

Transport Select Committee Inquiry into Smaller Airports

The former airport at Manston, Kent

This submission is a combined submission from two local community groups - No Night Flights and Manston Pickle. We represent residents who were affected by the operation of the former airport at Manston.

Our submission to this Inquiry about smaller UK airports relates wholly to the former airport at Manston. It draws on our research over a number of years into the airport's economic and environmental impact on the local area.

In many ways this is a strange submission to be making. The owner of the Manston site, Ms Ann Gloag, closed the airport on 15th May 2014 because it was losing £10,000 a day and because she saw no prospect of turning it into a commercial success. Ms Gloag has since sold a majority share to a pair of developers fresh from their recent success at the new Discovery Park at Sandwich - the former Pfizer site. They say they have ruled out using the Manston site as an airport.

Our long experience of researching the facts around the airport and its impact has taught us that there is a world of difference between the rhetoric of airport operators and local politicians and the demonstrable facts.

We want the Select Committee to have access to what we know about the impact of one small regional airport on the local economy and community.



No Night Flights



Manston Pickle

Executive Summary

- After 15 years in private hands, the former RAF base at Manston has not been the hoped-for engine of regeneration for Thanet. It has never made a profit.
- After 18 months on the market, the entire operation was bought for a nominal £1.
- The purchaser has closed the airport, returned its operating licence to the CAA, and has no plans to re-open it as an airport.
- The current majority owners want to develop the site for manufacturing and housing. They have no plans to reopen it as an airport.
- All attempts at running passenger operations at the airport at Manston (known as Kent International Airport) have failed, the most recent flying less than half full.
- The freight operations at Manston accounted for just 1.29% of the national total.
- The employment and economic benefits of the airport have always been greatly exaggerated, and have not materialised.
- After 15 years operating as an airport in private hands, this 720 acre site has generated just 144 mostly part-time jobs.
- Manston has only ever contributed to the regional and national tourism deficit.
- The day-time air traffic (and the threat of scheduled night flights) over Ramsgate has damaged its tourism business and deterred investors.
- Irrational belief in the site's potential as an airport has prevented any exploration of alternative uses of the site for the benefit of the wider area.
- The small regional airport at Manston has failed, and whilst it was failing, prevented anything successful being put in its place.

The impact of Manston airport on regional economic development and regeneration

Fifteen years in private hands. Fifteen years of losses.

Manston Airport began its life as a commercial airport when it was sold by the Ministry of Defence in 1999. Since then, four different owners have tried and failed to make a profit from this commercial airport – Wiggins Group, Plane Station, Infratil and Ms Gloag.¹

In the fifteen years of the airport's commercial life, several airlines (EUJet, Flybe, KLM) have each tried to introduce passenger operations. All of them have failed to attract enough passengers to make the routes viable. The most recent, KLM, withdrew from Manston in April this year², having achieved an average load factor for the year of less than 44.4%.³

Much has been made of the fact that Manston was the UK's 6th biggest freight airport. In 2013, its last full year of operation, Manston airport handled 29,000 tonnes of freight. To put that in perspective, it was 1.29% of the national tonnage – Manston was always very much a minnow in the freight pond, its significance exaggerated.

When Ms Gloag bought the airport in October 2013 it had been on the market for over 18 months. Ms Gloag was able to buy the site for £1. This demonstrates that the aviation industry as a whole did not think that Manston had any strategic future as a small airport.

Jobs promised vs jobs delivered

In 2009, the airport had 111 employees, many of them part-time. The average salary of these workers was below the level of the average salary for Thanet. When Manston closed on 15th May 2014, it had 144 employees, most of whom worked part-time.⁴ Employment therefore grew at the rate of just 6.6 new jobs a year over those five years. The airport took fifteen years to generate an average of just five jobs per acre on the 720 acre site. This was

1 Manston's private ownership is summarised on Wikipedia:
http://en.wikipedia.org/wiki/Manston_Airport#Sale_and_commercial_operations

2 BBC News - Manston Airport: KLM airline 'will not return', 8th April 2014:
<http://www.bbc.co.uk/news/uk-england-kent-26940057>

3 KLM flew 80-seater planes on 2 return trips daily from 2nd April 2013 to 9th April 2014. Maximum capacity 119,040. Actual pax through Manston 52,859 (44.4%). Source: Civil Aviation Authority:
<http://www.caa.co.uk/default.aspx?catid=80&paqetype=88&pageid=3&sqlid=3>

The CAA figures are monthly, so will include passengers carried during the parts of Apr 2013 and Apr 2014 when KLM was NOT flying. The CAA figures do not distinguish between carriers, so will include passengers carried by non-KLM carriers. These two factors may both serve to over-estimate KLM's business.

4 BBC News - Manston Airport: Consultation period extended, 10th April 2014:
www.bbc.co.uk/news/uk-england-kent-26977317

a shockingly wasteful use of a brownfield site that could have produced many more jobs for the area.

Manston’s third owners, Infratil, consistently promised large numbers of jobs and just as consistently failed to deliver. In October 2008, Infratil produced an Airport Master Plan that said that Manston would have 1,200,000 passengers within two years. On the strength of this, Infratil forecast about 1,200 jobs⁵.

Just a year later, in November 2009, this Master Plan forecast was revised radically downwards to just 100,000 passengers p.a.⁶ – less than a tenth of the bold claim that was made one year previously. In this much less punchy version of its economic estimates, Infratil claimed that the airport would have 611 jobs in 2018. The owners also claimed that the airport would produce 2,189 additional indirect and induced jobs. These jobs could be located anywhere in the world – certainly not just locally. For example, an “indirect” job could be a job in a firm in the Midlands or a company in Poland which supplied goods to the airport.

Master Plan forecasts	Oct 2008 forecast	Nov 2009 updated forecast
by 2009	1,200,000 passengers per year (pax)	n/a (actual: 5,574 pax in 2009)
by 2018	over 600 direct jobs, over 3,500 jobs in total	up to 611 direct jobs, 2,800 jobs in total
by 2033	up to 1,200 direct jobs, over 7,500 jobs in total	up to 1,000 direct jobs, over 6,150 jobs in total

In 2011 Infratil asked the Government for a £600k “sweetener” from the Regional Growth Fund to tempt KLM to introduce passenger services at Manston. The owners said in their bid to the Department of Business Innovation and Skills that the airport could handle 750,000 extra passengers p.a. with just 23 extra staff. That’s a fraction of the 1,000 jobs created per million passengers that Infratil were then regularly holding up to Thanet District Council as a reliable rule of thumb that can be used when looking at future job creation estimates.

Indirect employment

On its own numbers, we can see that the airport’s owners were claiming that the airport would create 3.6 additional jobs (2189 ÷ 611) for every person on its own payroll. Estimates

5 Manston job forecasts, based on passenger traffic: KIA Master Plan 2008 draft, graph page 42: <http://www.scribd.com/doc/241596251/KIA-Master-Plan-2008-Draft>

6 Revised passenger forecasts - KIA Master Plan 2009 Final, page 16: <http://www.scribd.com/doc/241608023/KIA-Master-Plan-2009-Final>

of potential jobs created in the aviation industry are notoriously exaggerated. Stansted has already delivered jobs for its community and says that it has created just 0.3 additional jobs for every existing real job. Manston's estimates of additional indirect and induced job creation were more than ten times that of Stansted's and were clearly extraordinarily inflated. In short, thousands of jobs were promised and around 100 full-time jobs delivered.

Jobs exported and job opportunities missed

The expected economic advantages have failed to materialise, and instead Manston airport has caused economic harm by damaging the existing tourism industry, exporting tourism, discouraging incoming businesses and stifling exploration of better uses of the site.

In July 2014, a study of coastal tourism found that tourism in Thanet supported 3,800 jobs⁷ during 2010/12 - this represented about 9% of all employment. Factoring in a modest multiplier of 1.2 for the supply chain (food and drink, laundry, tradesmen, etc.), and one of 2.0 for the wider impact (spending wages, increase in residents, increase in public services), the wider picture is of about 9,100 jobs in Thanet dependent on tourism, or 22% of all employment. Clearly, tourism is a key industry in Thanet's economy.

It is accepted that regional airports contribute to the net export of tourists (and their spending money) from the UK. More Brits fly abroad for their holidays than foreigners come here. The UK currently runs a "tourism deficit" of £19 billion a year and about £17 billion of that flies out of the UK every year with people flying abroad on holiday. This aviation tourism deficit is costing the UK about 900,000 jobs a year because people spend their money abroad instead of here.

This net export of tourists from Thanet to other regions or countries was experienced at Manston. When Manston belonged to Infratil, Flybe operated a small number of passenger services. On the airport's own numbers, in 2009 twice as many local people flew from Manston to spend their money in Edinburgh than the number of people who flew from Scotland to spend their money in Thanet. In 2013 KLM launched a passenger service between Manston and Schiphol. In the year before that service folded, more people began their journey in Manston than began their journey in Schiphol. Manston leached money from the local economy.

Ramsgate is an attractive coastal town with strong potential as a tourist destination. The end of Manston's runway is less than a mile from the residential roads at the western side of Ramsgate. Manston airport and its proximity to the town of Ramsgate has acted as a deterrent to employers seeking to move jobs away from London. We worked with an experienced relocation consultant. He shared details with us of two different technology companies who came to Ramsgate with a view to taking advantage of the new High Speed rail link to London and moving their growing companies here. Having visited Ramsgate, both

7 Sheffield Hallam University, Seaside Towns In The Age Of Austerity - recent trends in employment in seaside tourism in England and Wales, page 25, Table 3 Average year-round employment directly supported by seaside tourism, 2010/12:

<https://www.scribd.com/doc/241686110/Sheffield-Hallam-Seaside-Towns-in-the-Age-of-Austerity>

companies rejected it, citing as their reason their view that their London employees would not want to move to a town that is so close to the end of a runway.

As the airport continued to fail, the previous owner (Infratil) approached the Council for permission to introduce scheduled night flights. The Council commissioned independent experts to look at the potential impact of night flights. The experts calculated that a 747 taking off at night over Ramsgate (which was what was being suggested) would create a noise footprint that would affect 30,903 people. The night flight issue hung over Ramsgate for years, a constant threat to Ramsgate's chances of developing as an attractive tourist destination.

Visit Kent - the tourist body for Kent - say that in 2011, Kent's 57.4 million visitors had an economic impact of £3.4 billion and supported an estimated 64,000 jobs⁸. In East Kent, tourism contributes more than £835 million and supports almost 18,000 jobs, 3,800 of those in Thanet alone. It makes sense to protect and grow the tourism economy rather than hoping that Manston airport will reopen and that – on previous performance - it might be able to produce another six or seven new jobs a year.

Impact on regional development

Ever since Manston airport was sold to the commercial sector in 1999, Thanet District Council has hoped that it will be the “engine of regeneration” for Thanet.

In January 2000, the Council published its Vision for 2020 which predicted that Manston airport would generate 10 million passengers by 2020.

In 2006, the Council's Local Plan said:

“In the Council's view, this means that the airport should play an important part in the economic regeneration not just of Thanet, but of the whole of East Kent. The Council, therefore, supports fully the development of Kent International Airport and seeks to exploit the opportunities afforded by the development of the airport to encourage further development in the adjoining business parks, thus creating a major catalyst for the regeneration of the Thanet economy.”

The Council has yet to write a new Local Plan and its comments about Manston airport still exist as Saved Policies. In the 2006 Local Plan the Council revised its forecast down radically and predicted that the airport would be handling one million passengers and 250,000 tonnes of freight by 2011. It concluded that:

“The development of Kent International Airport as an important regional hub and business location, and its proximity to the business parks ensures a key role for the airport in the economic regeneration of the area.”

In 2010 the Council wrote its Vision for 2030. This starts with the line:

“Thanet's economy has been renewed, driven by a busy airport at Manston with more passengers and freight coming into the area.”

8 Visit Kent website: <http://www.visitkentbusiness.co.uk/press-media-enquiries/facts-figures>

As events turned out, by 2011 the airport was handling just 3.5% of the number of passengers that the Council had anticipated and around 12% of the level of freight predicted just five years previously. The closure of the airport in 2014 when it was running at a daily loss of £10,000 demonstrates the enormity of the gap between the Council's hopes for economic regeneration fuelled by the airport and the evident reality.

Many local councillors and one of the local MPs (Sir Roger Gale) have for years refused to entertain the possibility that Manston airport might never become a viable regional airport. This has stifled any exploration locally of a "Plan B" for the regeneration of Thanet. Even now when the airport's owner has closed the airport and relinquished its CAA licence, many local councillors persist in putting forward a reopened Manston airport as the best hope of regeneration for the area.

The existence of a faltering, failing airport has held back the area for years with promises of "jobs tomorrow", but no actual delivery. It is hard to estimate the cost of this narrow-minded vision to Thanet and its economy over the last fifteen years. What is demonstrable is that the airport is now closed and the Council has no "Plan B" to take forward job creation for the area.

Finally, the runway at Manston is just 1.35km (0.8 mile) from the town of Ramsgate. Were the airport to reopen and were it ever to be developed successfully (a remote possibility, we accept), there would be a constraint put on Ramsgate's future development by the need to introduce an appropriate Public Safety Zone to the west of the town. This would prevent domestic development in the blighted area.

Should more be done to support smaller airports?

We accept that there are some smaller airports which have genuine public service obligations. This does not apply to the former airport at Manston. Where an airport has no public service obligations, and where it is in commercial ownership, we can see no case for supporting that private investment by doling out money from the public purse.

There have been a number of injections of public money into Manston and all have bled away without trace. Kent County Council invested £300,000 in an attempt to develop a passenger service between Manston and Virginia. The venture was a complete failure and the Council was openly criticised by the Audit Commission for its waste of public money. Visit Kent invested £100,000 advertising flights from Manston to Schiphol. Those flights operated at just 44% of capacity³ and the airline concerned (KLM) has said that it would not return to Manston².

It is for the market to determine which airports succeed and which fail. The experience of Manston suggests that public servants are not best placed to try to create markets by using public money in the hope of influencing market decisions.

Commercial viability of smaller airports

We were struck by the finding set out by the Airports Commission in its Discussion Paper 06 in June this year. On page 27 of that paper the Commission says that:

“70% of the [UK] population lives within two hours’ journey time of two 5m passenger airports, and 90% of the population lives within two hours’ journey time of two 1m passenger airports.”

This would certainly apply to the population that would have formed Manston airport’s natural catchment population. On page 29 the Commission goes on to say that:

“... analysis suggests that many UK citizens have access to multiple airports, and that some consolidation of the market may be absorbed without causing significant diminution of connectivity to either individual regions or the UK as a whole. Indeed, it may be argued that consolidation of the UK’s regional airports into fewer, larger airports could enhance regional connectivity, as larger airports serving bigger catchment areas could attract a wider range of services, enhancing route networks and other services.”

We agree with this proposition. Manston airport has never been able to meet the leisure or business travel needs of the East Kent population and that population has ample choice of routes and airlines on offer at London Gatwick, London City, London Heathrow and, more recently, Southend airport. Put simply, we do not need a limited regional airport at Manston when we have such wide choice of routes, carriers and airports within easy reach.

Other issues

We note that you have not invited evidence about the known downsides of smaller airports, i.e. their impact on health of local residents and on the quality of life of those who live nearby.

We assume that we do not have to repeat here the many studies that link noise, particularly night noise, to detriments in human health and in the cognitive development of children. Even an airport as little used as Manston can have significant negative impact for residents, particularly if its operation is poorly regulated.

Manston airport’s third owners, Infratil, repeatedly claimed that the airport could only succeed if it were allowed to operate scheduled night flights. The airport has never had planning permission to be an airport. It operated under two Certificates of Lawful Development and a S.106 Agreement. The S.106 agreement allowed unscheduled night flights. Residents were frequently woken by the arrival and departure during the night of 747-400 planes carrying perishable goods.



Figure 1 Locations of complaints about aircraft noise (blue line is flight path for arrivals from west)

The map above shows the location of a sample of residents who complained to us about noise from unscheduled night flights. It is clear from this map that the actual noise nuisance experienced covered Ramsgate (0.8m from the end of the runway), a number of nearby villages, and Herne Bay. Mobile noise monitors on Ramsgate roofs regularly recorded noise levels of Lmax (dB) 92.6, SEL (dB) 100 and Leq (dB) 86.0 timed in the small hours of the morning.

Infratil made two separate applications to the Council to allow the introduction of night flights, seeking a change to the S.106 Agreement that would have allowed the airport to schedule night-time movements for planes rated in noise terms up to and including QC4. This would have given the airport more night-time flexibility than is allowed at the regulated London airports. At the time, Manston was handling fewer than ten cargo planes a week during daytime operating hours. The change that was sought would have allowed the airport to operate more scheduled night flights than day flights. In the end, pressure from thousands of residents was such that the application was rejected. However, unscheduled night flights by planes rated up to and including QC4 continued, disturbing sleep for thousands of residents. The impact of night noise on human health is well-documented and the levels of night noise generated by Manston airport were in excess of the recommendations made by the World Health Organisation.

Because Manston airport had so little daytime traffic it was used for training flights. In training flights trainee pilots approach the runway for landing, touch the wheels down on the runway and then immediately take the plane up again. They then fly the plane in as small a loop as they can and go back to the start of the runway again. They touch the wheels down and take the plane up again. This manoeuvre is repeated again and again. This means that the same plane goes overhead every few minutes or so and that the noisy touchdown/take off procedure is repeated over and over again. When this is happening, residents living nearby would have to stay indoors and close their windows.

We are unsure to what extent you are expecting submissions about other environmental impacts of smaller airports. Manston airport did not have planning permission to operate as an airport and so was never obliged to carry out a full Environmental Impact Assessment on the site. We have data from the Environment Agency that spells out the Agency's concerns about the airport's sub-standard handling of runoff from the runway and its impact on the local aquifer and on Pegwell Bay.

In summary

Having an unsuccessful regional airport in the local area is a considerable blight. Residents suffer all the disadvantages of living near an airport without enjoying any of the potential benefits. Manston airport was a classic example of an aerodrome that might have made sense as a wartime base, but that made no sense as a commercial airport. Its failure over fifteen years held back the local area in the following ways:

- At peak employment, the airport had just 144 jobs, many of which were part-time. The airport consumed 720 acres of brownfield land on the edge of Ramsgate, preventing that land from being used for other purposes which could have generated many more jobs than were ever created at the airport
- All attempts at running passenger operations at the airport at Manston have failed, the most recent flying less than half full. The freight operation accounted for just 1.29% of the national total. The employment and economic benefits of the airport have always been greatly exaggerated, and have not materialised
- The airport took centre stage in the Council's regeneration plans. Discussion of what might happen if the airport failed to succeed was discouraged and no "Plan B" was ever explored. Irrational belief in the site's potential as an airport has prevented any exploration of alternative uses. For fifteen years Thanet's regeneration eggs have all been in the Manston airport basket. The small regional airport at Manston has failed, and whilst it was failing, the existence of the airport prevented anything successful being put in its place
- Now the airport is shut and the area is exactly where it was fifteen years ago with not enough jobs and no regeneration plan
- The airport was a deterrent to employers who came to look at Ramsgate, attracted by its new proximity to London following the introduction of the HS1 line. Jobs that could have come to Ramsgate went elsewhere
- Manston has only ever contributed to the regional and national tourism deficit.
- The day-time air traffic (and the threat of scheduled night flights) over Ramsgate has damaged its tourism business and deterred investors
- Unscheduled night flights disturbed sleep for a large number of residents
- The airport was allowed to operate without a full Environmental Impact Assessment and therefore without proper environmental mitigation.

In short, a failing regional airport like Manston is a cuckoo in the nest – it consumes resources; kills off other employment opportunities; and brings considerable disadvantages to the local community. We believe strongly that it is not the job either of Government or of local government to support a commercial venture such as Manston airport when the airport is not viable enough to stand on its own two feet.