-year growth in FTKs at 11.8% in 2017⁸, with 9% growth in the UK⁹. The air freight market is quite sensitive to economic cycles and the global economic slowdown led to a period of stagnation in the market. Boeing described this as a *“temporary situation”*, as confirmed by recent figures, saying:

“As global GDP and world-trade growth accelerate, air cargo traffic, as measured in revenue tonne-kilometers, is projected to grow an average 4.2 percent per year over the next 20 years. World air-cargo volume, in spite of exogenous shocks arising from economic and political events and natural disasters, grew an average of 5.2 percent per year over the last three decades.” (Boeing, 2016b, p. 16)

2.3.5 Air freight is measured by both actual cargo moved and by capacity available, as well as by revenues. These measures are:

- Freight Tonne Kilometres (**FTK**) measures actual freight traffic where one FTK is one metric tonne of revenue load carried one kilometre (note that Cargo Tonne Kilometres (**CTK**) includes unaccompanied baggage and mail)
- Available Tonne Kilometres (**ATK**), the number of tonnes of capacity available for the carriage of cargo multiplied by the distance flown, is a measure of capacity
- Revenue Tonne Kilometres (**RTK**) shows the revenue load in tonnes multiplied by the distance flown

2.3.6 The most recent DfT figures show that:

“Total freight carried at the UK airports in the department’s model rose from 2.9 million tonnes in 2011 to 3.1 million tonnes in 2016, with a growth of 4% in cargo tonnage on freighter aircraft and 5% increase in bellyhold freight on passenger aircraft” (DfT, 2017, p. 67).

⁷ https://ec.europa.eu/transport/sites/transport/files/2016_eu_air_transport_industry_analyses_report.pdf

⁸ <http://www.iata.org/publications/economics/Reports/freight-monthly-analysis/freight-analysis-dec-2017.pdf>

⁹ <https://www.bifa.org/news/articles/2018/jan/air-freight-demand-up-9-in-2017-strongest-growth-since-2010?l=y>

However, the DfT are currently assuming no growth in the all cargo market from 2016 (DfT, 2017, 2.5.6), Azimuth Associates has queried this figure with the DfT¹⁰, which seems unreasonable for a number of reasons:

- All other industry forecasts (see 2017 figures from IATA and CAA for example) show considerable growth in the cargo market. Other indicators, such as demand for cargo charters, confirm the market is buoyant (for example, UK-based Air Charter Service reports an increase of 11% in 2017, to 4,300 cargo charter contracts, some 15,000 flights¹¹).
- It is unclear whether the potential impact of the UK's exit from the EU and the single market has been factored into the DfT's assumptions. The creation of regulatory barriers to trade with Europe may mean considerable delays for trucks entering and leaving Britain's seaports, potentially increasing demand for air freight, particularly for time sensitive and high value goods. The UK's refocus on non-European markets would mean that trucking is not an option for transporting goods, also increasing the demand for air freight.
- The full impact of e-commerce and on-hand inventory reduction strategies has yet to be felt. Shortening the time between order placement and receipt of goods by the customer, and increasing the velocity of cash in businesses, are now vital and increasing sources of competitive advantage.

2.3.7 In summary, there was an 8% increase in the number of freighters between 2010 and 2015, and a 9% growth in FTKs in the dedicated freighter segment in 2017 globally and in the UK. In the absence of global and European cargo-only ATM forecasts, these indicators are used as a proxy guide to future performance in the sector. The full impact of e-commerce is yet to be felt but, to be conservative, a 4% uplift has been used to extrapolate Year 10 figures to provide the long-term forecast for Manston Airport.

2.3.8 The potential for an airline to upgrade the aircraft in their fleet has been taken into account in the forecast. Aircraft are becoming more efficient and quieter, achieved by increasing engine efficiency, reducing airframe weight, and potentially switching to fuel sources other than kerosene. For the purposes of this forecast, a migration from one aircraft type to the upgrade has been factored into the model. For example, humanitarian and medevac flights are initially forecast to use 747-400s but will upgrade around Year 13 (notionally 2032) to 747-8s. However, it should be noted that only known aircraft types have been used in the model: no aircraft currently proposed or in development have been incorporated.

2.4 Passenger forecasting method

2.4.1 As with the air freight forecast, the short to medium-term passenger model is built from market information, which allows specific airline movements and associated aircraft to be used in the forecast. Instead of attempting to either extrapolate from past movements or to allocate overspill from capacity-constrained airports in the South East, intelligence was sought from airlines and experts on the potential markets Manston Airport could attract. Interviews were carried out to establish these potential markets for the airport, which include:

- Resumption of scheduled service twice daily to a hub airport
- A LCC base for two aircraft at Manston rising to three

¹⁰ Meeting held on the 25 January 2018 and letter dated 8 February 2018

¹¹ https://aircargoworld.com/allposts/air-charter-services-cargo-charters-soar-in-2017/?goal=0_1711f92e66-16658a24b0-39626945

- The charter market resuming, stimulated by regional developments such as the proposed London Resort and Ebbsfleet Garden City developments, which are expected to increase demand for both in- and outbound flights
- Flights from the US that tie up with cruise ships leaving from Dover

2.4.2 Further information can be found in the document “Manston Airport: A National and Regional Aviation Asset, Volume II: A qualitative study of potential demand. Following this qualitative step, a quantitative assessment of the likely movements per annum was estimated through discussion with the airlines involved, by examination of previous schedules and potential demand, and in discussion with RiverOak and their consultants including Viscount Aviation.

2.5 Passenger forecasting model

2.5.1 The passenger forecast for Manston has been calculated from specific airline movements except for the charter market, which is derived from an estimate of the number of movements Manston is likely to handle. As described above, market intelligence has been used to calculate the short to medium-term forecasts.

2.5.2 IATA figures show that for 2017, the annual growth in passenger volumes (RPKS) was 7.6% with load factors increasing to a record calendar year high of 81.4%¹². Boeing forecast passenger traffic growth to 2035 at 4.8%¹³ annually. DfT figures released in October 2017 show that the underlying demand for passenger traffic increased by 84% (75% low/99% high) between 2016 and 2050 (DfT, 2017, p. 90). Between 2030 and 2040, the long-term range in this forecast, the DfT figure is 1.8% per year.

2.5.3 However, the DfT figure reflects national demand and may not apply locally to Manston. The demand for Manston Airport is expected to increase in response to continuing capacity constraints at other airports in the South East. As such an increase of 4% has been applied to the Year 10 forecast to derive the forecasts in Years 11 to 20. It should be noted that AviaSolutions, in their 2016 work for Thanet District Council, used an average growth figure of 10% between 2018 and 2050 to produce their forecast for passengers (AviaSolutions, 2016, p. 39).

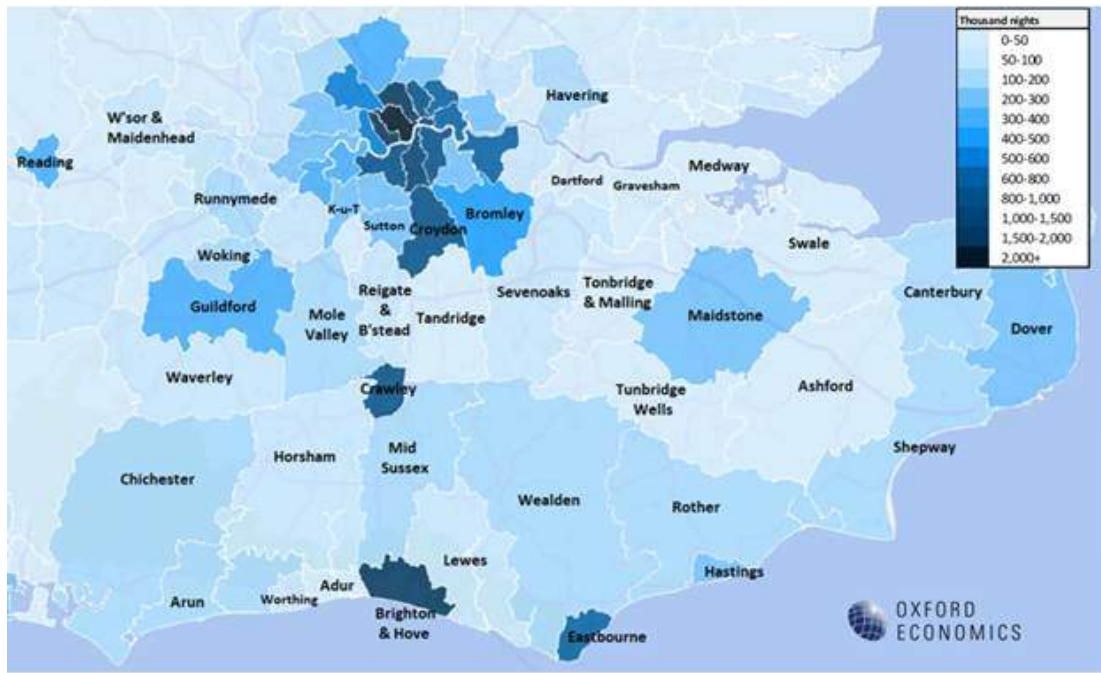
2.5.4 A recent study by Oxford Economics (2018) for the Gatwick Growth Board shows the location of nights spent by overseas visitors during 2017 by local authority. Figure 1 shows that Maidstone and Dover benefit from between 300,00 and 400,000 nights and that Thanet, Canterbury and Shepway receive 100,000 and 200,000. In terms of tourism, the Gatwick study indicates the potential local demand from overseas visitors, with East Kent already attracting considerable numbers of visitors.

2.5.5 The calculation used to forecast the number of passengers per movement takes the capacity of each aircraft type and applies an average load factor of 65% for the scheduled KLM flight (gauged from previous Manston figures) and 90% for all other services, an industry norm. These load factors are applied on inbound and outbound movements.

¹² <http://www.iata.org/pressroom/pr/Pages/2018-02-01-01.aspx>

¹³ <http://www.boeing.com/commercial/market/long-term-market/traffic-and-market-outlook/>

Figure 1 *Distribution of nights spent by London Gatwick Airport overseas visitors, 2017*



Source: Oxford Economics, 2018, p. 15

3 Manston Airport freight forecast

3.0.1 The previous sections have described the work carried out to determine a forecast for Manston Airport. RiverOak plan to focus on freight, where demand is demonstrable and considerable. There is clear demand for perishable goods, particularly fruit, vegetables, flowers, fish and shellfish. The perishable market has been a staple for Manston in the past, and the airport, with reduced flying time compared with other airports, has a reputation for the speed at which cargo can be offloaded onto trucks. Timely delivery of fresh produce is vital to supermarkets, which require the maximum shelf life to reduce wastage and increase profit margins.

3.0.2 Manston Airport is also well placed to be active in niche markets such as the movement of luxury cars from the Middle East and Formula One cars globally. Manston Airport is also capable of handling live animals such as breeding stock and racehorses. The airport will be able to security screen oversized cargo including oil and gas equipment, which cannot currently be scanned at other airports. These niche markets can provide considerable business for the Airport.

3.0.3 Manston has a history of handling military and humanitarian operations and these are expected to return to Manston when the airport is operational. A forecast that matches past operations has therefore been included. There is strong interest in aircraft recycling at Manston and, although this provides only a limited number of movements per year (around ten), would provide the airport operator with many opportunities to derive revenue, create jobs and increase skills in the region.

3.0.4 The forecasts shown in this section commence in the second year of operation for freight and the third for passengers. This delay in commencing operations is to allow time for extensive development to take place at the airport, as detailed in Section 5.

3.1 Freight forecast by movements

3.1.1 The freight movements shown in the forecast relate to particular carriers where possible although this level of detail is not possible in all cases. These findings have been used to calculate the short and medium-term forecasts. From Year 11, an incremental growth rate of 4% per annum has been applied (see Section 2.3 for full details). Table 2 shows the number of freighter movement by year from the first to 20th year of operation by ICAO aircraft design code. These codes are, for example¹⁴:

Code C: ATR-72, B727, B737, A310, A320

Code D: B757, B767

Code E: B747, L-1011, MD-11, DC-10, A330, B777X

3.1.2 It should be noted that one movement is either one landing or one take off. A 'flight' often refers to two movements – one take off and one landing or vice versa. The forecast includes 10 aircraft of various types that will be recycled at Manston Airport. These aircraft will arrive without cargo. All forecasts have been produced in conjunction with RiverOak's consultants including Viscount Aviation.

¹⁴ Dr. A. Trani, Virginia Tech, "Aircraft Classifications" (undated). Available from http://128.173.204.63/courses/cee5614/cee5614_pub/acft_classifications.pdf

Table 2 *Freighter movements by year by ICAO design code*

Freighter movements	Code C	Code D	Code E	Recycling	Total
Y1	0	0	0	0	0
Y2	1,872	1,974	1,396	10	5,252
Y3	2,184	2,052	1,558	10	5,804
Y4	3,640	4,314	1,736	10	9,700
Y5	3,744	4,314	1,868	10	9,936
Y6	3,848	3,144	3,142	10	10,144
Y7	4,472	1,870	4,520	10	10,872
Y8	4,680	1,948	4,546	10	11,184
Y9	4,888	1,948	4,546	10	11,392
Y10	4,992	2,026	4,572	10	11,600
Y11	5,192	2,107	4,755	10	12,064
Y12	5,399	2,192	4,945	11	12,547
Y13	5,615	2,257	5,165	11	13,048
Y14	5,840	2,346	5,372	12	13,570
Y15	6,074	2,440	5,587	12	14,113
Y16	6,317	2,538	5,810	13	14,678
Y17	6,569	2,640	6,043	13	15,265
Y18	6,832	2,745	6,284	14	15,875
Y19	7,105	2,855	6,536	14	16,510
Y20	7,389	2,969	6,797	15	17,170

3.1.3 York Aviation’s work for TfL (York, 2013) talks of diverting 14,000 air freight movements to airports outside the London airspace such as Manston. There are no other airports such as Manston in the South East.

3.2 Freight forecast by tonnage

3.2.1 Further information on how these markets were identified can be found in Volume II of this series of reports. Markets include:

- Global import and export for parcels and packages
- Africa particularly for the import of flowers, fruit and vegetables
- China for the import of consumer goods and export of luxury items (included under niche freight operations but, due to a lack of concrete evidence the forecast is extremely conservative)
- Middle East particularly for export markets including fish and shellfish
- Pakistan including the import of clothing and the export of consumer goods
- Russia for gas and oil equipment and the export of luxury items
- South America for the import of perishable fresh produce
- US for a range of import and exports

3.2.2 The freight forecast by number of tonnes and ICAO design code for exports from Manston Airport is shown in Table 3. The method used to calculate tonnage from movements is shown in Section 2.2. Tonnage figures have been calculated from the maximum payload for each aircraft type and multiplying by 65% to give an indication of tonnage for the main route (either import or export). Air freight carriers generally calculate the price of the main route to cover their costs. Backloads therefore generate additional profit for the airline (as well as the airport and others in the supply chain) but

are not essential to the operation of the route since the cost has been covered by the main journey. All forecasts have been peer reviewed by RiverOak's consultants including Viscount Aviation.

Table 3 *Export tonnage by year and ICAO design code*

	Code C	Code D	Code E	Total outbound freight
Y1	0	0	0	0
Y2	2,474	23,312	30,901	56,687
Y3	3,961	24,453	32,804	61,218
Y4	4,340	50,268	36,157	90,765
Y5	4,543	50,268	37,475	92,286
Y6	5,056	46,339	44,209	95,604
Y7	6,206	29,903	64,442	100,551
Y8	6,544	31,044	66,106	103,694
Y9	6,882	31,044	66,734	104,660
Y10	7,936	32,185	69,621	109,742
Y11	8,254	33,472	73,059	114,785
Y12	8,584	34,811	77,078	120,473
Y13	8,927	35,472	81,600	125,999
Y14	9,284	36,891	84,864	131,039
Y15	9,656	38,367	89,492	137,515
Y16	10,042	39,902	93,071	143,015
Y17	10,444	41,498	98,128	150,070
Y18	10,861	43,157	102,055	156,073
Y19	11,296	44,884	106,136	162,316
Y20	11,748	46,679	110,382	168,809

3.2.3 In terms of imports/exports and backloads (i.e. on the return leg, which can be empty), the following conservative assumptions and calculations have been used:

- Dedicated freight airlines (US) – 80% import/20% export
- Dedicated freight airlines (Africa) – 100% import with a 5% backload from Year 3, rising to 10% in Years 5 and 6, with an additional 5% increase added every two years. The African market showed 24.8% growth in FTKs in 2017 (IATA, 2017).
- Integrator movements – 100% outbound with a backload (import) calculation of 20% included in Years 2 and 3, rising by an additional 5% every two years
- Integrator feeders – 100% inbound (import) traffic with 10% backload possibility added to Year 5, 15% to Year 9, and 20% thereafter
- Fresh fish and spider crabs – 100% export with a backload potential of 5% from Year 3 with an additional 5% added every two years thereafter
- Middle East airlines – both import and export with backload possibilities. The Middle East market showed 8.1% FTK growth in 2017 (IATA, 2017).
- Live animal operations – both in and outbound to show return journeys for most animals
- Pakistani airlines – export from Manston with backloads starting at 10% rising slowly to 30%
- Postal Services – export with a possibility of small backloads starting at 5% and rising gradually to 20%

- Russian airlines – export from Manston with strong backload possibilities starting at 50%, rising to 70%
- Niche freight operations – generally imports with backload potential commencing at 10% rising to 30% over time
- Military movements – outbound only
- Humanitarian and medevac – outbound only

3.2.4 The freight forecast by number of tonnes and ICAO design code for imports from Manston Airport is shown in Table 4. These figures have been calculated using the same principles as for exports shown above.

Table 4 *Import tonnage by year and ICAO design code*

	Code C	Code D	Code E	Total inbound freight
Y1	0	0	0	0
Y2	4,462	13,241	22,162	39,865
Y3	5,138	13,983	28,214	47,335
Y4	9,092	32,676	34,558	76,326
Y5	9,768	32,676	39,011	81,455
Y6	10,444	15,286	60,102	85,832
Y7	14,669	10,698	66,990	92,357
Y8	16,021	12,481	68,477	96,979
Y9	17,542	12,481	68,562	98,585
Y10	18,218	14,264	70,127	102,609
Y11	18,947	14,834	73,811	107,592
Y12	19,705	16,616	77,713	114,034
Y13	20,493	17,280	80,918	118,691
Y14	21,510	19,257	85,182	125,949
Y15	22,371	20,582	90,111	133,064
Y16	23,266	22,795	94,828	140,889
Y17	24,196	23,707	98,621	146,524
Y18	25,164	26,783	104,324	156,271
Y19	26,171	27,854	108,497	162,522
Y20	27,218	30,595	114,136	171,949

4 Manston Airport passenger forecast

4.0.1 Whilst RiverOak will be focusing on the development of Manston as a freight-focused airport, passenger services will be encouraged to increase revenue potential and to provide a service to local people. The airport could provide landing slots at convenient times that are not available at other airports in the South East. Infrastructure will be developed to handle both passenger and air freight traffic, as shown in Section 5.

4.0.2 Southend Airport grew quickly from just over 4,000 passengers per year in 2010 to over one million in 2017. Glyn Jones, Chief Executive of Stobart Aviation attributes the success of Southend Airport to passengers preferring, *“the relaxed, simple, easy and speedy airport experience we can offer rather than the bigger airports”*¹⁵ The Southend Airport example also highlights the importance for a regional airport of an airline basing aircraft at the airport.

4.0.3 The passenger forecast for Manston has been calculated from specific airline movements and, for the charter market, an estimate of the number of movements Manston is likely to handle. Market intelligence has been used to calculate the short to medium-term forecasts, with a 4% increase, year-on-year from Years 11 to 20. This 4% increase is conservative when compared to other airports' passenger forecasts. For example, Liverpool's John Lennon Airport's forecast, peer reviewed by York Aviation, *“represents over 50% growth from current activity by 2030 and 120% growth by 2050.”* (John Lennon Airport, 2017, p. 29)

4.0.4 The calculation used to forecast the number of passengers to be handled takes the capacity of each aircraft type and applies an average load factor of 65% for the scheduled KLM flight (gauged from previous Manston figures) and 90% for all other services, an average industry norm.

4.0.5 Specifically, the forecast shown in Table 5 includes:

- Scheduled carrier (such as KLM) operating a twice-daily service to a major hub. This equates to four movements per day, seven days per week totalling 1,456 movements per year in Years 3 to 20.
- A LCC basing two aircraft at Manston during Years 3 to 5 and three aircraft thereafter. These aircraft are forecast to operate with five daily movements during the summer months and four during the winter. LCCs account for 3,276 movements per year from Years 3 to 5 and 4,914 thereafter to Year 10. An incremental increase of 4% has been applied from Year 11 to Year 20.
- Charter flights include for one flight per day (two movements) for 12 weeks of the year and others operating five flights (10 movements) per day for five days of the week and for twenty weeks of the year. This totals 200 movements in Year 3, 240 in Year 4, and 280 from Year 5 to Year 10 with an incremental increase of 4% thereafter.
- Cruise ship flights for 26 weeks of the year commencing with one flight (two movements) per week, increasing to two flights from Year 7. This totals 52 annual movements from Years 4 to 6 and 104 from Years 7 to 10 with a 4% increase thereafter.

¹⁵ <http://www.eadt.co.uk/business/record-year-for-london-southend-airport-as-passenger-total-tops-1m-1-5358346>

4.0.6 Table 5 shows the 20-year passenger forecast by movements and numbers for each ICAO design code of aircraft. All forecasts have been produced in conjunction with RiverOak’s consultants including Viscount Aviation.

4.0.7 It should be noted that the forecast for passengers shown here is rather more conservative than the AviaSolutions forecast produced for Thanet District Council (AviaSolutions, 2016, p. 39). Their figure for 2020 is for just over one million passenger movements, rising to 1.7 million by 2025 and 3.6 million by 2050. This forecast takes account of a third runway at London Heathrow Airport and the AviaSolutions figures show this impact between 2030 and 2045.

Table 5 *Manston Airport 20-year passenger forecast*

	Code C Moves	Code C Numbers	Code D Moves	Code D Numbers	Total passenger movements	Total passenger numbers
Y1	0	0	0	0	0	0
Y2	0	0	0	0	0	0
Y3	4,932	662,768	0	0	4,932	662,768
Y4	4,972	669,572	52	10,296	5,024	679,868
Y5	5,012	676,376	52	10,296	5,064	686,672
Y6	6,650	954,999	52	10,296	6,702	965,295
Y7	6,650	954,999	104	20,592	6,754	975,591
Y8	6,650	954,999	104	20,592	6,754	975,591
Y9	6,650	954,999	104	20,592	6,754	975,591
Y10	6,650	954,999	104	20,592	6,754	975,591
Y11	6,858	990,171	108	21,416	6,966	1,011,587
Y12	7,074	1,026,749	112	22,272	7,186	1,049,022
Y13	7,299	1,064,791	117	23,163	7,416	1,087,954
Y14	7,532	1,104,354	122	24,090	7,654	1,128,444
Y15	7,775	1,145,500	127	25,053	7,902	1,170,553
Y16	8,028	1,188,291	132	26,055	8,160	1,214,347
Y17	8,291	1,232,794	137	27,098	8,428	1,259,892
Y18	8,564	1,279,078	142	28,182	8,707	1,307,259
Y19	8,849	1,327,212	148	29,309	8,997	1,356,521
Y20	9,144	1,377,272	154	30,481	9,298	1,407,753

5 Infrastructure requirements

5.0.1 This section presents the infrastructure forecasts that have been made by Viscount Aviation, Osprey Consulting Services and the RPS Group. The section considers the infrastructure requirements for freight, passengers, and for aviation fuel. A series of assumptions have been made in order to produce the schedule of infrastructure requirements. For example, it is assumed that the airport operator will provide direct handling services for all operations except in the case of integrators. For integrators, it is assumed that the integrator will provide handling either directly or through a contracted third party, with the integrator renting premises from the airport. It is also assumed that the airport will operate an aviation fuel farm, directly buying fuel on the open market.

5.1 Air freight infrastructure requirements

5.1.1 Infrastructure requirements at the airport for freight include stands for aircraft, warehouse space, and parking for trucks. These requirements are linked to the forecasts shown in the previous section and are detailed by year of operation in Table 6.

Table 6 *Freight infrastructure requirements*

	Freight stands	Warehouse space m ²	Truck parking
Y1	0	0	0
Y2	7	9,903	16
Y3	8	11,427	18
Y4	12	18,064	28
Y5	13	29,305	29
Y6	13	20,736	30
Y7	14	22,695	32
Y8	14	24,324	33
Y9	14	27,096	46
Y10	14	27,400	35
Y11	15	29,650	37
Y12	15	32,346	39
Y13	16	34,956	41
Y14	16	38,072	43
Y15	16	41,628	45
Y16	17	45,425	47
Y17	17	49,432	49
Y18	18	54,321	52
Y19	18	59,061	54
Y20	19	64,906	57

5.1.2 These infrastructure developments will be carried out in four building phases, which will ensure Manston Airport is prepared to meet the forecast demand. These building phases are:

- Phase 1: prior to opening the airport;
- Phase 2: Years 2 to 4;
- Phase 3: Years 4 to 10; and
- Phase 4: Years 11 to 18.

5.1.3 There will be no traffic in Year 1, as effort will be focused on accelerated redevelopment of the airport. This traffic-free environment will allow construction to take place without the disruption from an operational airport schedule. The number of stands for freighter aircraft will increase from 8 at commencement of operations, increasing to 14, then 16, and to 19 by the end of phase 4. Warehousing will be increased in line with these building phases.

5.1.4 The forecast shown has been annualised but mapping a daily schedule requires assumptions to be made to reflect likely arrival and departure schedules. Aircraft are unlikely to arrive and depart evenly throughout the day but tend to coincide at busy times. This means that infrastructure plans must take account of the need to handle higher than average numbers of aircraft at peak times.

5.2 Passenger infrastructure requirements

5.2.1 Passenger traffic infrastructure requirements include aircraft stands, terminal capacity for departures, arrivals and landside activities, and car parking. These requirements are shown by year of operation in Table 7.

Table 7 *Passenger infrastructure requirements*

	Stands	Terminal capacity (pax per hour)			Car parking
		Departures	Arrivals	Landside	
Y1	0	0	0	0	0
Y2	0	0	0	0	0
Y3	3	124	31	62	1,069
Y4	3	171	43	85	1,097
Y5	3	171	43	85	1,108
Y6	3	171	43	85	1,557
Y7	3	171	43	85	1,574
Y8	3	171	43	85	1,574
Y9	3	171	43	85	1,574
Y10	3	171	43	85	1,574
Y11	3	171	43	85	1,632
Y12	3	171	43	85	1,692
Y13	3	171	43	85	1,755
Y14	3	171	43	85	1,820
Y15	4	171	43	85	1,888
Y16	4	171	43	85	1,959
Y17	4	171	43	85	2,032
Y18	4	171	43	85	2,108
Y19	4	171	43	85	2,188
Y20	4	171	43	85	2,271

Source: Provided by RPS and Viscount Aviation

5.2.2 As the forecast shows, passenger infrastructure will not be in place for the first two years of operation. This is to allow the operator to focus on air freight markets and to ensure passenger infrastructure, particularly a new terminal building, is in place before the commencement of passenger operations. Table 7 shows that operations will start with three stands for passenger aircraft, with a fourth being added in Year 15.

5.2.3 In terms of the passenger terminal, which is separated into departure, arrival and landside areas, Table 7 shows the forecast requirement for the number of

passengers per hour that will need to be accommodated. The car-parking requirement is also shown in Table 7.

5.2.4 The current parking for passenger aircraft is sufficient to allow space for three stands, which will be sufficient for operations until Year 15 when a further stand will be required. Terminal capacity provided from commencement of operations is forecast to be sufficient until at least Year 20.

5.3 Fuel storage and transport

5.3.1 The airport also requires fuel storage so that aircraft can refuel before departure. The volume of fuel required is calculated on the number of movements, type of aircraft, and their forecast destination. Table 8 shows the volume of fuel required to be stored at Manston Airport by year. The table also shows the forecast for delivery of fuel to the airport by road and rail, by year and per day. The forecast uses an average truckload of 38,000 litres whilst the rail forecast averages 19 containers per train carrying 43,000 litres per container. It is assumed that road transportation will be used in the early years with RiverOak investigating other options including rail and sea transportation in the longer term.

Table 8 Fuel storage requirement

	Volume (KLitres)	Storage (Litres)	Road delivery (38,000 litres)	Road delivery per day	Rail delivery (19x43,000 litres)	Rail delivery per day
Y1	0	0	0	0	0	0
Y2	98,457	600,000	2,591	7.10	121	0.33
Y3	118,904	700,000	3,129	8.57	146	0.40
Y4	176,859	1,000,000	4,654	12.75	216	0.59
Y5	181,305	1,000,000	4,771	13.07	222	0.61
Y6	198,072	1,100,000	5,212	14.28	242	0.66
Y7	189,271	1,000,000	4,981	13.65	232	0.63
Y8	192,141	1,000,000	5,056	13.85	235	0.64
Y9	192,513	1,100,000	5,066	13.88	236	0.65
Y10	195,197	1,100,000	5,137	14.07	239	0.65
Y11	201,215	1,200,000	5,295	14.51	246	0.67
Y12	209,209	1,200,000	5,506	15.08	256	0.70
Y13	217,383	1,200,000	5,721	15.67	266	0.73
Y14	226,024	1,300,000	5,948	16.30	277	0.76
Y15	235,010	1,300,000	6,184	16.94	288	0.79
Y16	244,356	1,400,000	6,430	17.62	299	0.82
Y17	254,076	1,400,000	6,686	18.32	311	0.85
Y18	264,185	1,500,000	6,952	19.05	323	0.89
Y19	274,698	1,600,000	7,229	19.81	336	0.92
Y20	285,620	1,600,000	7,516	20.59	350	0.96

The reduction in requirement for fuel between Years 6 and 7 reflects forecast upgrades to more efficient aircraft, including swaps from the Boeing 767 to the Airbus 330.

6 Conclusion

6.0.1 This report presents the forecasts for Manston Airport and establishes the rationale for retaining Manston as an airport that is essential to the UK's national airport network. Manston Airport can be operational in as little as two years from the transfer of its ownership to RiverOak. Its location, its 100 previous years of operation, and the considerable local backing mean it is without comparison in the UK. Although there will always be those who are against aviation and airport development, Manston receives the on-going support of a large number of the residents of Thanet as demonstrated in the Consultation Report (see document reference TR020002/APP/6.1).

6.0.2 This report and the others in the series, show that Manston Airport is a valuable local, regional and national asset, providing airport capacity badly needed by the UK. Without additional runway capacity, the UK is losing potential trade, particularly with non-EU countries. Due to its size, location and lack of airspace constraints, Manston Airport is the only viable option in the South East.

6.0.3 The forecasts presented in this report show that freight movements at Manston Airport will increase gradually, in line with capacity, to a forecast 17,000 by Year 20. In addition, the airport will be able to handle a number of passenger flights, connecting Kent to the rest of the world. Passenger flights are expected to start in Year 3 of operation with the airport handling around 660,000 passengers, increasing to around 1.4 million by Year 20 of operation. Infrastructure requirements include stands for freighter and passenger aircraft, warehousing, a passenger terminal, and fuel storage. Construction will be undertaken in four phases to meet the forecast demand.

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MANSTON AIRPORT:
A NATIONAL AND REGIONAL
AVIATION ASSET

VOLUME IV
The economic and social impacts
of airport operations

JULY 2018

AZIMUTH
ASSOCIATES

RSP
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This report has been produced by Dr Sally Dixon, an independent aviation and business research consultant. The author wishes to thank all those who contributed to the research. However, the views expressed herein are those of the author only and are based upon independent research by her.

Executive Summary

This report has been produced in conjunction with three other volumes that provide an overview of why the redevelopment of Manston Airport is a nationally significant infrastructure project. This fourth volume looks at the economic and social impacts of Manston Airport and the forecasts for air freight and passenger traffic that are provided in Volume III. As such, the forecast level of freight and passenger movements has been used as a base from which to predict the impacts on the economy.

The local economy

Kent, known as the Garden of England, performs below the South East average. However, economic performance varies across the County, with some areas, particularly West Kent much more affluent than others, skewing the overall picture. The socio-economic gap between East Kent and Medway (both part of the Thames Estuary region) and the more affluent mid- and West Kent is increasing. Thanet, in particular, has many issues associated with deprivation and ranks as the most deprived area of Kent and one of its wards, Cliftonville West, is ranked 4th out of 32,844 Lower Super Output Areas (LSOAs) in England (2015 figures). Thanet performs consistently behind the rest of Kent with lower wages, lower productivity, higher unemployment and low participation in Higher Education.

Kent County Council wants to address this disadvantage and aims to deliver critical infrastructure that will create the conditions for economic growth across Kent, particularly in East Kent and Medway. The Council aims to raise aspirations, and to encourage businesses to invest in the County. The creation of the Thames Estuary 2050 Commission and its inclusion of Thanet should serve to boost productivity, attract and retain skilled workers, and capitalise on major infrastructure improvement works.

Thanet District Council is also working to transform the local economy and has an ambitious vision for the future of Thanet. This includes increasing participation in work, workforce skills, productivity, wages, and ultimately GVA and GPD. Most modern economies rely on the economic benefits delivered by airport operations and no other proposal is likely to be able to provide the volume and quality of jobs and other economic benefits that a fully operational Manston Airport could bring to Thanet. In addition to job creation, there are numerous other social and economic benefits that a successful airport operation could provide, including:

- **Connectivity:** Increased connectivity improves the GDP of a region and Manston Airport would dramatically improve the connectivity of the area, which is even more essential with the advent of the UK's exit from the EU.
- **Attracting inward investment:** The presence of an airport supports inward investment and business location decisions.
- **Generating wealth:** GDP figures based on the airport's impact have been calculated together with the tax revenues the projected job creation it is likely to produce.

In terms of aviation, Kent County Council's strategy for airports was to oppose the construction of a new Thames Estuary Airport and also the second runway at Gatwick, preferring to maximise use of existing airport infrastructure. The reopening of Manston Airport fits with Kent's strategy. Operations at Manston Airport can provide the impetus for the improved internationalisation of Kent businesses, particularly if an enterprise zone is linked to the airport to leverage the benefits of exporting.

Job creation

The importance of air freight operations to the creation of jobs and to increasing economic and social prosperity has been demonstrated frequently around the world. The socio-economic impacts of an airport's operations include direct, indirect, induced and catalytic effects and there are a number of formulae that can be used to calculate these impacts.

This report describes how the number of jobs created by airport operations at Manston has been forecast. Direct on-site jobs are predicted to be 2,150 by Year 5, of which the airport operator will create 697 posts. The direct employment figure is forecast to rise with increasing freight tonnage and passenger numbers. By Year 5, the indirect and catalytic jobs forecast to result from the operation at Manston Airport are 3,870 and 8,600 respectively. Forecasts for Year 20 are approximately 3,420 direct jobs, 6,150 indirect/induced jobs and 13,700 catalytic jobs. These figures represent a wide range of long-term, aspirational career opportunities.

Construction jobs required in the redevelopment of Manston Airport are shown separately since these are impermanent positions. Before RiverOak reopens Manston Airport, a total of eight freight stands and three passenger stands for aircraft will be constructed as well as warehousing and fuel storage to meet the forecast demand. Further construction will take place in phases, where Phase 1 is prior to reopening the airport; Phase 2 takes place between Years 2 and 4; Phase 3 between Years 5 and 11; and Phase 4 between Years 12 and 18 (see Volume III for details). The numbers of construction workers required is forecast to be between 600 and 700. There are also likely to be additional jobs created for off-site work by local construction companies.

Education and training

Education and training will be vital to maximise the employment opportunities for local people from the redevelopment and operation of Manston Airport. To ensure local providers are engaged, RiverOak is working with Higher and Further Education representatives to leverage opportunities associated with the Manston Airport's future potential operation.

Raising the aspirations of young people will be essential, particularly in areas of deprivation like Thanet. It is hoped that Manston Airport can stimulate the desire to continue in education and training, encouraging young people to improve their life chances and realise their full potential.

Tourism

This report considers the effect on tourism of airport operations at Southend, Southampton and Bournemouth and draws the conclusion that an operational airport at Manston is likely to support tourism in Thanet.

Conclusion

This report shows that the reopening of Manston Airport is likely to be in the public interest. The reopening of the airport is forecast to support the local and regional economies and create a considerable number of direct, indirect, induced and catalytic jobs. Additionally, other socio-economic impacts that can accrue from an airport's operation, such as education and training opportunities, raising the aspirations of young people, providing connectivity, attracting inward investment, supporting inbound tourism, and generating wealth would benefit the area.

Definitions and abbreviations

ACI	Airports Council International
Air freight	The carriage of goods by aircraft
B&B	Bed and Breakfast accommodation
Cargo	The term cargo and freight are used interchangeably in this report and refer to goods carried by road, sea or air
CPO	Compulsory Purchase Order
DCO	Development Consent Order
EU	European Union
FDI	Foreign Direct Investment
FE	Further Education
Freight	The term freight and cargo are used interchangeably in this report and refer to goods carried by road, sea or air
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GVA	Gross Value Added
HE	Higher Education
HGV	Heavy Good Vehicle
ICT	Information and communications technology
IMD	Index of Multiple Deprivation
JIT	Just-in-time, a manufacturing system that allows materials or components to be delivered just as they are required in the manufacturing process, thereby minimising storage costs
KCC	Kent County Council
MRO	Maintenance, Repair and Overhaul of aircraft and aircraft parts
NEET	Not in education, employment or training
NVQ	National Vocational Qualification – work-based qualifications
SME	Small and Medium-sized Enterprise
STEM	Science, technology, engineering and mathematics
TDC	Thanet District Council
UK	United Kingdom
ULD	Unit Load Devices

Table of Contents

1	Introduction	1
1.1	Background and rationale	1
1.2	Aim and objectives of the report	1
1.3	Report structure	2
2	The local economy.....	3
2.1	The Kent economy	3
	Kent’s vision for the future	4
	Kent’s strategy for airports.....	5
	Internationalisation of Kent businesses.....	5
2.2	The East Kent economy	8
2.3	The Thanet economy	10
	Deprivation and unemployment	11
	Economic growth strategy for Thanet	13
	The Thames Estuary Growth Commission.....	14
3	The socio-economic impact of airports.....	16
3.1	Types of impact made by airports	16
3.2	Connectivity.....	18
3.3	Location and investment decisions.....	19
4	Forecasting jobs created by airport operations.....	21
4.1	Forecasting formulae.....	21
4.2	Comparator airport figures.....	23
4.3	Formulae used to forecast jobs at Manston Airport	24
5	Employment forecasts for Manston Airport.....	27
5.1	Forecast job creation resulting from operations at Manston Airport.....	27
5.2	Forecast number and type of jobs by the airport operator	29
5.3	Jobs forecast by location	30
5.4	Construction jobs	31
5.5	Other direct jobs	32
6	Training and education	34
6.1	Skills shortages	34
6.2	Further and Higher Education in East Kent.....	35
6.3	East Kent College.....	36
6.4	Canterbury Christ Church University.....	36
6.5	The Manston Museums.....	37
6.6	A Manston Airport Training Facility	38
7	Tourism.....	40
7.1	Accommodation in Thanet.....	40
7.2	Non-accommodation sectors	40
7.3	Employment in the tourism sector.....	41
7.4	Comparison with other coastal areas.....	42
	Southend-on-Sea	42
	Southampton.....	44
	Bournemouth.....	45
7.5	Increased connectivity and inbound tourism.....	46
7.6	Manston Airport and the potential impact on tourism in Thanet and East Kent.....	47
8	Other socio-economic impacts.....	49
8.1	Gross Domestic Product (GDP)	49
8.2	Connectivity.....	52
9	Conclusions.....	54
10	References and Bibliography.....	55

Table of figures

Figure 1	Map of the County of Kent	3
Figure 2	GVA per head in Kent and Medway by area to 2016	4
Figure 3	External factors influencing company development	6
Figure 4	The extent to which infrastructure constrains economic growth	7
Figure 5	Ireland's exports and direct services from Dublin Airport 2000-2014.....	8
Figure 6	Map of East Kent.....	9
Figure 7	Post-16 A Level attainment by area and district for 2016	10
Figure 8	Map of Thanet.....	10
Figure 9	Employment by size of firm	12
Figure 10	Average gross weekly wage in Kent and Thanet	13
Figure 11	Map of the Thames Estuary area	14
Figure 12	Economic impact of European airports	16
Figure 13	The economic impact of airports	17
Figure 14	Economic catalytic impacts of air transport.....	18
Figure 15	Thanet Parkway Station	53

Table of tables

Table 1	Kent competitiveness indicators.....	3
Table 2	Comparative unemployment in Thanet	11
Table 3	Comparison between Glasgow Prestwick Airport and Manston Airport	24
Table 4	Forecast job creation	28
Table 5	Forecast job creation used in prior editions of this report.....	29
Table 6	Estimated job creation by the Manston Airport operator by function	30
Table 7	Total employment impact of Luton Airport, 2013	31
Table 8	Visitors to East Kent.....	41
Table 9	Value of tourism in Southend, 2008 and 2015.....	43
Table 10	Comparison between GDP calculations	50
Table 11	Manston Airport GDP and tax contribution	51

1 Introduction

1.0.1 RiverOak has a vision to revive Manston Airport as a successful freight-focused airport with supplementary passenger operations. A Development Consent Order (DCO) is being sought by RiverOak to secure the rights and consents necessary for the airport's development as required by the Planning Act 2008. This means that, at the end of a process overseen by HM Government's Planning Inspectorate, the Secretary of State at the Department for Transport will decide the future of Manston Airport.

1.1 Background and rationale

1.1.1 This report is the fourth in a series of documents that make the case for Manston Airport to return to full operation. These reports cover:

- Volume I: The need for airport capacity in the South East of the UK and the potential role of Manston Airport as part of the UK's airport network
- Volume II: The findings from a qualitative study that identifies the push and pull attractors for Manston Airport and details the opportunities and the sectoral and geographical markets the research uncovered
- Volume III: The forecast for air freight and passenger traffic for Manston Airport over the first twenty years of operation
- **Volume IV: A description of the socio-economic impacts of the operation of Manston Airport as described by the forecast in the third volume of this body of work**

1.1.2 It should be noted that this report is not intended to replicate a government/public sector appraisal of a transport project. The reopening of Manston Airport is a privately funded endeavour. Therefore this report does not assess the social welfare benefits and costs of the operation of the airport relative to the 'do nothing' option. The forecast of socio-economic impacts shown here are not estimates of the 'wider economic benefits' including impacts from the presence of imperfect competition (see DfT, 2005 for definitions) of this transport project. Instead, they focus on applying industry standard formulae for socio-economic impacts including job creation, compare the impact of an airport on tourism, and outline RiverOak's intention to ensure relevant training and education is available in the local area.

1.2 Aim and objectives of the report

1.2.1 As a key part of the process of gaining the necessary permissions to acquire and reopen Manston as an airport, the aim of this report is to define the impact on the local and regional economies of Thanet, East Kent, and the wider Thames Estuary area. There are a number of objectives set out for this work and in particular the results will:

- Provide a forecast for the jobs created on the airport site and in the wider economy
- Set out the total jobs that are expected to be created by the airport operator
- Describe the potential economic and social impacts of Manston Airport
- Inform the statutory consultation by ensuring stakeholders have the necessary information to assess the public benefit of an operational Manston
- Continue to gain support from industry stakeholders
- Open dialogue with academic institutions from Higher and Further Education
- Provide the information required to support the DCO application

1.3 Report structure

1.3.1 The report is structured as follows: First the local economies of Thanet and East Kent are described. Next, the socio-economic benefits of an airport's operations are detailed together with a description of how these are forecast. The employment forecasts for Manston follow and include direct, indirect/induced and catalytic jobs as well as those created by the airport operator. The training and education opportunities associated with the airport's operation are next discussed. The potential impact on tourism in Thanet is then discussed before the penultimate section describes the other socio-economic benefits of the airport. The report concludes with a summary of the assessed benefits of the operation of the airport.

2 The local economy

2.0.1 This section describes the economies of Kent, in particular East Kent and Thanet, providing a context by which to envision the potential impacts of the redevelopment at Manston Airport. Estimates of the possible impacts are set against the forecasts for freight and passenger traffic provided in Volume III of this series of reports.

2.1 The Kent economy

2.1.1 Kent, the ‘Garden of England’, has a land area of 1,368 square miles with 85% classed as green space, and over 350 miles of coastline. Figure 1 shows outline of the County, which extends from just inside the M25 to the north, Margate to the east, the Romney Marshes in the south, and Tunbridge Wells and Sevenoaks to the west. Including the unitary authority of Medway, Kent has a total population of 1,801,200 (KCC, 2016) and a workforce of around 951,000 (Oxford Economics, 2016).

Figure 1 Map of the County of Kent



Source: Google Maps

2.1.2 The County ranks 100 out of 152 county and unitary authorities in the English Indices of Deprivation 2015 (ID2015). This puts Kent towards the bottom third of the counties in England. Kent’s economy is based around small and medium-sized businesses. Table 1 illustrates Kent’s relative economic performance in the UK. It should be noted that some areas of Kent, particularly the west of the County including towns such as Tunbridge Wells and Sevenoaks, are much more affluent than East Kent, skewing the overall picture.

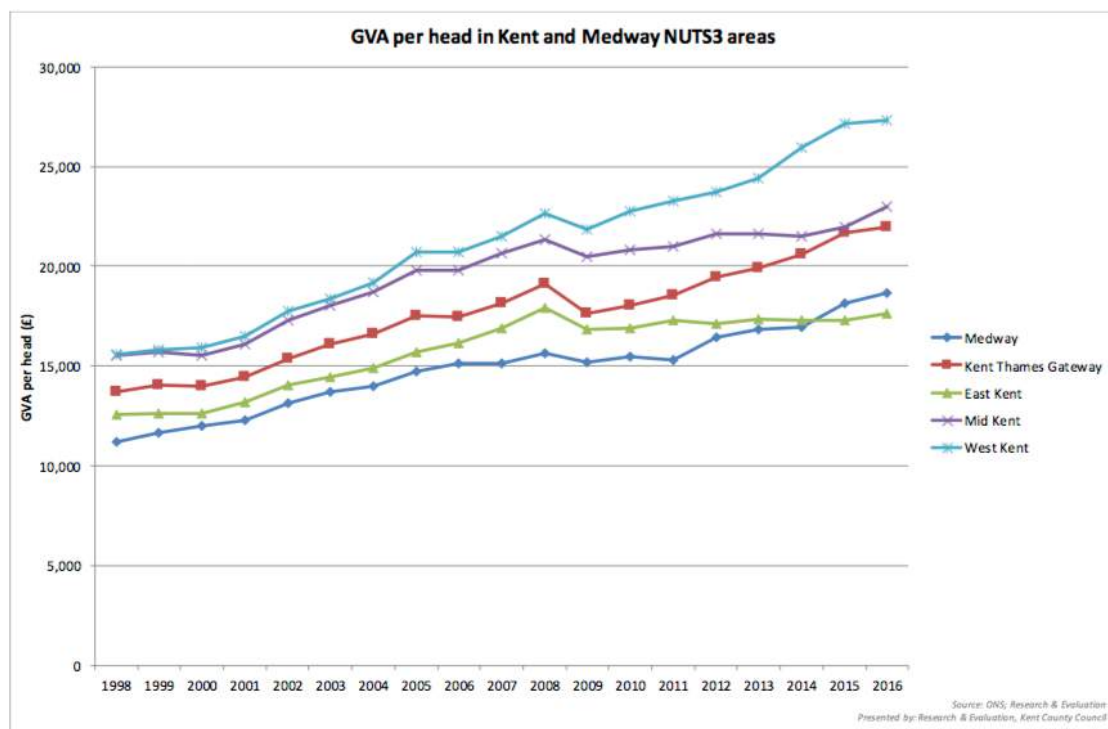
Table 1 Kent competitiveness indicators

Performance Indicator	Kent	UK	Date
Gross Value Added per head	£18,994	£24,091	2013
Gross median weekly earnings	£541.50	£520.80	2014
Economic activity	78.6%	77.4%	2015
NVQ 4 or above – working age	32.4%	36.0%	2014
Claimant unemployment rate	1.3%	1.7%	2015

Source: Kent County Council *et al*, 2015, p. 5

2.1.3 Figure 2 compares the GVA per head of population from 1998 to 2016 for the Kent areas including Medway, East, Mid, and West Kent and the Kent Thames Gateway areas. The figure clearly shows that Medway and East Kent lag behind the rest of the County with the gap between East Kent and Mid and West Kent widening over time.

Figure 2 GVA per head in Kent and Medway by area to 2016



Source: KCC, 2018b, p. 5

Kent’s vision for the future

2.1.4 The ‘Vision for Kent 2012-2022’ (Kent Forum, 2012) outlines three main ambitions for the County:

1. To grow the economy: For Kent to be open for business with a growing and successful economy and jobs for all.
2. To tackle disadvantage: For Kent to be a county of opportunity, where aspiration rather than dependency is supported and quality of life is high for everyone.
3. To put citizens in control: For power and influence to be in the hands of local people so they are able to take responsibility for themselves, their families and their communities.

2.1.5 These ambitions match with the operation of a successful airport in the County. Indeed, within the first of these visions - growing the economy - the Kent Forum identified their top three commitments. At this level of detail it is clear that a fully operational Manston Airport is entirely consistent with the commitments made by the leaders of the 14 Local Authorities in Kent who make up the Kent Forum. These commitments are:

1. To deliver the critical infrastructure that will create the conditions for economic growth across Kent. This means:
 - Providing access to high speed broadband that encourages economic growth in our rural areas

- Improving the strategic road networks within the county, and also those linking Kent to the rest of the UK
 - Maximising the opportunities of high speed rail and Kent's airports and ports that will reduce journey times to London and improve Kent's connectivity with London, UK and Europe
 - Improvements in integrated public transport that gives access to employment and improved workforce mobility without burdening our road networks
2. To raise the career aspirations of Kent's residents, from early years through to adulthood, and to meet those increased aspirations with a range of learning opportunities, apprenticeships and internships that meet future business need.
3. To be business friendly and the county of choice for inward investment and expansion by:
- Providing sector-specific support for business, particularly in areas of potential growth
 - Sell Kent as the place to do business, emphasising and enhancing its gateway location and natural assets
 - Offer inducements (financial and other) for inward investment and expansion
 - Maximise the amount that public sector partners procure from Kent companies and that use Kent workforce
 - Minimising the bureaucracy placed on business and champion the removal of unnecessary regulation (Kent Forum, 2012, pp. 4-5)

Kent's strategy for airports

2.1.6 Several documents outline Kent's strategy for airports. As detailed above, the 'Vision for Kent 2012-2022' (Kent Forum, 2012) includes maximising the opportunities of Kent's airports to improve Kent's connectivity. In their response to the Airports Commission consultation, Kent County Council declared the following:

*"We have engaged with the work of the Airports Commission and robustly oppose proposals for a new airport in the Thames Estuary and a second runway at Gatwick. As an alternative, Kent County Council supports better use of existing airports, including regional airports, improved surface access to airports by rail, and expansion of existing airport infrastructure (with the exception of a second runway at Gatwick, which it opposes) in order to meet the UK's aviation needs."*¹

2.1.7 Kent has two main airports within the County; Manston and Lydd. Rochester Airport with its grass runways is located in the Unitary Authority of Medway, and Biggin Hill resides within the London Borough of Bromley. Kent has a number of airfields including Headcorn, Maypole, and Farthing Corner. Only Manston and Lydd airports are capable of commercial services. Unlike Manston, Lydd is constrained by a short runway (1505 metres), considerable approach issues (including MOD Hythe firing range and proximity of Dungeness Power Station), a rural location and relatively poor surface transport connectivity.

Internationalisation of Kent businesses

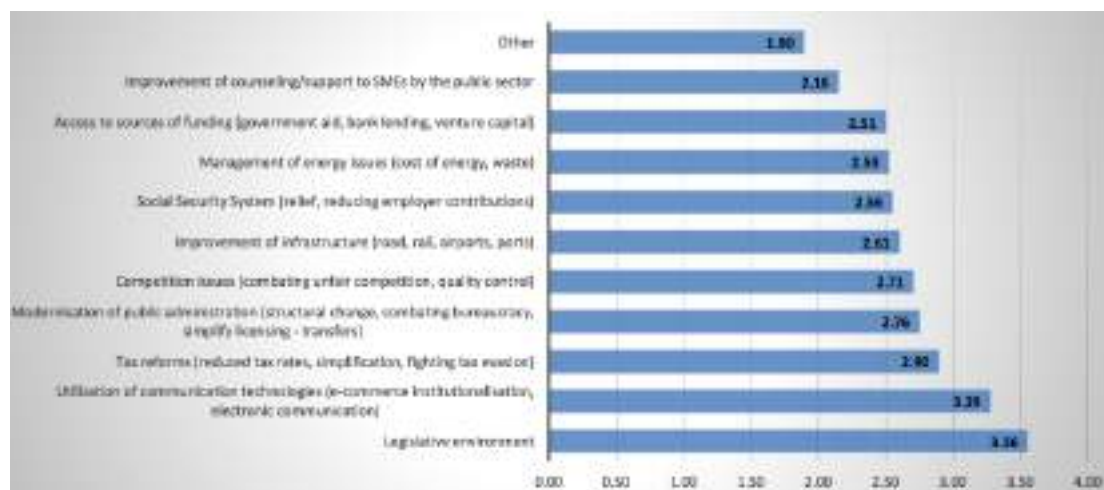
2.1.8 A study by Dr Fragkiskos Filippaios (2017), Reader in International Business at Kent Business School, commissioned by Kent County Council, provides useful insights into the internationalisation of Kent businesses. 35% of Kent businesses export with

¹ <http://www.kent.gov.uk/about-the-council/strategies-and-policies/transport-and-highways-policies/aviation/aviation-strategy>

manufacturing, professional sciences, and information technology sectors having a significant number of firms that rely heavily on exports.

2.1.9 Dr Filippaios' study found that of those who export, 85% export to the EU, 43% to the US and 21% to the UAE. 25% of the businesses in the study import, most of whom also export with only 14% importing only. Key import markets are the EU at 72%, the US at 42% and China at 36%. The dominance of the EU for both imports and exports and uncertainty of the post Brexit regulatory environment are a cause for concern for Kent businesses.

Figure 3 External factors influencing company development



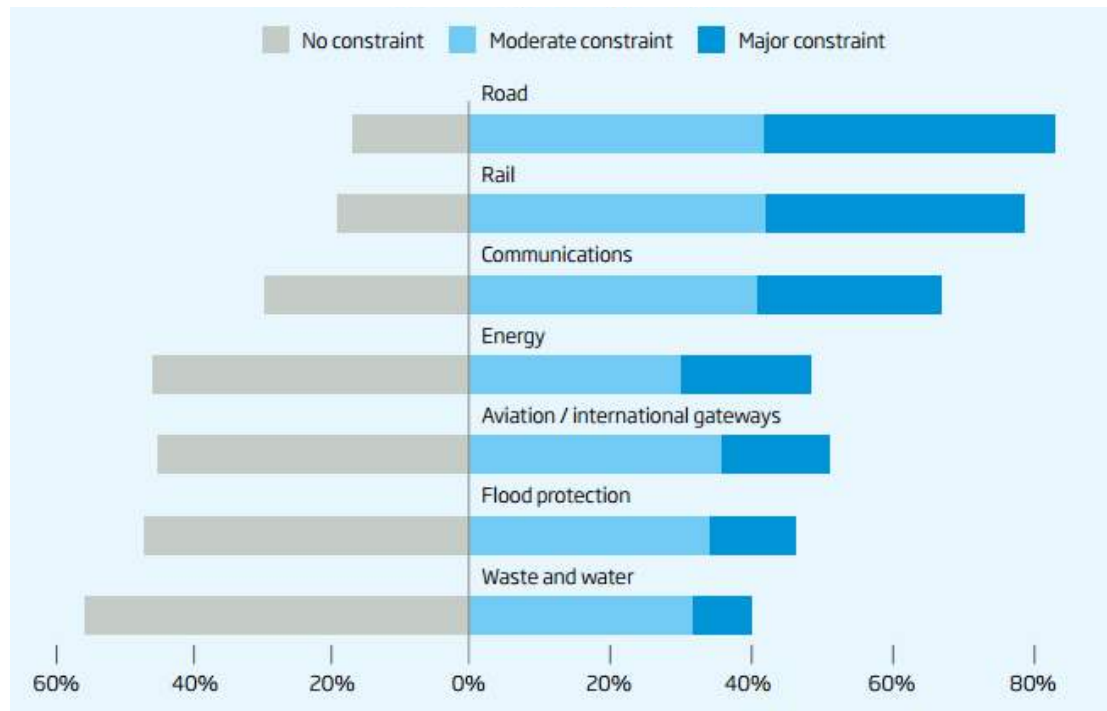
Source: Filippaios, 2017, p. 15

2.1.10 Key external factors that facilitate international trade include the legislative environment and reduction of bureaucracy. However, Dr. Filippaios' research showed that companies would prefer the government to take the role of facilitator rather than supporter as they make efforts to internationalise. Of particular note is that Kent businesses mentioned the need to improve infrastructure including airports, as shown in Figure 3 (where the x-axis shows relative influence based on the output of factor analysis). In terms of business support mechanisms, the research found that:

- A substantial number of support mechanisms exist, often without any significant coordination. The Federation of Small Businesses, Institute of Directors and Kent Invicta Chamber of Commerce are the most recognisable ones by Kent SMEs (small and medium sized enterprises) but UK Trade and Investment (Department for International trade) and Gov.UK emerge also as significant support mechanisms specifically for exporters.
- Despite the relatively high awareness of their existence, there is little use of these support mechanisms. The diversity of mechanisms creates confusion for SMEs that do not wish to spend substantial time searching for the most appropriate support.
- In terms of effectiveness the general support mechanisms tend to score high in the wider population but for exporters more specialised mechanisms, such as UK Export Finance, Export Britain and Federation of Small Businesses are considered very effective. (Kent SME Internationalisation Study 2016/2017, Summary of Findings)

2.1.11 A study by the Royal Academy of Engineering in 2017 asked 38 professional engineering organisations, supporting 450,000 engineers, a series of questions. Their findings show that aviation and international gateways are seen as a crucial constraint to the economic growth of regions, behind only road, rail, and communications. Around half of those questioned found aviation/international gateways to be either a moderate or major constraint. Figure 4 shows the range of constraints and how the engineering organisations ranked them as constraints to economic growth.

Figure 4 The extent to which infrastructure constrains economic growth

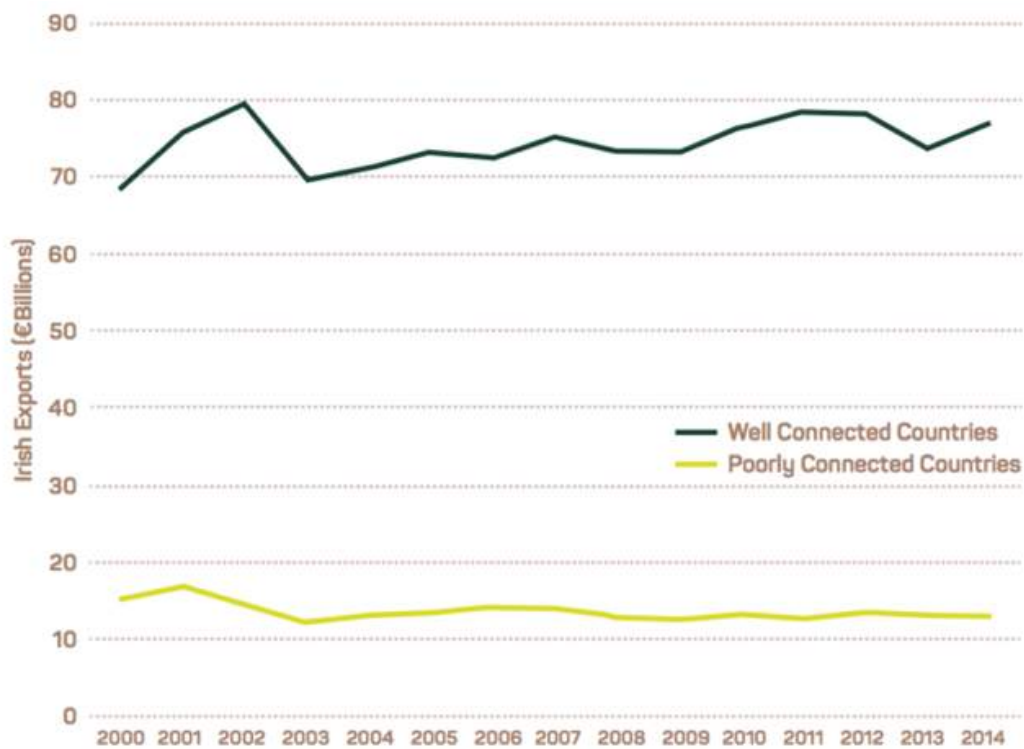


Source: Royal Academy of Engineering, 2017, p. 39

2.1.12 Whilst businesses in the region need to take responsibility for their excellence and ability to compete internationally, it is important to develop an international profile of the region as an attractive place for businesses and people to locate. Resumed and vastly improved operations at Manston Airport can provide the impetus for internationalisation, particularly if an enterprise zone is linked to the airport to leverage the benefits of exporting. This point is made in a study for Dublin Airport (Intervistas, 2017), which shows how connectivity is linked to Ireland’s exports. Figure 5 shows the disparity between the value of goods exported from Ireland to countries with a frequent air service and to those countries with limited or no connections from Dublin. Intervistas says:

“The value of exports with the well-connected countries is five to six times that of trade with poorly connected countries. While air connectivity alone cannot create trade, it is a necessary requirement for trade development. Poor air connectivity to a country will hinder the ability to develop business contracts, service clients and to compete with businesses in more connected countries.”
(Intervistas, 2017, p. 27)

Figure 5 Ireland's exports and direct services from Dublin Airport 2000-2014



Source: Diio Schedule Data, Central Statistics Office Ireland and U.N. Comtrade Database. 2014 is the most recent data available.

Source: Intervistas, 2017, p. 28

2.1.13 The 2017 Dublin Airport study indicates the potential benefits to Kent business of an airport at Manston. Operating in a constrained cargo market impacts logistics, potentially delaying imports and exports if trucking to northern Europe for air freighting has to be factored into delivery times (see Volume II for evidence of these delays). Connectivity also has a positive impact on passenger travel, with faster transit for business travellers to destinations that would be served from Manston Airport.

2.2 The East Kent economy

2.2.1 The term 'East Kent' is frequently used to describe the area to the southeast of the UK. However, there seems to be no formal definition of the area, with some including the Medway towns and the Isle of Sheppey. Recently, there have been moves to merge the local authorities in East Kent into a single district authority. These authorities included Canterbury, Thanet, Dover, Shepway and Ashford, corresponding approximately to the Diocese of Canterbury. However, Ashford pulled out of the plan in January 2017 and Shepway voted to reject the plan in March 2017.

2.2.2 For the purposes of this study, East Kent includes the city of Canterbury, the Isle of Thanet, and the towns of Deal, Dover, Faversham, Herne Bay, Sandwich and Whitstable as shown in Figure 6. The area includes numerous historic sites including Canterbury Cathedral.

Figure 6 Map of East Kent



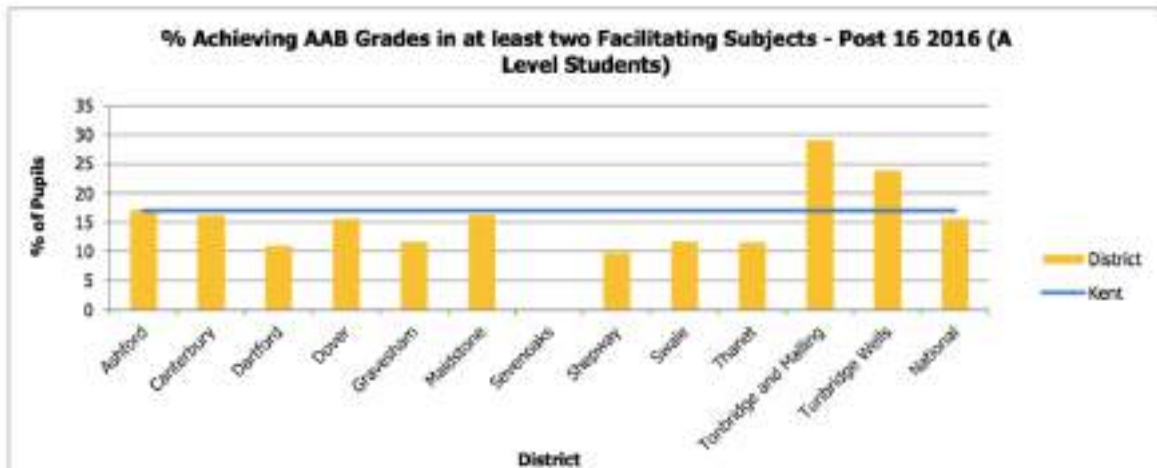
2.2.3 The 2011 Census from the Office for National Statistics (ONS) shows that Local Authorities in the east of Kent have a total population as follows:

- Ashford 117,956
- Canterbury 151,145
- Dover 111,674
- Shepway 107,969
- Swale 135,835
- Thanet 134,186

2.2.4 Kent's average unemployment rate (May 2018) is 2.0%, below the 2.2% rate for Great Britain. However, East Kent and specifically Dover, Shepway, Swale and Thanet have higher rates at 3.2%, 2.4%, 2.8% and 4.9% respectively (KCC, 2018a). Rates are particularly high for young people between the ages of 18 and 24. Kent ranks within the 50% least deprived of all counties and unitary authorities in England but East Kent fairs worse. Indeed, Thanet continues to rank as the most deprived local authority in Kent, and Ashford and Swale have experienced the largest increase in deprivation relative to other areas in Kent (KCC, 2015).

2.2.5 In terms of post-16 educational attainment, specifically the percentage achieving two or more AAB grades at A Level, whilst Canterbury ranks near to the Kent average, Shepway, Swale and Thanet are considerably below. The post-16 attainment for 2016 is shown by area and district in Figure 7.

Figure 7 Post-16 A Level attainment by area and district for 2016



Data is for students at the end of advanced level study who during 16-18 study were:
Level 3 - entered for at least 1 academic qualification equal in size to at least half an A Level or an extended project (size 0.3), or applied general or tech level qualification;
A Level - entered for at least 1 A/AS Level, applied double A/AS level or combined A/AS Level;

Source: DfE Statistical First Release 2016 and Nova
 Contact: management.information@kent.gov.uk

Source: https://www.kelsi.org.uk/_data/assets/pdf_file/0005/69872/Final-Booklet-2017.pdf

2.3 The Thanet economy

2.3.1 Thanet, the most easterly part of Kent and includes the towns of Broadstairs, Margate and Ramsgate as shown in Figure 8.

Figure 8 Map of Thanet



Source: Google Maps

2.3.2 Thanet has good rail and road connections. The high-speed rail link, HS1, runs from Ramsgate, passing close to the Manston Airport site and on through Canterbury and Ashford en route to London St Pancras, taking about one hour and 15 minutes. There is also a route via the coastal and Medway towns to London St Pancras taking about one hour and 40 minutes. There is also a service from Thanet via the coastal

towns, Chatham and north Kent to London Victoria. Road access to the M2 is via the Thanet Way, which is a dual carriageway.

2.3.3 Thanet benefits from a number of blue flag beaches and historic landmarks. The area is noted for its connections to Charles Dickens and JMW Turner. Thanet has an out-of-town shopping and entertainment centre at Westwood Cross near Broadstairs.

2.3.4 The 2011 Census shows that Thanet has a population of 134,186. By 2020, this figure is predicted to be around 140,000 with a workforce of 79,100 (Oxford Economics, 2016).

Deprivation and unemployment

2.3.5 The Isle of Thanet has particular problems associated with deprivation including relatively high unemployment, low wages and low participation in higher education. As described previously, Thanet continues to rank as the most deprived local authority in Kent (KCC, 2015). Indeed, figures published by the Department of Communities and Local Government ranked Thanet as the 28th (out of 326) most deprived area in England in 2015, the second poorest local authority area in the South East, and the poorest in Kent.

2.3.6 Thanet's ranking has deteriorated from 49th to 28th since 2010, showing a worsening of its deprivation relative to other areas in England. These figures are based on the Index of Multiple Deprivation (**IMD**), which include income; employment; health and disability; education, skills and training; barriers to housing and services; living environment; and crime. Within Thanet, the Cliftonville West ward is ranked 4th out of 32,844 LSOAs in England placing it within England's most deprived 1%. In terms of LSOAs, Margate Central ranks 21st.

2.3.7 Unemployment in Thanet is higher than the other East Kent districts, Kent as a whole and Great Britain, as shown in Table 2. Thanet's unemployment rate for 18 to 24 year olds is 7.3%, by far the highest rate in Kent, which averaged 3.0% in May 2018. Thanet ranks below the national average in all indicators except employment rate (KCC, 2018b, p. 25). The employment rate in Thanet is 75.0%, just higher than that in Kent overall at 74.7% (*ibid*, p. 5).

Table 2 Comparative unemployment in Thanet

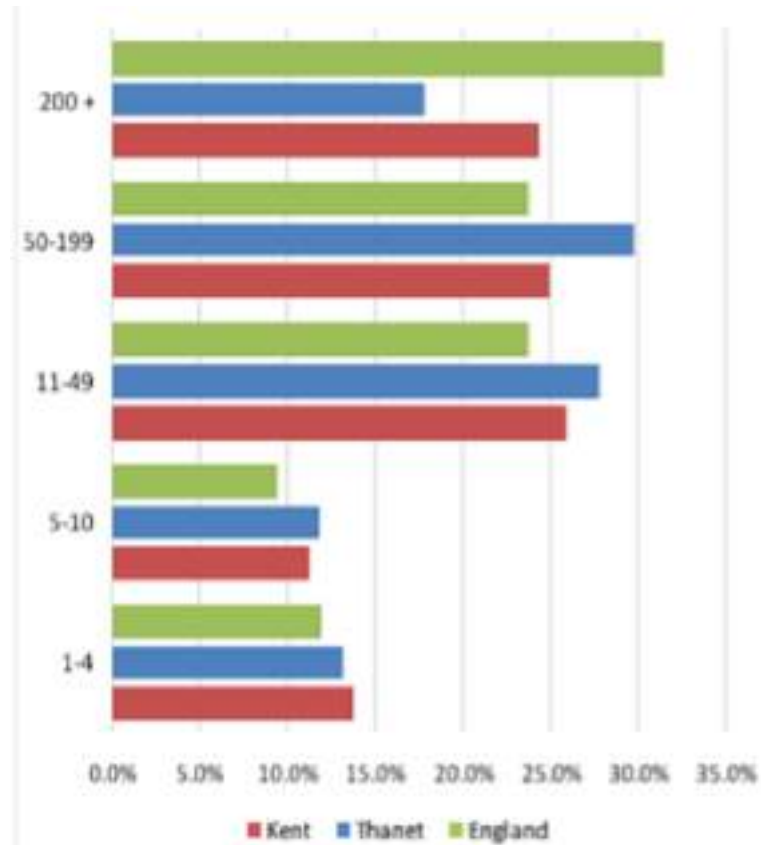
	May 2018		Since April 2018	Since May 2017
	Unemployed	% of workforce	%	%
Thanet District	4,040	4.9%	-3.7%	41.5%
Dover District	2,205	3.2%	-7.2%	45.5%
Canterbury	1,430	1.4%	-2.7%	12.6%
Shepway	1,590	2.4%	0.0%	11.6%
Kent	18,420	2.0%	-2.8%	12.9%
Great Britain	797,525	2.0%	3.2%	17.8%

Source: KCC, 2018a

Employment and productivity

2.3.8 Thanet has fewer large firms (employing more than 200 people) than Kent and England. Indeed, the Thanet economy is dominated by small firms (TDC, 2016, p. 8) as shown in Figure 9.

Figure 9 Employment by size of firm

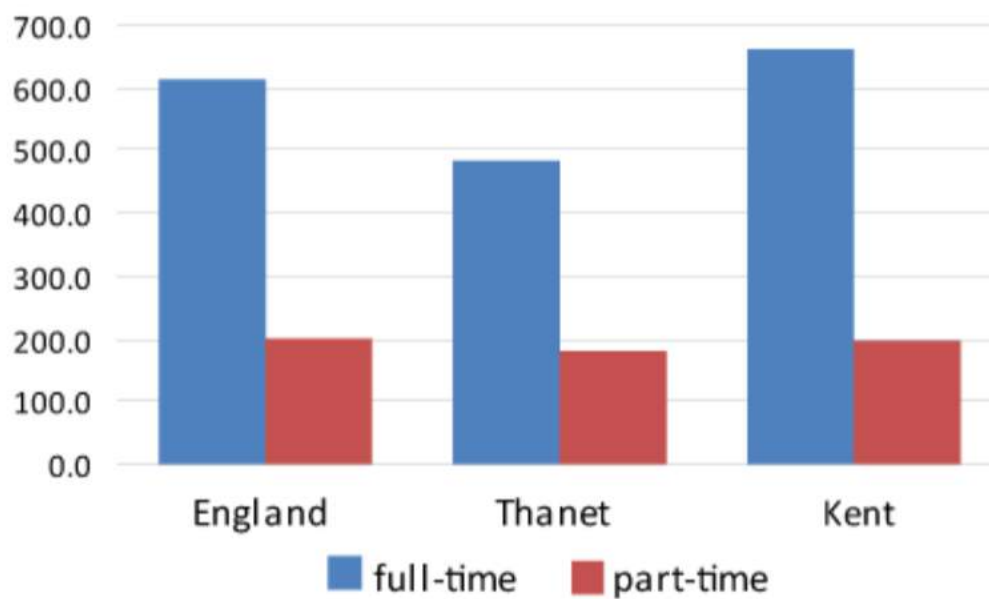


Source: Thanet District Council, undated, p. 7

2.3.9 Productivity in Thanet is around 80% that of the Kent average and will need to grow at 3.5% per annum until 2031 to reach this county average (TDC, 2016, p. 16). The link between productivity and wages means that organisations will have to step up their productivity if wage levels are to rise sufficiently to increase the quality of life within the District. Indeed, in 2016, GVA per capita in Thanet was only 63% of the County average and closing this gap will necessitate growth at a rate of 5.2% per annum to 2031 (TDC, 2016, p. 16).

2.3.10 Wages in Thanet are lower than both the England and Kent averages for both full-time and part-time workers as shown in Figure 10.

Figure 10 Average gross weekly wage in Kent and Thanet



Source: Thanet District Council, undated, p. 6

Economic growth strategy for Thanet

2.3.11 The Draft Economic Growth Strategy for Thanet (TDC, 2016) describes the local economy:

“Thanet has a distinctive local economy with substantial opportunities for sustainable and high quality economic growth. Particularly with HS1 in place, Thanet now has significant locational advantages deriving from its proximity to both London and continental Europe. It has outstanding cultural assets, epitomised particularly through the Turner Contemporary. It has a very high quality natural environment, especially its coastline.

Looking ahead, there is real potential linked to the port and historic marina at Ramsgate and emerging opportunities in the fields of advanced manufacturing, agri-tech and the creative sector. While there are some challenges – relating particularly to the creation of jobs locally and workforce skills – the opportunities are real ones, particularly in the wider context of significant planned housing and population growth.” (TDC, 2016, p. 1)

2.3.12 However, Thanet continues to face many challenges and the Economic Growth Strategy (TDC, 2016) as the Council says:

“The skills profile could be strengthened; too many jobs are “low wage” and part time in character; and the number of jobs within the District needs to grow. There is also a need to diversify the business base so it is less reliant on ‘public sector’ type roles (36% in health, education and public administration).

However, Thanet is full of ambition and confidence. A great deal has been achieved over recent years and much more can be accomplished through the delivery of a forward looking and focused Economic Growth Strategy.”

2.3.13 Thanet has benefited from EU funding under a number of programmes including the European Regional Development Fund. Access to this funding for deprived areas will be lost when the UK exits the EU, rendering Thanet more reliant on private sector investment to ensure the creation of high quality jobs. The reopening of Manston Airport would provide economic growth for Thanet and the UK, by providing the opportunity for activities that are currently and increasingly being diverted to airports in mainland Europe, to be diverted to Manston Airport instead. An operational Manston Airport will provide jobs in an area of high unemployment, with knock-on educational, training, and social benefits.

The Thames Estuary Growth Commission

2.3.14 In the 2016 budget, the Chancellor of Exchequer announced a new Thames Estuary 2050 Growth Commission. Unlike its predecessor, which excluded East Kent, this initiative includes 40-miles of the Thames Estuary from Canary Wharf to Southend on the north side and Thanet on the south as shown in Figure 11. The Thames Estuary region has a population of more than three million people and in Kent covers the areas of Canterbury, Dartford, Gravesham, Medway, Swale and Thanet.

Figure 11 Map of the Thames Estuary area



Source: <https://www.gov.uk/government/news/lord-heseltine-thames-estuary-plan-to-unleash-growth-for-decades-to-come>

2.3.15 The aim of the Commission is to boost productivity, attract and retain skilled workers, and capitalise on major infrastructure works. In his budget statement, The Chancellor of the Exchequer said:

“The Commission will develop an ambitious vision and delivery plan for North Kent, South Essex and East London up to 2050. This will focus on supporting the development of high productivity clusters in specific locations. It will examine how the area can develop, attract and retain skilled workers. It will also look at how to make the most of opportunities from planned infrastructure such as the Lower Thames Crossing. It will report back in Autumn Statement 2017 with a clear and affordable delivery plan for achieving this vision.” (HM Treasury, 2016, para 6.21)

2.3.16 The Government confirmed the priorities of the Thames Estuary 2050 Growth Commission in December 2017². These confirm that connectivity will be a priority, including planned investments such as the Lower Thames Crossing but also assessing further river crossings and extending the Elizabeth Line to Ebbsfleet. Equipping people with the right skills and creating internationally competitive centres of excellence will also be priorities. The Commission published its final report and recommendations to Government in June 2018. Particularly relevant is the focus on medical research, productive agricultural landscapes, and niche tourism in the North Kent Foreshore. All these sectors rely on transportation of goods (particularly pharmaceutical products and perishable food) and visitors by air.

2.3.17 Azimuth Associates on behalf of RiverOak has submitted a proposal to the Commission for an aviation academy to be based on or near the Manston Airport site. Further details can be found in Section 6.6 of this document. Not only will this provide people with the skills required by the airport and its supply chain but ensure that local people have access to training to ensure they are highly marketable to other employers.

² <https://www.gov.uk/government/news/thames-estuary-2050-growth-commission-priorities-confirmed>

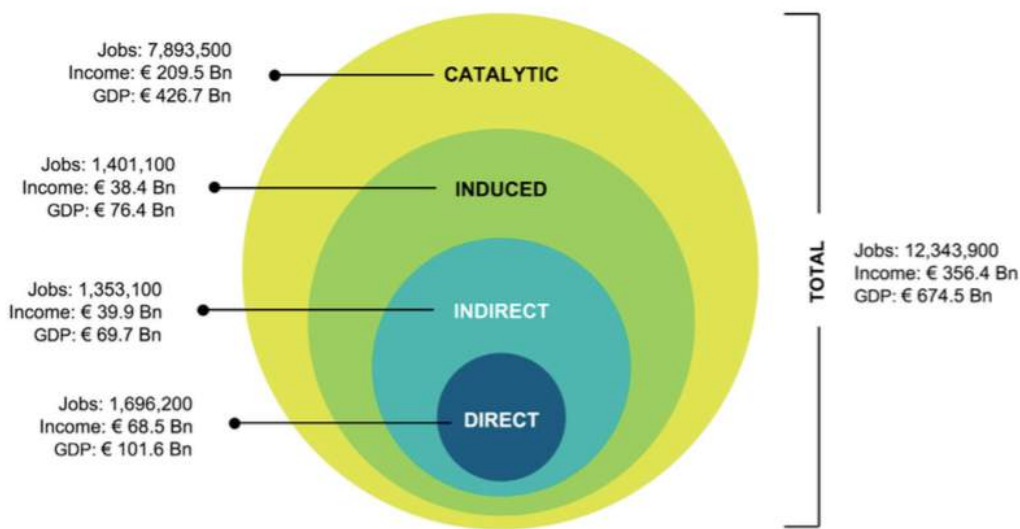
3 The socio-economic impact of airports

3.0.1 This section considers the impact airports make on their local, regional and national economies. As the DfT says, “Transport investments can, and generally do, affect the economy. They can in particular affect the location and pattern of economic activity, and be used to reduced regional disparities.” DfT, (2005, p. 3). The economic impact made by airports is a vital component of modern economies.

3.1 Types of impact made by airports

3.1.1 The impact made by an airport is measured by employment, income, and contribution to GDP. Figure 12 shows the impact of Europe’s airports on jobs, income and GDP.

Figure 12 Economic impact of European airports

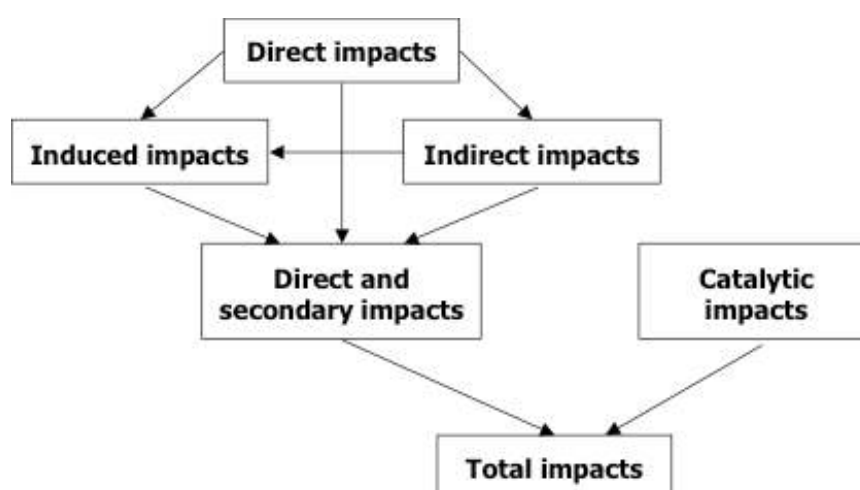


Source: Intervistas, 2015, p. VI

3.1.2 Figure 12 indicates the four types of impact on economies that are made by airports. These have been well documented and are shown in Figure 13 and described in the following paragraph (Graham, 2001). However, an airport’s relationship with the economy in which it operates is interdependent and an airport’s activity depends on economic factors in that economy. Indeed, air travel is driven by a number of factors including:

- GDP, disposable income, and living standards;
- Reducing air travel costs;
- Globalisation; and
- Deregulation

Figure 13 The economic impact of airports



Source: Graham, 2001, p. 185

3.1.3 In terms of jobs, the categories of employment generation are:

Direct: Employment associated with the operation and management of activities at the airport. This includes the jobs created by the airport operator as well as other airport-related businesses located elsewhere on or near the airport site. These other businesses include airlines, general aviation, handling agents, airport security, immigration and customs, retail and food concessions, aircraft maintenance, and a range of other activities at the airport.

Indirect: Employment in the supply chain such as wholesalers providing food for in-flight catering, aviation fuel supply, travel agents, cleaning and maintenance contractors, construction, and accounting and legal services.

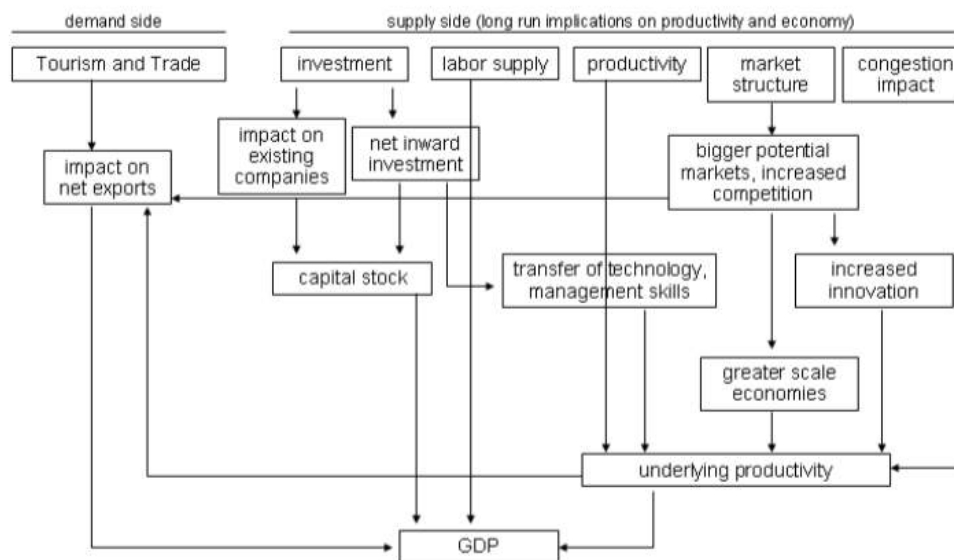
Induced: This category covers the employment created directly or indirectly as a result of those connected to the airport spending their income in the local or national economy. Induced employment therefore includes a wide range of jobs such as retail, entertainment, hospitality, childcare, health care, building and home renovations for example.

Catalytic: Catalytic impacts are associated with the aviation sector outside the local economy in which the airport operates. Air transportation facilitates employment and economic development in the local and national economy and jobs in this category therefore capture a wide range of opportunities. For example, air transport contributes to tourism and therefore impacts tourist spending in the economy. Air transport also impacts trade, facilitating the import and export of goods by air and therefore their manufacture and distribution, as well as productivity. Air transport also positively impacts location and business decisions by other organisations and stimulates innovation, thereby having a long run impact on productivity and GDP.

3.1.4 Other catalytic effects of air transportation, as shown in Figure 14, include the impact on the supply chain through the creation of larger potential markets and increased competition, technology transfer, increased innovation, and upskilling of the workforce. For freight-focused airports, inbound air cargo provides businesses that rely on fast delivery (such as airlines, oil rig maintenance, etc.) with a reliable transportation

mode for high-value equipment, machinery and spare parts. Air transportation also supports Just-in-Time practices, particularly for high value to weight goods with short product lifecycles (Ishutkina, 2009) such as electronic equipment. Businesses involved with perishable goods of all types, including not just electronic components but agricultural products such as flowers, fruit and some vegetables, are enabled by their use of air transportation.

Figure 14 Economic catalytic impacts of air transport



Source: Ishutkina, 2009, p. 40

3.2 Connectivity

3.2.1 The Airports Council International (ACI) draws attention to the growing link between connectivity and economic growth. They say:

*“Alongside the virtual connectivity afforded by the internet and the digital revolution, **aviation is the prime and unsurpassed enabler that connects the people, places and products of the real world.** This means that trade, tourism, foreign investment and increased productivity are all closely related to the level of air connectivity. (ACI, 2015, p. 1, bold from the original).*

3.2.2 Indeed, and of particular relevance to the UK post Brexit, ACI continues:

“For Europe, air connectivity is of an even greater strategic relevance. The past decades have seen a gradual shift occurring in the global economy, with new economic powerhouses moving the pillars of trade eastwards. Europe will not be able to avoid this shift, but we can still ensure that we remain closely connected to the new potential sources of prosperity.” (ibid, p. 1)

3.2.3 Many studies have shown how airports specifically impact on their local, regional and national economies. For example, Intervistas found a 10% increase in a country’s air connectivity to be associated with a 0.5% increase in GDP per capita (Intervistas, 2015, p. XIII). Steer Davies Gleave report the multiplier effect of airports on GVA to be 3.66, meaning that a £1 increase in aviation GVA translates to £3.66 in GVA for the UK economy (Steer Davies Gleave, 2010, p. 105).

3.2.4 One of the effects of reduced air freight connectivity due to capacity restrictions in the UK is the impact on transportation costs. The wider economic benefits of transportation projects are:

“benefits that are from accessibility improvements in the transport markets and accrue in the form of productivity gains due to agglomeration effects, increased outputs in markets with imperfect competition³ and improvements in labour supply” (Bose et al, 2008, p. 2).

Indeed, in 2017, Amsterdam Schiphol replaced London Heathrow as the primary airport in Europe in terms of direct connectivity (ACI-Europe, 2017, p. 6). Frankfurt remains the hub airport with most connectivity in the world, followed by Schiphol, Dallas Fort Worth, Paris Charles de Gaulle and Atlanta. Heathrow is ranked in 8th place (*ibid*).

3.2.5 Wider economic benefits can also include the additional value the government may place on employment, particularly in regeneration areas (DfT, 2005, para. 55). The improved connectivity of Manston Airport would provide business time and reliability savings, leading to increased competition and improved efficiency.

3.3 Location and investment decisions

3.3.1 The presence of an airport encourages large employers to locate nearby. Indeed, for Bristol Airport, a survey indicates that the presence of the airport was a factor in the location decision of one in five businesses in the West of England (Atkins, 2017, p. 80). As the DfT says:

“2.1 International connectivity, underpinned by strong airports and airlines, is important to the success of the UK economy. It is essential to allow domestic and foreign companies to access existing and new markets, and to help deliver trade and investment, linking us to valuable international markets and ensuring that the UK is open for business. It facilitates trade in goods and services, enables the movement of workers and tourists, and drives business innovation and investment, being particularly important for many of the fastest growing sectors of the economy.

2.2 International connectivity attracts businesses to cluster round airports, and helps to improve the productivity of the wider UK economy. Large and small UK businesses rely on air travel, while our airports are the primary gateway for vital time-sensitive freight services. Air travel also allows us ever greater freedom to travel and visit family and friends across the globe, and brings millions of people to the UK to do business or enjoy the best the country has to offer.” (DfT, 2017b, p. 13)

3.3.2 Bel and Fageda (2008) found a 10% increase in the supply of air services at an airport was associated with a 4% increase in the number of large firms headquartered nearby. Arndt *et al* (2009) found air connectivity to be one of the four most important factors affecting location decisions. IATA (2006) report that 30% of Chinese firms changed investment decisions due to constraints on air services.

³ Imperfect competition occurs in a market where additional production is higher than the cost of producing the good. Production costs include transportation and therefore a transport scheme that reduces freight time and cost would be expected to increase production.

3.3.3 Airports are also linked to increases in business investment and Foreign Direct Investment (**FDI**). Cooper and Smith (2005, p. 36) found that a 10% increase in air transportation usage increases business investment by 1.6%. PWC (2013) found that a 1% increase in international seat capacity was associated with a 0.47% increase in FDI inbound and a 0.19% increase in FDI outbound and that a 10% change in the growth rate of seat capacity in the UK leads to approximately a 1% change in the growth rate of the UK's GDP.

4 Forecasting jobs created by airport operations

4.0.1 In an ideal world, there would be standard formulae for calculating the number of direct, indirect, induced and catalytic jobs created by airport operations but unfortunately this is not the case. A number of agencies have provided well-research relationships between jobs and passengers and freight handled but these formulae vary widely. Alternatively, a comparator airport could be used to provide a comparator for jobs created by a particular type of airport operation. Both approaches are investigated in this section.

4.1 Forecasting formulae

4.1.1 The most widely used estimate for jobs created at airports was the formula one million passengers or 100,000 tonnes of freight corresponds to 950 direct jobs (Airports Commission, 2014, p. 15; Thanet District Council, 2013, p. 2). York Aviation, in a study for the ACI in 2004, added to this formula, providing estimates of the indirect and induced jobs. They say:

“On the basis of the evidence we estimate that, on average, for every 1,000 on-site jobs supported by European airports there are around 2,100 indirect/induced jobs supported sub-regionally. Given that there are 950 on-site jobs created per million passengers, once we factor in the direct, indirect and induced jobs, we concluded that for every million passengers (workload units), European airports support around:

- 2,950 jobs nationally;
- 2,000 jobs regionally; or
- 1,425 jobs sub-regionally.” (York Aviation, 2004, p. 9)

4.1.2 Intervistas found that for small airport (less than one million traffic units), 1,200 jobs were created per 1,000 traffic units. For medium-sized airports such as the proposal for Manston Airport, the figure is 950 jobs, and for large airports, each additional 1,000 traffic units created 850 extra jobs (Interavistas, 2015, p. x). Intervistas (2015) allow calculations to be made for all four types of economic impact, as shown in Figure 12, The Intervistas figures can be extrapolated in relation to direct jobs:

- Indirect: One direct job is equivalent to 0.8 indirect jobs
- Induced: One direct job is equivalent to 0.8 induced jobs
- Catalytic: There are 4.65 catalytic jobs for every one direct job or 4,650 per 1,000 direct jobs

4.1.3 An Airports Council International European study (2015) shows that 1,200 direct jobs are created for the first one million passengers and 0.95 jobs per 1,000 extra passengers thereafter. The study also shows that for every million passengers, European airports create around 2,100 indirect and induced jobs nationally.

4.1.4 In terms of catalytic impacts, ICAO (2000, p. 2) suggests that:

“In the global economy, every \$100 of output produced and every 100 jobs generated by air transport trigger additional demand of some \$325 and 610 jobs in other industries.”

4.1.5 A study by Steer Davis Gleave (2015) for the EU Commission, which encompassed airports across Europe, found the ratio between direct employment and passengers to be one job per 1,240 passengers. However, the Steer Davis Gleave (2015) study notes that smaller airports are less efficient than larger airports in terms of the ratio between passengers and employment. This is because there are minimum levels of employment needed to provide a complete airport service and economies of scale are not realised as they are with large airports. This may mean that the forecast employment figures for Manston could be higher than those calculated using their ratio.

4.1.6 There is, of course, the potential for new technologies or working practices to affect the theoretical calculations for job creation. In particular, Thanet District Council has raised the issue of potential automation for cargo handling:

“No optimism bias has been allowed for in these estimates, nor has the growth in automation been considered in this academic study. Without any information about who is going to deliver the freight tonnage and therefore create the job numbers stated we question whether the economic benefits of the airport in terms of job creation can be considered deliverable.” (Thanet District Council’s response to RiverOak’s Statutory Consultation, p. 2)

The issue of optimism bias is addressed in Volume III section 2.1.6 of this series and the following paragraphs provide a response to the remaining points.

4.1.7 The growth in automation has clearly taken place in passenger processing, including security body scanners, bag drop, and self-printed boarding cards. However, cargo handling has thus far been less automated. One exception is the automatic package routing that integrators have adopted in their warehouses. This automation has largely taken place and is reflected in the calculations made. The recent trials to automate the loading and unloading of Unit Load Devices (**ULD**) from belly operations are not relevant to the all-freight sector that will provide the focus for Manston Airport. The process used to handle all-freight aircraft requires relatively low levels of manpower compared to passenger handling (and this is reflected in the employment calculations). Therefore any automation would have a relatively small impact. Additionally, the investment in Research & Development and implementation required to make a significant impact on the job creation forecasts shown in this report is unlikely to be commercially viable.

4.1.8 Specific details of air freight operators are not included in this or any other forecasts of this type. For example, this level of detail is not included in air traffic forecasts such as those calculated by the Airports Commission, those for Heathrow in support of the proposed third runway, and for Gatwick for their proposed second runway. Nonetheless job creation is still derived from these figures. Unlike these forecasts, a considerable level of detail is provided in Volume III of this set of reports, including category of aircraft and the routes expected to be flown. These have been subject to enquiry during the statutory consultation. Jobs created by the airport operator are shown in detail, including job function, in the forecast (see Table 6).

4.1.9 To summarise, the following estimates of the relationship between direct employment and one million passengers/100,000 tonnes of freight moved through airports has been shown by various studies to be:

- 1,200 jobs (ACI-Europe, 2015)
- 950 jobs (Thanet District Council, 2013; York Aviation, 2004)

- 865 jobs at large airports (Intervistas, 2015)
- 806 jobs (Steer Davis Gleave, 2015)

The relationship between indirect and induced jobs and direct jobs has been shown to be:

- Around 2,100 indirect and induced jobs nationally per 1,000 on-site jobs (ACI-Europe, 2015; York Aviation, 2004)
- 1,600 per 1,000 direct jobs (Intervistas, 2015)

The relationship between direct jobs and catalytic jobs has been calculated as:

- 4,650 per 1,000 direct jobs (Intervistas, 2015)
- 4,000 (6,100 less 2,100) per 1,000 direct jobs (ICAO, 2000)

4.2 Comparator airport figures

4.2.1 East Midlands and Stansted airports are currently the main UK airports handling dedicated freighters, making them the most obvious choice when seeking a comparator for Manston Airport. A review of the *East Midlands Airport Sustainable Development Plan: Economy and surface access* found that for 309,000 tonnes of cargo and 4.5 million passengers (East Midlands Airport, 2015, p. 2), 6,730 people were employed on the airport site (*ibid*, 2014, p. 5). This is a ratio of one million passengers or 100,000 tonnes of freight to 887 direct jobs. (For clarity, the calculation made here is $6,730 / (3.09 + 4.5) = 886.69$). Indirect/induced and catalytic multipliers have not been calculated.

4.2.2 Stansted Airport's planning application, made in March 2018, forecasts an increase in direct employment of 5,400 jobs relative to an additional eight million passengers giving a ratio of 675 jobs per one million passengers. For indirect/induced jobs a multiplier of 1.8 has been used. This is the same figure as used by Luton Airport. Calculations for catalytic job creation have not been specified. Whilst the Stansted Airport figures are the most recent, the Planning Application seeks to increase the number of passenger ATMs and numbers, with little increase in freight. For this reason, the multiplier used to forecast direct jobs may not be an ideal comparator for Manston Airport.

4.2.3 York Aviation, in reviewing an earlier version of this report, says that, "We accept that it is difficult to identify an ideal comparator for a re-opened Manston in the UK but would suggest that an airport such as Glasgow Prestwick would be a much more appropriate comparator." (York Aviation, 2017, p. 61) York Aviation has provided their formulae, based on their experience at other airports, particularly Glasgow Prestwick. These are:

- Direct jobs: 650 per one million passengers or 100,000 tonnes of freight
- Indirect/induced: A multiplier of 0.4 on direct jobs. This figure is in contrast to the 2.1 multiplier used in 2015 by York Aviation in their work for ACI Europe
- Catalytic: A multiplier of 3.46 and 3.76, inclusive of the direct impact.

4.2.4 However, Glasgow Prestwick Airport is not a suitable comparator for Manston Airport for a number of reasons, mainly due to scale of operation and location. Table 3 compares 2016 CAA figures for Prestwick Airport with the forecast for Year 10 for Manston Airport.

Table 3
Airport

Comparison between Glasgow Prestwick Airport and Manston

	Prestwick Airport	Manston Airport
Freighter ATMs	652	11,600
Passenger ATMs	4,631	6,754
Freighter tonnage	10,323	212,351
Passenger numbers	673,232	975,591

4.2.5 As Table 3 shows, whilst Manston Airport’s forecast for passengers is similar to Prestwick, its freight operation would be considerably greater. Prestwick has around 10,700 square metres of capacity for warehousing⁴, whereas Manston would have more than double, at around 27,400 square metres, by Year 10. It should also be noted that Manston Airport is within an hour’s drive time from London, one of the world’s major conurbations, whereas Prestwick is located on the west coast of Scotland, near Ayr, approximately an hour’s drive from central Glasgow.

4.3 Formulae used to forecast jobs at Manston Airport

4.3.1 Earlier versions of this report used the following formulae:

- 887 direct jobs per one million passengers or 100,000 tonnes of freight (East Midlands Airport figures)
- 2,100 indirect/induced jobs for every 1,000 direct jobs (York Aviation for ACI Europe, 2015)
- 4,000 catalytic jobs (6,100 less 2,100) per 1,000 direct jobs (ICAO, 2000)

4.3.2 As York Aviation (2017, p. 61) point out, it is difficult to identify an ideal comparator for Manston by which to gauge the airport’s potential as a job creator. RiverOak’s proposition for Manston Airport is unique; it is located relatively close to London’s overcrowded airport system, would have multimillion-pound investment in state-of-the-art cargo facilities, and provide Kent, a traditionally underperforming County when compared with the rest of the South East, with international connectivity, promote inward investment, and stimulate growth in many sectors. As such, neither Stansted nor Prestwick would seem to be suitable comparator airports.

4.3.3 Therefore, in terms of a multiplier for direct job creation, the East Midlands example, whilst not ideal, seems to provide a reasonable predictor for Manston. It is noted that there is potential for productivity improvements and therefore an allowance should be made to the direct job calculations. York Aviation (2017, p. 62) suggest:

“While information on potential on-site productivity growth can be hard to come by, we would expect some allowance to have been made. A typical figure might be around 2% per annum based on our experience at other airports.”

Therefore a 2% annually increasing allowance has been made from Year 11, the 10th year of cargo operations and 9th for passenger operations. Since Manston Airport would be a new operation and relatively small, it is likely that operations would take a number of years to settle into an operational phase where productivity substantially affects job numbers. As Steer Davis Gleave (2015) point out, there are minimum levels of

⁴ Figure of 115,000 square feet provided by Viscount Aviation

employment needed to provide a complete airport service and economies of scale cannot be realised in the same way as with large airports.

4.3.4 In line with Stansted and Luton Airports, a multiplier for indirect/induced employment of 1.8 has been used in place of the original 2.1.

4.3.5 The catalytic impact on jobs is perhaps the most difficult and controversial forecast to produce. York Aviation's opinion is that:

"The multiplier used [in earlier versions of this report] is taken from out of date research for ICAO and it should be said that catalytic impacts remain a difficult area in terms of quantification. There is not sufficient detail in the ICAO report that Azimuth rely on to understand how this catalytic multiplier has been derived. However, again, there are issues with the use of this multiplier. Firstly, it appears to be a global multiplier, which would again be completely inappropriate for use in considering sub-regional impacts around Manston and it has been wrongly applied to total job numbers rather than direct job numbers. In practice, the correct approach would have been to consider the specific additional connectivity that Manston Airport might provide for Kent and assess how this might relate to attracting additional business activity and tourism to the area." (York Aviation, 2017, p. 62)

It should be noted that earlier figures were caveated as national rather than regional or sub-regional/local impacts. The Wood Group (formerly Amec Foster Wheeler) has carried out further more detailed work on local socio-economic impacts (see Chapter 13 of the Environmental Statement, document number TR020002/APP/5.2-2).

4.3.6 Catalytic impacts are more complex than the other categories of impact because they are so wide ranging. They include:

- Tourism including accommodation, catering, attractions, shopping, etc.
- Trade in imports and exports
- Location/investment decisions
- Business operations and productivity, market structure, innovation
- Improving labour supply
- Reducing the congestion at other South East airports and reducing the negative affect on catalytic impacts of this congestion

As such, accurately calculating catalytic impacts at airport level is a complex exercise. With a unique airport such as Manston, which is not currently operational, this is made more complex by a lack of data to capture and from which to extrapolate. However, what is known and generally accepted is that the catalytic contribution to the economy is greater than the combined direct, indirect, induced impact (for example ICAO, 2017; Intervistas, 2015 and 2017; Oxford Economics, 2005). This means that any multiplier that is less than the combination of the other three categories of impacts is unlikely to cover the full range of catalytic effects. York Aviation's calculations (2017, p. 64) are invalid since they show the catalytic impact on jobs as less than the direct job figure alone. Whilst the ICAO work undertaken in 2000 has its drawbacks, it is more conservative than the 2015 Intervistas figure and has been applied to the Manston forecast for this reason.

4.3.7 It should be noted that the forecast for catalytic jobs created by airport operations comes with a number of caveats. Firstly, these figures are generalised from

European airports and may or may not be accurate in a UK setting. Secondly, the proposed redevelopment of Manston Airport is unique, given the extent of planned investment, the airport's location in an area of relative deprivation, and the capacity constraints at other South East airports. As such, the full impact on the wider economy would require extensive research, which is outside the bounds of this report.

4.3.8 Table 4 in the following section shows the results of using these calculations as estimates for the potential job creation at Manston.

5 Employment forecasts for Manston Airport

5.0.1 The causality between air traffic and economic development is well established and the previous section has indicated the extent to which airports are employment generators. For example, in written evidence to the Transport Select Committee (AS 70), the Royal Town Planning Institute says:

“Airports are hugely important to the areas in which they are located, for example Heathrow Airport is a major employment generator in outer west London and is integral to the local economy. Similarly smaller regional airports can also be vital to local economies.” (1.2)

5.1 Forecast job creation resulting from operations at Manston Airport

5.1.1 The employment created by the operation of an airport includes direct, indirect, induced and catalytic jobs, as described in Section 3.1. Direct jobs include employment by the airport operator as well as by airlines, general aviation, handling agents, airport security, immigration and customs, retail and food concessions, and aircraft maintenance, for example.

5.1.2 Indirect employment includes jobs in the supply chain such as wholesalers providing food for in-flight catering, aviation fuel supply, travel agents, cleaning and maintenance contractors, for example. Induced employment covers a wide range of jobs created as a result of those connected to the airport spending their income in the local or national economy.

5.1.3 Catalytic employment includes those jobs in organisations that are facilitated by the operation of the airport such as tourism and companies that import and export goods by air. It should be noted that, in the interests of providing a conservative forecast, catalytic jobs are not forecast until Year 3 to allow for impacts to be felt throughout the national economy.

5.1.4 A ‘top-down’ approach has been used, applying the findings from other studies in each job category (direct, indirect/induced, and catalytic) to the Manston Airport air traffic forecast. However, for job creation by the airport operator, which forms a part of the total direct jobs, a ‘bottom-up’ approach has been applied to provide additional detail and transparency. Full details of this are shown in Section 5.2. These airport operator employment figures have been compiled using extensive knowledge of airport operations of this type.

5.1.5 The airport operator job figures have not been used to adjust the direct jobs calculation, which is derived from the ‘top-down’ calculation, but form a part of the figure shown in the column headed ‘Direct Jobs’ in Table 4 (i.e. the figures should not be added together to give a total direct employment figure). However, in addition to the calculations applied, a forecast of 116 direct jobs has been included in Year 1. The actual employment figure is forecast to be in the region of 464 in the fourth quarter of Year 1 and has been annualised to give the figure of 116. This figure indicates employment by the airport operator in advance of commencement of operations. This is expected to take place towards the end of the year to allow for the recruitment process and training to take place before the start of operations. In order to remain conservative, the forecast postpones the creation of any catalytic jobs until Year 3 of the operation to allow the impact of the airport to take effect.

5.1.6 Table 4 shows the result of applying the forecast calculations defined from the previous section. The table shows the freight tonnage and passenger numbers that were used in the calculation (see Volume III for further information), from the first to twentieth years of operation. The table defines jobs as direct, indirect/induced, and catalytic, as previously described in Section 3.1 using the calculations shown in 3.5.2 above.

Table 4 Forecast job creation

	Freight tonnage	Passenger numbers	Direct jobs	Indirect/induced jobs	Catalytic jobs	Total job creation
Y1	0	0	116	0	0	116
Y2	96,553	0	856	1,542	0	2,398
Y3	108,553	662,768	1,551	2,791	6,203	10,545
Y4	167,092	679,868	2,085	3,753	8,341	14,179
Y5	173,741	686,672	2,150	3,870	8,601	14,621
Y6	181,436	965,295	2,466	4,438	9,862	16,766
Y7	192,908	975,591	2,576	4,638	10,306	17,520
Y8	200,673	975,591	2,645	4,762	10,581	17,988
Y9	203,245	975,591	2,668	4,803	10,673	18,143
Y10	212,351	975,591	2,749	4,948	10,996	18,693
Y11	222,377	1,011,587	2,812	5,062	11,249	19,124
Y12	234,508	1,049,022	2,890	5,202	11,561	19,653
Y13	244,690	1,087,954	2,947	5,305	11,789	20,042
Y14	256,989	1,128,444	3,018	5,432	12,072	20,522
Y15	270,579	1,170,553	3,094	5,570	12,378	21,042
Y16	283,904	1,214,347	3,164	5,695	12,656	21,515
Y17	296,594	1,259,892	3,224	5,802	12,894	21,920
Y18	312,344	1,307,259	3,301	5,942	13,205	22,448
Y19	324,838	1,356,521	3,349	6,029	13,397	22,775
Y20	340,758	1,407,753	3,417	6,151	13,668	23,235

5.1.7 These figures are lower than the previous forecasts, which are shown in Table 5 and result from the consultations undertaken by RiverOak.

5.1.8 In Europe, direct jobs at airports generally breakdown as follows (Intervistas, 2015, p. 27 – percentage does not add to 100 due to rounding):

- Airlines 28%
- Ground handling 14%
- Airport and Air Traffic Control 14%
- Retail and other in-terminal services 6%
- Airport security and passenger screening 6%
- Customs, immigration and government jobs 5%
- Ground transport 5%
- Food and beverage 8%
- Maintenance, Repair and Overhaul (MRO) 6%
- Other 7%

Table 5 Forecast job creation used in prior editions of this report

	Freight tonnage	Passenger numbers	Direct jobs	Indirect/induced jobs	Catalytic jobs	Total job creation
Y1	0	0	116	0	0	116
Y2	96,553	0	856	1,798	0	2,655
Y3	108,553	662,768	1,551	3,257	6,203	11,010
Y4	167,092	679,868	2,085	4,379	8,341	14,805
Y5	173,741	686,672	2,150	4,515	8,601	15,266
Y6	181,436	965,295	2,466	5,178	9,862	17,505
Y7	192,908	975,591	2,576	5,411	10,306	18,293
Y8	200,673	975,591	2,645	5,555	10,581	18,782
Y9	203,245	975,591	2,668	5,603	10,673	18,944
Y10	212,351	975,591	2,749	5,773	10,996	19,517
Y11	222,377	1,011,587	2,870	6,027	11,479	20,375
Y12	234,508	1,049,022	3,011	6,322	12,042	21,375
Y13	244,690	1,087,954	3,135	6,584	12,542	22,261
Y14	256,989	1,128,444	3,280	6,889	13,122	23,291
Y15	270,579	1,170,553	3,438	7,220	13,753	24,412
Y16	283,904	1,214,347	3,595	7,550	14,381	25,527
Y17	296,594	1,259,892	3,748	7,871	14,993	26,613
Y18	312,344	1,307,259	3,930	8,253	15,720	27,903
Y19	324,838	1,356,521	4,085	8,578	16,338	29,000
Y20	340,758	1,407,753	4,271	8,970	17,085	30,326

5.1.9 The figures shown in this section outline the estimated overall number of direct jobs created by the presence of an operational airport at Manston. The following section considers the proportion of employment created by the airport operator only.

5.2 Forecast number and type of jobs by the airport operator

5.2.1 Job opportunities created by the airport operator will include a wide range of positions as detailed in Table 6, which shows the estimated number of jobs at Manston Airport by job function. These figures have been calculated based on previous experience with similar operations at other airports. They have not been extrapolated from the figures shown in Table 4 and anomalies are therefore likely between the calculations derived from different methods. In particular, the ACI breakdown of jobs by employer shown previously can only be used as a guide.

5.2.2 As identified above, the figures include an estimate of recruitment ahead of operations commencing in Year 2. The headcount for Year 1 is an annualised figure and the forecast is for four times the number shown, all employed in the fourth quarter only. The headings shown in Table 6 refer to jobs including:

- Pax – passenger services
- Frei't – Freight services
- ATS – Air Traffic Services
- RFFS – Rescue and Fire Fighting Services
- Ops – Airport operations
- Maint – Maintenance

- MT- Motor Transport
- Sec – Site and freight security
- Adm – Administration

Table 6 *Estimated job creation by the Manston Airport operator by function*

	Pax	Frei't	ATS	RFFS	Ops	Maint	MT	Sec	Adm	Total
Y1	0	49	6	14	6	8	8	11	14	116
Y2	0	196	25	57	24	31	31	45	14	423
Y3	99	215	25	57	29	38	38	55	15	571
Y4	102	302	25	57	31	41	41	59	15	673
Y5	103	322	25	57	32	41	41	60	16	697
Y6	145	256	25	57	33	43	43	62	16	680
Y7	146	288	25	57	33	43	43	63	16	714
Y8	146	307	25	57	33	43	43	63	16	733
Y9	146	357	25	57	34	44	44	64	16	787
Y10	146	331	25	57	34	44	44	64	16	761
Y11	152	347	25	57	34	44	44	64	16	783
Y12	157	361	25	57	34	45	45	65	16	805
Y13	163	376	25	57	35	45	45	66	16	828
Y14	169	391	25	57	35	46	46	67	16	852
Y15	176	413	25	57	36	46	46	68	16	883
Y16	182	430	25	57	36	47	47	68	16	908
Y17	189	447	25	57	36	47	47	69	16	933
Y18	196	469	25	57	37	48	48	70	17	967
Y19	203	488	25	57	37	48	48	71	17	994
Y20	211	507	25	57	38	49	49	71	17	1,024

Source: Figures calculated by Viscount Aviation, March 2017

5.2.3 In terms of shift numbers, an assumption has been made that 35% of the total number of staff on the payroll would be on duty during peak daily operations. Most operational staff would be rostered in 12-hour shifts once airport operations commence. Shift changes would be likely to be at 07.00 and 19.00 hours. In terms of the daily staffing pattern, shifts would generally be four days on and three off, then three on and four off, allowing for an average 42-hour working week.

5.3 Jobs forecast by location

5.3.1 A study of the economic impact of Luton Airport (Oxford Economics, 2015) shows the total employment of the airport in 2013 by location. Table 7 shows a summary of the Oxford Economics' findings (it does not include the level of detail by local area/town except for Luton as the nearest town).

5.3.2 The findings from the Luton Airport study show that the impact of all direct employment is local – in this case all within Luton. For Luton Airport, direct jobs equated to 34.7% of the total indirect and induced jobs. The Manston forecast, which used the formulae shown in 3.5.2, has the proportion 32.3% direct jobs to total indirect and induced jobs. Since this proportion is within a reasonable tolerance, the Luton Airport 2013 figures have been used as a guide to the potential employment impact by location for Manston Airport.

Table 7 Total employment impact of Luton Airport, 2013

Locations	Direct	Indirect	Induced	Total
UK	9,437	7,682	10,088	27,207
Three Counties sub-region	9,437	2,038	4,408	15,883
Bedfordshire	9,437	943	2,781	13,161
Buckinghamshire		386	441	827
Hertfordshire		708	1,186	1,894
London Thameslink Corridor		150	163	313
Luton	9,437	751	1,598	11,786

Source: Oxford Economics, 2015, p. 78

5.3.3 The figures in Table 4 are UK-wide figures, as with the first line of Table 7. It should be noted that, “*there is no commonly agreed definition of the local area for this purpose, with different definitions suitable for different airports and dependent on the type of impact being assessed.*” (Airports Commission, 2014, p. 11) For the purposes of this study, the local area is defined as Thanet (shown in Figure 8) and the rest of East Kent (shown in Figure 6). The Luton Airport study shows that all direct jobs impact the local area and this may be the case with Manston Airport. However, it may take time for local people to acquire the necessary skills to fill these roles. It is for this reason that it is imperative to work with local education providers to ensure local people have access to a wide range of aviation-related training (see Section 6 for further details).

5.3.4 In terms of indirect/induced employment, the Luton Airport example from 2013 shows a wide spread of employment impact. For Manston, the impact of this type of job creation may be felt across the ‘wider Thames estuary’ area, which is shown in Figure 11, and across Kent. Areas that benefit from good transport links to the airport are most likely to feel the impact of those indirect/induced jobs that are created close to the airport site. In addition to East Kent, these include Shepway, Swale, Medway and potentially Dartford and South East London.

5.3.5 Catalytic employment impact is likely to be UK-wide, with perhaps a focus on the South East and London.

5.4 Construction jobs

5.4.1 It should be noted that the forecasts shown in Table 4 and Table 6 do not include construction jobs required to redevelop the airport. RiverOak’s plans are for eight freight stands and three passenger stands for aircraft to be constructed prior to commencement of operations. Warehousing and fuel storage to meet the forecast demand will also be constructed. Further construction work will take place in Years 2 to 4, Years 4 to 10, and Years 11 to 17 (see Volume III for details). As with house building, these types of construction jobs are not permanent and as such are not been included in the previous forecasts but shown here separately.

5.4.2 In order to predict the number of construction jobs required to meet the redevelopment specifications, comparisons with similar projects (i.e. with an annual turnover of between £30 to £40 million per annum) have been made. The forecast derived from these comparisons, calculated by the RPS Group⁵, is as follows:

- Average number of workers on site at any time 210
- Peak time is likely to be three times the average figure 630

⁵ <http://www.rpsgroup.com>

- Total equivalent people years over the whole project 1,475 years

5.4.3 It should be noted that the redevelopment project has been planned in four discontinuous phases. Therefore, construction jobs will be recreated at each of the four phases. The total on-site construction figure of between 600 and 700 jobs, as shown above, does not include the effect on the local supply chain or the number of jobs created off-site by local construction companies.

5.5 Other direct jobs

5.5.1 Should TG Aviation return to Manston Airport, they would bring a total of around 21 full-time, part-time and freelance/consultancy jobs. These roles include engineering, flying instruction and administration. Before having to leave Manston, TG Aviation were expanding the engineering side of their business, building on a great reputation built up over many years. However, the company has raised concerns about the availability of local qualified engineers, vital if they are to be able to grow the company. They believe an engineering training facility at Manston would address this problem.

5.5.2 Polar Helicopters, who have continued to operate from Manston since the airport's closure, will remain at the airport. They currently have four helicopters - two R22s, one R44 and one Jet Ranger. Their focus is on flying lessons and trial flights with some charter work. With plans to expand, Polar Helicopters will continue to provide employment on the Manston Airport site.

5.5.3 In addition to the continued presence of AvMan Engineering on the site, RiverOak plan to attract a major aircraft recycling operation to Manston and this would increase the employment opportunities on-site. Previous recycling operations by Aviaservices Ltd on the Manston site⁶ employed around 70 to 80 full time staff. Airbus has around 7,000 aircraft in operation and Boeing 12,000 including both commercial passenger airliners and freighters⁷. Aircraft have around 25 years of use before being taken out of service, generally due to excessive operational costs, high fuel consumption, legislative demands requiring expensive technology upgrades, and difficulties in obtaining spare parts. Figures suggest that around 14,000 aircraft are due to retire in the next 20 years⁸.

5.5.4 An estimate of 10 aircraft per year are forecast to be recycled at Manston. Not only will this put a considerable amount into the local economy, it is also likely to create a significant number of jobs, particularly in engineering.

5.5.5 Additionally there is the opportunity to locate a MRO facility at Manston. MRO services are carried out on civil and military aircraft with airlines generating around 68% of MRO providers' revenue⁹. Almost \$100 billion (around £0.75 billion) is spent on aircraft MRO annually with Europe taking 28% of the market (Strair, 2005). The industry continues to expand, stimulated by demand for passenger transport. Aircraft fleets are also ageing due to reduced orders during the financial crisis, and older aircraft generally require higher levels of MRO services. A successful MRO operation at Manston would generate a number of skilled job opportunities.

⁶ See Volume II section 5.5.7 for further details

⁷ http://cordis.europa.eu/result/rcn/164345_es.html

⁸ http://ec.europa.eu/environment/life/publications/lifepublications/flippingbook/jobs_skills/files/assets/basic-html/page14.html

⁹ <https://www.ibisworld.co.uk/market-research/aircraft-repair-maintenance-overhaul.html>

5.5.6 Should the government decide to give Manston Enterprise Zone status (see TDC, 2016, p. 9), it is likely that business would be stimulated in the area, creating more employment opportunities.

6 Training and education

6.0.1 One of the key challenges identified in the Thanet Economic Growth Strategy (TDC, 2016, p. 7) is the need to invest in workforce skills. As such, it will be imperative for local government to work with the airport operator to ensure local people are given the skills, training, and education necessary for them to fulfil their potential and take advantage of the employment opportunities at the airport and in the supply chain. As a study by York Aviation says:

“Airports are major centres of employment generating a demand for a wide range of skills. This means that airports can contribute significantly to the training and skill development of the labour force of their catchment areas.”
(York Aviation, 2004, p. 28)

6.1 Skills shortages

6.1.1 For many years there has been discussion about skills shortages in the UK workforce and the significant impact this makes on business. Between 2013 and 2015, the number of skill-shortage vacancies rose by 43%¹⁰. This was particularly noticeable in the field of engineering¹¹. Additionally, poor careers advice in the UK is causing students to drop out of school, college and apprenticeships¹².

6.1.2 In terms of the EU’s strategy for aviation, the Commission says:

“It is [also] crucial to maintain leadership in aviation through a highly educated, qualified and experienced workforce. Partnerships between research, universities and industry on education will facilitate the movement of experts between these sectors, which at the end would be very beneficial for the development of the European aviation sector.

New skills and competences, some of which are not yet broadly available, such as those of drone specialists and flight data analysts will have to be developed. Training should be given priority. In this respect, the European Aviation Safety Agency Virtual Academy will further develop a true European network of aviation training institutes. (European Commission, 2015)

6.1.3 In Thanet, the working age population:

“is less well qualified than across Kent and the South East as a whole. Of its population aged 16-64, 10% have no qualifications, figures, which are lower than Kent and the South East. The proportion of the Thanet working age population holding each respective qualification level is lower than the two other comparator areas. This situation is most acute for the highest qualification level: NVQ4+.” (TDC, 2016, p. A-2)

6.1.4 The vision for Thanet is to improve workforce skills so that productivity, employment rates and wages grow in line with those of Kent generally (TDC, 2016, p.

¹⁰ Employer Skills Survey 2015, p. 4 available from:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499047/UKES_Summary_report_-_for_web.pdf

¹¹ <http://www.huffingtonpost.co.uk/news/skills-shortage/>

¹² <http://www.bbc.co.uk/news/education-31061905> and

<http://www.huffingtonpost.co.uk/news/skills-shortage/>

16). In particular, the proportion of the working aged population qualified to at least degree level, currently 10% lower in Thanet than the County-wide figure, will need to increase.

6.2 Further and Higher Education in East Kent

6.2.1 Further and Higher Education (**FE** and **HE**) make huge impacts on the lives of individuals by improving life chances and opportunities, the economy through skills, innovation and stimulating inward investment, and to society generally by increasing knowledge, social mobility and cohesion. Numerous studies attest to the contribution of the education sector to economic activity, GDP and employment opportunities. For example, Canterbury City Council (2015, p. 54) estimates the economic impact of the University of Kent and Canterbury Christ Church University at over £1.1 billion per annum. Indeed, universities employ one in every eight of the Canterbury district's employees (Canterbury City Council, 2016, p. 28).

6.2.2 In addition to the University of Kent and Canterbury Christ Church University, other providers in the area include:

- East Kent College
- Canterbury College
- Hadlow College
- Hilderstone College, English Studies Centre, Broadstairs
- The University for the Creative Arts

6.2.3 Whilst both FE and HE are not part of the statutory education system, FE colleges generally offer a range of academic, vocational, technical and professional courses. Students can enrol in an FE college from 16 years. FE colleges generally offer programmes at every level from entry-level courses that do not require specific GCSE grades as entry requirements through to higher-level qualifications such as HNC/HND and even some degree courses. HE Universities provide degree and post graduate courses for students from 18 years old.

6.2.4 In Thanet, the workforce has fewer vocational qualifications than the South East and England at levels two, three and four, leading to significantly lower rates of pay (Williamson, 2013, p. 5). It seems that whilst Thanet students do well at A level, they are less likely than students from Kent generally to move on to HE. As Kent County Council's Skills and Employability Service points out, *"the average points per student for Kent selective schools is 890 and the average percentage who go to selective universities is 35%. In comparison, one Thanet selective school had average exam points per student of 955 and the percentage moving to selective universities 24%."* (Williamson, 2013, p. 16)

6.2.5 Thanet has had a university in the district since Canterbury Christ Church University formally opened its Broadstairs campus in 2000. Many students both local and from further afield have gained their degrees studying in Thanet. However, the University is closing the Thanet campus with courses moving to Canterbury over the next few years.

6.2.6 Manston Airport, operating to the levels forecast in Volume III of this series of reports, could do much to raise the aspirations of young people, key to addressing low participation levels in HE. Only by inspiring educational progression will students improve their life chances and realise their full potential. In this way, a better-educated workforce will help to realise the full economic and social potential of East Kent and the wider Thames Estuary area.

6.3 East Kent College

6.3.1 East Kent College, which now includes Canterbury College, is a Further Education college with sites in Broadstairs, Canterbury, Folkestone and Dover. The College, “is committed to developing the prosperity and wellbeing of the communities it serves”¹³.

6.3.2 East Kent College responded to the statutory consultation and their general position is made clear in their response to the first question, to what extent do you agree or disagree with our proposals for Manston Airport:

“The College is supportive in principle of any development which can help secure long-term skilled employment within the district. It follows therefore that the College is broadly supportive of the proposals to develop Manston Airport, though it remains open to any other development proposals which can achieve the same aim of enhancing the economic and social prosperity and opportunities for surrounding communities. All further comments within this response should take that element into account.”

6.3.3 Several meetings have taken place between RiverOak’s representatives and East Kent College. At these meetings and in their response to the consultation, East Kent College make it clear that they would like to see a “firm commitment . . . to the development of skills and authentic collaboration with education providers”. The College particularly mention apprentices, embedding education and training in RiverOak’s plans for Manston Airport, and to forging strong links between industry and education.

6.3.4 East Kent College are also supportive of an onsite education facility. This is in line with RiverOak’s proposals as detailed in section 6.6. These proposals are, as yet, in draft form since neither East Kent College nor any other educational body are in a position to commit funds until the Planning Inspectorate has made their decision on the future of Manston Airport. Nonetheless, the College:

“believes there are a broad range of possible opportunities for its curriculum areas within the proposals, from hospitality and catering, through to engineering and construction. An education facility onsite would also help to assist in the development of a centre of excellence within related industries, which is something the College would be strongly supportive of.”

6.3.5 As such, RiverOak is committed to continuing to work with East Kent College to define an effective strategy to meet the requirements of the airport and the education and training needs of local people.

6.4 Canterbury Christ Church University

6.4.1 Located in Canterbury with a campus in Medway, “the University’s mission is to pursue excellence in higher education: transforming individuals, creating knowledge, enriching communities and building a sustainable future.” The University also has a campus in Broadstairs, close to Manston Airport, which will be closed over the next few years.

6.4.2 In March 2017, the University was recently successful in its bid for Government funding to provide a Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub. It is expected that the facility will be able to train 1,250 graduates with

¹³ <https://www.eastkent.ac.uk/about/our-college>

higher-level engineering and technology skills, who will be ready to enter the labour market by 2024. The Kent and Medway EDGE will provide:

- Technical and professional education opportunities in engineering, product design and technology, including degree apprenticeships, undergraduate and postgraduate courses.
- A new engineering and technology innovation service that will work with small businesses, larger companies, inventors and entrepreneurs to take innovations from prototype to the market.
- Business-focused PhD, masters, undergraduate and commercial research projects to support local companies.
- Short courses and continuing professional development opportunities that are business-focused to meet the needs of small and larger companies.

6.4.3 In May 2017, a meeting was held between RiverOak representatives and the Pro Vice Chancellor, Professor Helen James, and Professor Callum Firth, Dean of Social and Applied Sciences. It was pointed out that many local 'A' level students with Mathematics and Science subjects go to universities out of area. The result is that these students, once graduated, do not return to the area, depriving local organisations of high calibre employees. Canterbury Christ Church University has a reputation for attracting students who do stay in area, making it more likely that employers would want to engage with both students and the university, helping to build relationships, careers, and course material.

6.4.4 As with East Kent College, it is not possible for the University to make any firm plans to respond to a potential relationship with Manston Airport until the Planning Inspectorate have made their decision on the future of the site. In due course, RiverOak intends to engage with the University of Kent, as a vital part of the Kent Higher Education provision.

6.5 The Manston Museums

6.5.1 The two museums at Manston Airport, RAF Manston History Museum and the Spitfire & Hurricane Memorial Museum have, *"the task of remembering the past and educating for the future through its presentation of the history of WW11 to its current and future audiences."* (Submission to the statutory consultation on behalf of the RAF Manston Spitfire & Hurricane Memorial Trust)

6.5.2 The success of these museums depends in large part on the reopening of the airport. Indeed, the statutory consultation submission by the RAF Manston Spitfire & Hurricane Memorial Trust says:

"The closure of the airport in 2014 has seriously affected both its attractiveness and finances. The loss of flights has led to a substantial reduction in the number of visitors, which in turn has led to reduced income. . . The Trust sees the reopening of the airport as essential to the survival of the museum."

6.5.3 The RAF Manston Spitfire & Hurricane Memorial Trust has been in discussion with a specialist company about the restoration of a Spitfire to flying condition. This project would provide training and employment opportunities for a number of staff. Indeed, it is expected that, in partnership with RiverOak, there will be numerous opportunities to bolster the current educational provision by the museums. As with the

College and universities, more detailed discussion and proposals would be agreed should the DCO be successful.

6.6 A Manston Airport Training Facility

6.6.1 RiverOak's vision is for a vibrant freight-focused airport, employing local, well-trained people and supporting local, regional and national businesses. In order to meet this challenge, it is essential local people are trained and educated in line with the needs of the opportunities arising. However, the opportunity exists for a much more comprehensive vision of a facility designed to bring together the aerospace industry with academia (universities, colleges and potentially schools), in line with UK and European government policy. As such, RiverOak are keen to establish an aviation facility close to or on the Manston Airport site. This facility will allow the airport's employers to work with HE and FE providers and to link to other initiatives, particularly around science, technology, engineering and mathematics (**STEM**).

6.6.2 The concept for establishing an aviation facility at the airport is to bring together the UK aerospace industry, government and academia, providing a focus through which to develop effective and sustainable channels of communication. The aim would be to ensure the structures and provision of education, training, and life-long learning support the needs of the aerospace industry. This would move the industry forward and address concerns over innovation and skills shortages. Indeed, there is a requirement for the industry to adopt best practice in learning, people management and continuous professional development whilst also promoting itself so that it will attract and retain the highest calibre talent.

6.6.3 Previous owners of Manston Airport developed and funded a highly successful BSc Business Studies with Airport Operations degree at the Broadstairs Campus of Canterbury Christ Church University. The success of this degree course lay in the ability of the course to attract local students from first generation university families. These highly motivated students were attracted by the involvement of the airport with their local HE provider. The course acted as a pilot for a dedicated Manston facility, which will help match the need for skills by industry with provision by HE and FE and training institutions in the area. In addition and given the Government's agenda for 14 to 19 year olds, this may also include schools.

6.6.4 There are a number of successful examples of colleges working with airports to provide leading edge training for the aviation industry. These include Stansted Airport College, which is part of Harlow College. The £11 million facility will be open in the autumn of 2018. The college will provide training in aviation and business services, engineering and aircraft maintenance, and hospitality, retail and events management. At Manston Airport, RiverOak would commit to:

- Work with local providers to locate an aviation college on or close to the Manston Airport site
- Provide practical support to the long-term unemployed such as; Informal 'meet the employer' events, and help with interview preparation, CV writing, careers guidance, and public transport to interviews and training sessions
- Work with local councils and 3rd sector organisations to help promote job opportunities to local people, particularly to the long-term unemployed
- Work with FE/HE to promote apprenticeships at all levels
- Work with FE/HE to develop courses (where these are not currently available) relevant to the job opportunities created by the operation of the airport
- Work with other employers to provide 'hands on' training opportunities

- Work with other employers to provide equipment (such as out of service aircraft/aircraft parts) to support FE/HE delivery of courses

6.6.5 An aviation training and education facility at Manston would provide the Thames Estuary development area with a Centre of Excellence in a globally attractive field. This inspirational location, close to what could be a vibrant airport, and the ability to study near home should attract young people from across the area. The purpose of the Manston facility would be to:

1. Harness local enthusiasm for the airport and use this to encourage people to enter FE and HE as well as a wide range of other training opportunities.
2. Match education and training provision with the needs of the aerospace industry.
3. Raise the profile of the area as a vibrant, growing and innovative economy with industry and with Central Government.
4. Support businesses within the area by providing access to academia and training providers.
5. Help to attract inward investment by increasing the attractiveness of the area through the upskilling of the local and regional workforce.

7 Tourism

7.0.1 Thanet has a long-established tourism sector, with the main Thanet resorts consisting of the three towns, Margate, Ramsgate and Broadstairs. The tourism sector burgeoned between the 1700s, sparked by a passion for saltwater bathing, and the advent of overseas package holidays in the 1950s and '60s. Aimed mainly at the lower end of the market, car ownership, a rise in real incomes, the availability of cheap foreign travel, and changing tastes led to a sharp decline in visitor numbers by the late 1950s. Today however, tourism is one of the world's fastest growing industries. As part of this global growth, Thanet too is enjoying an upturn with the visitor economy growing by 19% in 2015¹⁴.

7.1 Accommodation in Thanet

7.1.1 Thanet has a variety of hotels, guesthouses, and Bed & Breakfast (**B&B**) accommodation as detailed in the following sub-sections. The following sub-sections show the main hotels in Thanet and provide an idea of the number of B&B establishments in each of the main areas. These details have been gathered from Trip Advisor and are detailed below. In addition to the ongoing use of hotel, guesthouse and B&B accommodation, it is expected that construction workers will make considerable use of local accommodation during the development phases.

7.1.2 Margate has around 12 hotels and 12 B&Bs listed on Trip Advisor. Ramsgate has eight hotels and nine B&Bs listed on Trip Advisor. Broadstairs has three main hotels and 24 B&Bs in Broadstairs listed on Trip Advisor. With no hotels, Birchington has six B&Bs listed on Trip Advisor and Westgate has only one B&B listed on Trip Advisor.

7.1.3 Closest to Manston Airport, Minster has the Holiday Inn Express and the Premier Inn Ramsgate (Manston Airport). There are also three B&Bs listed on Trip Advisor. The General Manager at the Holiday Inn Express was contacted for his comments and is keen to see the redevelopment and reopening of the airport.

7.2 Non-accommodation sectors

7.2.1 In addition to tourist accommodation, the sector also includes food and drink, transport, retail, cultural, sport and recreational services. In Thanet, visitor attractions include:

- Beaches, Ramsgate Royal Harbour, and water sports including sailing events
- Arts including the Turner Contemporary Gallery
- Entertainment including Margate Winter Gardens, the casino, multiplex cinema Dreamland, which had massive Council investment
- Visitor attractions including Charles Dickens-related attractions, the Manston museums, Hornby visitor centre, Quex Park and Cotton Powell Museum, and James Bond- related attractions
- Westwood Cross Shopping Centre and town centre shopping opportunities
- Broadstairs Folk Week, which brings musicians, dancers and audiences from around the world
- The South East (Herne Bay) Air Show
- The Open at Royal St George's Golf Course in Sandwich attracts hundreds of thousands of visitors when it is held here

¹⁴ <https://www.thanet.gov.uk/the-thanet-magazine/press-releases/2016/november/thanet-tourism-booms-to-£293-million/>

7.2.2 Thanet also has a number of restaurants and cafes, which benefit from tourist spending. However, despite Thanet’s obvious attractions, the number of day visits to the District fell below those of other East Kent areas. Thanet recorded 3.4 million day visits with associated spend of £119.4 million in 2015, lower than Canterbury, Shepway, Dover and Ashford. As a total of day visits to Kent, Thanet accounted for just 6% in 2015 (Destination Research, 2016). In terms of overnight stays, Thanet received 351,000 trips by UK-based visitors and a further 143,000 by overseas visitors. This accounted for 11% of the total staying visits in Kent. Table 8 shows the comparisons across East Kent.

Table 8 Visitors to East Kent

	Day trips		Staying nights domestic		Staying nights overseas	
	Number (millions)	Spend (millions)	Trips ('000)	Spend (millions)	Trips ('000)	Spend (millions)
Ashford	3.9	£133.9	771	£44	457	£28
Canterbury	6.6	£215.2	1,438	£77	1,233	£69
Dover	3.9	£116.0	976	£64	479	£25
Shepway	4.1	£122.9	1,004	£62	394	£20
Thanet	3.4	£119.4	993	£54	1,066	£68

Source: Compiled from Destination Research, 2016

7.3 Employment in the tourism sector

7.3.1 The ONS shows that the median earnings for Thanet in 2016 were £24,150. Thanet is therefore at the bottom of the average pay league for all Council areas in Kent. People in Thanet earn £4,063 less than the UK average, £4,945 less than the Kent average and £9,222 less than those resident in Tonbridge and Malling. ONS 2014 figures showed that 35.1% of employees in Thanet were paid less than the living wage¹⁵. By far the highest proportion of the employee jobs paid less than the average wage is in the Accommodation and Food Services sector (70% excluding the London area). By contrast:

“Pay in aviation in both the manufacturing and service sectors compares favourably to pay in other sectors. For example, gross hourly pay in the manufacture of air and spacecraft sector was 133% of the average level of pay for all employees in the UK; in the case of the repair and maintenance of air and space craft it was 121% of the UK average; in the case of air transport services it was 141% of the UK average; and in the case of service activities incidental to air transportation (in other words running airports) it was 135% of the UK average. Except in the case of repair and maintenance, average hourly pay is also significantly higher than in the comparable manufacturing and services sectors associated with land transport and water transport. Pay levels in the aviation sector also compare well at both the 20th and 80th percentiles.” (Driver, 2017, p. 48)

7.3.2 A high proportion of jobs in the Accommodation and Food Services sector are part-time, young, non-UK born employees with below average qualifications¹⁶. The qualification profile of the workforce is significantly lower than the average for all industries, with 55% of workers qualified to Level 2 or below. 47% of the workforce in

¹⁵ <http://visual.ons.gov.uk/how-many-jobs-are-paid-less-than-the-living-wage-in-your-area/>

¹⁶ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/compendium/earninglearningandbusinesschurning/revealinglondonsindustrialeconomyin2015/businessjobsandpayinlondonsaccommodationandfoodservices2015>

the Tourism & Hospitality sector is in low skilled, elementary service occupations. The sector has a higher proportion of small businesses (those employing less than 49 staff) than other sectors.

7.3.3 Indeed, after the decline in tourism in the 1950/60s, the local Council worked hard to replace the jobs lost to tourism with manufacturing. However, at that time, both sectors employed unskilled or semi-skilled labour, were poorly paid and with little opportunity for career progression (Harloe *et al*, 1990, p. 133). In contrast to the Accommodation and Food Services sector, the Manufacturing sector now has a diverse workforce in terms of occupations with skilled trade occupations accounting for 22% of the workforce¹⁷. Thanet currently has an average representation of businesses in this sector, with around 200 businesses and 3,100 employees.

7.3.4 As such, Thanet continues to lack higher skilled work, ensuring that those who do benefit from the opportunities provided by the local HE and FE facilities are lost to the local economy, generally leaving the area to work in London or elsewhere. Research by Sheffield Hallam University (Beatty *et al*, 2014) found that, whilst many seaside areas were doing well in terms of employment, Thanet lost 1,000 tourism jobs during the six years between 2006 and 2012 (*ibid*, p. 30), the second greatest decline (behind Blackpool) in England and Wales. This research found that 9% of jobs (3,800) in Thanet were directly supported by tourism. Of these 3,800 jobs, 2,400 were in retail, 1,300 in hotels, and 100 in transport (*ibid*, p. 46). Only a few (less than 100) were employed in recreation, amusements, etc. The report highlights how above average dependence on tourist trade can restrict employment growth.

7.3.5 Coastal towns with more diversified economies such as Southend, Brighton and Worthing fair better in terms of growth. However, tourism continues to play a key role in the Thanet economy, with a 23.3% increase in jobs in the sector between 2013 and 2015¹⁸. In terms of sectors, 2013 ONS figures show that Thanet relies on the Retail, Accommodation and Food Services, Education, and Health sectors¹⁹.

7.4 Comparison with other coastal areas

7.4.1 Despite extensive research, no examples could be found of a UK tourist economy that has been damaged by the introduction of an airport. A Deloitte study commissioned by VisitBritain and the Tourism Alliance in March 2008²⁰ suggests that the capacity and quality of infrastructure including airport, port, road and rail networks have significant impacts on the Visitor Economy. Indeed many coastal areas rely on the connectivity that airports provide. Examples include the Scottish islands, Jersey, Guernsey, and the Isle of Man. On mainland UK, the nearest coastal airports handling substantial traffic are Southend to the north and Southampton and Bournemouth to the west.

Southend-on-Sea

7.4.2 Southend Airport is located on the northern outskirts of the town, approximately two miles from Southend Central and 32 miles from Manston (84 miles by road). Southend-on-Sea Borough Council's website²¹ says:

¹⁷ http://kmep.org.uk/documents/Workforce_Skills_Evidence_Base_-_Final.pdf

¹⁸ http://www.visitkentbusiness.co.uk/library/CM_Infographic_Thanet.pdf

¹⁹ http://kmep.org.uk/documents/Workforce_Skills_Evidence_Base_-_Final.pdf

²⁰ <http://www.niassembly.gov.uk/globalassets/documents/finance-2011-2016/air-passenger-duty/written-submissions/deloitte-the-economic-case-for-visitor-economy.pdf>

²¹ http://www.southend.gov.uk/info/200158/common_projects/493/london_southend_airport

“London Southend Airport is a key regional and European transport hub, helping to generate important economic investment and jobs in Southend and the wider Thames Gateway.”

7.4.3 In 2016, the Southend Airport handled around 23,500 aircraft movements (of which 8,300 were scheduled and charter air transport movements) and 875,000 passengers. EasyJet and Flybe operate passenger flights from the airport to a range of European destinations. The Council has reduced the number of possible night flights per month from more than 900 to 120 and increased the night period from 6 hours to 7.5 hours.

7.4.4 Southend has around 20 hotels and 25 B&Bs (figures from Trip Advisor) including the Holiday Inn Southend, which was opened in October 2012 to coincide with the expansion of airport operations.

7.4.5 In 2008, Visit England calculated the value of tourism to Southend at £143 million²². By 2015, three years after the expansion of passenger flights at the airport, this figure had more than doubled. Research carried out by Destination Research²³ found the total value of tourism in Southend to be £307 million in 2015. When indirect and induced spending is included, this figure reaches nearly £400 million in total tourism value. In contrast, Thanet achieved £100 million less than Southend with a total visitor spend of £250 million and £300 million including the indirect and induced spending in 2015²⁴.

Table 9 Value of tourism in Southend, 2008 and 2015

	2008	2015
Accommodation services for visitors	£12 million	£14 million
Food and drink services	£41 million	£116 million
Transport	£9 million	£43 million
Cultural, sport and recreational services	£5 million	£30 million
Other products	£75 million	£101 million
People were employed in the tourism sector	7,700	8,711
% of total employment	11%	14%

Source: Southend-on-Sea Borough Council (2015 figures) and Visit Britain (2008 figures)

7.4.6 The Southend Tourism Partnership in conjunction with Southend-on-Sea Borough Council restated their tourism strategy from 2017²⁵. Their vision is to be England’s number one coastal destination. They say that:

²² https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/England-documents/summary_paper_-_sub-regional_tourism_value_updated_links_oct_2011.pdf

²³ <http://mediafiles.thedms.co.uk/Publication/EE-EssW/cms/pdf/Economic%20Impact%20of%20Tourism%20-%20%20Essex%202015.pdf>

²⁴ http://www.visitkentbusiness.co.uk/library/Economic_Impact_of_Tourism_-_Thanet_2015_FINAL_REPORT.PDF

²⁵ <http://democracy.southend.gov.uk/documents/s11289/21%20-%20Appendix%201%20-%20Tourism%20Strategy.pdf>

“Southend’s tourism offer has been growing over recent years with the emergence and development of new hotels, leisure offer and a burgeoning creative and cultural sector. Visitor numbers have been rising and associated spend increasing in line with the ambitions of the previous business and tourism strategy.”

7.4.7 Far from decrying the presence of Southend Airport, the Tourism Partnership and Council aim to make the most of air passengers. They say:

“Passengers passing through London Southend Airport (LSA) will understand that they are not just at an international transport hub but are entering a destination in its own right.”

7.4.8 It seems that Thanet should follow the lead of Southend and ensure efforts are made to leverage the benefits of being located close to an international airport. The Southend example shows that there is much that can be done with local authority involvement to promote Thanet as a tourist destination.

Southampton

7.4.9 Southampton Airport, less than four miles from the centre of Southampton on the Hampshire coast, handles around two million passengers and 43,000 aircraft movements per year. The airport’s 2006 Master Plan²⁶ makes clear the role the airport plays in tourism, saying:

“Our approach to running the airport responsibly extends far beyond its physical boundary. We take pride in working with a broad spectrum of stakeholders to promote this thriving region as a place for international business and growing tourism.” (Page 1)

7.4.10 The Master Plan details the airport’s role in facilitating the tourism, retail and leisure sectors in Hampshire:

“2.5.1 Tourism, retail and leisure provide over 153,000 jobs in Hampshire, accounting for just over 21% of all employment. Tourism, retail and leisure are seen as key areas of the local economy, and Southampton Airport plays an important role in facilitating this. Tourism is worth £717 million to the Hampshire economy. Overseas visitors to Hampshire represent 12% of trips, and contribute £172.08 million of overall expenditure, which is a much greater spend per head than domestic tourists. Hampshire possesses a wide variety of permanent visitor attractions, heritage sites and leisure facilities, and there are increasing numbers of inbound tourists arriving in the region via Southampton Airport. The region also hosts many regular special events including the Southampton Boat Show and the Cowes Yacht Regatta where visitors arrive by aircraft from around the world.

2.5.2 Southampton Airport is working with a number of organisations to promote this region for inbound tourism. These organisations include Eastleigh Borough Council, Southampton City Council, Hampshire County Council, Winchester City Council, Portsmouth City Council and Tourism South East.

²⁶ http://www.southamptonairport.com/media/1051/southampton_masterplan_final.pdf

2.5.3 *The airport is also growing in popularity as the easiest way for the increasing numbers of passengers to join cruise ships based in Southampton. Negotiations are taking place with the cruise ship operators to consider the best way of providing fast track services for passengers between the airport and the cruise port. The airport has also recently developed a “left luggage” facility for cruise passengers so that they can enjoy some leisure time in this region before or after their cruise. This naturally increases opportunities for many businesses to receive additional income from cruise ship tourists during their extended stay in the area.” (Page 10)*

7.4.11 In 2005, TTC International and Roger Tym & Partners were appointed by the Southampton Partnership, through Southampton City Council, to undertake a study of the economic impact of cruise tourism in the Southampton area²⁷. The findings show how this industry, facilitated by the presence of Southampton Airport, supports employment in cruise management and crewing; in cruise supply chain industries; and in visitor and tourism industries.

7.4.12 In 2013, a local newspaper, The News reported David Williams, Chief Executive of Portsmouth City Council, as saying²⁸:

“The council is working hard with employers in Portsmouth on regenerating the city’s economy – boosting visitor numbers and encouraging new investment. Southampton Airport is a major asset to the city and the region. It is very convenient for the city, and plays a key role for business and tourism.”

7.4.13 Southampton Airport is close to major tourist attractions such as Peppa Pig World, Marwell Zoo, Portsmouth Historic Dockyard, Beaulieu, Winchester Cathedral, Thruxton Motorsport Centre, Stonehenge, the Ageas Bowl cricket venue, Southampton Football Club, and Longleat Safari and Adventure Park. The area has a wealth of hotels and other accommodation. As with Southend Airport, no evidence of a negative impact on any aspect of tourism in the area was found.

Bournemouth

7.4.14 Bournemouth Airport, located around four miles from the coast between Bournemouth and Christchurch, handles 37,000 aircraft movements per year including test and training flights. As with Southend and Southampton, no evidence of negative impacts on tourism could be found. Indeed, in 2013, Bournemouth won the British Travel Awards Best UK coastal resort award. Far from suggesting that the airport negatively affects the town, Paul Clarke, Chairman of the Bournemouth Accommodation and Hotel Association said²⁹:

“Infrastructure needs to be a key focus to increase visitors and the airport in particular needs to have routes to European countries to get the travelling Europeans, such as Germans, Scandinavians, Dutch and further afield.”

²⁷ <https://www.southampton.gov.uk/modernGov/documents/s4389/Appendix%202.pdf>

²⁸ <http://www.portsmouth.co.uk/business/city-will-be-flying-high-with-stronger-links-to-airport-1-5202540>

²⁹

http://www.bournemouthcho.co.uk/news/10840821._Tourism_will_save_us_from_recession___Bournemouth_experts_welcome_boost_from_town___s_visitors/

7.4.15 In a meeting of Bournemouth Borough Council's Economy and Tourism Overview and Scrutiny Panel³⁰, Bournemouth Airport was identified as a major investment site to accommodate business growth. The Council stated that the airport had the potential to provide, "a strategically important business park of some 59 hectares with the capacity to accommodate 10,000 new jobs."

7.4.16 Outside Greater London, Bournemouth is the biggest destination for language schools in the UK, with the sector worth around £208m to the town every year. The presence of an airport helps support this sector, which is also important in Thanet. In 2013, an economic impact survey commissioned by Thanet District Council³¹ found that overseas students spent around £33.6 million in the area, supporting 905 jobs. The survey estimated that overseas students make 43,000 trips annually, accounting for 495,000 visitor nights in Thanet.

7.5 Increased connectivity and inbound tourism

7.5.1 In addition to the types of tourism shown in sections 7.1 and 7.2, East Kent benefits from 'long-term tourism' including language school students and pilgrims. In 2013, language schools contributed £33.6 million to the Thanet economy, supporting 905 jobs and accounting for almost half a million visitor-nights³². Canterbury Cathedral attracts around 900,000 visitors per year³³ and the Divine Retreat in Ramsgate also attracts considerable numbers of staying visitors. These long-term visits would be more readily facilitated and encouraged through the operation of passenger services at Manston Airport.

7.5.2 One of the organisations interviewed as part of the statutory consultation for the Manston Airport DCO process was St Augustine's Divine Retreat Centre in Ramsgate. The centre receives some 150 pilgrims per week, who come from Ireland, Germany, the Netherlands, Poland, and further afield. Pilgrims generally stay over a weekend, from Friday until Sunday but some stay longer. The Centre located to Ramsgate to be near to an international airport – Manston. Devastatingly for them, the airport closed soon after and they are forced to bring visitors in from other airports by coach. The Centre is therefore looking to move locations to improve accessibility. The Centre uses many of the local B&Bs and, given their expanding visitor numbers, would be looking at supporting local tourist accommodation as far afield as Deal. The relocation of this organisation would be a considerable loss to the economy of Thanet but their continued presence is dependent on an operational Manston Airport.

7.5.3 In terms of value to the economy of domestic and overseas visitors, whilst less than 30% of visitors were from outside the UK, they account for over half the number of overnight stays and nearly 56% of value. These statistics, provided through the Kent Tourism Economic Impact Study 2015 (published in November 2016) was undertaken using the Cambridge Economic Impact Model. The impact of overseas visitors on the economy is considerable and evidences the potential for the local airport to support growth in this sector of the economy whilst providing more balance in terms of the diversity of jobs the airport is likely to create.

³⁰<https://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteeMeetings/EconomyTourismOverviewScrutinyPanel/2014/03/26/Reports/8-Growth-Deal---OS-Report.pdf>

³¹ <https://www.visitthanetbusiness.co.uk/business-support/research/economic-impact-of-language-schools-2013/>

³² <https://www.thanet.gov.uk/the-thanet-magazine/news-articles/2015/january/language-schools-contribute-336-million-pounds-to-thanet-economy/>

³³ <http://www.alva.org.uk/details.cfm?p=423>

7.5.4 With an operational international airport at Manston, albeit focused on freight but with passenger services, it can be expected that inbound tourism would increase. In particular, providing services to and from underserved areas such as China could provide a boost to the Thanet economy. In 2012, China became the largest spender in international tourism at US\$102 billion, ahead of both Germany and the United States. Tourists from China and other emerging economies such as Russia and Brazil have significantly increased their spending³⁴. Working with RiverOak, Visit Kent and Thanet District Council, it can be expected that a proportion of this tourism can be captured locally.

7.5.5 The Government is currently consulting on its Aviation Strategy. A report by the Tourism Alliance in 2017³⁵ says that travel is the essence of tourism. Their concerns for the sector after exiting the EU include strengthening:

“the UK’s aviation infrastructure so that it better supports the Government’s Tourism Action Plan - ensuring that capacity constraints into our national hub and other South East airports are alleviated to cater for demand, and to make regional airports a more attractive proposition for both international and domestic visitors.”

7.5.6 The Tourism Alliance also calls on the Government to boost regional domestic services and improve surface access between airports and tourists’ final destinations. The Alliance does not, in any way, make a link between airport operations and a negative impact on tourism. In fact, as their report shows, the reverse is true. As an example, the following section compares Southend-on-Sea and the cooperation between the airport and its local tourist economy, with Thanet.

7.6 Manston Airport and the potential impact on tourism in Thanet and East Kent

7.6.1 There is no doubt that tourism can contribute considerably to local economies. For example, visitors to the Canterbury district were estimated to contribute £453,865,700 in terms of economic impact in 2015 and to have supported 6,810 jobs (Destination Research, 2015, p. 6). In Thanet, tourism supported 4,405 full-time equivalent jobs in 2015, an increase of 22% on 2013, and tourists spent £250 million during their visit (Destination Research, 2016, pp. 17-19).

7.6.2 Given the data shown in this report, it is hard to substantiate the argument that tourism in Thanet will be negatively affected by the reopening of Manston Airport. Indeed, the most likely conclusion that can be drawn from the evidence is that, as with Southend-on-Sea, Bournemouth and Southampton, a vibrant airport would support tourism in the area, increasing demand for visitor accommodation across Thanet.

7.6.3 Southend, which has a busy airport close to the town centre, has doubled its income from tourism between 2008 and 2015 to achieve a total tourism value of nearly £400 million. Whilst Southend is considerably smaller than Thanet, the town achieved £100 million more in total tourism value than the whole of Thanet. As with Southend, the research presented in this report in Section 7.4 shows that neither of the coastal towns of Southampton and Bournemouth have been negatively affected by the operation of their airports.

³⁴ <http://content.tfl.gov.uk/impact-of-a-new-hub-on-airport-tourism-and-non-business-travel.pdf>

³⁵ http://mediafiles.thedms.co.uk/Publication/EE-EssW/cms/pdf/TA_Manifesto_2017_Final.pdf

7.6.4 Therefore, in contrast to the assertion by the unnamed author of the No Night Flights response to the Manston Airport statutory consultation that, “*Many of our beaches, cafés, hotels and visitor attractions would become intolerable and unattractive to visitors*”, it seems the opposite is most likely to result. However, as this report has shown, it is vital for Thanet to maintain a balanced economy, leveraging the benefits that can be derived from a successful airport to ensure job creation at all skills levels for local people.

7.6.5 Employment in the Accommodation and Food Services sector is generally low paid, low skilled and with a high proportion of part time work. By contrast, airports provide a wide range of opportunities at all skills levels and stimulate growth and inward investment from other industries such as manufacturing. Diversifying of the Thanet economy, removing the heavy reliance on low paid, low skilled work in tourism, would have substantial benefits for the local people, ensuring that the economy is vibrant and that all sectors have a sustainable future.

8 Other socio-economic impacts

8.0.1 In addition to the jobs created and the training and education opportunities described in the previous section, this section describes the social and economic impacts of airports, and applies these to Manston.

8.1 Gross Domestic Product (GDP)

8.1.1 GDP is a monetary measure of the state of a country or region's economy. In the UK, the ONS calculates GDP from output (the value of goods and services produced in the economy), expenditure (the value of purchases made), and income (profits and wages). The Organisation for Economic Co-operation and Development (**OECD**) states that:

"Gross domestic product is an aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units."³⁶

8.1.2 Based on Intervistas figures (see Figure 12 on page 16), GDP from direct, indirect, induced, and catalytic effects are calculated as follows:

Direct:	7,893,500 jobs equate to €426.7 billion in GDP One job = €54,057/£45,408
Indirect:	1,353,100 jobs equate to €69.7 billion in GDP One job = €51,511/£43,270
Induced:	1,401,100 jobs equate to €76.4 billion in GDP One job = €54,529/£45,804
Catalytic:	1,696,200 jobs equate to €101.6 billion in GDP One job = €59,899/£50,315

The conversion from Euros to Sterling has been calculated at €1 to £0.89

8.1.3 For this calculation, the term GDP is used by Intervistas to refer to the contribution to GDP provided by the airport industry (Intervistas, 2015). It should be noted that the Intervistas work covered European airports and therefore the figures are not UK-specific. However, the UK is second only to Germany in Europe in terms of direct employment at airports.

8.1.4 The Airports Operators Association (**AOA**), also produced details of the economic activity of airports and associated aviation activities in the UK for 2013. These figures show the relationship between the four categories of jobs and GDP (AOA, 2016, p. 15):

Direct:	200,000 direct jobs equate to £13.9 billion GDP One job = £69,500
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³⁶ <https://stats.oecd.org/glossary/detail.asp?ID=1163>

Indirect:	100,000 indirect jobs equate to £7.0 billion GDP One job = £70,000
Induced:	200,000 induced jobs equate to £10.4 billion GDP One job = £52,000
Catalytic:	700,000 catalytic jobs equate to £38.3 billion GDP One job = £54,700

8.1.5 Comparing the Intervistas and AOA figures shows that the Intervistas figures are considerably lower than the UK-specific AOA figures as shown in Table 10. Since the AOA figures are UK-based, there is an argument for using this calculation. However, in order to provide a range for potential GDP due to the operation of Manston Airport, both figures are shown in Table 11.

Table 10 Comparison between GDP calculations

	Intervistas	AOA
Direct	£45,408	£69,500
Indirect	£43,270	£70,000
Induced	£45,804	£52,000
Catalytic	£50,315	£54,700

8.1.6 Since the calculation used for indirect and induced jobs is combined in the forecast, the lower figure in each case has been used to ensure the estimate is as conservative as possible. As Table 11 shows, the effect of an operational airport at Manston has a considerable impact on GDP. Indeed, by Year 20 of operation, the total GDP from direct, indirect/induced, and catalytic impacts is forecast to be between £1.2 and £13 billion.

8.1.7 Thanet's Economic Growth Strategy (TDC, 2016, p. 16) includes ambitious targets for GVA³⁷ per job and per capita. Their figures show a considerable difference between Thanet and Kent for these measures of productivity and wealth. In order to achieve the Council's vision, the growth rate required to match the Kent average by 2031 would be 3.5% per annum for GVA per job (productivity) and 5.2% per annum for GVA per capita (wealth). These figures are almost double the growth rate based on business as usual assumptions for productivity and approaching three times for wealth. Without a major employer, whose operation generates considerable indirect, induced and catalytic impacts on the Thanet economy, the vision described by the Council will be difficult to achieve.

8.1.8 In order to estimate GVA from Manston Airport's operations, the Stansted Airport figure, as used in their March 2018 Planning Application, has been applied (RPS, 2018). GVA per person in employment for the Stansted Airport operational study area was shown to be £60,500 (RPS, 2018, section 11.59). Applying this figure to the Manston direct job forecast only would generate GVA of £166 million in Year 10 and almost £207 million in Year 20.

³⁷ GVA is a key indicator of the state of the whole economy. It measures the contribution to the economy of producers, industries or sectors. The relationship between GDP and GVA is: $GVA + \text{taxes on products} - \text{subsidies on products} = \text{GDP}$

Table 11 Manston Airport GDP and tax contribution

	Direct			Indirect/ induced			Catalytic			Total			Tax	
	GDP (millions)			GDP (millions)			GDP (millions)			GDP (millions)			(millions)	
	Jobs	IntV	AOA	Jobs	IntV	AOA	Jobs	IntV	AOA	Jobs	IntV	AOA	IntV	AOA
Y1	116	£5.6	£8.1	0	£0.0	£0.0	0	£0.0	£0.0	0	£5.6	£8.1	£1.85	£2.68
Y2	856	£41.2	£59.5	1,542	£70.7	£80.2	0	£0.0	£0.0	0	£111.9	£139.7	£37.14	£46.36
Y3	1,551	£74.6	£107.8	2,791	£128.0	£145.1	6,203	£330.7	£339.4	6,203	£533.3	£592.3	£177.05	£196.66
Y4	2,085	£100.3	£144.9	3,753	£172.1	£195.2	8,341	£444.6	£456.3	8,341	£717.0	£796.4	£238.05	£264.41
Y5	2,150	£103.4	£149.4	3,870	£177.4	£201.3	8,601	£458.5	£470.6	8,601	£739.4	£821.3	£245.47	£272.66
Y6	2,466	£118.6	£171.4	4,438	£203.5	£230.8	9,862	£525.8	£539.6	9,862	£847.9	£941.8	£281.49	£312.67
Y7	2,576	£123.9	£179.0	4,638	£212.6	£241.2	10,306	£549.4	£563.9	10,306	£885.9	£984.1	£294.13	£326.71
Y8	2,645	£127.3	£183.8	4,762	£218.3	£247.6	10,581	£564.1	£578.9	10,581	£909.6	£1,010.4	£302.00	£335.45
Y9	2,668	£128.4	£185.4	4,803	£220.2	£249.7	10,673	£569.0	£583.9	10,673	£917.5	£1,019.1	£304.61	£338.34
Y10	2,749	£132.3	£191.1	4,948	£226.8	£257.3	10,996	£586.2	£601.6	10,996	£945.3	£1,050.0	£313.83	£348.59
Y11	2,812	£135.3	£195.4	5,062	£232.1	£263.2	11,249	£599.7	£615.5	11,249	£967.1	£1,074.2	£321.07	£356.63
Y12	2,890	£139.0	£200.9	5,202	£238.5	£270.5	11,561	£616.3	£632.5	11,561	£993.8	£1,103.9	£329.95	£366.50
Y13	2,947	£141.8	£204.8	5,305	£243.2	£275.9	11,789	£628.5	£645.0	11,789	£1,013.5	£1,125.7	£336.47	£373.74
Y14	3,018	£145.2	£209.8	5,432	£249.0	£282.5	12,072	£643.6	£660.5	12,072	£1,037.8	£1,152.7	£344.55	£382.71
Y15	3,094	£148.9	£215.0	5,570	£255.4	£289.6	12,378	£659.9	£677.2	12,378	£1,064.1	£1,181.9	£353.27	£392.40
Y16	3,164	£152.2	£219.9	5,695	£261.1	£296.1	12,656	£674.7	£692.4	12,656	£1,088.0	£1,208.5	£361.21	£401.22
Y17	3,224	£155.1	£224.1	5,802	£266.0	£301.7	12,894	£687.4	£705.5	12,894	£1,108.5	£1,231.3	£368.02	£408.79
Y18	3,301	£158.8	£229.4	5,942	£272.4	£309.0	13,205	£703.9	£722.5	13,205	£1,135.2	£1,260.9	£376.88	£418.62
Y19	3,349	£161.1	£232.8	6,029	£276.4	£313.5	13,397	£714.2	£733.0	13,397	£1,151.7	£1,279.3	£382.37	£424.72
Y20	3,417	£164.4	£237.5	6,151	£282.0	£319.8	13,668	£728.6	£747.8	13,668	£1,175.0	£1,305.1	£390.10	£433.30

8.1.9 As well as GVA per job and per capita, additional jobs in the economy give rise to tax income for government. The tax-to-GDP ratio compares GDP to the amount of tax able to be collected by government. The OECD's annual Revenue Statistics report³⁸ found that the tax-to-GDP ratio for the United Kingdom increased by 0.7% from 32.5% in 2015 to 33.2% in 2016. Therefore, applying this ratio to the figures shown in Table 11, provides an estimate of the tax revenues generated by the operation of Manston Airport through direct, indirect, induced and catalytic job creation. These are shown in the final two columns of the table. Note that Intervistas has been abbreviated to "IntV".

8.2 Connectivity

8.2.1 Connectivity is the extent to which a location is connected to desired destinations including whether connections are direct or indirect, travel times, the frequency and reliability of services, quality and costs. Connectivity is vital to UK business and has been for many centuries. As an island nation, the UK's geographic location necessitates excellent connectivity in order for businesses to be able to export and import. Connectivity also impacts inward investment (or Foreign Direct Investment), tourism, and firms' location decisions.

8.2.2 The Draft Economic Growth Strategy for Thanet (2016) describes the importance of improved connectivity to the local economy. Access to London from Thanet has historically been slow but, with the advent of HS1, travel times have reduced to around one hour and 15 minutes to St Pancras station. Of course, Thanet has access to the continental Europe via the Channel crossings at both Dover and Cheriton/Folkestone. The proposed Thanet Parkway Railway Station, one kilometre from the airport runway, as shown in Figure 15, would provide access to central London in less than one hour (TDC, 2016, p. 4).

8.2.3 In terms of Thanet's connectivity with airports (excluding Manston), Network Rail says that:

"Passengers travelling from Kent can connect to services calling at Gatwick Airport at Redhill from Tonbridge. This service was extended to Gatwick Airport in the past, but it was discontinued owing to low usage levels. National Express operated a coach service from Ashford to Gatwick Airport, but this has also been withdrawn. Though the level of connectivity from Kent is lower than that from central London, the analysis undertaken as part of the Kent Area Route Study has concluded that there is no specific connectivity gap between Kent and Gatwick Airport." (Network Rail, 2017, 4.7.3, p. 50)

8.2.4 East Kent benefits from a major port at Dover. The Port of Dover is the busiest passenger port in the world, handling around 12 million passengers, over two million cars and 80,000 coaches, and more than two and a half million HGVs in 2017³⁹. Eurotunnel also connects East Kent with France and handled 1.6 million HGVs, 2,000 rail freight trains, 2.6 million cars, 51,000 coaches, and more than 10 million passengers in 2017⁴⁰.

8.2.5 Brexit means that Britain now has to negotiate Free Trade Agreements (FTA) with the EU. It is possible that higher tariffs and non-tariff barriers will affect trade between the UK and the EU and increase time taken to cross borders between the UK

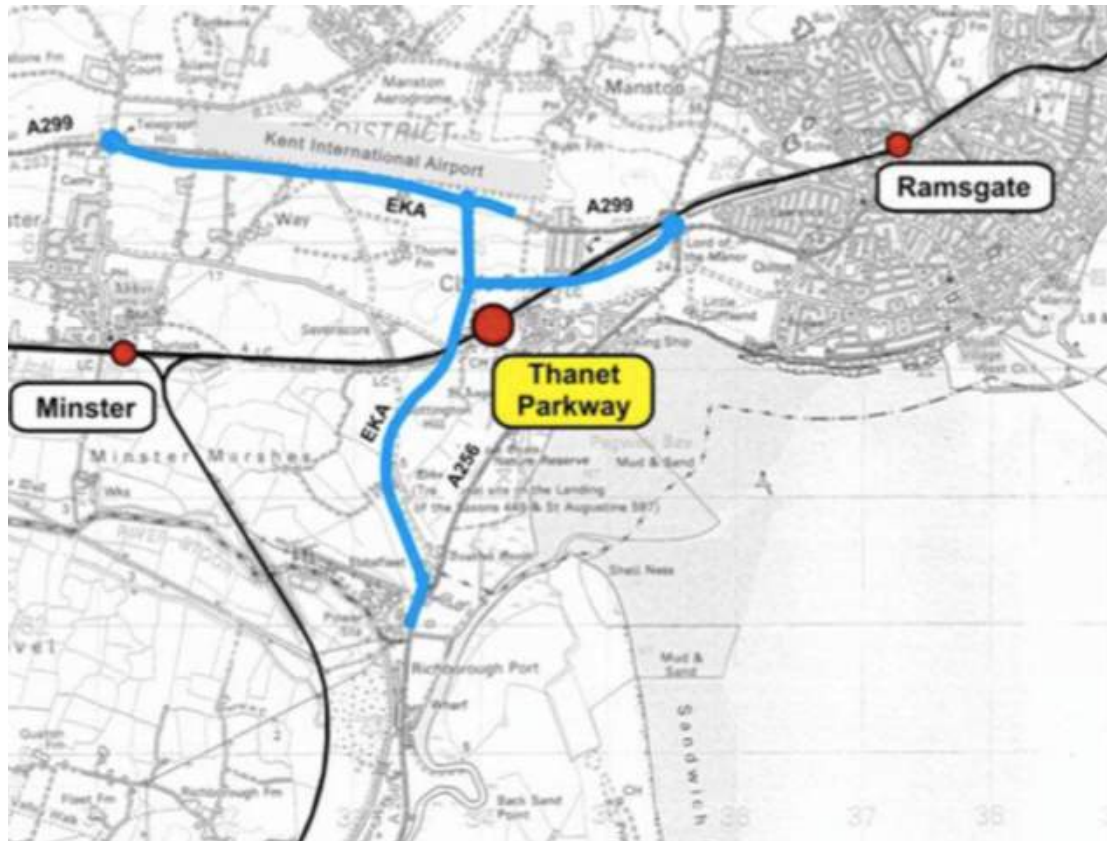
³⁸ <https://www.oecd.org/tax/tax-policy/revenue-statistics-united-kingdom.pdf>

³⁹ <http://www.doverport.co.uk/about/performance/>

⁴⁰ <http://www.eurotunnelgroup.com/uk/eurotunnel-group/operations/traffic-figures/>

and EU countries. This will particularly affect the Channel crossings where increased security checks and ensuring tariffs are paid where necessary may cause congestion and delays. Operation Stack⁴¹ has demonstrated the impact on the surrounding area and has caused considerable problems for transporters of perishable goods. Businesses may decide to switch from trucking to air freight and Manston Airport would provide the much needed capacity in the South East.

Figure 15 *Thanet Parkway Station*



Source: Kent County Council in *Network Rail*, 2017, p. 73

8.2.6 A 10% increase in connectivity in air transport is associated with an increase in GDP per capita of 0.5% (Intervistas, 2015, p. xiii). Data provided by Bristol Airport confirms this figure (Atkins, 2017, p. 80). An international airport at Manston with both freight and passenger services, will increase the connectivity between Thanet, East Kent and much of the South East to the rest of the world.

⁴¹ Operation Stack is the procedure used by Kent Police and the Port of Dover when services across the Channel are disrupted. Lorries are parked ('stacked') on the M20 motorway. Other vehicles are diverted onto the A20 causing congestion on local roads.

9 Conclusions

9.0.1 This report has described the socio-economic benefits deriving from the redevelopment and operation of Manston Airport to the level forecast in Volume III of this series of reports. Thanet has particular problems associated with deprivation including relatively high unemployment, low wages and low participation in HE. The presence of a vibrant airport in Thanet would help address these issues and be a great asset to the economy. As such, support from local MPs for this multimillion-pound inward investment has been unwavering.

9.0.2 The freight and passenger figures provided in Volume III allowed a forecast for the number of jobs created directly, indirectly/induced, and catalytically to be calculated. These figures show direct employment in Year 5 of around 2,150 people, rising to more than 3,400 by the twentieth year, based on East Midlands Airport figures and with productivity gains of 2% per year from Year 11. When all impacts on job creation are taken into account, using the formulae detailed in section 4.3, an estimated total of 14,600 jobs will be added to the wider UK economy by the fifth year of operation, increasing to more than 23,000 by Year 20.

9.0.3 This level of employment must be supported by training and development, and RiverOak plans to work with all relevant stakeholders to ensure local people benefit from the opportunities that an operational airport will bring. Raising the aspirations of young people in Thanet is essential if the District's vision is to be realised, particularly in encouraging progression to degree level education. RiverOak will work with local providers to ensure every opportunity is leveraged from the operation of the airport. In particular, RiverOak are keen to promote the establishment of an aviation facility in partnership with HE and FE providers.

9.0.4 Airports are an essential element of modern economies and are uniquely able to leverage a wide range of socio-economic benefits for their local and regional communities. Benefits include improving connectivity and supporting the internationalisation of local and regional businesses. The information presented in this report suggest that RiverOak's proposals for Manston Airport would increase local, regional and national GVA, encourage businesses to locate in the area, attract Foreign Direct Investment, and support the work of the Thames Gateway 2050 project.

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Appendix 5

**Northpoint Aviation Services Report
“The Shortcomings of the Avia Solutions Report and a Review of
RiverOak’s Commercial Opportunities for an Airport Operation
at Manston”
(March 2017)**

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The Shortcomings of the Avia Solutions Report and an Overview of RSP's Proposals for Airport Operation at Manston

Prepared for RiverOak Strategic Partners

By Chris Cain

Northpoint Aviation Services



1 Introduction

1.1 Thanet District Council (TDC) has placed far too much reliance on a deeply flawed report from Avia Solutions, that has been neither peer reviewed, discussed with relevant stakeholders¹ or indeed subjected to any kind of public scrutiny, in coming to a hasty and therefore injudicious decision about the future of Manston Airport. This submission offers a high-level critique of the Avia report, which was demonstrably rushed, adopted a flawed methodology, employed poorly judged assumptions and adopted myopic view of the potential of the airport. As such, it does not qualify as a sound evidence base which the Council can use to justify departing from its long-standing support for Manston as an operational airport and thus from policy Ec4 in the current local plan. A more forensic dissection of the report has been undertaken by RSP Ltd, which we would welcome the opportunity to share with TDC in order that the Council can reach a better informed view about the prospects for the airport, because failing that the Avia Report will certainly be tested to the full at a future Local Plan Inquiry.

1.2 The submission then goes on to provide an overview of the much more thorough, multi-faceted and peer reviewed analysis undertaken on RSP's behalf, and how it under-pins its proposals to re-open Manston as a mixed use airport offering air cargo, air passenger links and aircraft servicing and recycling. These proposals are in line with the business models of successful benchmark airports such as:

- Alliance Fort Worth in Texas, USA;
- Hamilton Airport in Ontario, Canada;
- Bergamo in Italy;
- Liege in Belgium; and
- Leipzig in Germany;

none of which rely on a passenger focused business model of the kind set out in the Avia Solutions report commissioned by TDC, which is therefore at best misguided and at worst a deliberate misrepresentation of RiverOak's plans. They

¹ This would include amongst others: District Councils with whom TDC has a duty to co-operate, the County Council, the LEP and local Chamber of Commerce, the Regional and Business Airports Group, Freight Transport Association, Riveroak Strategic Partners Ltd and the various Manston Airport support groups)

also benefit from being market testing at length in discussions with potential commercial partners, investors and competitors.

1.3 Rather RSP's plans are centred on a developing a strategically important are cargo operation focused dedicated freighters importing and exporting a range of perishable and high-value/time-critical goods to markets in London and across the wider south-east². This will be supported by:

- a modest passenger offering serving a core catchment in east and mid Kent, and a floating catchment drawing from west Kent and some outer London suburbs south of the Thames;
- a range of other aeronautical activities, for which capacity is either already heavily constrained (e.g. business aviation, military and diverted flights), or non-existent (e.g. emergency service, aircraft servicing and commissioning flights, air shows, commercial training and flight testing, general aviation and flying schools) at the south east's larger and more congested airports; and
- aircraft MRO³, manufacture, conversion, re-spray, dismantling, part storage and recycling

1.4 Notwithstanding this, my forecasts for passenger throughput in Section 3 are not dissimilar to Avia's, nor are Dr Dixon's, even though we come at them from a much simpler and probably more reliable approach, given that Manston is an untapped market and thus forecasts are better understood if based on behavioural decisions rather than spuriously accurate or sophisticated micro-economic modelling.

1.5 The scale of the air cargo operation envisaged by RSP Ltd sufficient to be of national significance and thus to require a Development Consent Order to secure relevant planning, CPO and other approvals. In part they envisage freight traffic being displaced from congested airports elsewhere in the South East, in part growth in underling traffic volumes in line with Boeing World Cargo forecasts. But also of material significance, will be RSP's plans to target the hundreds of thousands, possibly millions of tonnes of air cargo being trucked from the UK to the continent to be flown out of European airports. These volumes are consistent with Department for Transport 2009 predictions of increased cross-channel

² The contention is that this will complement, rather than compete with freight operations at increasingly capacity constrained airports serving the South East and East of England, namely Heathrow, Stansted, Gatwick and Luton.

³ MRO stands for 'maintenance, repair and overhaul'

displacement of air cargo bound for the UK to airports in near Europe and with the analysis of this phenomena provided by York Aviation's Report for the Freight Transport Association and Transport for London in 2015².

- 1.6 The other components of the development mix envisaged by RSP will be complementary but material in commercial and employment terms and capable of significant enhancement if successful. They may also be supplemented by aviation related or associated development such as an expanded museum area, a training academy, an airport business campus with hotels and renewable energy facilities (part of RSP's plans to ensure the airport is environmentally as well as financial sustainable in the medium to long term).

2 The Shortcomings of the Avia Solutions Report on Manston

Air Cargo Forecasting

- 2.1 Forecasting future freight volumes is one of the more difficult areas of future projection in the aviation sector. Whereas in the case of passenger forecasts there are three or four recognised techniques that are suitable for different timelines looking forward, in the case of freight the interaction between weight and volume and the reliance upon supply side operations rather than demand as the primary determinant of volume allocation means that normal price-driven economic models have proven very difficult to calibrate successfully. This is because although the industry is very price-conscious at a micro economic level (i.e. on a business to business transactional basis), at a macro level where the goods in transit are transferred to aircraft the primary driver of the business environment is the availability of aircraft slots and cargo space in the aircraft that are using them. This means that the spatial relationship between demand and supply is much more diffuse as in many cases cargo volumes will tend to move much greater distances to access or egress airports than passengers, the exception to this rule being express freight.
- 2.2 The effects of this on the air freight sector in the UK have been to focus a substantial share of the industry at the airport in the UK with the largest network of international routes (because most flown freight is international) and the freight volume of available capacity – namely Heathrow. At other airports air freight is characterised by three principal types of operation:
 - Trucking long distances to the UK's express freight centre at East Midlands or Stansted or to the freight forwarding community at Heathrow;

- Small scale local freight services linking the UK to global express centres or to global freighter hubs flown by large aircraft circulating the globe;
- Domestic air connections to East Midlands, Heathrow or Royal Mail centres.

2.3 In order to forecast where future freight capacity might optimally be developed, it is therefore not appropriate to rely on the geography of consignee demand based on projected growth rates. It becomes more important to understand where there is flexibility to create significant increases in capacity, which is determined by a number of alternative factors. These include:

- Length of runway (large freighters need runways of greater than 2,500 metres);
- Unlike freighter operations which can be flexible and ad hoc, belly hold operations rely on an established network of long haul passenger services
- Substantive area for cargo transshipment centres which means that very busy passenger airports tend not to have this kind of operation because of the pressure of the space for terminals and car parks;
- The availability of runway slots is a key determinant for express freight and freighter operations although it is less significant for belly hold services.

2.4 The effect of this is to push freight forecasting away from typical neo-classical demand/price mechanism models and any use of airport specific progression, towards supply driven modelling particularly requiring transparency about the supply factors that are used. So, for example, freight operations will be attracted either to where there is a large volume of network carriers flying international services or to where there are few night time restrictions because these are important for express freight operations, or in the case of dedicated freighters where there are no restrictions on slot availability and there is sufficient space to create efficient apron based loading and unloading operations alongside specialist handling facilities such as refrigerated storage, bonded warehouses and major logistics sheds.

2.5 In the south east of England this points to a relatively small number of airports being suitable for any large-scale freight operations. Heathrow dominates the belly hold market and Stansted is the major alternative for express freight and freighters with Luton providing some niche capacity based on night time operations. Beyond that Gatwick has around 90,000 tonnes of freight, a volume that has been falling substantially as network carriers move out of Gatwick and low cost carriers move in.

2.6 Based on long-term growth trends in the sector, this report contends that freight capacity in the south-east will need to expand by over 100% in the next 25 years. While Heathrow, if its new runway is eventually built, will be able to cater for

future belly hold capacity, the expansion for Stansted and Luton for passenger services, primarily of a low-cost nature, means that there will be very few spare slots during the day and more importantly at night, that can be used by express freight carriers for dedicated freight operations.

- 2.7 In this context, and keeping in mind the need for basic infrastructure requirements such as a substantive runway, good road connections and sizeable areas available for apron and shed development, there are few alternatives other than for Manston to cater for non-belly freight movements at south-east airports. Indeed, I anticipate existing volumes at Luton, Stansted and Gatwick will continue to fall as slots and space become increasingly valuable. Manston, in contrast, will have no foreseeable slot restrictions, an established reputation for efficient handling and if RSP's proposals are approved, a substantial apron capable of handling several large aircraft concurrently all with excellent airside support facilities and access to dual carriageway roads to London, the M25 orbital and in the foreseeable future to a new Dartford crossing improving access to ports in Essex and in East Anglia. It is even well positioned for trans-shipping freight to trucks, which can then use Dover port or the Channel Tunnel to access the near continent.
- 2.8 The recent supply lead forecast modelling that Northpoint has undertaken - see Table 2 at Appendix A, and the original estimates supplied to PINS at the then RiverOak's initial conference with them in 2016 at Table 1 in Appendix A. Since the latter were submitted, the likely opening date for the airport has slipped and consequently the assumed baseline transfer of activity is probably a little high in Table 1, as is the % annual growth rate), with the consequence that c100,000 tonnes has been taken off that figure in Table 2 and the lower Boeing CAGR rate has been adopted to generate projections for 2020, 2030 and 2040.
- 2.9 They nevertheless demonstrate that, under a range of scenarios, Manston is strongly placed to attract surplus demands in the South East by offering an attractive supply side solution to the air freight industry. These forecasts are also supported by in-depth, bottom-up empirical work undertaken by Dr Sally Dixon and include undertaking over twenty structured bi-lateral interviews with major freight carriers and other significant airport operators in the London and South East region. The result of which is to confirm independently the broad level of future freight traffic that we have projected via our forecasting model.
- 2.10 At the centre of the critique of RSP's critique of Avia Solutions analysis, are three core factors that latter has either failed to recognise or to explain with any clarity. These three factors are:
- freight projections,

- cross channel transshipments, and
- the substitutability of bellyhold capacity.

2.11 Each of these points is addressed, seriatim, in the remainder of this chapter.

Freight Projections

2.12 There is good alignment between Avia and Northpoint on the historic performance of the cargo market, particularly its poor growth since the early 2000s and the current size of the UK freight market at approximately 2.3Mt per year, but thereafter there is little common ground. This includes:

- how the market trends over the last 10-15 years should be interpreted,
- what is happening in the market today and what this means for the future,
- the scale of the supply side (i.e. capacity) shortfall for air cargo at the major south east airports today,
- how this will manifest itself over the next 10-15 years,
- what this means in terms of freight volumes leaking to Europe or being unable to travel by air at all, and
- the implications this has for the regional and national economy.

2.13 The result is that while both Northpoint Aviation and Dr Sally Dixon's forecasts for freight throughput at Manston in 2030 are within striking distance of each other, they are both a factor eight higher than forecast by Avia Solutions.

2.14 To illustrate the scale of the divergence Avia has used a 1.0% to 1.5% compound annual growth rate in its forward market analysis, despite the evidence of current trends in the IATA Cargo Chartbook (i.e. growth in a range between 3%-6% in the last 12-18 months in European freight markets), and the public availability of industry standard market forecasts, in the form of the renowned Boeing World Air Cargo Forecast, which suggests a CAGR of 3.7% moving forward is a more reasonable figure.

2.15 Avia have tried to argue that such a low CAGR is in part justified by the fact the bellies of passenger aircraft are standing empty at Heathrow waiting to absorb any additional demand that may come forward during the next three quinquennia. Unfortunately this is not true now and certainly won't be in the future because the cargo capacity of principal aircraft types at Heathrow is set to diminish over time as B787s, A350s and new narrow-bodied aircraft enter into service .

2.16 Avia also state that they have used a midpoint of a wide band of predicted growth rates sources from the Oxford Economics and Ramboll's study, although the actual

growth rates assumed are for some reason not explicitly stated. Back-working the numbers suggests that a CAGR of 1.7% for belly hold freight and 1.4% for dedicated cargo have been used. Avia acknowledge industry predictions for market growth tend have a track record of reflecting correlations with GDP, however, they then elect to use Oxford Economics & Ramboll's most simplistic historic trend assumptions in the form of a scenario where the growth rate pre-dates the advent of e-commerce, and in the other, include the impact of peak oil prices followed by the global recession in 2008.

2.17 Similarly, when Avia states, earlier in its report, that over 95% of UK freight is international, it is not clear why they are seemingly so wedded to finding a specifically national forecast rather than developing their own models based on global trends, when the key aim should be to determine (a) what the scale of future global freight demand will be on both intra-UK and to-from Europe trade-corridors and (b) whether London, and more broadly the UK, can provide competitive capacity into those trade-corridors.

2.18 It is our firm contention, therefore, that Avia's average CAGR forecasts are ill founded and consequently represent a significant under-estimate when compared to Boeing's historical rate data for 1990 to 2015. Benchmarked against Boeing's forecast for growth, based on average GDP growth between 2005-2015, coupled with the recent market upswing due to the increase in Asian e-commerce and a rise in demand for JIT (Just-in-Time) manufacturing practices, and Avia's assumed growth rates are on average 65% lower than Boeing's future rate forecast. Even taking a pessimistic 'low-side' view of Boeing's forecast at 2%, is a counter-intuitive position to adopt in an evolving market and would equate to a growth rate 33% below mid-term GDP growth.

Failure to Recognise the Importance of Cross Channel Transhipments

2.19 Avia's freight forecasts also explicitly ignore the potential for Manston to recapture some of the UK O&D (originating or destined) air cargo currently being transhipped by truck through the channel ports for its onward journey by air via near European airports like Paris, Frankfurt, Amsterdam, Liege, Leipzig and Cologne. The first signs of this phenomenon were noticed around ten years ago, at the time when Heathrow became effectively full in terms of slot access. But it was Steer Davies Gleave's report⁴ on freight for the Department for Transport in 2010 which really highlighted the issue and sought to provide an explanation:

⁴ SDG (2010): Para's 8.53 – 8.54 of Air Freight – Economic and environmental drivers and impacts

“8.53 We note the potential for capacity constraints at Heathrow to result in air freight forwarders and airlines turning to European hubs to accommodate growth in demand in the UK. In this case, the amount of airfreight cargo originating in the UK, but trucked by road transport across the Channel would grow. It is likely that this has already happened, contributing to the ending of air freight growth in the UK since the year 2000.”⁵

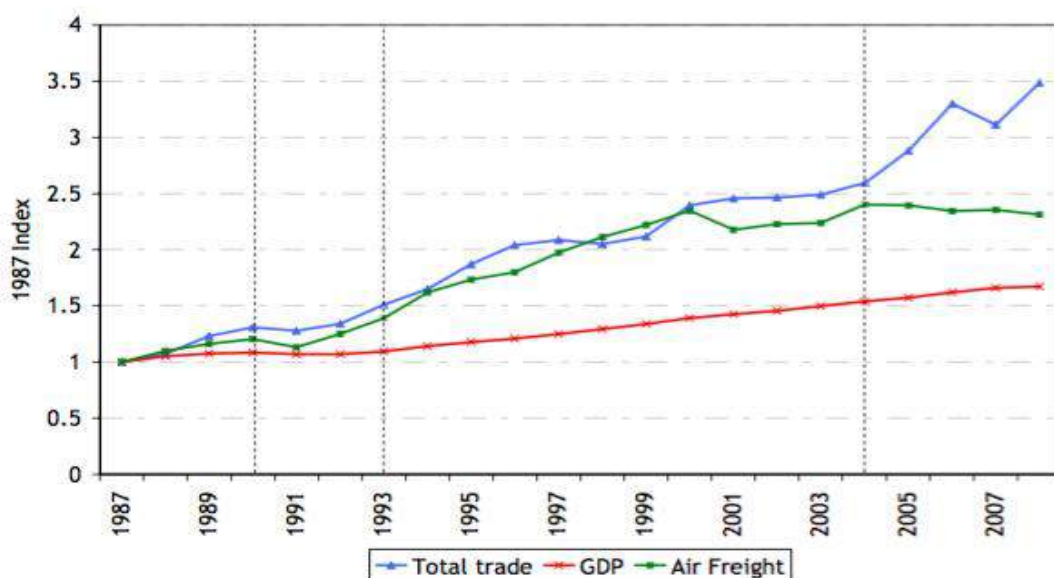
2.20 Evidence in the same report indicates that between 1987 and 2004 air freight grew consistent with trade in the UK. However, when from 2005 onwards this relationship broke down, total air freight volumes to and from the U.K. declined by 3% between 2005 and 2008 at a time when both UK GDP and trade grew. In the same period world trade and world air cargo volumes also continued to grow, emphasising the anomalous behaviour of year-on-year UK air freight metrics (see Figure 8.2 from the report, reproduced as Figure 1 overleaf).

2.21 This led SDG to further postulate that part of the phenomenon may also be that certain types of product are particularly susceptible to ex-UK transshipment, and ironically these are the very same markets in which Manston used to be particularly competitive:

“8.54 Similarly, some product types – perishables for example – are vulnerable to the creation of a European “superhub”. The main European hubs are in sufficient proximity to the UK to allow for perishables to be flown to mainland Europe before being trucked to the UK.”⁶

Figure 1

FIGURE 8.2 HISTORICAL RELATIONSHIP BETWEEN FREIGHT VOLUMES, TRADE AND ECONOMIC GROWTH IN THE UK



Source: CAA, IMF, ONS. SDG Analysis

⁵ SDG (2010): Ibid

⁶ SDG (2010): Ibid

2.22 Finally, a report by ARC7 emphasises the significance of this development by highlighting that:

“Cargo operators use truck rights to extend their networks and add scheduling flexibility. In that perspective trucking offers door-to-door and factory to distribution centre service, which air transport alone cannot provide.”

“... In Europe since 2004 the number of airport pairs has increased (more than doubled). And so have the weekly frequencies (nearly fivefold).”

“This is especially the case for:

- Final leg of an intercontinental flight. Once arrived in Europe the good is then shipped by road to its final destination*
- Medium haul “flights” which are mainly operated with narrow body aircraft (A320 or B737 for example) with limited belly capacity- Routes where demand is too low or infrequent to make a dedicated full freight aircraft service sustainable.”*

2.23 It is difficult to put an exact figure on current cross-channel volumes of air freight, but we believe conservatively that it runs into hundreds of thousands of tonnes. Anecdotal evidence from experts RSP’s consultancy team have spoken with confirms this. Such figures would also be in line with York Aviation’s report for TfL and the Freight Transport Association submitted to the Davies Commission in 2015, which suggests that without further intervention in the form of new capacity in the South East of England, 2.1M/T of air freight would need to be trucked to or from airports elsewhere. And even if the third runway at Heathrow does come to fruition the figure would still be close to 1.2M/T. RSP’s consultancy team will be speaking to a range of forwarders in the coming months in an attempt to confirm whether these ‘book-end figures’ are in the right ballpark, and if they are seeking to understand the service levels and pricing that will need to be provided to divert some of that traffic Manston’s way.

2.24 Of course, with Brexit and the loss free movement across custom’s boundaries to Europe in prospect, the time delays and costs associated with cross-channel air freight trucking seems likely to rise substantially once the UK exits the European Custom’s Union. If the UK were therefore to remain dependent on continental airport capacity to deliver and export air freighted goods from the South East of England, then substantial inefficiencies and costs are likely to be introduced for Britain’s businesses. Reporting before Brexit, York Aviation estimated a future requirement for up to 55,000 additional dedicated freighter movements in the South East in 2050 to address this, and recognised that Manston is the only realistic opportunity to meet at least part of this growing demand.

⁷ Airports Regional Councils (2016): Air Cargo in Airport Regions

The Availability of Substitutable Bellyhold Capacity

2.25 The final aspects of Avia's report with which RSP disagree, is that Avia asserts that there remains plenty of spare capacity available in the belly hold of aircraft leaving Heathrow and that it is on offer at substantially cheaper rates than can be offered by the owners of freighter capacity at East Midlands or Stansted. The claim is that, because most of the aircraft's operating costs are covered by passenger payloads, then bellyhold rates per tonne are lower than rates for freighters, which are consequently priced out of the market. Moreover, when the third runway, this will increase the supply of bellyhold capacity further, providing sufficient supply-side response to meet the UK's needs for the foreseeable future (i.e. until after 2040). However, Avia adduces no evidence on comparative charging rates between bellyhold and freighter carriers and therefore with Heathrow known to be one of the most expensive airports in the world, we remain sceptical that this is a material factor that would drive the re-allocation of consignments from freighters to bellyhold aircraft.

2.26 In our view, far more important factors influencing where rising air freight volumes are likely to be placed include the following:

- First, just under 50% global air cargo is shipped bellyhold; the comparative figure in the UK is 70%. Since the economies of the UK's main EU competitors are not materially different from our own, there is no logical explanation for this difference other than the shortage of slots available to integrator aircraft or dedicated freighters at the the South of England's two main freight airports - Heathrow and Stansted - caused by high levels of daytime runway demand and capacity at saturation levels in peak and shoulder periods, and in Heathrow's case in off-peak periods too.
- Second, there are many types of freight (e.g. time critical, heavy, large or live) for which bellyhold capacity cannot provide an acceptable substitute to dedicated freighters.
- Third, Heathrow's principal attraction for freight forwarders, namely the range of international destinations it serves directly, is also its potential Achilles heel, because that network may not be sufficiently concentrated on certain 'thick' freight routes to be able to cope with the underlying demand - in other words the more complex the passenger network, the greater the likelihood it may not match the required pattern of freight distribution flows.
- Fourth, new aircraft tend to have less bellyhold capacity than older ones and Heathrow and Stansted are the two airports where these new aircraft are most likely to be introduced.
- And finally, it is very likely that a sizeable chunk of the available runway capacity at both airports will be taken up by Low Cost Carriers (i.e. Ryanair

at Stansted and easyJet at Heathrow), and as with most Low-Cost Carriers, carrying freight does not form part of their business model.

2.27 Hence, in the medium to long term it is hard not to see the average freight capacity per aircraft arriving at Heathrow diminishing, even if with the new runway, the total number of aircraft that can operate there increases.

2.28 Research undertaken by Dr Sally Dixon on RSP's behalf has highlighted substantial evidence that contrary to popular belief, many freighter movements at German freight hubs are made during the day when airports are less congested and rather than at night when stricter night noise quotas apply. But it is during the daytime that slots at Heathrow and Stansted are their greatest premium for passenger services, which generate more revenue per movement to the airport than their freight equivalent. The alternative of using spare runway before or after the morning and evening peaks and shoulder periods, respectively, falls down as a result of:

- the night noise regimes imposed on both airports in the form of noise quotas for aircraft movements before 6am and after 11pm, and
- the preference airports will always give to more remunerative passenger operations rather than freight only movements.

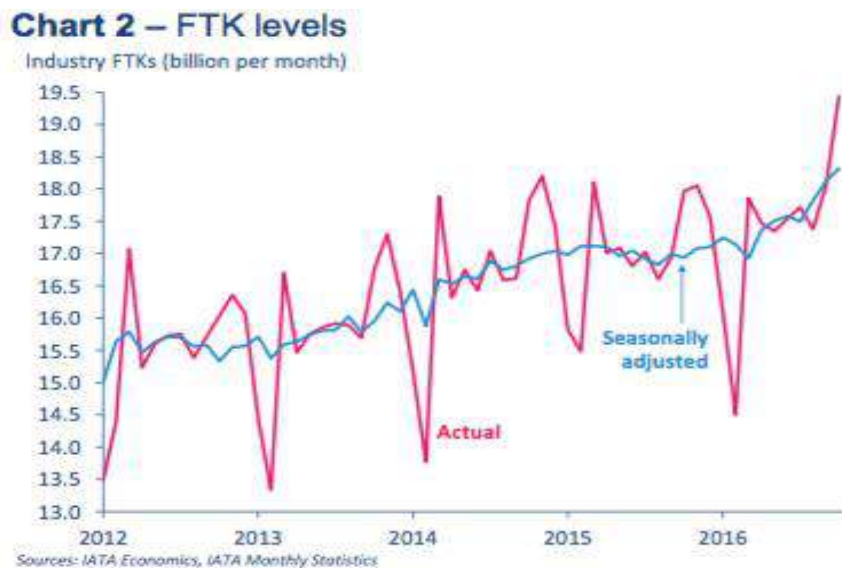
2.29 And whereas slots at Heathrow are already scarce throughout the day, at Stansted, the major carrier Ryanair is looking to base new aircraft that will of necessity be required to fly increasingly long sectors (over 4 hours) to new markets, resulting in an extended operating day in order to fit in the required number of rotations. Hence use of noise of noise quotas for late night arrivals or early morning departures will mostly be allocated to these aircraft rather than being ring-fenced for integrator or dedicated freighter movements.

2.30 Indeed, it is our reading of the market that at some time in the near future (i.e. around 2020-2025), Heathrow, MAG (Manchester Airports Group) the owners of Stansted and Luton will between them be keen to displace several thousand freighter movements to create "new" passenger slots. The only logical destination for these movements will be Manston, which is the only runway south of Doncaster with either the runway length, capacity headroom and real estate footprint to take on the cargo movements.

2.31 Added to this, with the upward trend in air freight FKT's (Freight Kilometre Tonnes) since 2012 and Boeing's central forecast of freight volumes growing at an average CAGR of 3.7% in Europe over the next 20 years, and it is difficult not to surmise that there will not be any let up to the pressure for freight capacity to be

found at South East airports, unless of course, more and more of it is trucked across to the competitive disadvantage of UK business.

Figure 2



2.32 And Finally, as ARC's reported:

*Flexibility is key for air cargo. The constraint imposed by a slot scarcity could be a problem for operations, in that prospective capacity issues at airports (and delays) could put a brake to cargo operations. Thus, cargo airlines and forwarders are looking for alternative airports to serve their market demands, especially on specific markets (such as live animals shipment, luxury cars, etc.).*⁸

2.33 Manston, which as Figure 3 indicates is within three hours trucking time of much of the South East (including places as far afield as Reading, Brighton, Ipswich and Northampton) and had an exceptional reputation for the speed and efficiency of its freight handling operation - including transferring loads from plane to truck on apron, is exceptionally well placed to meet this role.

Figure 3



3 Scheduled Passenger Services

- 3.1 Avia's passenger forecasts much more closely match those both Northpoint and Dr Sally Dixon have generated for RSP than their freight equivalents. Their figure of 1.3mppa by 2030 is in line with Northpoint's lower bound, but is 450,00 lower than the high forecast. But thereafter our projections again depart materially, as Avia assumes there will be no further growth at Manston as it will all be focused at Heathrow when the new runway opens. For reasons explained at greater length below, it is highly unlikely that there will be such singularity in terms of future spatial distribution of airport growth and consequently by 2040 Northpoint is projecting a mid-point forecast of 2.5mppa for Manston.
- 3.2 Northpoint's forecasts for RSP use two common methodologies. First, analysis of 2011 and 2012 CAA survey data for South East airports to assess potential market size and then growing that market in line with DfT average growth rates; second evaluation of typical airline behaviour in relation to sub regional markets with an under-utilised airport asset.

- 3.3 The first of these approaches indicates that Manston’s core and floating catchment areas generate demand of between 1.5-3.7m passenger trips per annum depending on where the exact boundaries of the Airport’s catchment is drawn. The districts in Kent included in Table 1, are a somewhat conservative reading of the airport’s potential catchment, the inner core have 375,000 population, the outer circle double that number. But the latter corresponds closely to the industry standard 60-minute drive time used for estimating overall market size for domestic and short haul passenger services.
- 3.4 Other than during a brief period in 2005 when EU Jet was operating an extensive network of services from Manston, these ‘potential’ customers for the airport within Kent are making relatively long surface journeys to use other South East Airports. The data suggests by far the largest percentage of this leaking traffic (around 85%) uses Gatwick and that much of it is leisure orientated (i.e. it is predominantly point-to-point and not dependent on access to a hub to reach its end destination).

Table 1: Passenger Leakage from Manston’s Catchment

MSE	Leakage		
Inner catchment	Business	Leisure	Total
Ashford District	33,918	193,472	227,390
Canterbury District	46,218	294,806	341,024
Dover District	20,628	164,176	184,805
Shepway District	19,251	125,768	145,018
Swale District	37,863	148,213	186,076
Thanet District	50,628	181,701	232,329
Sub Total	208,504	1,108,138	1,316,642
Outer catchment	Business	Leisure	Total
Dartford District	39,433	231,649	271,082
Gravesham District	31,236	158,594	189,829
Hastings District	26,554	135,992	162,546
Maidstone District	52,142	300,236	352,378
Medway	68,439	388,215	456,654
Rother District	15,862	109,763	125,626
Sevenoaks District	41,058	295,695	336,753
Tonbridge & Malling	27,932	198,425	226,357
Tunbridge Wells District	79,579	254,615	334,194
Sub Total	382,235	2,073,183	2,455,418

Grand Total	590,740	3,181,321	3,772,060
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- 3.5 By adopting an annualized average growth rate of 2% (compatible with DfT's latest forecasts and rates used by the Davies Commission in their work), we believe that overall demand in Manston's catchment area will increase to around 5 mppa by 2030 based on current surface access infrastructure and 6-7 mppa when planned rail improvements reduce journey times to Manston from London to 60 minutes and to outer London interchanges such as Bromley South and Stratford to 45-50 minutes. By 2040 the equivalent potential market figures will have risen to 8-10m.
- 3.6 Using the conservative assumption that by then 25-30% on certain thick routes might realistically be capable of being captured given the availability of the right type and frequency of services from Manston, that would equate to 1.0-1.5m passengers in 2030, which would be broadly consistent with the start-up performance seen at Southend since it opened. By 2040 the figure would be.
- 3.7 It is worth noting, that by then Gatwick, Stansted and Luton are all likely to be full, with spare capacity focused on Heathrow. However, in Kent's case that is the most distant of the other airports in the London system, with road travel times of 2hrs 30 minutes via some of the most congested and unreliable roads in the UK. Moreover, these estimates ignore the fact that:
- Manston's core catchment area does not have a large airport like Stansted close to it like Southend does, and that airport breached the million passenger barrier with 3 years of start-up;
 - The Lower Thames Crossing once built will open up the densely populated south Essex area to Manston's orbit; and
 - the prospect of Paramount Studios and Ebbsfleet Garden City being built only 40 minutes away and major cruise operations developing at Dover,

all point to these forecasts potentially being conservative

Table 2: Based Aircraft Passenger Forecasts

Aircraft Type	Seat Capacity	2016 Low	2019 Mid	2022 Low	2030 High	2040 Low	2040 High	2050 Low	2050 High
A320neo	180	0	2	6	1	1	2	2	4
A321neo	230	0	1	2	1	3	1	1	1
A320XLR	175	0	1	1	1	1	1	1	1
A321XLR	244	0	1	1	1	1	1	1	1
A321XLR	244	0	1	1	1	0	1	0	0
Total Aircraft		0	5	10	5	6	6	5	7

- 3.8 Looked at another way, the basing of a low-cost aircraft with 189 seats (such as the B737-800's used by Ryanair to serve holiday sun destinations, short break cities and thick UK and Ireland routes - e.g. Dublin and Edinburgh), brings with it the prospect of 450,000 passengers per aircraft throughput if it is used efficiently (i.e. four rotations and 85% load factors). The equivalent figure for a 78-seat turbo prop of the type used by Flybe to serve business and premium leisure routes in the UK and near Europe would be 150,000 passengers and for a 50 seat Embraer 145 (Bmi Regional) or Saab 2000 (Eastern) and a 30 seat Dornier 328 (Loganair) or Jetstream 41 turboprop (Eastern) serving hub connections and thin business routes, the annual volumes would be 100,000 and 50,000 respectively for a based aircraft.
- 3.9 Table 2 then analyses how different combinations of based aircraft can be used to achieve a range of passenger projections coinciding with key timelines. Hence the low projection of 1.25m ppa by 2030 for example requires two low cost and three different sized turbo-prop aircraft to be based at Manston over the next 15 years and the 2040 high projection require five low cost aircraft, four turbo-props (see Table 2). The combination of factors including domestic, hub connection and short haul leisure demand already identified in, and projected for, the airport's core and outer catchment areas and the prospective slot constraints on Gatwick and Stansted over that period makes this level of passenger activity eminently achievable in the next 25 years.
- 3.10 Therefore, while passenger operations are not the central plank of RSP's plans for Manston, they are nevertheless a useful adjunct, which they will be looking to develop. And our analysis suggests that there is plenty of scope for developing such operations over the next 25 years as discussions with Ryanair and other carriers have confirmed.

Other Aeronautical Activities

- 3.11 General Aviation covers a multitude of activities, from diversions and flight-testing/training of commercial aircraft; to military and emergency service use, aid flights, Business Aviation (BusAv) including offshore servicing, pilot training and private light aircraft flying. All of these activities are gradually being pushed down the airport hierarchy in the South East as the busier and more London centric airports fill up with commercial passenger and BusAv flights. General Aviation will ultimately need to find a safe home somewhere and Manston can provide that.

4 Aerospace and Aircraft Servicing and Recycling

- 4.1 The other major market niche that RSP envisages developing at Manston is a strategic aerospace, aircraft servicing and recycling park offering airside access,

similar to the facility at Alliance Fort Worth in Texas, Hamilton in Ontario and Mirabel in Montreal, Shannon in Ireland and prospectively Cardiff and St Athan in the Vale of Glamorgan. The increasing congestion at the largest south-east airports means that activities such as:

- Aircraft parts manufacture, or assembly of small aircraft;
- Maintenance, repair and overhaul (MRO);
- Other generic aircraft servicing (re-sprays, conversions, parts replacement, upgrades); and
- Aircraft recycling and parts storage operations,

can all be accommodated at Manston.

- 4.2 With the exception of line maintenance (i.e. A and B checks), this kind of activity has tended to get squeezed out of congested airports with limited runway slot availability and/or limited spare land to establish large-scale hangars and accompanying parts, logistics and office buildings. As a result, these uses tend to gravitate towards airports with smaller passenger throughput elsewhere in the UK, where long runways are relatively lightly used, space is plentiful, noise problems associated with nearby communities are manageable and there is Development Area status – for example: Cornwall Airport at Newquay, Prestwick, Cardiff/St Athan and Doncaster Finningley for aircraft and Aberdeen for helicopters.
- 4.3 Although, arguably, Stansted has developed a significant presence in non-passenger markets such as freight and MRO, as has Luton, their medium-to-long term prospects for retaining what they have, let alone capturing a larger market share is uncertain because of growing passenger aircraft movements, enhanced night noise restrictions and in Luton’s case an already significant shortage of land for new apron or buildings. Indeed, Monarch recently relocated their heavy maintenance operation from Luton to Birmingham for exactly this reason. Southend and Gatwick are equally space constrained with pressure to minimise the area dedicated to aircraft servicing in favour of other airport operational or commercial ambitions.
- 4.4 In reality, Manston is a unique in offering an opportunity to develop an airfield-focused cluster of civilian aerospace businesses on a large scale in location with development area status in the South East of England. By comparison, Farnborough and Biggin Hill, who have material aspirations in this area, have more targeted niche aspirations in mind focused largely on Business and General Aviation; Cambridge is maxed out accommodating Marshalls’ mainly defence-orientated aerospace business and Norwich is heavily committed to meeting KLM’s corporate needs. As such, Manston is well placed to as a focal point for new

or replacement requirements of this sort in the South East on the grounds of its relative proximity to London and the near continent and because of the substantive land holding and excellent runway it offers.

- 4.5 Forecasting this sector tends to be done either at a macro level or in terms of specific specialisms (MRO, conversions, re-sprays, etc.). This is because it is the archetypal example of a face to face networking market, where quality and personal relationships and existing order-books are as important as in-depth data driven analysis in identifying market opportunities. This makes having a strong supply side offering in terms of existing buildings, serviced land, a skilled work force and good supply chains as important as price in many cases. Other than that, having good intelligence about different airline, (OEM) Original Equipment Manufacturer and third party supplier current and potential future needs, based around new models and entry or expansion into new markets, is required, alongside good contact networks.
- 4.6 However, the clear evidence is that there are, at any one time, a small number of major development requirements in the market for investment in large-scale facilities offering airside access. This has certainly been the case over the last 2-3 years when:
- Boeing, Gulfstream, Embraer and Bombardier are known to have been looking to establish new servicing centres in Europe. Monarch needed to relocate their MRO operation from Luton and KLM expanded their operation at Norwich substantially;
 - there has been material aerospace industry demand for UAV friendly airfields (Newquay, Aberporth and Cambeltown are good examples)
 - a number of companies are known to be considering investing in spaceport facilities, with Llanbedr, Prestwick and Newquay in the UK known to be locations favoured by the UK Space Agency and CAA; and
 - there are consortia exploring the scope for developing large-scale, specialised and high-tech orientated aircraft recycling centres, as the number of aircraft coming out of service and requiring dismantling is likely to rise to up to 400 per year in Europe over the next ten years.
- 4.7 The last of these niche sectors is a classic example of an emerging market opportunity that, as yet, few have capitalised on, but which in the future will require a substantial scaling-up of available facilities to cater for the number of aging aircraft being taken out of service and the residual asset value that can be extracted from second-hand parts and recycled aluminium they contain. The current aircraft recycling industry is nascent, small and rather primitive, relying as it does on the destructive break-up of aircraft that have had second-hand parts removed and the dispatch of the resulting scrap for general scrap value. A new,

more modern and sophisticated approach to the sector is required as increased volumes of aircraft come out of service and are ready for dismantling.

- 4.8 The annual throughput is eventually expected to reach 400 a year and this will demand larger-scale recycling centres of between 250,000 - 300,000 square feet with associated storage of 100,000-200,000 square feet, because space needs to be capable of accommodating large precision cutting equipment for use on redundant aircraft wings and fuselages to generate scrap in a form where aluminium recyclers can make increasing use of it more easily than they can of aluminium mixed up in general scrap. The storage space will be required for recovered spare parts while they are inventoried, checked and then made available for sale. Moreover, these large sheds will need to be accompanied by apron space for 8 or 9 aircraft to be stored at a time waiting for the start of the dismantling process.
- 4.9 Manston is one of a relatively small number of locations in the UK where an aircraft recycling centre on this scale, taking over 100 aircraft a year, could be accommodated. RSP is in contact with potential partners for this kind of facility and there is little doubt Manston will be in a strong position to attract this kind of activity, generating substantial rental income for the airport and skilled jobs for the regional economy.
- 4.10 What is absolutely certain, is that Avia's approach to this opportunity, notably to dismiss it from any consideration in relation to their financial appraisal of the prospects for a re-opened Manston airport, is short-sighted, arbitrary and wrong. It smacks of trying to ensure that the substantial revenue and jobs that could come from developing an aircraft engineering and servicing cluster in East Kent are not reflected in business plan for the airport as it might make it look substantially more attractive.

5 Conclusions

- 5.1 Taken together, this vision of Manston as a multi-faceted airport combining freight, passenger and air servicing and recycling activities, amounts to a completely different business model for the use of the airport than envisaged in the Avia Solutions report, which focused on passenger-driven revenues for the airport's viability. Avia's report therefore demonstrates a fundamental misunderstanding of RSP's intentions and a failure to understand how to strategically exploit Manston's infrastructure assets within a congested system of airports in the South East.
- 5.2 The conclusion reached by Northpoint Aviation is that the Avia Solutions report adopted an outlook, methodology and accompanying assumptions that were designed to generate a pre-determined answer, namely that Manston was no longer viable as an airport.
- 5.3 It is for these reasons that we remain convinced that given:
- The right activity and therefore revenue mix, that does not depend materially on passenger volumes as in the past;
 - significant investment in infrastructure on the ground and, in particular, all the new parking stands warehousing and hangarage required to support a major air freight hub operation at Manston;
 - an investor with the resources to take a long-term view of the airport as an investment and not expect an instant return;
 - the consolidation of key partnerships with key carriers and other important stakeholders (such as those RSP have been assiduous in discussing their plans with); and
 - the successful progress of a DCO and the associated CPO;
- 5.4 Then Manston can be both viable, profitable and a major source of employment in East Kent generally and Thanet, in particular, whilst offering much needed cargo capacity to a London airports system which is bursting at the seams and is likely to remain so for many years to come.
- 5.5 Accordingly, RSP's carefully honed proposals demonstrate that Manston can be successfully developed as a mixed-use airport, underpinned by a significant and much-needed cargo operation, to become an important and complementary infrastructure asset within the wider South East airport's system that will contribute materially to the local, regional and national economy.

Appendix A: Cargo Forecasts Presented Initially to PINS in the Context of the DCO Application⁹

A1. Initial estimates, presented informally to PINS last year at the start of the DCO process, suggested a market of c500-650k tonnes of freight could be captured at Manston by 2040, and they were based on relatively conservative assumptions about capacity loss at other South East airports and a 5% growth in overall volumes moving forward, compared to the 20% CAGR seen historically in the dedicate freighter markets. For example:

- Stansted is affected by increasing shortages of slots and noise quotas reduce the volume of freight it handles from 250,000 to 100,000 tonnes over next 10 years, with the balance (150,000 tonnes) transferred as carriers move to the less expensive and environmentally constrained facilities at Manston.
- A similar pattern occurs at Luton, which is also a predominantly freighter operation, reducing volumes from 27,500 - 12,500, with the balance transferred to Manston.
- At Gatwick, which is now approaching 90% slot occupancy, more of the freight is belly hold and can be expected to remain. With this in mind, we have assumed only a small proportion, representing the residual dedicated freight movements transfer and hence tonnages reduce from 90,000 to 80,000, with 10,000 tonnes moving to Manston
- In the case of East Midlands, we have conservatively assumed no change, even though a proportion of freight is heading for inside or around the M25 and could therefore be re-directed through the geographically closer Manston.
- For Heathrow, we have assumed dedicated freighter operations remained constrained and some lower value less time critical consignments can be re-directed via Manston, transferring 25,000 tonnes in the process.
- We have also targeted ‘clawing back’ some of the UK bound traffic that is flown into EU freight hubs (e.g. Liege, Paris CDG, Cologne, Leipzig etc.) and then trucked to the UK. The conservative assumption is 50,000 tonnes.

A2. The resultant projections are shown below in Table A1. The date at which the NSIP threshold of 10,000 freighter movements is passed is dependent heavily on how freight volumes develop, but also on the average tonnage per movement. At 50t/atm it would take until 2030 to pass the 10,000-movement barrier; but with a figure close to the Manston average per flight between 2004-13 of 26t/atm that date could be as early as 2024-25.

⁹ ARC (2016): Page 28 Ibid.

⁹ ARC (2016): Pag

Table A1: Original NSIP Outline Freight Projections for Manston to 2050

	2030	2050
2015 Tonnage Re-allocated by 2025#	250,000	250,000
Projected Tonnages	520,000	660,000
No. of Freighter Movements at 50T/ATM*	10,400	13,265
No. of Movements at 37.5 T/ATM (i.e. assumes 50% return movements empty)*	13,865	17,600
No. of Freighter Movements at 26T/ATM*	20,000	25,385
MSE Ave 2004-13		

Notes: # This is the assumed baseline by 2025

A3. Since then, those original forecasts have been updated and made slightly more conservative as the likely date of re-opening the airport recedes to 2020. The new forecasts allow for the capture of 75,000 tonnes of freight by 2020 and 150,000 tonnes by 2025 - half from other airports (50,000 tonnes from Stansted, 15,000 as dedicated freighters are moved out of Heathrow and 10,000 tonnes from Luton) and half as clawback from cross channel traffic.

A4. A lower CAGR of 3.7% (in line with Boeing World Cargo Forecast expectations) is then applied in Table 2 alongside and a further allowance of 5,000 tonnes per annum transferring from Stansted and Luton to 2040 (it is assumed Heathrow expands again from 2025 onwards), complemented by continuing clawback from cross channel markets of a similar amount. By 2040 the total amount of clawback is conservatively assumed to be 150,000 tonnes, although the arrival of the third runway means that after 2026 Heathrow will also be competing in this market suggesting clawback from Europe might reach 250,000-300,000 in total.

A5. These assumptions result in forecasts of 230,000 tonnes by 2030 and 470,000 tonnes by 2040, with the threshold for the DCO in terms of freight movements being tripped around 2035, 15 years after the airport re-opens if average tonnage per aircraft movement is 37.5 tonnes and 2031 if the average is close to Manston's previous average of 26t/atm.

Table A2: Revised Outline Freight Projections for Manston to 2040

	2020	2030	2040
2015 Tonnage Re-allocated or Re-Captured by 2025#	75,000	150,000	150,000
Projected Tonnages	75,000	180,000	372,000
With Potential Clawback from EU Airports added	75,000	230,000	472,000
No. of Freighter Movements at 50T/ATM*	1,500	4,600	9,400
No. of Movements at 37.5 T/ATM (i.e. assumes 50% return movements empty)*	2,000	6,150	12,590
No. of Freighter Movements at 26T/ATM*	3,000	9,200	18,880
MSE Ave 2004-13			

A6. Along with the figures in Table A1 and A2, Amazon are known to be considering establishing their own freight airline to service their next day delivery promise both in the US and Europe¹⁰. This is a core part of their Amazon Prime offer, and rather than continue to outsource it to existing carriers it looks increasingly likely that they will seek internalise and control supply chains, as this is at the heart of the company's

¹⁰ Seattle Times 18 Dec 2015 - <http://www.seattletimes.com/business/amazon/amazon-in-talks-to-lease-20-jets-to-launch-air-cargo-business>

business philosophy. If the current trials are successful, then the network could begin to be rolled out in 2-3 years' time in Europe.

A7. Unlike at Luton, where some of the trial flights are currently heading (because of the companies established fulfilment centres at Milton Keynes and Hemel Hempstead, there is sufficient land to develop a very large (500,000 – 1 million sq. ft.) fulfilment centre with direct airside access and immediate dual carriageway access at Manston.

A8. Such a dedicated logistics centre might be expected to substantially increase the tonnages and movement projections above, perhaps by as much as 200,000 tonnes (i.e. 30-40%). And it seems highly unlikely it would go to a congested airport with, little spare land available (e.g. Heathrow, Luton and Southend) and significant night movement restrictions (Heathrow, Gatwick and Stansted). Manston would therefore seem like the obvious (and only) option for Amazon in the South East.

A9. However, as Table 1 makes clear, the threshold for a NSIP project (i.e. 10,000 freighter movements) is exceeded under all our scenarios, whether Amazon's operations are attracted or not.

Appendix B: About the author

Chris Cain, Director of Strategy and Policy at Northpoint Aviation, is a transport and economic development planner who has specialised in aviation since 1998. Since joining Northpoint in 2011, Mr Cain has advised a wide range of both public and private sector clients, including most of the UK's smaller regional airports, on strategy and Government policy matters.

In 2013, he conceived and created a new industry association specifically to look after the policy interests of smaller airports. This organisation, called the Regional and Business Airports Group, has now grown to 38 airport members. Its' main role is to commission research and make representations to Government on its members' behalf.

Prior to joining Northpoint, Mr Cain's background included eight years as Head of Airports Policy in the Department for Transport where he was responsible for the development of regional airport policy across the UK and for running many of the large-scale technical studies and consultations that under-pinned the preparation of the 2003 Air Transport White Paper, including such areas of work as:

- Air freight policy and forecasts;
- SERAS (The South East Regional Air Services Study), which included development of a new passenger forecasting model for the UK;
- Smaller airports in the South East referenced in paragraphs 11.93 – 11.103 of the Future of Air Transport White Paper published in 2003, including paragraph's 11.98 and 11.99 on Manston.

In 2006, he became Airport Director at Newquay Cornwall Airport working for Cornwall County Council where he was responsible for:

- the transition of the then military airfield at R.A.F. St. Mawghan into licensed civilian airport owned and operated by the Council – Manston's CLOPUD (Certificate of Lawfulness of Proposed Use or Development) was used as a model during this process;
- developing the airport's passenger facilities, route network, commercial activities and financial revenues;
- developing long-term vision for the airport in the form of a Masterplan which was published, consulted upon and finalised between 2008-09;
- diversifying the new airport's revenue streams away from relying solely on passenger services and to invest in other aviation related activities such as the aerospace sector and aircraft servicing and training.

Mr Cain's experience of central Government policy making in this area and the directly relevant expertise he developed from having a hands-on leadership role at Newquay (an airport that, like Doncaster Sheffield, faced and overcame many of the challenges that will face RSP when they secure the DCO for Manston), leads him to consider that a

similar outcome can be secured for Manston. This is especially the case as it benefits from a more propitious commercial environment, in an already heavily congested South East airport system, where spare capacity is at a premium.

Between 2011-13 he was also engaged by Infratil, the then owners of Manston Airport, in a consultancy capacity to prepare representations to the Davies Commission on its strategic long term potential, if the Commission chose not to recommend construction of new runway capacity in the Thames Estuary or at one of the existing major London Airports.

Appendix 6

A Letter from the Rt Hon James Brokenshire MP to Thanet District Council dated 28th January 2019



Ministry of Housing,
Communities &
Local Government

Councillor Robert W. Bayford
Leader, Thanet District Council

The Rt Hon James Brokenshire MP

*Secretary of State for Housing, Communities and
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28 January 2019

LOCAL PLAN INTERVENTION

Following Thanet District Council's failure over many years to get a Local Plan in place, the former Secretary of State wrote to your Council, on 16 November 2017, to express his concerns. He offered an opportunity to explain any exceptional circumstances justifying the failure of your Council to produce a Local Plan and any measures you had taken or intended to take to accelerate plan publication. Following your letter of January 2018 outlining your exceptional circumstances, the former Secretary of State wrote again on 23 March 2018. He set out that he had considered your representations and the Government's Local Plan intervention policy criteria and had decided to continue with the intervention process by commissioning a team of experts led by Government's Chief Planner to provide advice on next steps.

I have carefully considered that advice on next steps and all the above matters. I have also considered correspondence sent to my Department since January 2018, including correspondence from Thanet District Council, which reported some positive actions and progress, including the publication of a Local Plan under regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, the publication of a revised Local Plan production timetable¹ and the submission of a Local Plan under regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

Section 27(1) of the Planning and Compulsory Purchase Act 2004 ("the 2004 Act") provides:

¹ The Thanet Local Development Scheme (July 2018)

“This section applies if the Secretary of State thinks that a local planning authority are failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision or adoption of a development plan document.”

In view of your continuing failure to get a Local Plan in place I am satisfied that the requirements in section 27(1) of the 2004 Act are met; Thanet District Council (in its capacity as local planning authority):

- does not have an up-to-date Local Plan in place - the Council’s last Local Plan was adopted in 2006 and covered a period up to 2011.
- has failed to meet the milestones in at least five Local Development Schemes since 2006.
- has failed to plan for and deliver the homes people need in Thanet.

Section 27(2) of the 2004 Act provides:

“The Secretary of State may—

(a) prepare or revise (as the case may be) the document, or

(b) give directions to the authority in relation to the preparation or revision of the document.”

Pursuant to the powers in section 27(2)(b) of the 2004 Act I have decided to make a direction in relation to the preparation of the Thanet Local Plan:

Within four weeks of the date of this letter, I direct Thanet District Council to designate a lead Councillor and lead official to be responsible for progressing preparation of the Local Plan and to publish details of those designations.

In making this decision I have considered the following Local Plan intervention policy criteria²:

- **The least progress in plan-making has been made:** Out of 338 local planning authorities in England, Thanet are one of only circa 50 authorities who have not yet adopted a 2004 Act Local Plan under Regulation 26 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
- **Policies in plans have not been kept up to date:** Thanet’s last Local Plan was adopted in 2006 (not under the provisions of the 2004 Act), and covered a period up to 2011. Thanet have consistently failed to bring forward a Local Plan in accordance with its Local Development Scheme as legally required, having failed to meet Local Plan milestones in at least six Local Development Schemes since 2006.

² Local Plan intervention policy criteria were consulted on in 2016 and confirmed in the 2017 housing White Paper and the 16 November 2017 Written Statement in the House of Commons

- **There is higher housing pressure:** Thanet is within the top third of Districts in England for high housing pressure, based on average affordability ratios³. Thanet lack of a five-year housing land supply further highlights the authority's failure to plan for and deliver the homes people need.
- **Intervention would have the greatest impact in accelerating Local Plan production:** Based on Thanet's revised Local Development Scheme, it is unlikely that Local Plan production would be accelerated by my Department taking over its production. In my judgement, given the authority's track record of persistent failure in plan-making, the intervention I have decided upon will provide more certainty and is the best way of ensuring that a Local Plan will be produced in accordance with the Local Development Scheme timetable.
- **The wider planning context in each area in terms of the extent to which authorities are working co-operatively to put strategic plans in place:** Several authorities in Kent have indicated interest in joint planning but no formal arrangements are in place.
- **The wider planning context in each area in terms of the potential impact that not having a plan has on neighbourhood planning activity:** at least six communities in Thanet are preparing neighbourhood plans: Birchington, Ramsgate, Margate, Broadstairs & St Peters, Westgate and Cliffsend. Communities can bring forward neighbourhood plans in the absence of an up-to-date Local Plan, but doing so can be more challenging for communities.

Having considered Thanet's performance against the Local Plan intervention criteria, I am satisfied that intervention action is justified.

Section 15(4) of the 2004 Act provides:

“The Secretary of State may direct the local planning authority to make such amendments to the [local development] scheme as he thinks appropriate for the purpose of ensuring full and effective coverage (both geographically and with regard to subject matter) of the authority's area by the development plan documents (taken as a whole) for that area.”

Pursuant to my powers in Section 15(4) of the 2004 Act, I am also directing Thanet District Council to, within eight weeks of the date of this letter, amend its Local Development Scheme (dated July 2018) to provide for the completion of a review of their Local Plan within six months of its adoption.

³ Ranked 98 least affordable of 324 English Districts (Housing Affordability Statistics, Office of National Statistics, 2017)

This course of action would ensure full and effective coverage of housing provision to give clarity to communities and developers about where homes should be built.

Having considered all of the above, in my judgement, there is a compelling case for the Local Plan intervention actions I have decided upon in Thanet, pursuant to powers in sections 15(4) and 27(2)(b) of the 2004 Act. Given your recent actions and progress in meeting the requirements in the Town and Country Planning (Local Planning) (England) Regulations 2012, I have decided not to prepare the Thanet Local Plan. However I will continue to closely monitor your Local Plan progress. Should a significant delay occur against the milestones set out in your July 2018 Local Development Scheme, should you fail to comply with the directions in this letter or should your draft Local Plan fail at examination, I will consider whether to take further action to ensure that a Local Plan is put in place.

I am also, for the avoidance of doubt, now putting on public record my concerns about the low level of housing supply and delivery in Thanet. I expect planning decision-takers to have regard to these concerns as a material consideration when deciding local planning applications.

I appreciate the constructive way Thanet District Council have engaged in this process so far and I trust that you and your officers will continue to engage positively. My officials will be in touch over the next few days to discuss next steps.

RT HON JAMES BROKENSHIRE