



RiverOak Strategic Partners

Manston Airport Development Consent Order

Outline Business Case

June 2017

For consultation

Scheme Name	Manston Airport DCO
Promoter's Name	RiverOak Strategic Partners
Author	RiverOak Strategic Partners
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2017 Consultation

Suite of Consultation Documents

1.1 As part of the statutory consultation under section 47 of the Planning Act 2008 a suite of consultation documents relating to the proposal to reopen Manston Airport is available to the public. Together these documents give an overview of the development proposals including information on the potential benefits and impacts of the Project, environmental considerations and the business case. The documents also provide further information on the consultation process and enable the public to submit their feedback.

1.2 This consultation also forms part of RiverOak's initial engagement on the design of airspace and procedures associated with the airport. As such it is an opportunity for members of the community to highlight any factors which they believe RiverOak should take into account during that design phase. Having taken all such factors into account, the subsequent proposals for flightpaths and airspace will be subject to a separate round of consultation once the DCO application has been made.

1.3 The suite of consultation documents includes:

1. a Consultation Leaflet giving an overview of the proposals and details of where more information about the Project can be found;
2. a Feedback Form in order to collect responses to the consultation;
3. an Overview Report giving a summary of the proposals including the potential benefits and impacts of the Project, how we propose to mitigate against potential impacts, and a non-technical summary of the Preliminary Environmental Information Report (PEIR);
4. a Preliminary Environmental Information Report (PEIR); containing preliminary information on the likely environmental effects of our proposals as we have ascertained them so far, including noise, transport and air quality, and how we propose to minimise these effects, as well as how we propose to maximise the benefits of the Project;
5. a draft Masterplan for Manston Airport;
6. Manston Airport - a Regional and National Asset, Volumes I-IV; an analysis of air freight capacity limitations and constraints in the South East and Manston's ability to address these and provide for future growth;
7. **an Outline Business Case;**
8. a Statement of Community Consultation;
9. a Location Plan; and
10. an Interim Consultation Report, setting out the details of the first stage of consultation and how feedback received has been used to help develop the proposals.

RIVEROAK STRATEGIC PARTNERS LTD

MANSTON AIRPORT PROJECT

OUTLINE BUSINESS CASE

MAY 2017

1. This document is one of a suite that has been produced for the statutory pre-application consultation on the proposed project to reopen Manston Airport primarily as a cargo airport by RiverOak Strategic Partners Ltd. It does three things: it sets out
 - a. what is proposed to be built and operated at Manston,
 - b. the strength of the need for the project and
 - c. how the significant investment will be secured to bring the airport up to a standard that will allow it to operate efficiently and profitably in meeting that need.
2. This document forms a precursor to the Planning Statement, Statement of Reasons and Funding Statement, which are three of the documents that will accompany the application for development consent in due course. Comments can be made on this or any other aspect of the proposed project on the feedback form that accompanies the consultation and can be found on the www.rsp.co.uk website.

Manston Airport past and future

3. Manston Airport has a long and illustrious history and a particular significance to the people of East Kent, and thanks to these proposals it also has a bright and viable future, despite having been closed by its current owners in 2014.
4. RiverOak's proposals pay due respect to the airport's past achievements by, amongst other things, preserving the RAF Manston and Hurricane and Spitfire Museums. However the proposals radically refresh and rebuild the existing airport to make it fit for the 21st Century and capable of meeting a well-documented unmet need for air cargo capacity in the South East; replacing the current dilapidated terminal building and two stands with a new building and, over the 15-year development phase, up to 19 stands. The 2,750m runway itself remains in good condition and will be brought back into use with minimal work.

What is proposed

5. RiverOak's plans to redevelop and reopen Manston as a mixed-use airport are anchored by a significant air freight hub able to handle at least 10,000 air cargo movements a year.
6. To achieve this, RiverOak is proposing a multimillion-pound, four-phase construction and redevelopment plan, which will be delivered across an estimated 15 years, and will include:
 - a. constructing 19 new European Aviation Safety Agency-compliant air cargo stands
 - b. completely re-fitting the airfield navigational aids;
 - c. upgrading the runway to allow CAT II/III operations (aircraft landing categories);
 - d. realigning the parallel taxiway (Alpha) to provide EASA-compliant clearances to runway operations;

- e. installing new high mast lighting for aprons and stands;
 - f. refurbishing or replacing the existing fire station and constructing a new fire training area;
 - g. building 65,500m² of new air cargo facilities;
 - h. constructing a new airport fuel farm;
 - i. refurbishing and where appropriate replacing the existing fire station and constructing a new fire training area;
 - j. developing a new air traffic control service, demolishing the old Air Traffic Control tower;
 - k. building new aircraft maintenance hangars and developing areas of the 'Northern Grass' (the part of the site north of the B2050) for airport related businesses;
 - l. extending passenger service facilities including an apron extension to accommodate an additional aircraft stand and doubling of the current terminal size; and
 - m. making highway improvement works to ensure improved access to and around Manston, including a new entrance to the airport on Spitfire Way.
7. RiverOak's proposals also retain and enhance the existing RAF Manston and Hurricane and Spitfire museums by creating a museum quarter on the site of the old air traffic control tower.
8. RiverOak's proposals include passenger and apron facilities for at least one passenger carrier, although the aim will be to attract a number of low cost carriers as well as charter and scheduled flights. We are also keen to work with Dover Harbour Board to receive passengers destined for cruise ships. The development of passenger services will be distinct and separate from our focus on building the air freight operation. This will ensure the cargo carriers are provided with a dedicated and swift service to maximise the economic potential of Manston Airport.
9. In addition to the air freight hub RiverOak proposes to develop:
- a. an aircraft teardown and recycling facility;
 - b. a flight training school;
 - c. a fixed base operation for executive travel; and
 - d. business facilities for aviation related organisations.

The need for Manston

10. The need for a new dedicated cargo airport in the South East of England is a very strong one, based on a multitude of factors, as follows.

There is a significant amount of unmet need for air cargo capacity in the South East

11. As our specially-commissioned report from Dr Sally Dixon of Azimuth Associates amply demonstrates, lack of capacity for air cargo is constraining its supply and the consequent economic benefits that would arise if the demand were met. A study by York Aviation shows that around 2.1 million tonnes of freight will be diverted out of the South East by 2050 because

of the lack of capacity for air cargo. Transport for London has calculated that the South East will need capacity for almost 54,000 air freighters over the same time frame. The huge cost to the economy of not meeting the need for air cargo capacity was forecast by the Airports Commission to be in the region of £30 to £45 billion.

12. Dr Dixon’s research shows that use of Manston would exceed 10,000 movements of cargo flights per year by the fifth year since it reopened, reaching 17,000 movements by the 20th year. 10,000 movements corresponds to an average of 14 aircraft landing and taking off per day.

Some of the need is being met by airports on mainland Europe

13. Although there is demand that is not being met at all, Dr Dixon’s research has revealed that a significant amount of cargo is being flown to and from airports near the UK on mainland Europe and driven through the Channel Tunnel on HGVs from or to the UK. This demand for the UK should be met in the UK, with the attendant direct and indirect benefits that doing so would bring, as well as the corresponding relief of congestion at the Channel Tunnel.
14. Once the UK leaves the EU, it is in any event likely to be much more time-consuming and, possibly, costly to bring goods across the UK/EU border, thus increasing the attractiveness of cargo being flown directly in and out of the UK.

The UK has an urgent need to develop international trade

15. As the UK leaves the EU, it will need to expand its export and import markets beyond the borders of the EU, which inevitably means goods travelling greater distances, making air cargo a yet more attractive option.
16. Conscious of the need to develop international trade, the Government has set up a dedicated Department for International Trade since the Brexit referendum, emphasising the importance it gives to developing such links, which in many cases will be to destinations not currently served by the belly holds of passenger services.

There is no existing dedicated cargo airport in the South East

17. All currently-operating airports in the South East of England are primarily passenger airports. For commercial reasons, passenger aircraft are prioritised over cargo aircraft at such airports and cargo-only aircraft flights are very limited, with only Stansted handling significant numbers. The table below sets out why no other airport in the South East is as suitable as Manston for dedicated air freight facilities

Airport	Reason unsuitable for air freight expansion
Stansted	Under pressure to increase low cost passenger flights and has a limit on total movements.
Heathrow	Few dedicated cargo aircraft use the airport and capacity constraints mean that slots are unavailable until the third runway is built. Even then, additional capacity is likely to be taken by passenger aircraft.
Gatwick	Dedicated freighters are not a traditional market for Gatwick Airport.
Luton	Focus is on the low cost carrier market and the current number of stands is unable to support significant growth
London City	Focused on the passenger market with a short and constrained runway that is unable to support a large freighter operation

Southend	Focused on the low cost carrier market, the airport is unlikely to be suitable for mid or long range freighter aircraft.
Biggin Hill	Difficult road access to the M25, restricted opening hours, short runway and airspace issues are inconsistent with a freighter operation.
Bournemouth	Location is not ideal for road access by trucks and lies some 30 miles from the M3 and M27
Farnborough	Business Aviation focus that would not fit with a cargo model.
Lydd	Short runway with considerable approach issues and a rural location.
Northolt	The RAF station with its short runway is close to Heathrow creating airspace issues.
Rochester	Grass runway.
Shoreham	Suitable for light aircraft only.
Southampton	Good road access and has an onsite railway

18. Airports in the London system handle almost 2 million tonnes of cargo annually. However an estimated 80% of this is carried in the holds of passenger aircraft as so-called belly cargo. This has certain limitations for cargo:

- a. Belly cargo can only travel at scheduled flight times and cannot be chartered specially for the transport of urgent goods;
- b. The cargo can only travel to scheduled passenger destinations;
- c. The cargo must be compatible with passengers travelling in the same plane for security and safety reasons;
- d. The items of cargo must be able to fit in the hold of a passenger aircraft;
- e. The rapid turnaround times required by low-cost carriers on short haul routes preclude them from carrying cargo, and the reduction in cargo capacity of the newer wide bodied passenger aircraft on long haul routes has resulted in an overall reduction in belly cargo capacity in the passenger sector. This is a trend which is likely to continue.
- f. Capacity and runway constraints lead to frequent delays where, for understandable reasons, carriers and airport operators feel obliged to prioritise the needs of passengers over those of cargo. The effect of this is that cargo arrives later than promised or expected at its ultimate destination.

19. Air cargo, like rail freight, generally has to fit in the gaps left by more profitable passenger services at passenger-focused airports. A dedicated cargo airport, on the other hand, will be based around cargo flights and will give the providers of those flights the security to plan and build their operations.

Manston Airport is the only suitable location in the South East

20. Manston is near London but outside London airspace. A long runway is needed for cargo flights which rules out many other existing airports in the South East. Manston has a very long runway at 2,750m or 9,000ft - only Heathrow, Gatwick, Birmingham, Stansted, Manchester, East Midlands and Doncaster Sheffield are longer in England. It is connected by dual carriageway to London and the Channel ports. It is within 5km of the sea on three sides.

East Kent is in desperate need of high-quality training and employment

21. Since the closure of the Pfizer factory at Sandwich in 2011 and Manston Airport itself in 2014, East Kent has not had a large-scale high-tech employer. Our figures show that even by the end of the first year that the airport reopens, there will be over 850 direct jobs at the airport and another 1,800 indirect jobs created by the presence of the airport. By year 20, this is predicted to have risen to 4,200 jobs at the airport and 26,000 so-called indirect, induced and catalytic jobs in the wider region.
22. Along with hi-tech jobs comes the requirement for hi-tech education, and RiverOak will be working with local education institutions to develop courses that will equip local people with the skills needed to be able to work at the airport or in related employment.

The urgency is greater because the site will otherwise be converted to housing

23. RiverOak does not own the Manston Airport site, but will either negotiate its purchase from its owners Stone Hill Park Ltd, or failing that, include compulsory acquisition powers in its application for a Development Consent Order. Stone Hill Park Ltd, on the other hand, which closed the airport shortly after its purchase, has applied for planning permission to build 2,500 houses on the site and lose its function as an airport forever (although their application has remained dormant for over a year with no response to requests for additional information and reports from statutory consultees).
24. This, therefore, is the final opportunity to restore Manston Airport to more than its former glory and maintain its place in the past, present and future of East Kent.

How the project will be funded

25. To develop Manston Airport as envisaged will require a significant amount of investment. Those interested in the project are rightly concerned about how this investment will be secured so that they can be confident that the project will go ahead if it is consented. There is also a legal requirement to 'indicate how [a Development Consent Order] that contains the authorisation of compulsory acquisition is proposed to be funded'. Although the value of the site is a relatively small amount compared to the total investment that will be required, it is still a significant sum.
26. The total investment required to bring the airport back into use initially is estimated to be at least £25 million and the investment required to build out the full extent of the project over a 15 year period is estimated to be at least £300 million.
27. RiverOak has already secured significant investment in its proposals in advance of applying for a Development Consent Order, including enough to buy the site if compulsory purchase powers are granted.
28. RiverOak's consortium of investors has a history of investment in and development of major capital projects and they have combined assets in excess of £1 billion.