

*“Manston Airport: a national and regional
aviation asset.*

***Volume IV: The economic and social
impacts of airport operations***

Dr Dixon of Azimuth Associates

A critique by No Night Flights



15th February 2019

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Introduction by No Night Flights

This document is a critique by No Night Flights (NNF) of the **fourth** volume of Dr Dixon's work, on which the Riveroak Strategic Partners (RSP) business case heavily relies. Dr Dixon's claims for the benefits a 24/7 cargo focused airport would bring to the local area are highly contentious. We are critical of both the evidence she selects to support her arguments and of the lack of evidence altogether in many instances. All the work in Volume IV relies on the fundamentally flawed premise of a business strategy that has been critiqued elsewhere by NNF. The idea that establishing a brand new, nationally, indeed internationally, significant cargo hub in a stagnant market, while there is ample ATM capacity at existing airports flies in the face of economic, financial and aviation expertise. It is even less credible that this can be done for the level of investment suggested.

The opportunities for establishing a cargo-intensive airport are limited by economics. Without revenues from passenger flights, it is difficult to operate an existing airport much less develop a new airport. For example, an airport capable of supporting all-weather operations and handling wide-bodied aircraft would require a runway of 3,200-3,500 meters with a parallel taxiway, and air traffic control systems including ILS. The cost for the runway and taxiways is on the order of \$100–200 million including earth moving but not land acquisition, which can be considerable since airports typically require at least 1,500 hectares, With a cost of capital of 10 percent and an annualized maintenance cost including renewals, of 1.5 percent=2 percent, of capital cost, the average cost for the airside infrastructure would be \$13–27 million per year. Adding the costs for airside structures and equipment plus the basic terminal operations including traffic control, safety, security, and administration, a simple cargo airport would cost at least \$15–32 million

*per year.*¹ (The World Bank Group, Air Freight: A Market Study with Implications for Landlocked Countries, 2009, page 31)

Even given the presumption of a successful 24/7 cargo focused airport, Dr Dixon's claims for the economic benefits of such, the jobs that it would create, and other socio-economic benefits are wildly optimistic at best and completely inaccurate at worst. Her report fails to acknowledge the negative social and economic impacts of RSP's proposals, in particular as they relate to coastal towns and, even more specifically and pertinently, as they relate to Ramsgate, Herne Bay and the wider local area.

We have set out in this document our deep concerns regarding Dr Dixon's work. This report by Dr Dixon cannot objectively be taken as a comprehensive, evidence-based analysis of the economic and social impact of RSP's proposals.

No Night Flights has always been at pains to undertake thorough research, careful consideration of plans presented and all opportunities to ask questions in person and via email. Time and again, questions to RSP designed to elucidate information, get answers to questions and to seek clarification have resulted in contradictory responses, obfuscation, inaccurate answers, blank looks and actual abuse. Our critiques of the documentation provided by RSP are based on evidence and critical analysis. We are disappointed that questions submitted to RSP have remained unanswered often and consider this to be simply one facet of extremely flawed and inadequate consultations.

This analysis of Volume IV, demonstrates the fact that Dr Dixon's work lacks academic rigour, a comprehensive evidence base and proper consideration of the full range of impacts the proposal is likely to or will inevitably have. The premise on which this work is based, namely the RSP business case as set

¹ The World Bank Group, Air Freight: A Market Study with Implications for Landlocked Countries, 2009, page 31

out in Azimuth Volumes I to III, is demonstrably unsound as is the further work here.

DOCUMENTS REFERENCED THROUGHOUT CAN BE FOUND IN THE ACCOMPANYING APPENDICES WHICH SHOULD BE READ IN CONJUNCTION WITH THIS WORK.

The local economy

Dr Dixon uses this section, firstly, to describe the economies of Kent, East Kent and Thanet by way of context. She provides evidence in support of the poor performance, relatively, of Kent and the even worse performance of East Kent against the rest of Kent.

Kent's vision for the future

In setting this context, Dr Dixon cites The Vision for Kent 2012-2022 (2012) with its three main ambitions for the county. She then claims that these ambitions support the '*operation of a successful airport in the county*'. She fails to mention, in this section, that the county has a successful local airport in Lydd Airport. Lydd is undergoing expansion. Work on its runway, beginning in the summer of 2018, will see the airport able to maximise its routes and types of aircraft. As the owners of Lydd say, the aim is to create a successful and modern regional airport creating new jobs that will '*act as a catalyst for economic growth*' in Kent.² In providing the local economic context and connecting that with the provision of a successful airport, Dr Dixon's omission of Lydd Airport is bizarre.

Dr Dixon's use of The Vision for Kent makes no acknowledgement of the fact that this was written in 2012 and therefore acknowledged the existence of two airports in the county, concerning which there were still aspirations as to their positive impact on the economy of the county and beyond. She states that the ambitions articulated in that document are entirely consistent with '*a fully operational Manston Airport*'; a disingenuous statement given the **airport has been closed since 2014 as a result of its third business failure**.

She goes on to quote further commitments from the document to support her case for an airport at Manston. She fails to recognise that the commitments

² <http://www.kentonline.co.uk/romney-marsh/news/airports-expansion-touching-down-early-119858/>
See pdf of article in appendices

that she quotes are entirely consistent with development on the Manston site completely different to that of an airport; entirely consistent, for example, with the plans of the owners of the Manston site for a mixed-use development providing homes, jobs and leisure.

Kent's strategy for airports

Dr Dixon then moves on to discuss Kent's strategy for airports, again drawing on the same document, The Vision of Kent 2012-2022 by the Kent Forum, which was written when Manston, as an airport, was operational. She cites Kent County Council (KCC) saying they '*support better use of existing airports*'. At no point does Dr Dixon mention **that KCC subsequently withdrew their support for an airport at Manston** and offered instead support for the owners' plans for regeneration of the site with mixed-use development.³

"In 2015, KCC said:

The truth is that Manston has failed over a prolonged period of time to run as a commercially successful airport.

Kent County Council gave strong support to various investors but the reality of commercial aviation at Manston Airport led to very significant losses. In fact, in the 16 years since it was taken into private ownership it has incurred losses by those who have tried to operate it in excess of £100 million.

The objective now must therefore be to make sure that we have owners who want to do exciting things on the site and that the land is not left abandoned.

Bristow Group had chosen Manston as its location for the regional search and rescue base; when the airport closed the company decided to locate that base at Lydd. Kent County Council is pleased that this vital service will still be

³ Kent County Council Position Statement on Manston, 2015

located in Kent. Lydd Airport is also starting a substantial investment programme to extend its runway and construct new aviation facilities.

Surely it is now time to look at a B Plan for Manston.”⁴

At 2.1.7, Dr Dixon actually says ‘*Kent has two main airports; Manston and Lydd*’. **This is clearly not true. Manston as an airport has been shut since May 2014.** In this same section, she suggests that the Manston site is considerably better placed with regard to approach issues. **This is wholly inaccurate.** Manston has considerable approach issues, namely the heavily populated town of Ramsgate which is directly under the main approach and departure runway. Lydd, despite alleged problems in Dr Dixon’s document, has been given the green light for expansion and is subject to much investment.⁵

Dr Dixon, in a previous iteration of this report, went on to claim that ‘*majority support for Manston Airport continues*’, another inaccurate claim. In our first critique of her work, we provided evidence to dispute this claim, which it is worth repeating below. We hope that Dr Dixon has seen fit to edit this claim out of her July 2018 report in recognition that this ‘majority support’ for the proposal from RSP simply does not exist.

The **majority do not** support these plans:

- As Dr Dixon and RSP are well aware, the No Night Flights group has been in existence for 10 years and has consistently been against any airport development at Manston that made the likelihood of scheduled night flights inevitable or highly probable.

⁴ Manston Airport under private ownership – the story to date and future prospects. KCC March 2015 s

⁵ <http://www.independent.co.uk/news/uk/home-news/hotly-contested-lydd-airport-expansion-given-go-ahead-by-court-9387887.html>

- Support for the RSP plans is poorly evidenced by limited attendance at the consultation events.
- Conversely, local residents have turned out time and again to show their opposition to RSP's application both at their consultations and at public meetings organised by NNF. In the run up to the registration of 'interested parties' with PINS, NNF held a meeting in Ramsgate, attended by nearly 500, at Herne Bay, attended by around 100, and on the Nethercourt Estate in Ramsgate (the community nearest the end of the runway), attended by over 150. This is an unprecedented turn out by communities at such events and has never come close to being matched by attendance at events for the various Save Manston groups.
- NNF has previously demonstrated that inflated figures for support have been created through online campaigns over the years on social media. Support has been canvassed from, amongst others, campaigners against other airports (e.g. Lydd, Thames Estuary and Heathrow) on the basis that supporting an airport at Manston might lessen the chance of expansion at the airport site closest to them; aviation hobbyists and fans across the country and beyond; pilots and friends and family of members of Manston support groups. Our evidence is that a substantial number of supporters for the idea of a reopened airport at Manston are not resident locally.
- Another problem with the support of local people for an airport is the complicated mix of myth, mixed and confused messages plus deliberate misleading of the population that has gone on since 2014. Many people want the 'old airport' back, namely a small airport with around 500 cargo flights a year, no scheduled night flights and with a couple of convenient passenger routes. Many of these people lend support to a generic 'Save Manston' group whilst being completely in the dark about what RSP's actual proposals are. A substantial number of "supporters" in the Save Manston Facebook group joined the group

immediately after the close of the airport and have been entirely inactive since.

- Gatherings of supporters draw the same three dozen people plus a small number of messages from supporters saying “I would love to be there but I live at the other end of the country”.
- Similarly, there has been an active campaign to tell residents that having an airport will prevent thousands of homes being built in Thanet. This has been a downright dishonest campaign of misinformation with little local understanding of national requirements on local authorities to deliver certain numbers of homes regardless of any airport building. The airport supporters’ Facebook postings are littered with comments along the lines of “save Manston. Stop housing.” Few understand that an airport at Manston will not in any way reduce the number of new homes allocated to Thanet.
- Much has been made at the open floor hearings this January (2019) of the electoral success of those candidates in 2015 promising to support ‘bringing back the airport’. It should be noted that the vast majority of these successful candidates were UKIP candidates and that to claim credit for UKIP victories in 2015 is to deny the massive impact of UKIP’s raison d’etre, namely withdrawal from the EU, and the role this played in swinging voters. Plus, the added bonus to local candidates of having Nigel Farage standing at the same time as the parliamentary candidate for UKIP. This ensured huge publicity and funds pouring into the UKIP electoral campaign. The data from the 2015 elections should be considered:
 - Thanet North was won by the Conservative, Roger Gale, with a 4% fall in support. The UKIP candidate lost. So much for pro-airport support.
 - South Thanet was won by the Conservative, Craig McKinlay, with a 10% fall in support. The UKIP candidate lost. As did the candidate who stood purely on a ‘Save Manston’ platform.

- The Conservatives won 9 fewer seats on Thanet District Council than they won in 2011. UKIP took control of the council in 2015.
- All Conservative and UKIP candidates, and the Independent, were strongly in support of a CPO to develop a cargo hub on the old Manston site.
- The data does not demonstrate any causal link between voting patterns and support for an airport, particularly given the national and local situation with regard to UKIP and the particular factor of the 'Farage' effect.
- It should be pointed out that subsequently, Susan Kennedy and Karen Constantine won seats on Ramsgate Town Council and Thanet District Council from UKIP in 2016, both taking a very public and strong stance against the airport. Karen Constantine went on to win a seat on Kent County Council for Ramsgate in May 2017, again after a campaign that saw her speaking out against RSP's plans.
- It is also obvious from the number of submissions from residents to PINS to be considered as 'interested parties' that there is a majority against the RSP application rather than for it. Similarly, at the open floor hearings in January 2019, there was an overwhelming majority of oral submissions from those speaking against the application.

While there has been a small active and vocal faction in support of 'the airport', it is certainly not accurate to claim that this represents the majority of residents in the area.

Internationalisation of Kent businesses

Dr Dixon, in this section, draws on the work of Dr Filippaios (2017). When challenged at the June 2017 consultations as to where this work could be found, Dr Dixon professed surprise that this alleged study could not be found anywhere online. One would expect, of course, that any report supporting a nationally significant planning application would provide full references for all

documentation cited, but in the updated Volume IV, still this 'study' is only referred to by Dr Dixon in the appendices as a 'lecture' at the Kent Business School. Allegedly, this study was commissioned by Kent County Council yet KCC do not appear to have published this work. One would have to wonder why. **Drawing so heavily on an unpublished source gives real cause for concern as to the soundness of Dr Dixon's work and conclusions, especially given there is no supporting evidence.** Dr Dixon has a habit of relying in her four volumes of work for this project on work by others that is unavailable to the public. She also has a worrying tendency to rely on partial quotation of sources in such a way as to misrepresent what the source has actually said. It is troubling, then, that she relies on unpublished sources which she knows that members of the public cannot access and therefore cannot check. This approach to research casts tremendous doubt on the credibility of Dr Dixon's work.

Turning to the content of Dr Filippaios' study, or those parts that Dr Dixon has chosen to extract, there is nothing that supports any claim that the specific RSP proposals for the Manston site are of particular benefit in the internationalisation of Kent businesses. Indeed, the premise Dr Dixon appears to be working from is that Kent does not have an existing international profile in business terms, a bizarre claim in view of the many factors that provide Kent with perhaps one of the highest international profiles in terms of business and trade of all English counties, most specifically the Port of Dover; the Eurotunnel; and Eurostar. The vast bulk of freight coming in and out of the UK is via shipping and to claim that a non-existent airport could provide '*the impetus for internationalisation*' against the existing context, stretches all credibility.

To put this in context, as we set out in our document "No Room for Late Arrivals" (see below) a reopened Manston Airport would face substantial local competition from EuroTunnel and the Port of Dover. EuroTunnel handles 667 times the cargo that Manston ever did and will be increasing its capacity by a

further 20%. The Port of Dover handles 890 times the cargo that Manston ever did and will be increasing its capacity at the Western Docks.⁶

It must be remembered that Manston operated as an international cargo airport between 1999 and 2014. As we set out clearly in our critique of Azimuth Volume I, it never handled as much as 2% of the UK's annual air cargo tonnage.⁷ Air cargo itself accounts for just 0.5% of the UK's total cargo market.⁸ A vanishingly small percentage of the UK's cargo tonnage therefore came through Manston. **To suggest that a reopened airport on that site would “internationalise” a county is ludicrous.**

The East Kent and Thanet economies

Dr Dixon provides contextual detail about both economies which is not contentious and states the relative socio-economic deprivation and educational underachievement in the local area.

She provides detail on existing road and rail infrastructure. She goes on to provide brief detail on some of Thanet's environmental and heritage assets.

Dr Dixon goes on to provide specific detail regarding Thanet's relatively high unemployment; low scoring on the Index of Multiple Deprivation; lower than average wages; and relative lack of large employers.

Economic growth strategy for Thanet

Dr Dixon merely asserts, rather than evidences, that the reopening of Manston would '*provide economic growth for Thanet and the UK in activities currently and increasingly being diverted to airports in mainland Europe.*' Her assertion

⁶ No Room for Late Arrivals – No Night Flights page 9 and 20-21

⁷ No Room for Late Arrivals – No Night Flights page 13-14

⁸ No Room for Late Arrivals – No Night Flights page 20

here is entirely based on her premise of freight having to be trucked into the UK from the continent due to alleged lack of capacity at other airports, a premise NNF has taken apart in detail in our critiques of other volumes of her Azimuth Report. Dr Dixon has admitted in public that her premise here is based on evidence that it “**purely anecdotal**”. Dr Dixon provides no evidence to support her claims.

Past history of Manston as an airport, with previous claims being made very similar to the RSP claims that it could be an engine of economic growth, has shown only too well its extremely poor record in generating primary or subsidiary economic growth for Thanet. In short, other owners of Manston – including RSP’s Mr Freudmann - have made the claims that Dr Dixon is making. Not one of them delivered the thousands of jobs and the hundreds of thousands of cargo tonnage that they promised year in, year out. (See graph predicting job growth in Kent International Airport Master Plan, 2009, page 40) We deal with this below.

Dr Dixon has produced no new evidence that suggests that things would be different this time around. Indeed, as we have set out in our critiques of Azimuth Volumes 1 to 3, the UK market for dedicated freighter flights has more than halved since 2000. Manston failed to build a cargo business when the market for dedicated freight flights was twice the size that it is today. RSP has produced no compelling evidence that a greater share of the market would flock to a reopened Manston Airport in a market that is now half its previous size.

The Thames Estuary 2050 Growth Commission

This section simply states the existence of the Commission and its generic aims without providing any specific reasons for its inclusion in this document. Of course, the Commission and its aims have as much, if not more, relevance to the plans of the site’s actual owners to develop premises for high tech manufacturing businesses on that site, building on the success that they had

with the regeneration of the old Pfizer site in nearby Sandwich. The owners of the Manston site, Trevor Cartner and Chris Musgrave, invested in Discovery Park Ltd on 31 July 2012 after pharmaceutical giant, Pfizer, scaled back their operation with the loss of 2,400 jobs. At one point, the site was scheduled for demolition but with this new investment, some former employees of Pfizer, setting up independently, the site was reborn. With just 15% occupancy to begin, the regeneration of Discovery Park at Sandwich saw a 65% occupancy rate, 150 companies and more than 2,400 people employed across a variety of sectors at the point at which new owners took over the site in 2017. Job numbers have continued to grow. Discovery Park, as with other sites across the country, demonstrate a proven track record of the owners of the Manston site in regeneration and job creation.

The economic and social impacts of airports

Types of impact made by airports

In this section, Dr Dixon provides at Figure 12 an illustration of the economic impact of European airports. This is intended, one assumes, to provide a general overview of the economic benefits of aviation but is unhelpful in providing specific and useful information to the assessment of what economic benefit RSP's specific plans might bring.

- The figures given are for all European airports. Clearly, for the purposes of this report and in consultation with the public, figures for the UK only would have been more useful.
- In addition, these figures cover the economic impact of all types of airport and all types of operation. It is well established that passenger operations generate more jobs than purely freight operations and, given that RSP's business model is for freight operations, these figures are considerably more generous than could be expected to be realised with

their plans for a dedicated freight airport. **This is extremely misleading.**

The economic impact of aviation is often overstated by the aviation industry. There is plenty of evidence to suggest that aviation's share of jobs and output cannot be used as a robust measure of its (aviation's) contribution to either the economy or the size of any economic benefits.

*"The inclusion of indirect and induced employment has been challenged by some commentators on the grounds that the values used for some of the multipliers are questionable and that it gives rise to some double counting."*⁹ (OMEGA Aviation in a Sustainable World; Thematic Area – Economics; OMEGA Study 40, Economic Benefits of Aviation, page 9)

We deal more fully with the reality of the employment numbers created by the aviation sector below.

Dr Dixon's assertion that aviation necessarily brings economic benefits fails to recognise that this is a highly contentious topic. Airlines, more often than not, operate at a loss¹⁰¹¹

Consumers and the wider economy have reaped the benefits of a substantial increase in the choice of travel options by destinations, frequencies, and business models available at lower cost, higher safety, and a smaller environmental footprint per passenger mile travelled than ever before. Airline owners have, however, not even been able to recover their cost of capital.

⁹ <http://www.cate.mmu.ac.uk/wp-content/uploads/2012/06/Economic-Benefits-of-Aviation-Technical-Report.pdf>

¹⁰ http://www.iata.org/pressroom/facts_figures/Documents/vision-2050.pdf

¹¹ <https://meishka.files.wordpress.com/2011/12/the-airline-business-2006.pdf>

(IATA Vision 2050, Singapore, 12 Feb 2011, page 1)

The airline industry is inherently unstable because it is an industry constantly buffeted by new developments and constraints – both internal and external.

(The Airline Business, Rigas Doganis, Routledge, page 14)

In the four years 1990 to 1993 the net losses of the member airlines of the International Air Transport Association (IATA) amounted to about \$15 billion.

(The Airline Business, Rigas Doganis, Routledge, page 17)

The International Air Transport Association points to that lack of profitability.

“Michael Porter applied his Five Forces framework to illuminate the reasons why airline profitability is so poor; through the forces of rivalry, new entrants, customer and supplier bargaining power, and the threat of substitutes. There are few industries where all five forces act so strongly to depress profitability as they do in the airline industry.”¹²

IATA, Vision 2050, Singapore 2011, page 2)

This has implications for airports. Aviation is a very low margin industry sector. An airport that cannot attract airlines to it quickly goes bust – as did Manston. This pattern has been repeated at a number of airports across the UK in the last decade. It is a very tough market. The dedicated freight sector of the market is particularly low margin. This is set out clearly in the report by Altitude Aviation¹³. Operators of cargo airlines need to drive down prices to survive. This has implications for any airport focussing almost exclusively on dedicated

¹² http://www.iata.org/pressroom/facts_figures/Documents/vision-2050.pdf

¹³ Analysis of the freight market potential of a reopened Manston Airport – January 2018 – paras 398 to 405

freight (the RSP plan for Manston). Even East Midlands Airport – the UK’s biggest handler of dedicated air freight – would be operating at a wafer-thin margin of profitability without the revenue from its 4m passenger business.

In addition, when weighing up the socio-economic impact of aviation, the impact of subsidies in aviation must be taken into account. It is, perhaps, indicative of the marginal and precarious nature of the aviation industry that subsidies are seen as so vital.

Dr Dixon is far from alone in overstating the economic benefits of aviation but must be seen, in this report, as presenting a partial and misleading assessment of the generic impact of aviation on economies. This is particularly relevant when it comes to using exaggerated figures regarding employment creation due to aviation.

“While there is ample evidence of aviation’s influence on employment and economic growth, it has also been outlined that assessments of direct, indirect and induced employment and GDP contributions do not constitute valid indicators of a sector’s importance to the economy, and that some calculations of aviation’s economic contribution have been based on inappropriate multipliers and double counting.”

(Subsidies in Aviation, Gossling, S, Ficherts, F, Forsyth P, Sustainability 2017, 9, 1295, page 1)

Connectivity

Dr Dixon has her rose-tinted spectacles on when looking at the impact of connectivity. Dr Dixon accepts, without question, Aircraft Council International’s (ACI) assertion that aviation connectivity inevitably increases any nation’s trade, tourism, foreign investment and productivity and is, presumably, implying that a cargo hub at Manston would bring these benefits.

What Dr Dixon fails to grasp is that the only form of 'connectivity' that a cargo hub at Manston would offer would be 'connecting' freight to its destination. Dr Dixon is ignoring the fact that RSP's business plan is predicated on poaching freight that is already being transported by HGV from northern Europe or poaching freight that is already being handled by other UK airports. The UK dedicated air freight market is not growing. Therefore, RSP's plans would simply replacing one form of 'connectivity' with another. A new dedicated freight airport at Manston would, **not** increase connectivity.

Dr Dixon and ACI fail to recognise that aviation is not the only form of connectivity. The UK's aviation freight business is massively overshadowed by the UK's freight 'connectedness' through sea ports and Eurotunnel. In 2017, UK sea ports handled 470.7 million tonnes of cargo. Air cargo accounts for less than 0.5% of the UK's cargo market 'connectedness'.

Unitised traffic has increased for five consecutive years since 2012, representing 16% growth in the amount of lift-on/lift-off and roll-on/roll-off traffic passing through UK major ports. (Page 2)

Ports are essential to the UK economy with around 95% of all imports and exports being transported by sea. (Page 3)

(Department for Transport, UK Port Freight Statistics, 2017)

The links between increased air travel and regional regeneration are also not as clear as Dr Dixon and others suggest.

"The government's Standing Advisory Committee on Trunk Road Assessment examined the link between transport provision (of all forms) and economic activity, and found that:

- there is no simple link between the provision of transport infrastructure and regional regeneration;*

- *non-transport factors in a region (such as the availability of skilled labour) are usually a more critical factor in regenerating a region than transport infrastructure;*
- *in a mature economy with an already well-developed transport system (as in the UK) any increase in economic growth from improved transport is likely to be modest (SACTRA, 1999).” (Page 13)*

(The Aviation Environment Federation, Planning Guide, What are an airport's impacts?)

“The theoretical justification made by OER for the links between aviation and economic growth is weak. It is claimed, for example, that excellent air services are a key factor in foreign direct investment (FDI) decisions and that the UK leads Europe in terms of FDI at least partly because of excellent accessibility by air. No convincing evidence has been produced to justify this claim. Good air services are necessary but any incremental enhancement from an already high level is unlikely to make a significant difference compared with other advantages that the UK offers, such as language and financial incentives.(Airports Policy Consortium, 1999) There is a further weakness in the FDI argument, which relates to regional airports. Regions are in competition for FDI. New airports are being promoted in almost every region of the UK specifically on the assumption that they will bring more FDI. This inevitably leads to diminishing returns.”

Aviation Environment Federation, Whitelegg Report:The Economic Impact of Bristol Airport,2005, page 6

Location and investment decisions

In 3.3.2 Dr Dixon reports an “association” between the supply of air services at an airport, and the number of large firms near an airport. In 3.3.3 Dr Dixon reports that increases in aviation are “associated with” or “lead to” increases in investment, foreign investment and GDP.

Dr Dixon has mistaken correlation for causality. In a previous iteration of this report, Dr Dixon pointed to aviation being driven by GDP, disposable income, globalisation and deregulation. Decisions about location choice and business investment, whether local or foreign are also driven by GDP, disposable income, globalisation and deregulation. Just because they both increase does not mean that there is a causal link.

In addition, it must be remembered that Manston was a cargo airport between 1999 and 2014. There is no evidence whatsoever that large companies relocated to East Kent simply to be near the cargo airport.

Calculating jobs created by airport operations

As previously mentioned, the formulae that Dr Dixon uses in calculating the numbers of created jobs is open to trenchant criticism. Throughout her report the calculation of jobs created relies most heavily on a passenger to corresponding jobs ratio with little acknowledgement that RSP is not planning to develop a passenger airport, and that passenger operations create more jobs than do freight operations.

Dr Dixon has been challenged on this repeatedly at different RSP consultations by different people. She has been asked for evidence of purely freight operations and the numbers of jobs created. Her response is that a model such as that proposed by RSP does not currently exist and that her figures must necessarily depend on the more usual model of a mixed passenger/freight airport where the majority of the freight is carried in the belly of passenger flights. **Employment figures derived from this typical scenario are far higher than would be the case of the level of employment needed for a cargo airport without the passenger flights.** Many jobs associated with passenger flights are in retail, checking in, passenger security, cabin crew and the like and do not exist in freight operations.

Evidence from UK airports suggest that the standard ratios for calculating the number of jobs created per million passengers handled in aviation are flawed in many ways. They fail to recognise that the industry has undergone significant change, particularly in the low-cost sector, which means that the number of jobs created is falling. The trend is a decline in the number of jobs overall.

Furthermore, additional jobs are not added at the same rate, year on year. For example, in Bristol there were 2,284 FTE direct jobs and 4.6 million passengers in 2005. By 2008, it had 2,693 FTE direct jobs and 6.2m passengers meaning that only 409 jobs were added for the additional 1.6 million passengers. This is considerably lower than the typical 887 jobs per 1m passengers/100,000 tonnes quoted by Dr Dixon and others. (Bristol International Airport Economic Impact Study, Final Report, October 2005 (as amended October 2006), Roger Tym & Partners)

“Estimates produced by the industry of direct jobs generated by airport expansion are greatly exaggerated. They ignore changes in industry practices, displacement from other airports and other industries. Jobs in the sector have stayed flat despite a massive growth in passenger numbers. There is little evidence that further expansion would generate net jobs.” 14 [our bold]

(Airports, tourism and regional economies, v1.4, J Birch, AirportWatch South West, 1/8//2011, page 5)

Another Bristol example demonstrates this further. In Bristol Airport’s 2006 Masterplan, the number of FTE jobs at the airport at 2005 was 3,327. It forecast that by 2015, there would be 5,714. In Bristol’s 2017 Operations Monitoring Report, the number of FTE jobs for 2015 is quoted as being 2,818 and even by 2017 was only 3,459. The discrepancy between wildly optimistic forecasts and the reality of jobs created is all too evident at airports across

the UK. (Bristol Airport Master Plan, 2006, page 38 and Bristol Airport's Operations Monitoring Report, 2017, page 25)

Dr Dixon's reliance on mixed passenger and freight operations as a start point for her estimate of potential cargo jobs created means that her calculations here do not even start in the right place. She is clearly aware that her jobs creation figures have come under sustained attack, from NNF, Thanet District Council and others, and there have been many additions to this section of her report since it first appeared in June 2017. New to this report is the acknowledgement that cargo operations require fewer people – *"The process used to handle all-freight aircraft requires relatively low levels of manpower"* – and she says that this has been reflected in her employment calculations. However, for her actual calculations for Manston, Dr Dixon uses East Midlands Airport (EMA) as her comparator on the basis that it *"is an actual ratio for a UK airport with a freight focus"*. Failing to acknowledge or take account of the fact that East Midlands still has substantial passenger operations of around 4.5 million passengers a year, and that East Midlands has a number of large employers on site, she nevertheless uses the EMA numbers without downwards adjustment to calculate figures for Manston. When questioned about this at a consultation event, she described her calculation as a '**mash up**' of the EMA figures and previous staffing levels at Manston.

It should be noted that where Dr Dixon supplies her estimates of the relationship between direct employment and passengers/tonnes, she fails to provide any reference as to where her numbers from East Midlands have been obtained. The annual report 2016 for East Midlands makes interesting reading. The airport reports 540 actual employees. It says that the airport supports 6,000 jobs.¹⁴ The employment numbers quoted by East Midlands depended on 22,119 cargo movements a year in 2015, against RSP's

¹⁴ Manchester Airports Annual Report and Accounts 2016 (page 67)

forecast maximum at year 20 of 17,000 cargo movements. East Midlands also has a substantial passenger business. It also depends on DHL, TNT and UPS basing aircraft at the airport and on Royal Mail using the airport. None of these employers are credibly expected to be based at Manston.

We set out clearly and unequivocally in our critique of Dr Dixon's Azimuth Vol III the fundamental flaws and errors in her calculation of future freight ATMs at Manston. Given the poor quality of her freight ATMs forecast, no weight can be given to the employment estimates that she has produced based on those forecasts of freight ATMs.

In addition, Dr Dixon has added to her direct job calculations, by factoring in estimated passenger numbers. Despite the past failure of Manston in terms of passenger operations, despite 15 years of overall commercial failure, despite various reports by independent aviation experts all pointing to Manston being in the wrong location to be able to attract sufficient passengers and therefore passenger operators, she provides figures for passengers that strain credulity.

Throughout this section on jobs, Dr Dixon's estimates are based on Manston as an operational airport, a viable and financially successful airport. It is this fundamentally flawed premise, critiqued elsewhere, that gives the lie to these estimates. The report cites both East Midlands Airport and Luton Airport to provide evidence of the job creation that will, inevitably, according to Dr Dixon, follow. Both these airports are existing, successful airports that are, crucially, in a geographical location that suits both passengers and freight operators/freight forwarders. Luton's business focus is on passengers and not on freight – whether belly hold or dedicated air freight. It is a poor comparator for a proposed dedicated freight airport at Manston.

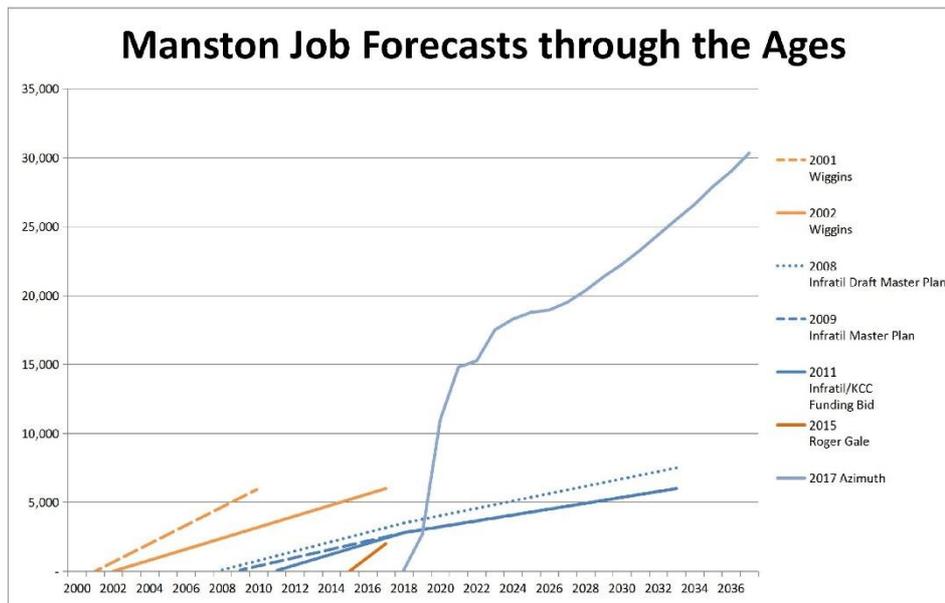
Following criticism by York Aviation in November 2017 who pointed to the difficulties in finding an ideal comparator for a re-opened Manston but who suggested Glasgow Prestwick, Dr Dixon has included the York Aviation

formula based on other airports, including Glasgow Prestwick. However, she refutes this being a suitable comparator. So, she remains content to leave in her report airports that are clearly not suitable comparators but chooses to highlight the one offered by York Aviation, who were highly critical of her work, as inappropriate.

Dr Dixon previously attempted to deny that there are fewer jobs in cargo operations as a result of greater automation by simply saying “*cargo handling has thus far been less automated (than in passenger processing)*” with no evidence provided to support this statement. She now says that some automation ‘requires relatively low levels of manpower compared to passenger handling’ but says that this has been reflected in the employment calculations and simply asserts that any automation ‘would have a relatively small impact’. The lack of detail in this significantly growing area of research, development and implementation with regard to automation is significant.

The employment and economic benefits of the airport have always been greatly exaggerated and have never materialised. Historically, Manston’s owners have always promised big numbers but delivered small numbers. After 15 years operating as an airport in private hands, this 720 acre site peaked at just 144 mostly part-time jobs.

The graph illustrates the eternal gap between the job creation promises made by various owners of Manston and the reality. **The forecasts have been in the thousands. With Dr Dixon, the forecasts are now in the tens of thousands. The actuals never reach two hundred.**



In 2001 Tony Freudmann’s team at Wiggins promised that there would be 6,000 jobs at Manston by 2010. In 2001 Wiggins backtracked and said that this would not be achieved until 2017. In 2008 Infratil predicted 3,500 jobs by 2018 and 7,500 jobs by 2033. The following year this was revised down to 2,800 jobs by 2018 and 6,000 by 2033. In 2015, Sir Roger NNF critique of Azimuth IV p13 of 23 Gale stated there would be 2,000 jobs in two years. **Dr Dixon’s forecasts dwarf all previous over-estimates, and historical actuals.**

Records from monthly reports to the Kent International Airport Consultative Committee show that actual jobs numbers under Infratil from 2005 to 2013 ranged from 53 to 112 jobs. When the airport closed in 2014 there were reportedly “144 mostly part-time jobs”.

Dr Dixon's approach to job forecasting starts by assuming that a given amount of business (one million passengers or 100,000 tonnes of freight) generates a certain number of direct jobs – this we call the Direct Jobs Multiplier (DJM). She then applies some other multipliers from disparate research sources to predict increasingly remote categories of jobs. This is like playing Chinese whispers in an echo chamber – errors multiply.

Dr Dixon's first error is to misuse the freight-to-passengers equivalence.

The idea that 100,000 tonnes of cargo is equivalent to one million passengers is only true in terms of weight. It assumes that a passenger (with luggage) weighs about 100kg, so ten passengers weigh about 1,000kg, which is one tonne. Sure enough, 1,000,000 passengers would weigh about 100,000 tonnes.

This is an aviation rule of thumb that is used for assessing how much “stuff” is being transported, simply in terms of weight – useful when looking at fuel requirements, or wear and tear on landing gear and runways, or anything else weight-related. **It is a mistake to use it for anything that is not purely or primarily about weight.**

One million passengers (or 100,000 tonnes of passengers, to put it another way) and 100,000 tonnes of freight do **not** have the same requirements for heating, cooling, lighting, pressurisation, feeding, cleaning, security, customs, quarantine, customer service, **or staffing levels**, and can't be regarded as equivalent for **any** of them. For example, if Airport A needed 500 staff to handle 100,000 tonnes of passengers, it doesn't necessarily follow that Airport B would need 500 staff to handle 100,000 tonnes of freight. Because the DJMs for pure passenger and pure freight business are so different, it would make sense to use a “freight-only” DJM for jobs forecasting, up to the point that the project breaks even and RSP starts operating passenger flights as well as freight flights. Dr Dixon provides no figures from freight-only airports.

Despite some acknowledgement that purely freight operations create fewer jobs than do passenger ones, Dr Dixon continues in this section to talk about jobs in immigration and customs, retail and food concessions, handling agents etc providing, yet again, a misleading picture.

Dr Dixon's second error is to over-estimate the Direct Jobs Multiplier – the number of direct jobs generated by a unit of work (passenger or freight) at the airport.

All of the studies that Dr Dixon refers to in section 4.1 (ACI Europe, 2015; Intervistas, 2015; Steer Davis Gleave, 2015) are described by Dr Dixon as passenger focussed, and unsurprisingly this is reflected in the high DJM numbers she quotes. A tonne of passengers needs more human attention than a tonne of freight, so we would expect the actual DJM value for a cargo airport at Manston to be **lower than any of the figures she quotes**, as it will be purely freight, at least initially.

Dr Dixon, updating her report in light of criticism from York Aviation, still insists that East Midlands Airport (EMA) provides a 'reasonable predictor' for Manston. EMA is a busy cargo airport, and it is also a busy passenger airport, comparable to London City in scale. Thus the DJM value at EMA is boosted by the more labour-intensive passenger operation which handles 4.5m passenger p.a. The same DJM cannot meaningfully be applied to Manston from Year 1.

Looking at actual DJM values from across the UK over the last 20 years or so:

- In 1998, Stansted Airport had 1173 FTE direct jobs per million passengers but this had fallen to 526 by 2005¹⁵ and 480 by 2015

¹⁵ Stansted Generation 1, Environmental Statement, Volume 6: Employment Effects (Table 17), Stansted Airport Interim Master Plan, May 2006

- At Gatwick, the ratio of jobs to million passengers through put has declined from 821 per million passengers in 2003 to 673 per million passengers in 2008¹⁶ and 683 in 2015.
- In 2005, Southampton airport operated at 652 jobs per million passengers. This fell to 505 in 2015.
- In 2005, Bournemouth airport operated at 408 jobs per million passengers. This fell to 247 in 2015.
- In 2007, Glasgow's Prestwick airport operated at 248 jobs per million passengers.
- In 2011 Infratil (then owners of Manston) and KCC applied to the Government for £600k from the Regional Growth Fund. The owners stated in their bid to the Department of Business Innovation and Skills that the airport could handle 55,000 tonnes of freight and 787,000 passengers p.a. with just 167 staff. This would have equated to a DJM value of about 125 per million.

This brief review of the facts makes two things abundantly clear.

1. The overall trend for actual DJM values is steadily falling – airports are becoming less labour-intensive.
2. RSP's chosen DJM value is not a typical value, it is an outlier. It is higher than most of the historical values, and is going against the trend.
3. RSP is using passenger operations, or mixed operations to predict cargo-only operations.

Despite being referred to in the industry as 'self-loading cargo', passengers and cargo have very different handling requirements and place different demands on the airport operator. Put simply, a tonne of boxes needs a lot

¹⁶ Gatwick Airport, Sustainability Performance Report 2008, July 2009, Airport Interim Master Plan, October 2006, CAA

less human attention than a tonne of people. Less human attention means fewer jobs. This is why freight business is always much less labour intensive than passenger business. All of the figures quoted so far have referred to airports with a sizeable passenger component to their business. The proposed Manston site will be purely freight, at least initially.

It is clear that the “887 *per million*” DJM that RSP’s Dr Dixon cherry-picked from East Midlands Airport and applied to this cargo hub proposal is far too high. As we have said above, when questioned about this at a consultation event, she described her calculation as a “mash-up” of the EMA figures and previous staffing levels at Manston. We need a much better explanation than that to account for this brand new cargo hub being one of the most labour-intensive (or should that be labour-inefficient?) airports in the country.

A further technical factor to consider is that the new-build operation proposed by RSP offers every opportunity to automate wherever possible, to ‘engineer out’ expensive labour costs, making it more ‘robot-intensive’ than existing cargo hubs. This will further lower the actual DJM number for an operational cargo hub at Manston.

Dr Dixon’s third error is to forecast something unknowable and uncheckable.

This proposal’s key selling point is jobs, so it is important that the job forecasts are scrutinised carefully. The first tier of jobs that Dr Dixon describes is the so-called ‘**direct jobs**’.

Dr Dixon tells us that **direct jobs include**: aircraft maintenance; airlines; airport and air traffic control; airport security and passenger screening; employment by the airport operator; food and beverage; general aviation; ground handling and ground transport; handling agents; immigration, customs and government jobs; maintenance repair and overhaul (MRO); retail, food and other in-terminal services; and ‘other’.

This is what most people think of as ‘airport jobs’ – jobs at the airport, jobs that rely on the airport. In fact, there should be no need to forecast most of these numbers – they should emerge automatically from any comprehensive business plan. Obviously, direct jobs are easy to count, and easy to compare with the forecasts.

In contrast, attempting to forecast and then count the numbers of ‘**indirect**’, ‘**induced**’ and ‘**catalytic**’ jobs is a fool’s errand. Each successive category definition (Azimuth vol IV section 3.1.3 to 3.1.4) becomes broader, vaguer and more all-inclusive.

- An ‘indirect’ job in the supply chain could be a cooper in the Scottish distillery that makes the whisky sold in the airport shop, or a machine operator in the factory that makes the braid on the airport security guards’ uniforms.
- An ‘induced’ job seems to include jobs affected by how people in the direct and indirect jobs spend each and every penny of their income.
- ‘Catalytic’ jobs could be just about anything, the definition is so sweeping – *“facilitates employment and economic development in the national economy through a number of mechanisms”*.

There are simply too many tiny details, too many impacts to be considered, too many threads to be followed, to allow any meaningful level of accuracy – we’re in the realms of ‘best guess’, anybody’s guess.

Once again, Dr Dixon has chosen some high guesses for the multipliers she uses – **2.1** for indirect and induced jobs, and an additional **4.0** for catalytic jobs. Dr Dixon is telling the world that **every** job created in this proposed cargo hub will, in its turn, create **6.1 further jobs**. This goes beyond ‘optimistic’, ‘bullish’ or ‘toppy’ – this is fantasy, and it guarantees that any and all errors made in estimating the DJM value will be magnified and multiplied. We are not alone in pointing this out. York Aviation (York Aviation, 2017, p62) pointed to the

multiplier for catalytic jobs being '*taken from out of date research for ICAO*' and said that '*there is not sufficient detail in the ICAO report that Azimuth rely on to understand how this catalytic multiplier has been derived*'. Dr Dixon asserts that York Aviation's calculations are invalid and says that whilst the ICAO work has 'its drawbacks' it is more conservative than the 2015 Intervistas figure and has been applied to the Manston forecast for this reason'. Whilst insisting this, she then offers a variety of caveats which point to the figures not necessarily being accurate in a UK setting and to the need for '*extensive research*' which is '*outside the bounds of this report*'. We would certainly concur that far more extensive research was required in order to provide more appropriate, accurate and reasonable figures. It is a shame that Dr Dixon did not do it.

A fundamental flaw with counting anything other than direct jobs is that **every** job in **every** industry creates other jobs around the world. However, if every employer were to pad his or her business case this way, the inevitable double- and triple-counting would lead to a situation where there are more 'jobs created' than people. This is clearly absurd and is a misleading 'statistic' to put before the public.

Of course, counting the **actual** numbers of 'indirect', 'induced' and 'catalytic' jobs is impossible – they are statistical projections, not individual, identified jobs and people. This has two consequences. Firstly, it means that there is **no evidence base** of actual values for multipliers that can be used to validate RSP's assumptions. Secondly, it also means that in the fullness of time, it won't even be possible to tell whether RSP's promise was kept, whether the proposal actually delivered the indirect, induced and catalytic jobs that were promised. This makes it all the more absurd that Dr Dixon's report should present these tens of thousands of jobs as if they were factual or inevitable.

In short, Dr Dixon's jobs forecast:

- is based on passenger operations when RSP's proposal is for a cargo airport
- starts with an assumption of 887 jobs per million passengers or 100,000 tonnes of cargo, a number way in excess of the actual number employed at existing UK airports that do not have integrators and the Royal Mail on-site
- claims that every one of those 887 jobs will "create" a further 6.1 jobs somewhere on the planet. These jobs are not whole jobs. They are made up of tiny fractions of jobs somewhere in the supply chain or in the personal spend chain
- adds all these fantastical and over-inflated numbers, then multiplies them together and calls the result a jobs forecast
- takes no account of the jobs that RSP's plan, if successful, would remove from other UK airports, or from road hauliers currently engaged in moving freight between the UK and Europe.

RSP should set out a **clear and evidence-based business plan** with a carefully calculated estimate (**not** a "*mash-up*") of the number of direct jobs that this plan could create. To suggest that every job at a new cargo airport would create more than 6 additional jobs is to deliberately mislead the public. To suggest that these invented jobs will be local is deceitful. For the National Planning Inspectorate's Examining Authority to interrogate and judge this proposal, there needs to be real data.

Employment forecasts for Manston Airport

At 5.0.1, Dr Dixon points to the 'well established' causality between air traffic and economic development without recognising the degree of contention in this area. She provides evidence from the Royal Town Planning Institute which, rather than supporting her statement, says 'similarly smaller regional airports can also be vital to local economies'. (our bold) The repeated failure of Manston during its commercial life demonstrates very clearly that any causality is not inevitable.

Table 5 on page 29 shows the forecast job creation used in prior editions of this report with direct jobs created by Year 20 being 4,271. Table 6 provides amended estimates showing 1,024. This seems a considerable revision downwards. Certainly, this is different to numbers given to residents at consultation events who were told that RSP's proposal would create 30,000 jobs in East Kent. Even so, these figures still include jobs that are based on passenger services. RSP, despite its application being predicated on Manston being predominantly a 24/7 cargo hub, still insists on its passenger capability, flying in the face of all evidence from the past and from previous independent aviation-expert reports. Passenger operations at Manston have failed time and again. We set this out in our critique of Azimuth I.

Clearly in response to criticism at consultation events and elsewhere, Dr Dixon has felt the need to emphasise that many local jobs, for local people, will be created. Yet immediately, she has to caveat this also by stating that local people may take time to 'acquire the necessary skills'. In addition, she says that indirect/induced jobs will see jobs filled by people in the wider locality such as the rest of Kent including areas such as Shepway, Swale, Medway, Dartford and South East London. At consultation events, Dr Dixon actually stated that many of the **direct** jobs at the airport would be filled by 'local' people who would come from areas such as Shepway, Swale, Medway, Dartford and beyond. Her answer to the criticism that these would then not be local seems to be an acknowledgement that these jobs would actually be the even less tangible indirect/induced jobs. Small consolation for local people who were assured at consultations that there would be thousands and thousands of local jobs for local people in Thanet and East Kent.

Construction jobs

As with so much of this report, Dr Dixon makes unsubstantiated claims about the number of construction jobs that the Manston Airport project could create. She says that, in order to predict the number of jobs, 'comparisons with similar

projects have been made'. However, she fails to provide any references for said similar projects saying only that the RPS Group has calculated forecast figures with reference only to their general website.

It cannot be emphasised too many times that for residents, the Planning Inspectorate or anyone else to be able to make informed decisions about any of RSP's plans, the documentation supporting those plans should be comprehensively evidenced.

Other direct jobs

Dr Dixon states that TG Aviation, a small local business that had to relocate due to the closure of the airport, would bring '*around 21 full-time, part-time and freelance/consultancy jobs*' to Manston. This small number would become even less significant had Dr Dixon expressed it in terms of Full Time Equivalent (FTE) posts, as is usual.

Polar Helicopters is included in this section despite being an existing business and employer that is not dependent on a newly created airport.

The intention to attract a major aircraft recycling operation to Manston is stated. Air Salvage International (ASI) is a world-leading aircraft teardown and recycling team. ASI handles 14% of the global disassembly market annually –



either at its UK Centre of Excellence, or airports across the world. **It employs just 40 staff.**¹⁷

If Manston is to recycle 10 aircraft a year (a fraction of the global disassembly market), it will certainly be employing far fewer than 40 people.

Training and Education

In this section, Dr Dixon draws on select evidence to cite the significance of an airport in improving education and training in its locale. Again, one has to accept the flawed premise of a functioning, successful airport in order to even consider some of the claims that Dr Dixon then goes on to assert.

Any major employer in an area might be expected to improve education and training and to direct it, to some extent. This does not mean that an airport alone could provide such benefits and to present the case as such is disingenuous. Citing conversations with East Kent College, it is useful to use the same quotation as Dr Dixon uses:

“The College is supportive, in principle, of any development which can help secure long-term employment within the district.”

This is exactly what one would expect any local education provider to say and the college goes on to say expressly that *‘it remains open to any other development proposals that can achieve the same aim...’*

Similarly, Dr Dixon’s section on Canterbury Christ Church University lacks any concrete proposals or evidence other than vague proposals of support that one would expect from an institute of higher education. Dr Dixon accepts this

¹⁷ <http://airsalvage.co.uk/asi-celebrates-its-20th-anniversary-milestone/>

herself saying ‘As with East Kent College, it is not possible for the university to make any firm plans to re respond to a potential relationship with Manston Airport...’.

It should be recognised that the owners’ plans for their site also include plans for the provision of education and training. Dr Dixon does not calculate in any way the impact of the loss of those opportunities on any **net** benefit (if, indeed, any would actually exist) that the RSP proposal might possibly bring.

Dr Dixon really is flying a kite here.

The Manston museums

This section is largely irrelevant given that far more substantial plans with regard to the museums, heritage aviation and resulting educational potential have been laid out by the owners of the site as part of their mixed use development.

A Manston Airport training facility

The inclusion in this section of the suggestion of a dedicated degree course i.e. Business Studies with Airport Operations appears to be the revival of a personal project of the author, Dr Dixon.

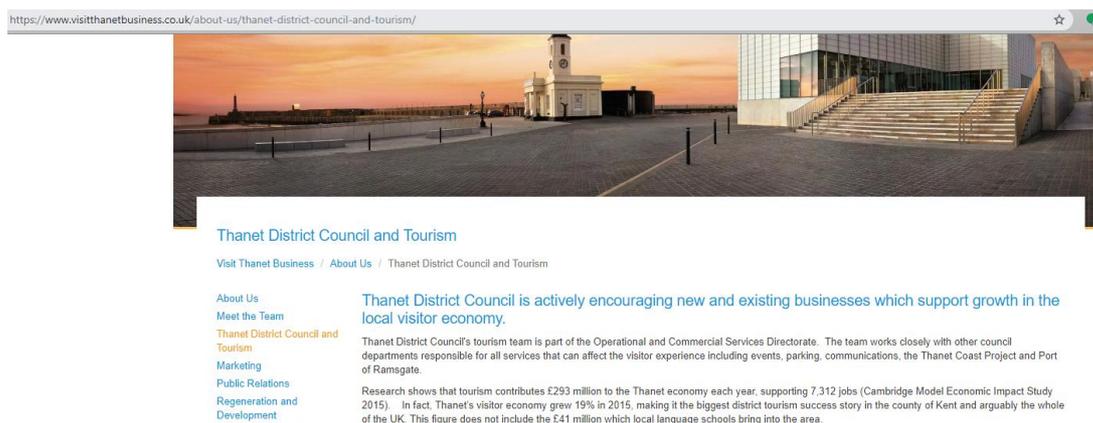
In her report of June 2017, she referred to the fact that she, personally, had developed a ‘*highly successful*’ degree course at the Broadstairs Campus of Canterbury Christ Church University. Challenged at consultation events with the fact that there appeared to be some vested interests involved which would be at odds with her appearing to be an independent aviation expert, we note that she has removed reference to herself in this edition of her report.

Tourism

Dr Dixon's June 2017 report was certainly light in terms of considering the impact of RSP's plans on tourism in the area. In the main, she appeared to believe that the area's tourism and leisure industry was either stagnant or in decline and pointed to a poorer record than that of neighbouring areas. She then answered this 'problem' by assuring of the positive impact that a largely cargo hub airport would have.

Clearly, given the significant criticism of this part of her report last year and the work of NNF, The Ramsgate Society and others in pointing out not only the errors in her assumptions but also the negative impact of RSP's proposals, Dr Dixon has substantially added to this section in the July 2018 version of her report.

She now, at least, acknowledges the growth in Thanet's tourism and leisure industry. She fails to point out how significant that growth has been, namely that the 19% growth in the visitor economy in 2015, made it the "*biggest district tourism success story in the county of Kent and arguably the whole of the UK*".¹⁸ Many in the area would argue that, particularly in Ramsgate, the closure of the airport has assisted in the growth of that visitor economy.



¹⁸ Thanet District Council website

Dr Dixon now acknowledges to a far greater extent the local tourism offer and cites tourist accommodation, cafes/restaurants, leisure activities etc. However, she spends some considerable time pointing negatively to the skills and wage levels of jobs in the industry. It is unclear as to the point she is making here. The nature of employment in the tourism and leisure industry is well known and, naturally, one would hope for better paid, higher skilled jobs in Thanet, as well as in other coastal towns where the similar situation prevails. Dr Dixon provides no evidence that the average earnings for an employee at a cargo airport at Manston would be higher.

Much research and significant regeneration efforts have focussed, and continue to focus, on specific help for coastal communities and economies. Pointing to a lack of skilled work in tourism and then offering Manston to redress that is pointless. Manston as an airport or any other alternative development that brings about jobs simply adds to the existing jobs in the area. Proposing Manston as a way of further diversifying the local economy in order to make it more successful in terms of economic growth such as the examples Dr Dixon cites is exactly the same as proposing any other alternative, for example, the owners' proposals for a mixed-use development on the site.

Having denigrated an industry that brings over £293million into the local economy, Dr Dixon then gets to the real point of this section in her report, the fact that there are genuine concerns, raised by residents, that a 24/7 cargo airport around a mile away from a growing, thriving tourist destination would have an extremely negative impact. She asserts that '*no examples could be found of a UK tourist economy that has been damaged by the introduction of an airport*' and cites Southend, Southampton and Bournemouth as examples of coastal communities whose tourism sector thrives despite an airport in close proximity. There are factors relating to each of these which mean they do not serve as credible comparison towns:

- The lie of the runway at Southend means that planes **do not** take off or come into land over the town. The airport primarily uses the River Roach approach rather than the more densely populated Leigh-on-Sea area. The geography of Southend is completely different to that of Manston where the runway lines up completely with Ramsgate, in closest proximity, and Herne Bay, both tourist destinations and with a hugely significant tourism and leisure economy.
- Similarly, the Southampton runway is not comparable. The airport is 4 miles from the city centre and planes are far higher in the sky than over Ramsgate. Where Southampton planes are at the equivalent height to planes over the seafront of Ramsgate, they are not over major residential centres nor centres of tourism and leisure.
- Likewise, Bournemouth's runway runs East/West rather than in a North/South configuration which would mean a flight path directly over the town. At a distance of over 6 miles from the centre of Bournemouth and its tourist attractions, the airport is in no way comparable to the location of Manston.

Dr Dixon cites Southend's Tourism Partnership and the local council as saying that they hope that passengers will understand that *'they are not just at an international transport hub but are entering a destination in its own right'*. This is a fairly typical statement by these kinds of stakeholders. One that fails to acknowledge the huge tourism deficit in the UK, a deficit that was running at £15.9 billion in 2015. What this means is the vast majority of passengers at any UK airport are outward bound Britons who are heading abroad and certainly not intending to spend time in the local UK area. Of the minority of passengers that are coming to the UK rather than leaving it, the vast majority (73%) are heading for London with the rest of England 30%. 89% of those heading for London stay in London for the duration of their visit and arrive at a London airport. (Visit Britain, Inbound tourism to Britain's nations and regions: Profile and activities of international holiday visitors, 2013)

The tourism deficit in the country as a whole and the data pertaining to the journeys, arrival destinations and leisure plans of inbound tourists in the UK, do not provide evidence for Dr Dixon's statement that '*it can be expected that inbound tourism would increase.*' Using Canterbury as a local example to support a claim for increased inbound tourism in Thanet neglects proper consideration of the international status of Canterbury both in heritage and religious terms and the fact that the majority of overseas visitors to the city arrive at it having flown in to a London airport given a preference to spend the majority of their holiday in London. Once again, speculation and unbridled optimism form the basis for Dr Dixon's report rather than a careful analysis of existing data.

Throughout her report, Dr Dixon fails to acknowledge the proximity of the Manston runway to Ramsgate's seafront. With planes at only 300m over the harbour and descending from there over the town, where heights rise, at altitudes of less than 150m above residents' heads, the levels of noise both day and night from planes arriving every 20-30 minutes would make the seafront and town unbearable for visitors and residents alike. Businesses in areas directly under the flight path are under threat. Holiday accommodation, restaurants, bars and leisure businesses can hardly hope not to be affected by planes flying so frequently at such low altitude over them. Ramsgate main sands, directly under the flight path cannot possibly attract or retain visitors hoping to enjoy sand and sea if subjected to the onslaught of noise levels of 90dB and more. The negative impact on tourism and the broader visitor and leisure economy would certainly result in loss of businesses and/or jobs and Dr Dixon has failed to even consider this eventuality. To state not only that tourism would be unaffected but that the opposite would occur reflects not only a disregard for the evidence and an unwillingness to carry out any proper analysis or impact study but also shows a casual disregard for local people. What Dr Dixon does not do is set out the tourism industry jobs that will be lost by the introduction to the area of a busy cargo airport with a number of night

flights. She has failed to calculate the net employment effect of RSP's proposal.

Other socio-economic impacts

Somewhat bizarrely, in this section Dr Dixon returns to talk about connectivity which was under discussion in section 3.

Despite this repetition, there is much missing from the section on other socio-economic impacts. Pertinent to any consideration of and consultation on the economic and social impacts of RSP's proposals are a whole range of issues and factors which Dr Dixon has chosen not to include in her report.

Below are just some of the negative impacts that should have been addressed in this volume.

Air pollution

Air pollution resulting from an airport must be a consideration and residents should have been made aware of the negative impacts and any ways in which RSP intend to mitigate against them. Airports contribute to air pollution through:

- Combustion of aviation fuel
- Release of unburnt kerosene
- Particulate matter released by tyres on landing and take-off
- Fuel dumping
- Nitrous oxides, carbon dioxides, particulates and ozone into the air through the burning of petrol and diesel fuels due to airport related traffic.
- Release of volatile organise compounds from fuel storage tanks

- Complex chemicals and dust from aircraft and airfield maintenance – exacerbated in this proposal by the presence of an aircraft tear-down/salvage operation.

Air pollution can affect the health of people, animals and plants. It can promote the over-fertilisation of water, leading to excessive plant growth and decay. It can also deteriorate buildings and materials.

External costs of an airport

There are external costs associated with a nearby airport that the airport itself does not pay for. For example, there is the inevitable reduction in the value of homes due to airport noise; the costs of treating respiratory diseases caused by increased particulates; the cost of treating conditions and diseases associated with aviation noise and the cost of cleaning buildings eroded by air pollution.

The cost to the national and local economies of such external factors is severe with the Department of Transport in 2004 estimating that the costs of noise and climate change alone should add between £3-£20 to the cost of an air ticket.

Heritage and culture

This is of real significance to Thanet and to Herne Bay which are rich in cultural and heritage assets. The negative impacts on such assets include:

- Negative structural impact due to vibrations from aircraft.
- Damage to properties from falling debris and wind vortices (there is plenty of evidence of this in Ramsgate from when Manston was operational with damage to roofs being relatively common).
- Heritage building materials weathering faster due to the air pollution.
- Loss of the wider environmental context in which heritage and cultural assets should be preserved and seen.

- Loss of enjoyment of heritage and cultural assets due to aviation noise.
- Loss of tranquil space associated with some heritage assets.
- Fewer participants in voluntary activities associated with the preservation and enjoyment of heritage and cultural assets due to some residents moving away due to generally dipping morale and enthusiasm because of the loss of the quiet, seaside context.

Ramsgate is fortunate to have been awarded Heritage Action Zone status by Historic England, the only place in the south east to have received this. The aim is for economic growth to be achieved by using the historic environment as a catalyst. An historic environment that would be significantly negatively impacted by the RSP proposal.

There are likely to be other negative impacts and the advice of heritage and cultural experts should have been sought in the preparation of this document. It is astonishing that RSP chose to scope Ramsgate out of its EIA.

Noise

This is the most obvious and significant impact arising from RSP's proposals and has been dealt with in other NNF critiques. However, the negative impacts of noise associated with an airport in such close proximity to a population of over 40,000 cannot be emphasised too often. These include:

- Loss of sleep and/or sleep disturbance
- Loss of concentration
- Anger, frustration, stress and powerlessness in the face of significantly disruptive noise
- Cardiovascular and other damaging health impacts (e.g. hypertension and ischaemic heart disease)
- Mental health issues – causal and/or aggravated
- Poorer educational achievement
- Loss of teaching time

- Poor performance/cognitive ability in tasks such as reading, problem solving, decision making, memory etc which can lead to accidents.
- The social handicap of being unable to understand speech in normal conditions, considered severe by the World Health Organisation (WHO).

Risk

There is additional risk to communities living close to airports:

- Airplane crashes (Ramsgate is less than a mile from the end of the runway at Manston).
- Road traffic accidents associated with airport traffic.
- Terrorist attack.
- Wake turbulence from aircraft (as above)

Traffic

The RSP proposals mean the levels of traffic, particularly haulage, on the existing roads will rise significantly. Trying to get any kind of evidenced-based estimates as to the levels has proved impossible at consultations.

Congestion and pollution are the obvious negative impacts here and full consideration of these should have been provided.

Impact of a cargo airport versus impact of the owners' plans

Failure to address the fact that the impact of a new cargo airport at Manston must be weighed against the impact of the owner's plans.

We appreciate that this report by Dr Dixon is an attempt by RSP to make a case that the UK needs a new nationally significant cargo airport and that a redeveloped airport at Manston could fulfil that role. We understand that she is not setting out in this report to make the case that RSP's proposal is superior in economic, environmental and social terms to the plans that the legal owners of the site have for their land. However, to date we have found nothing by RSP

that takes account of the benefits offered by the owners' plans for the site that RSP hopes to acquire via a Compulsory Purchase Order. That being said, we feel that we should remind the ExA that, in headline terms, planned deliverables in the owners' 2018 planning application for the site include:

- 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 of employment floor space, with a focus on advanced manufacturing with some storage/distribution/office use
- Retention and re-use of the western 1199m 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
- A new "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 a 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
- A network of new streets, pedestrian/cycle routes, associated car parking, and site preparation/enabling/landscaping/infrastructure works.

Conclusion

Dr Dixon asserts without evidence that the reopening of Manston would “provide economic growth for Thanet and the UK...”. Dr Dixon fails to demonstrate with any degree of clarity exactly what the socio-economic benefits would be to Thanet and East Kent, should Manston re-open as a cargo hub.

Dr Dixon undermines her own efforts by misrepresenting the sources she relies on by selectively quoting from the source material, and by ignoring other sources.

Dr Dixon’s forecasts of job creation are based on passenger-heavy airports. They significantly overstate the potential number of direct jobs that could be created at a cargo airport. Dr Dixon takes no account of the steady productivity gains at UK airports, and fails to recognise that as airports expand they do not create more employment proportionately. The economies of scale achieved over time mean that an airport that doubles in size will not employ twice as many people.

To her inflated direct jobs start-point, Dr Dixon then applies a wildly inflated induced, indirect and catalytic multiplier. She then fails completely to deduct from her inflated job creation totals the number of jobs poached from other UK

airports and from UK haulage firms. She fails to deduct the jobs that will be lost to the local tourist economy as a result of cargo planes flying night and day over our tourist destinations.

Dr Dixon's job creation estimates outstrip all previous job creation estimates associated with Manston airport. Local residents have had years and years of being promised thousands of jobs at the airport. However, never more than 100-150 have been delivered. Dr Dixon's fatally flawed calculations are no more credible than the exaggerated promises that have gone before.

Dr Dixon fails to provide appropriate and expert evidence about the impact of a major 24/7 cargo hub on a population, historic town and tourist economy in such close proximity. She disputes any negative impact and fails to consider the potential loss of jobs, particularly within the visitor economy, or provide an overall analysis of net jobs in relation to this proposal.

Throughout this document, Dr Dixon's intent is to present a completely rosy picture of a future in which a 24/7 cargo airport presents nothing but benefits to the local community and economy. She overstates the benefits and does not set out the considerable downsides. She makes assertions without evidence. Her work cannot be relied on as an objective assessment of the socio-economic impact of RSP's proposals.

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