

NETHERCOURT ACTION GROUP

Reg no: 20013745

To the Secretary of State for Transport.

We have taken part in a process that is heavily biased in favour of the DCO applicant. We have also been extremely disadvantaged by not having access to large funds of money or access to expert advice. In spite of this during the DCO examination we still won the argument that a cargo hub at Manston is not needed or viable with the ExA recommending refusal for so many reasons. In spite of this Andrew Stephenson passed it anyway. As he could not back up his decision the DCO was quashed. We have read the Ove Arup report commissioned by the DfT and it confirms the findings of the ExA, which came as no surprise to us as it confirmed everything we have said.

We now read in the Times allegations of Grant Shapps diverting public money to further his interest in aviation and he has set up the Airfield Advisory Tem within the DfT to lobby against planning applications on airfield sites. In the Sunday Times article on 14th November, it is reported, at length, that the Secretary of State (SoS) for Transport, Grant Shapps, is 'quietly spending public money funding lobbying against the government's own housing plans' and that his activities are 'secretly pitting him against the prime minister and frustrating efforts to build more homes and tackle climate change'. These are serious allegations but come as no surprise to us fighting RSP's DCO application given the way that it was passed by the DfT in spite of overwhelming evidence it should have been refused. RSP's plans have been proven in report after report not to be needed. The airport has failed three times and tens of millions has been lost by investors, Thanet District Council & Kent County Council. Reading the Times article it seems Mr Shapps' department has lobbied against the building of a Gigafactory manufacturing batteries, using the Airfield Advisory Team a group that he has set up within the DfT which used public funds. The Gigafactory will employ 6,000 people. It has cross party support and is backed by many local authorities. The article goes on to say that his own personal love of aviation 'has taken up valuable time in a department with a budget of £3 billion' with heavy national and international responsibilities. Mr Shapps has history of this type of action. In 2013, when he was the Conservative party chairman, he attempted to designate an aerodrome as a "community asset that can never be replaced" after the site was earmarked for 700 homes. It turned out Mr Shapps kept his £100,000 foreign-registered Piper Saratoga at Panshanger airfield, which Welwyn Hatfield council identified as a site for new homes. Mr Shapps, however, waged a campaign to save the airfield but seems to have failed to mention at the time he kept his plane there.

Although Mr Shapps has recused himself of the decision making in this case it is of very little consequence given the way he has influenced the ethos of the DfT. This bias shows through in the way RSP's DCO application has been treated by the DfT.

We would also like to know why exactly why were RSP paid £8.5m for delays in starting work at Manston and compensation to pay for extra costs in condensing their building plan. The DCO was quashed, they had no planning permission, no CAA aerodrome licence or flight paths and they could not start work without resolving relocation of the High Resolution Direction Finder with the MOD. More tellingly no work has commenced since the DfT handed the land back to RSP. What exactly does assurance of the compensation involve ? We would really like to know who "assured" the compensation and amount. It seems to us RSP got paid compensation for a situation that just didn't exist and the person who assured the money should be asked to justify their recommendation that RSP should be compensated with such a large sum.

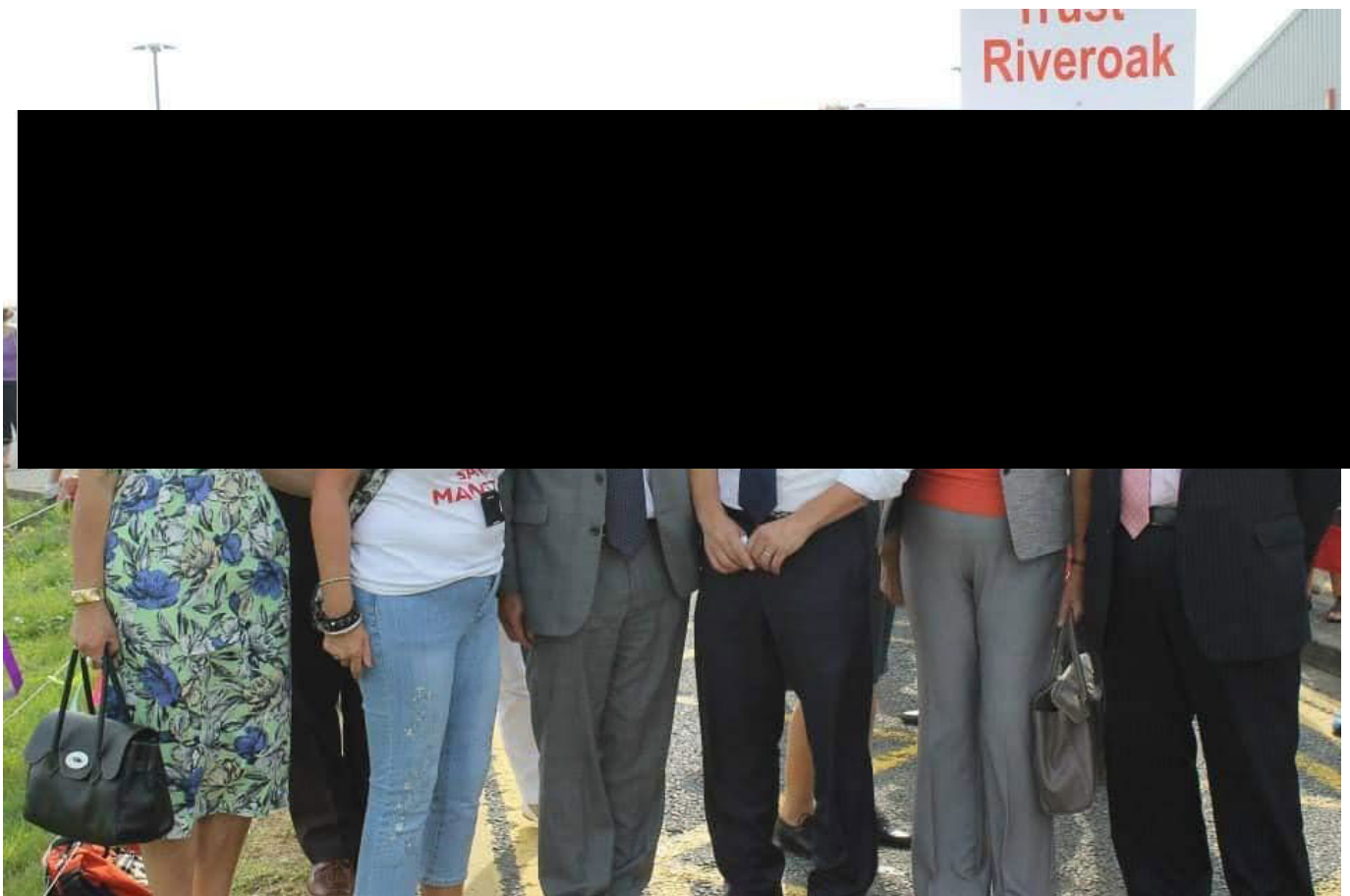
This time round we felt as a group we needed help from an aviation expert to respond. The latest round of submissions was announced on a Friday which meant we couldn't do anything until Monday. It has been a massive rush to collect funds, find & organise a report from an expert in time for the October 19 deadline. The report we have submitted was limited by time and funds. To be told now three days before the deadline that it is being extended is unacceptable and has again left us at a disadvantage as we could have raised more funds and had time for a more comprehensive report..

We would like to point out that the report was commissioned and paid for entirely by donation. There has been no official help or monies from the public purse in any way.

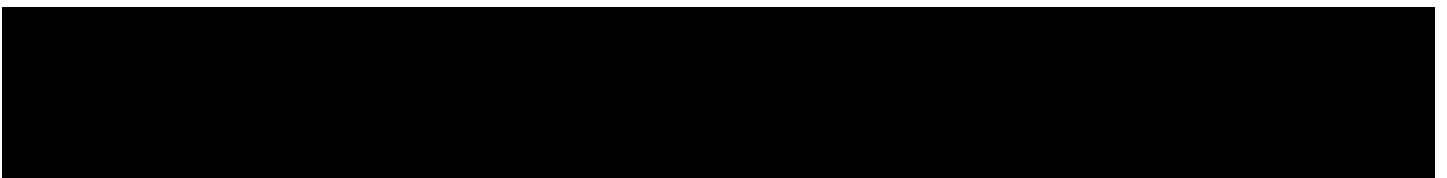
If the DCO is passed again we will, of course, be supporting a further judicial review.

Ian Scott on behalf of Nether court Action Group

This is a picture of Mr Shapps actively campaigning to reopen Manston Airport with Craig Mackinlay who has his own airline company MaMa Airlines. MaMa airlines are still registered with Companies House as active. Mr MacKinlay had been in negotiation with Tony Freudmann to use Manston for his airline.



This is a link to a BBC article where Mr Shapps shows his support to reopening Manston



Reproduced the full article from Times 13/11/2021

In the final days of the parliamentary recess in September, Grant Shapps made an unorthodox journey for a cabinet minister. The transport secretary flew solo in his personal plane from a farm near his Hertfordshire home to Sywell, an aerodrome in Northamptonshire.

Shapps, 53, was there for the rally of the Light Aircraft Association: an annual jamboree for aviation enthusiasts from across Europe. Having obtained a licence in his twenties, he remains a flying fanatic and the proud owner of a £100,000 Piper Saratoga.

*Shortly after arriving, he went to chat with the editor of his favourite magazine, *Flyer*, which represents the interests of amateur pilots, including campaigning to block development on Britain's private airfields.*

Shapps told him: "Because I was reading your last month's edition, I had sent a message to my office at DfT and asked them to invite you in so you can challenge on some of these things ... to see what else we should be doing." The minister joked: "We'll even have coffee!"

Perhaps it is not a surprise he has brought his boyish enthusiasm for flying into government. It may even appear an advantage, giving him knowledge of a niche and technical area within his remit.

However, it has had far-reaching effects in Whitehall, secretly pitting him against the prime minister and frustrating efforts to build more homes and tackle climate change.

His department is quietly spending public money funding lobbying against the government's own housing plans where development would take place on private runways — including some he has personally used.

As a result, Homes England, the housing agency overseen by Michael Gove, has already withdrawn plans for a new town with thousands of homes in one of the most housing-stressed areas in the country.

The lobbyists are also battling against plans to build a battery gigafactory on Coventry airport. Boris Johnson has praised the development and it is supposed to deliver thousands of jobs while helping Britain to achieve its net-zero ambitions. According to flight traffic data, Shapps recently flew his plane on to the airfield.

He has set up a scheme that lets private pilots claim public money for new equipment, and allegedly lobbied against a looming ban on a kind of toxic fuel used by his aeroplane.

His love of aviation has taken up valuable time in a department with a budget of £3 billion whose recent responsibilities have included dealing with post-Brexit trade disruption, delivering protective personal equipment from abroad, overseeing HS2 and building roads and rail infrastructure.

It is even said to have undermined the government's response during crises such as the collapse of Thomas Cook, which heralded the biggest repatriation since Dunkirk.

At the time of the holiday firm collapse, in September 2019, the then chairwoman of the Civil Aviation Authority (CAA), the aviation regulator which belongs to his department, was forced to ask Shapps to stop demanding staff time to discuss amateur aviation. Shapps allegedly "backed off", and let the CAA grapple with its biggest peacetime crisis.

Tension persisted during the early days of the pandemic, when Shapps was regarded by some civil servants as going awol and dedicating more time to his hobby than the imminent peril facing airlines. It is even claimed the chief executive of one airline considered writing a public letter demanding he focus on the task at hand.

A civil service source said bluntly that he remained “obsessed” with general aviation. The obsession began in 1995 when Shapps, then a photocopier salesman in his early twenties, obtained his pilot licence. He married, bought a printing business, and endured cancer, but remained a devotee of the world of general aviation or “GA”, the recreational use of aircraft.

Since 2005, he has lived in and represented Welwyn Hatfield, a London green-belt Conservative seat with a majority greater than 10,000. For years he lived a 15-minute drive from Panshanger airfield, a former RAF training site.

Under David Cameron, Shapps grew in stature: having seized his seat from Labour, he was appointed to a housing role in the shadow cabinet. In 2010 he became a minister and, in due course, Conservative Party co-chairman.

He found himself in the wilderness once Theresa May became prime minister and turned his political focus to his longstanding love. In 2017, he was appointed chairman of the all-party parliamentary group on aviation, and campaigned relentlessly against the scourge of recreational pilots: planning applications to build on private airfields.

He argued the hobby had reached a “critical point” as “more of our airfields disappear under housing developments and more of our common airspace is closed off”.

Between 2012 and 2018, he submitted a series of objections, often on parliamentary headed notepaper, to proposed development at Panshanger, describing it as a community asset which could “never be replaced”. Homes England is now selling the site and the lease to the local flying club has been terminated.

Forced to migrate to a makeshift runway on a field near his home, he joined campaigns to prevent other airfields being built on elsewhere.

He returned to the cabinet in July 2019, when Johnson became prime minister. Despite voting Remain, he campaigned for Johnson and was rewarded with a plum post overseeing transport.

In a letter to Deirdre Hutton, then chairwoman of the CAA, he said his “key priorities” included “supporting the success of the aviation industry ... including by protecting the network of general aviation airfields” and “proactively advising aerodromes faced with possible changes of use [planning applications] which could constrain future flying”.

Asking a regulator to protect airfields from planning applications was unusual and Hutton told him as much. Shapps disagreed, telling her he wanted Britain to become the “best place in the world for aviation”.

Shapps has since redoubled his campaigning. He has set up and diverted public money to a new team housed within the CAA: the Airfield Advisory Team, which, official documents state, was designed with one goal in mind: helping private airfields lobby against, or “engage with”, the planning system. Shapps has described its work as “crucial”.

The team leaders are private consultants brought in from outside government and given civil service salaries.

Around the same time, Shapps created a £2 million fund allowing pilots and airfield operators to get free management consultancy from a Texas-based international lobbying firm, ICF

Consultancy Services, on how to, among other things, successfully object to planning applications. He has called it the Airfield Development Fund

Documents show the new team has lobbied against plans to build homes over private runways and plans put forward by the government. Private lobbyists employed by the government are now lobbying against the government.

In some instances, the lobbying frustrated Johnson's central objective of building homes outside of London. On May 25, 2021, Homes England withdrew plans for 3,000 homes at Chalgrove, an airfield in South Oxfordshire, to "take account [of] comments from the . . . airfield advisory team".

The team had lodged formal objections to the plans, declaring "protection of airfields is a priority for [the] DfT". Last night, Homes England accepted they had pulled the plans while emphasising the urgency of building homes in that area.

Homes are not the only instance in which Shapps's decisions conflict directly with the priorities of the government he represents.

As part of its commitment to tackling climate change, the government have long sought to phase out a highly toxic and dangerous substance, tetraethyllead, which forms part of the fuel used in planes similar to Shapps's. Last April, however, Martin Robinson, head of the biggest group representing aircraft owners and pilots, contracted Shapps asking if the government could extend a transition period before an eventual ban. He says the transport secretary responded: "On it."

Last month, British regulators confirmed they would not place the substance on a list of substances of "very high concern", marking one of the most significant cases of divergence from the EU rules since Brexit.

Shapps has also funded a scheme allowing pilots to claim money for 50 per cent of the cost of buying specialist kit for their planes. Since last year, the DfT, and, in turn, the taxpayer have covered half the cost of purchases of "electronic conspicuity" equipment, which allows planes to see each other in mid-air.

Around the time Shapps started his post, a senior civil servant is said to have asked him what his main priority was. Shapps responded: "Protecting general aviation."

Homes England said the planning application at Chalgrove airfield "has been withdrawn to allow an amended application to be submitted to take account of comments from the Civil Aviation Authority's Airfield Advisory Team".

It emphasised its intention to resubmit plans in light of the "considerable housing shortfall".

A Department for Transport spokesperson said: "It is right that the transport secretary works to promote all aspects of the department's brief including the general aviation sector."

Sources said the Airfield Advisory Team was an "advisory team", not a lobbying body, that helps to liaise with organisations to ensure "informed decisions can be made by local planning authorities".

They said Shapps responded to a lobbyist's requests by emailing his office reminding them he wanted to see "action" on removing lead from fuel. Doing so, the sources suggested, would facilitate a future ban on the dangerous chemical.

The government provided a statement from John Holland-Kaye, the chief executive of Heathrow airport. He said: "The biggest thing aviation has needed in the last 18 months is to get borders open safely again and Grant Shapps has worked tirelessly to deliver this."

**Consultancy advice in relation
to the redetermination of the
Application for a DCO for the
reopening and development of
Manston Airport**



Consultant's Report

November 2021



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Department for Transport letter to Interested Parties (21 October 2021)

1. Introduction

1.1 Background to the assignment

On 15 February 2021, the High Court quashed the decision by the Secretary of State for Transport regarding the application for a Development Consent Order (DCO) for the establishment of a cargo hub at the disused Manston Airport in Kent. The Department for Transport (DfT) is now required to reassess its decision. Following the appointment of an independent assessor, Arup in conjunction with CEBR and MDS Transmodal, DfT set out a Statement of Matters on 11 June 2021 inviting representations on certain issues for the purposes of redetermining this decision ('the First Round of Consultations'). On 21 October 2021, Arup published its draft report relating to the First Round of Consultations and DfT made a request (see Appendix A) for further representations on this draft report and certain other matters ('the Second Round of Consultations').

This report is prepared by the independent aviation consultants, Alan Stratford and Associates Limited (ASA) on behalf of the Nethercourt Action Group (NAG)¹, a local residents group in Ramsgate who, as an Interested Party, are planning to respond within the Second Round of Consultations. The report provides comments on Arup's draft report and on the representations received in the First Round of Consultations. A further assessment is made of the extent to which the proposed Jet Zero strategy for UK aviation, as set out in the Government's consultation document published on 14 July 2021, would result in any change in whether the Development would be consistent with the requirements of national policies.

Wherever possible, we have endeavoured to make an independent evidence-led approach to this assessment. Any views expressed are our own and not necessarily those of Nethercourt Action Group or any other party.

1.2 Alan Stratford and Associates Ltd

Alan Stratford and Associates (ASA) is one of the leading and oldest established aviation consultancy practices in the UK. It was established in 1968 to provide a wide range of specialist independent air transport consultancy services, including air traffic forecasting, economic appraisal and operational studies across the airport and airline sectors.

The firm has extensive project experience at both at UK hub and regional airports, including Manston. Previous assignments carried out include advice to Thanet District Council on a Section 106 Agreement at Manston Airport and assistance to Kent County Council in respect of their response to the Airport Commission's consultation on airport capacity in London and the south east. ASA has also worked for the UK Civil Aviation Authority on regulatory studies at London Heathrow Airport and for the Irish

¹ The Nethercourt ward, which includes the Nethercourt Estate, is situated some 1.7 km to the SE of of Manston's R28 runway end (1.37 km at its closest point).

Commission for Aviation Regulation on projects at Dublin Airport. The firm has recently been working for Sheffield City Region (a partnership of local councils in south Yorkshire) regarding the future of Doncaster Sheffield Airport and on other projects relating to other airports and airfields across the UK .

2. Comments on the Independent Assessor's draft report

2.1 General

The Independent Assessor's (Arup) report sets out the background to the redetermination process, including the Examination by the PINS, the ExA's report and its key conclusions, which included that *'the failure to demonstrate sufficient need (for the project) weighed substantially against the case for development consent being given'*².

In line with its brief from DfT, the Arup report specifically examined whether there have been any changes to the quantitative need for the project since the quashing of the Secretary of State's decision on 15 February 2021 – taking account of the submissions by Interested Parties, including the Applicant, made during the First Round of Consultations. It did not cover any other possible strategic or other benefits or disbenefits of the project as this was not within its terms of reference.

It should also be noted that, contrary to the view of the local MP, Sir Roger Gale³, the Independent Assessor had no requirement under their terms of reference to contact locally elected representatives to seek their views beyond any expressed through representations made under the First Round of Consultations. It should be pointed out that Sir Roger Gale did not make any personal representations to DfT under the First Round of Consultations.

We recognize that Arup's draft report, when it was first published on PINS' website, contained a reference at Para 1.3 to a section on the Sixth Carbon Budget. This section, however, was not actually included in the report as this issue will be assessed following the Second Round of Consultations. A revised version of the draft report omitting this reference has now been posted on PINS' website. Apart from this, there would appear to be no other obvious errors in the draft report, although we recognize that some aspects might be regarded as debatable.

2.2 Changes to the policy context

As indicated in Arup's report, the Airports National Policy Statement (ANPS), which provides the policy basis for a new north-west runway at London Heathrow Airport, is relevant to the Manston DCO application insofar as it would potentially enable Heathrow to expand its air freight capacity, if required.

² ExA report (E.R 8.2.26)

³ <https://twitter.com/SirRogerGale/status/1452621425261563916>

The ANPS currently remains in place and, in September 2021, DfT published a letter stating that it would not be reviewed at this time. However, the letter indicated that the Government may decide to revisit the ANPS when it publishes its plans for Jet Zero aviation, expected early next year.

There is some speculation as to whether Heathrow's largest shareholder, Ferrovial, will continue to invest in the airport, particularly in view of the latest CAA proposals regarding airport charges. If the third runway were to be built, then this would suggest that adequate long-term air freight capacity at Heathrow would be available without any need for Manston. If not, then this would be the result of the traffic growth constraints needed to meet the UK's CO₂ emissions targets which would be applied both to Heathrow and to Manston.

As regards Thanet District Council's Local Plan, we acknowledge that this is currently supportive of aviation use of the site – although this is irrelevant to the need for the project. We note that there is a possibility that the Local Plan will be revisited if the DCO Application is unsuccessful. This may impact on the future use of the site and its safeguarding for aviation use. It is also possible that land use schemes that incorporate small scale general aviation facilities for light/electric aircraft might be encouraged in a revised Local Plan.

On 14 July 2021, the Government published two documents – 'Decarbonising transport: A better, greener Britain' and the 'Jet Zero Consultation: A consultation on our strategy for Net Zero aviation'. Our comments on the implications of these documents in relation to the DCO Application is shown in Section 4.

2.3 Changes to the demand for air freight and dedicated freighter operations

Since the publication of the ExA's report, there have been a number of changes to the nature of the UK's air freight market and indeed the UK's freight market as a whole due to the impacts of Covid-19, Brexit and disruptions to global supply chains. Despite some recovery in air freight demand due to the increased use of dedicated freighters and temporary passenger/freighter conversions, the overall demand for UK air freight is still lower than pre-Covid 19 levels (a decline of some 8.2% between September 2019 and September 2021) based on the latest available CAA monthly statistics.

The Independent Assessor's draft report acknowledges that there has been increased retail sales through e-commerce since the start of the Covid-19 pandemic, with e-commerce currently (May 2020) accounting for a third of UK retail sales⁴. The extent to which this trend will persist after full recovery from the Covid-19 pandemic may

⁴ This figure may be distorted as May 2020 was during the full lockdown period in the UK

depend on a variety of factors including the cost and reliability of other transport modes. In the longer-term, long-haul air freight, is likely to become significantly more expensive than shipped freight due to cost pressures from measures to reduce carbon emissions.

As the Independent Assessor's report shows, there has been no increase in the proportion of air freight of the total UK freight market between 2009-2019 despite the increase in the retail e-commerce market. This suggests that the key to the 'next day' delivery market is to ensure that stock levels are maintained at the fulfilment centres for 'last mile' delivery. As such, this stock can often be more cost-effectively be shipped by sea rather than by air. We do however recognise that, given the current global supply constraints which have impacted on all modes (air, sea and road), e-commerce retailers may prefer to have more certainty from quicker air freight operations, particularly if certain deadlines are to be met eg stock availability pre-Christmas or Black Friday. We believe that such preferences will largely be eliminated in the medium to long-term after the global supply chain adjusts following recovery from Covid-19 and the potential carbon emissions and cost benefits of sea (and rail) freight are fully acknowledged, resulting in modal shift.

We note the Independent Assessor's comments that the announcement that Amazon will build a new CFC (Customer Fulfilment Centre) at Dartford in Kent does not necessarily mean that there is a shortage of dedicated air freighter capacity at airports in the south east which could be provided by a new Manston cargo hub. Despite a recent reduction in the permitted number of CATMs (cargo air transport movements), there is still significant cargo capacity at London Stansted Airport, whilst London Gatwick has plans to increase its cargo traffic, either with or without the proposed new northern runway. In any event, Amazon Air appears to be distributing its network among a number of different airports, but with a central hub at East Midlands Airport to meet a growing network of CFCs across the UK. These include London Southend Airport, which recently stopped all passenger flights but has continued with dedicated freight operations, including Amazon Air night flights. It should be pointed out that the constraint that the Manston cargo hub would have no night flights is likely to make it unattractive to e-commerce retailers and other small package delivery operators.

Since the ExA's report was published, a number of other UK airport expansion schemes have been put forward in addition to the proposed new north-west runway at London Heathrow. London Gatwick has recently launched a consultation on its proposed northern runway which would enable the airport handle some 323,000 tonnes of air freight by 2038 in comparison to 150,000 tonnes handled in 2019. Without the additional runway, Gatwick is forecasted to handle 254,000 tonnes by this date. Following a public inquiry, London Stansted Airport has been granted planning consent to increase their overall passenger movement limits from 35m to 43m passengers pa. Whilst this incorporates a reduction in the number of permitted cargo air transport movements (CATMs) from 21,500 pa to 16,000 pa, there is still substantial dedicated freighter capacity (Stansted handled some 10,627 CATMs in

2019 prior to the Covid-19 pandemic) as well as increased freight bellyhold capacity due to the size of aircraft used. The ExA's report noted that East Midlands Airport (EMA) could potentially increase its freight handled to 1.2m tonnes pa (in 2019 it handled 335,948 tonnes). This increase is significantly higher than Manston's forecast of some 340,758 tonnes handled by Year 20. The Independent Assessor noted that, since the ExA's report was written, approval had been given to the East Midlands Freeport which would support the growth of air freight at EMA. We agree with this conclusion.

Public inquiries for the expansion of Bristol and Leeds Bradford Airports have recently been held and planning consent now awaits government approval. These however only relate to passenger not dedicated freight capacity. Planning approval for a runway extension at Southampton Airport has recently been granted although this will also not provide any additional air freight capacity.

We agree with the Independent Assessor that the share of bellyhold against dedicated freighter traffic in the UK is likely to return to broadly pre-Covid 19 levels once the long-haul passenger market fully recovers after the pandemic. Estimates of when this is likely to occur vary between 2023-2026 with markets to and from the Far East expected lead the recovery. Bellyhold freight tends to be more cost-effective than that flown by dedicated freighters as it can be charged on a marginal cost basis. On an average basis, passenger loads are similar (as passengers will normally ultimately make a return trip). This is not necessarily the case for dedicated freighter operations which need to be fully (or almost fully) laden in both directions to be profitable.

We recognise that the pandemic has provided an opportunity for airlines to temporarily reconfigure passenger aircraft to handle additional freight (the so-called 'pfreighter'), although these have proven to be difficult to load and unload. A number of airlines have also reconfigured older widebodied aircraft types such as the B767-300 as dedicated freighters (P2F conversion), although this has slowed down since the early stages of the pandemic⁵. As a general rule, dedicated freighters tend to be older (or converted) types which are often noisier and more carbon-emitting than passenger aircraft. In the longer-term, the use of electric aircraft may be feasible for short-haul dedicated cargo operations. DHL Express in Berlin has ordered 12 Eviation aircraft for delivery in 2024. However the maximum payload is 1.2 tonnes with a range of just 815 km. In comparison, a B747-400 freighter can carry a payload of up to 113 tonnes. Electric cargo aircraft are likely to eventually be used for some short-haul feeder services between the main European cargo hubs and UK airports, although sufficient airport capacity will be available without Manston. In the case of long-haul cargo aircraft, the use of sustainable aviation fuel (SAF) will be needed by airlines to endeavour to meet the Government's Jet Zero targets, although the supply of SAF is expected to be limited and will be competitive against other industry sectors. The use of SAF will increase the cost of air travel, particularly for long-haul passenger

⁵ <https://blog.satair.com/passenger-to-cargo-conversions-temporary-boost-or-permanent-strategy>

and cargo flights. In the much long-term, zero-emission hydrogen or hybrid hydrogen-electric aircraft for long-haul operations are a possibility, but these are likely to be some 30-40 years away, according to industry estimates. It is unclear whether hydrogen aircraft will include both passenger aircraft with some bellyhold freight capacity or whether there will be separate dedicated passenger and freighter aircraft types. In any event, the time horizon is such that this is not relevant to the Manston DCO application.

The Independent Assessor's report rightly points out that, at a national level, Gross Domestic Product (GDP) is a key driver of the level of imports and exports and, as a result in the level of air freight handled at UK airports. In the short-to-medium term, the impact of the Covid-19 pandemic, Brexit and other economic factors (eg inflation) are likely to slow down the UK economy. Whilst some respondents to the consultation felt that Brexit offered an opportunity for the UK to do enhanced trade deals with nations such as Japan and Australia, thereby creating the demand for new dedicated freighter services to these destinations, we agree with the Independent Assessor that these impacts are likely to be minimal and would be broadly cancelled out by the loss of services to countries previously covered under EU trade deals.

We note that the Independent Assessor has considered the possible role of Manston in providing increased freight capacity as resilience for unforeseen events or natural disasters. We agree with the Independent Assessor that the likelihood that this would be used in these circumstances is extremely small given the level of capacity already available at other UK airports. Furthermore, as a last resort, it is likely that use could be made of military airfields in such emergency situations.

2.4 Locational requirements

The Independent Assessor's report rightly considers the importance of locational requirements in assessing the need for the proposed Manston development. Whilst London and the SE might arguably be the end destination of the largest proportion of air freight by value, there is little doubt that the so-called 'Golden Triangle' in the Midlands is the logistics centre for the UK, with many of its Customer Fulfilment Centres (CFCs) serving the whole of the UK. The clothes retailer, Boohoo, has recently announced a new CFC in Daventry to support those in Burnley, Sheffield and Wellingborough⁶ whilst its competitor, Asos, has opened a new CFC in Lichfield⁷ which will serve the whole of the UK and some 150 other countries across the world. Although Amazon has recently confirmed the opening of a new CFC in Dartford, this is just one of 21 CFC distributed across the UK. It should also be noted that Amazon is planning to build a CFC in Ireland⁸, thus eliminating the need for Amazon Air to use

⁶ <https://www.retailgazette.co.uk/blog/2021/04/boohoo-signs-lease-to-open-4th-warehouse/>

⁷ <https://fashionunited.uk/news/business/asos-opens-new-uk-fulfilment-centre-in-fradley-park/2021110559039>

⁸ <https://blog.aboutamazon.co.uk/jobs-and-investment/amazon-is-opening-its-first-fulfilment-centre-in-the-republic-of-ireland>

UK airports and CFCs for distribution within the country.

Given its location in the south-east corner of the UK, Manston clearly has a disadvantage in that trucking distances and times to the end (or start) destinations are often much longer than those at other airports. The additional time constraints together with the increased use of carbon-emitting HGV vehicles makes Manston a less attractive option than other UK airports. We should add that we do not believe that the widespread use of electric barges from Manston to London via the Port of Ramsgate, as an alternative to HGVs, is commercially viable as the extended transit times would negate the time-savings gained from air freight.

2.5 Conclusions

In summary, we concur with the Independent Assessor that there has been no change in policy nor any evidence available that the quantitative need for the Manston development has significantly altered since July 2019. As such, the conclusions of the ExA that the Applicant has failed to demonstrate sufficient need for the Development and that this weighs against making the proposed Order, remain valid.

3. Comments on representations received in the First Round of Consultations

3.1 The Applicant's (Riveroak Strategic Partners') submission

The Applicant (Riveroak Strategic Partners) presented its submission for the First Round of Consultation for the redetermination of the Manston Airport DCO as six Annexes.

Annex 1 covers the status of need for the Development. In Para 2, RSP states

'There is no general obligation to establish need for a nationally significant infrastructure project. The London Resort project, for example, as a leisure facility is not 'needed' per se,...'

We disagree with this view. It is clear to us that demonstration of need is fundamental. If there is no need (ie evidence-based future demand) then an NSIP would not be commercially viable and sustainable in the long-term. The ExA, the Independent Assessor and other industry experts have all unanimously concluded that there is no need for the project. The requirement for an NSIP to demonstrate need is important as it could potentially hide other motives for obtaining DCO consent. We would contend that approval for the Manston DCO is being sought by the Applicant not to build a long-term sustainable cargo hub, but is primarily designed to increase the land asset value of the site for their investors, with the prospect of future land sales for housing and/or industrial development in the future. It is possible that the previous owner of the site, Stone Hill Park may also have some financial interest in this. Whilst

some might argue that this is conjecture, it does highlight why it is important that the need for the Manston cargo hub must be fully validated or otherwise there is a possibility that it would never be built and developed on a long-term sustainable basis.

We should also point out that, whilst the London Resort NSIP may not be 'needed' in a similar way, for example, as to why a hospital might be needed, it could potentially provide leisure benefits for its visitors, create local employment and could be commercially viable, provided sufficient demand for its facilities can be demonstrated.

In Annex 2, the Applicant made their assessment of the planning policy changes that might impact on the need for the Development. These include Kent County Council's Interim Strategic Plan which recognizes the need to bring forward infrastructure projects in the county to stimulate economic growth. This does not however relate the need (ie future demand) for the Manston project itself. A revised London Plan was adopted in March 2021 which gives policy support to the use of the River Thames for freight traffic. Whilst RSP has proposed the onward shipment of air freight at Manston via the Port of Ramsgate by sea to the Port of London by electric barges, we do not believe this is commercially viable due to the longer transit times. We are not aware of any similar schemes involving the onward shipment of air freight by barges in other countries. The Thanet Local Plan was adopted on 9 July 2020, which we acknowledge does lend policy support to the Development in its current format. However, the Local Plan is due for review following DfT's decision on the DCO application.

Annex 3 of RSP's submission gives their assessment of the changes in the qualitative need for the Development since July 2019. As we have indicated in Section 2, we disagree with most of their assertions. In particular, it is incorrect for RSP to state that air cargo is now above pre-pandemic levels (RSP Doc TR020002/RED – Page 3) as we have indicated in Section 2.3 1st Para above. The long-term future of the UK air freight market is highly uncertain, particularly in view of the need to curb air traffic growth due to climate change constraints. We accept that there has been significant growth in the e-commerce market since the start of the Covid-19 pandemic. However, we do not believe that this would be a suitable market for the Manston cargo hub to 'target'. Amazon Air has its main UK base at East Midlands Airport and, although it is looking to expand its operations into other UK airports, this is largely for feeder services from Europe. These feeder services generally operate at night which would count against the use of Manston, which has agreed to ban all night flights. We do not accept RSP's view that the increased use of London Heathrow and Gatwick airports during the pandemic is indicative of a pent-up demand for additional dedicated freight capacity in the south-east. As pointed out in the Independent Assessor's report and in York Aviation's submission for Ms Jenny Dawes, this effectively reflects the use of existing freight facilities at these airports. As indicated in Section 2.3 above, we do not agree with RSP's assertion that the new trade deals following Brexit significantly changes the need for the proposed Manston development. It is possible that a few new dedicated freighter services could be

introduced at other airports in the medium-term, although this would probably be counteracted by the expected fall in UK GDP which, according to the Office of Budget Responsibility, is projected to fall by some 4% due to Brexit and a further 2% due to the pandemic⁹ and would inevitably impact on the level of UK air freight, including that carried by dedicated freighters.

In Annex 4, RSP sets out its position on the extent to which the Secretary of State should take account of the Sixth Carbon Budget with regard to the redetermination of the Manston DCO. It claims that Manston would be committed to being a carbon net zero airport and that this would more easily achieved than at other airports which would need to convert their existing facilities for carbon net zero operations. We believe that any difference would be marginal and would probably be counteracted by the impact of embedded carbon during the construction of the Manston cargo hub. We see no reason why Manston would be significantly more 'state-of-the-art' in terms of its carbon-neutral credentials or its cargo handling facilities than its competitor airports. Whilst RSP claims its airport facilities would be carbon-neutral, their submission makes no mention of its own assessment of Manston's overall contribution to the UK's carbon emissions from aviation, which would, in a worst-case scenario, account for some 1.9% of the 2050 target of 35.5 MtCO₂ identified by the UK government. This is discussed further in Section 4.

3.2 Other submissions

In this section, we provide a summary of some of the key points raised in other submissions by third parties in the First Round of Consultations for the re-determination of the Manston DCO. In doing this, we note that, although the brief from DfT was that the submissions should only cover any changes that have occurred since July 2019 which could impact on the redetermination, many of the respondents included evidence and personal views which have already been taken into account in the ExA's report. For the purposes of this section, we shall only comment on the changes identified by the respondent relevant to the redetermination.

We should first point out that, in numerical terms, there were more submissions against rather than for the proposed DCO, although we accept that this was not by a significant margin. We note that virtually all submissions were made by individuals or organisations with a local interest in Thanet or Kent. We believe that the absence of any submissions in support of the proposed cargo hub by the air freight/logistics industry or by freight forwarders is telling. It is clear to us that, if those in the air freight industry truly wanted the Manston cargo hub, even if it was just an additional option to other airports, then they would have submitted a response. In our opinion, this suggests that there is no evidence of any pent-up demand for additional capacity for air freight at airports in the south-east.

⁹ <https://www.theguardian.com/politics/2021/oct/28/brexit-worse-for-the-uk-economy-than-covid-pandemic-obr-says>

Whilst some submissions did cover changes to the need for the proposed development, these are largely covered by our comments above. Many respondents commented on the impact of the development in terms of additional jobs both at a local and a national level. It should be stressed that these additional jobs would only be likely to be accrued if the forecasted air freight demand is achieved. The ExA's report found that the Applicant's estimate of the total number of jobs created by the development (a total of 23,235 by Year 20) was too high and did not account for job displacement. Furthermore, the ExA believed that the forecasts of the number of jobs at a local level may have been over-estimated by the Applicant and, whilst an equivalent number might be created at a national level, this would provide benefits to other areas with different socio-economic profiles to those in East Kent. It should be pointed out that, since July 2019, the Applicant has acknowledged that the number of direct jobs created at Manston is likely to be lower than its initial estimates due to automation, although this was not quantified. Furthermore, some skilled jobs, eg air traffic control, would be undertaken remotely outside the East Kent area. A number of respondents noted the potential impact of the development on the tourism industry in Ramsgate as acknowledged in the ExA's report, noting that the Covid-19 pandemic had increased the demand for UK-based tourism (so-called 'staycations') and increased funding had been made available by Thanet District Council to promote Ramsgate's heritage and other visitor attractions¹⁰.

A number of respondents commented on the implications of the Sixth Carbon Budget in relation to the redetermination of the Manston DCO. We review how the Sixth Carbon Budget and the potential policies that may result from the Jet Zero carbon consultation in Section 4 below.

4. Other representations

DfT's letter to Interested Parties requested representations on whether the publication of the Government's policy consultation documents "*Decarbonising transport: a better, greener Britain*" and the "*Jet Zero consultation: a consultation in our strategy for net zero aviation*" would result in any change as to whether the Manston development would be consistent with the requirements of national policies.

Decarbonising aviation is one of the biggest challenges across the global economy. The projected increase in air transport, and the need for global coordination, means that decarbonisation will require a consistent, long-term effort from government and industry, both in the UK and internationally. Through these efforts, The UK government is committed to meet this challenge and are committed to UK aviation achieving net zero by 2050 with targets for zero carbon aviation for airports and domestic aviation by 2040. Whilst some schemes to promote decarbonisation of the UK aviation sector

¹⁰ <https://www.inyourarea.co.uk/news/government-millions-pledged-for-regeneration-of-margate-and-ramsgate/>

have been established, such as the Jet Zero Council and the UK Emissions Trading Scheme, and the UK is participating in ICAO's CORSIA carbon reduction and offsetting scheme for global aviation, it is clear that further policy measures are needed to meet both the UK's short and long-term targets.

The Jet Zero consultation document sets out some illustrative pathways for the UK aviation sector to meet the 2050 zero carbon target. These pathways include carbon-cutting measures such as the demand impact of carbon pricing, fuel efficiency improvements, the use of sustainable aviation fuels (SAF) and zero emission aircraft and abatement outside aviation sector, including greenhouse gas removal. The recommended strategy put forward is a 'high ambition' pathway, based on a combination of these measures, assuming a 60% increase in passenger traffic¹¹ and 45% increase in air transport movements (ATMs) between 2018 and 2050. This represents average annual increases of 1.5% pa and 1.2% pa respectively. If the DCO is approved, Manston's traffic would need to be encompassed within these overall national air traffic growth targets, effectively reducing possible growth at other existing airports.

The Jet Zero pathway is highly challenging and uncertain, given that much of the technologies are yet to evolve. Furthermore, the targets exclude other non-carbon aircraft emissions eg NO_x which account for a further 1.0% of total radiative forcing (global warming)¹². We recognise that there are currently no policies measures to limit individual airport infrastructure or movement expansion in order to meet the necessary trajectories to meet these targets. The Government, however, may review the ANPS next year and, following on from the momentum at the COP26 Climate Change Conference, may also consider introducing further policy measures to limit airport expansion.

As indicated above, Manston's overall carbon emissions would, in a worst-case scenario, account for some 1.9% of the Jet Zero target at 2050 and would effectively reduce the emissions and potential air traffic growth at other UK airports. In the circumstances, we believe that the Government's commitment to the Jet Zero target and the possible trajectories towards this represents a significant change to whether the proposed Manston development is consistent with current or emerging policy on climate change and would weigh heavily against DCO consent.

5. Conclusions

To summarise our conclusions:

- (i) Both the ExA's and the Independent Assessor's reports clearly concluded

¹¹ For simplification, the Jet Zero targets are based on assumed air passenger growth, although in practice these will need to include air cargo on a passenger/cargo equivalent basis.

¹² <https://ourworldindata.org/co2-emissions-from-aviation>

that the Applicant had not demonstrated sufficient need for the proposed Manston cargo hub development, based on an extensive assessment of the evidence available to them at the time.

- (ii) The requirement to demonstrate need is to produce and justify evidence-based air freight (and passenger) forecasts to meet the NSIP requirements and to provide a commercially viable development is fundamental for approval of the DCO. If not, there is a possibility that DCO consent might be being sought for other purposes, such as increases in the asset value of the site and future land sales, with little or no prospect of a commercially sustainable cargo hub with the projected level of employment.
- (iii) Since the publication of the ExA's report, there have been a number of changes to the nature of the UK's air freight market and indeed the UK's freight market as a whole due to the impacts of Covid-19, Brexit and disruptions to global supply chains. Despite some recovery in air freight demand due to the increased use of dedicated freighters and temporary passenger/freighter conversions, the overall demand for UK air freight is still lower than pre-Covid 19 levels (a decline of some 8.2% between September 2019 and September 2021) based on the latest available CAA monthly statistics.
- (iv) Whilst there has been an increase in e-commerce and in dedicated freighter operations due to the pandemic and constraints in global supply chains, it is likely that the shares of seaborne and aircraft bellyhold freight will return to broadly pre-pandemic levels once air passenger markets fully recover. In the medium to long-term, these modes will be more cost-effective for shippers due to measures to reduce carbon emissions from UK aviation.
- (v) As indicated in the ExA's report and reiterated in the Independent Assessor's report, London Heathrow, Stansted and East Midlands airports have historically handled the majority of the UK's air freight. The prospect of a third runway at Heathrow remains uncertain. If it were to proceed, it would provide additional passenger bellyhold and potentially dedicated freighter capacity to meet long-term air freight demand, particularly at SE airports. If not, then the reduced UK air freight demand, coupled with measures to constrain air traffic due to climate change would diminish any need for additional capacity at Manston.
- (vi) Despite a reduction in the level of permitted cargo air transport movements (CATMs), Stansted still has scope for the expansion of air freight. East Midlands Airport is well located in the centre of the 'Golden Triangle' for UK logistics distribution and has substantial additional air freight capacity, particularly for night-time operations.

The airport and the surrounding area have recently been given Freeport status which will enhance its attractiveness.

- (vii) We do not believe that there are any other locational factors which have emerged since the ExA's report was published that would change the need for the Manston development. We note that a number of new retail Customer Fulfilment Centres (CFC) have opened or been announced. These are broadly geographically distributed across the UK, with a particular focus on centralised locations, such as the Midlands. As such, they would tend to favour future air freight growth at existing UK airports, rather than Manston.
- (viii) The Applicant's employment forecasts for the Manston cargo hub are contingent on the need for the development (ie that the projected air freight and passenger forecasts will be achieved). We note that the Applicant has recently reduced its earlier forecasts presented at the PINS Inquiry due to the expected impact of automation, although this has not been quantified.
- (ix) The negative impact of the development on tourism in Ramsgate, which is directly under the main flight path to and from the airport was recognised in the ExA's report. Since this was published, the Covid-19 pandemic has increased the demand for UK-based tourism (so-called 'staycations') and further investment in Ramsgate's heritage and visitor attractions has been announced. These factors will increase the severity of the negative impacts of the cargo hub on tourism in Ramsgate.
- (x) The Government's proposed policy to meet the Jet Zero target for aviation by 2050 is highly challenging. The recommended strategy put forward is a 'high ambition' pathway, based on a combination of these measures, assuming a 60% increase in passenger/cargo equivalent traffic and 45% increase in air transport movements (ATMs) between 2018 and 2050. This represents average annual increases of 1.5% pa and 1.2% pa respectively. If the DCO is approved, Manston would need to be carbon-neutral as an airport, but more importantly, Manston's traffic would need to be encompassed within these overall national air traffic growth targets, effectively reducing possible growth at other existing airports.
- (xi) Whilst there is no current Government policy on the restriction of airport expansion due to climate change constraints, further measures are likely be necessary in order to meet the necessary trajectories. Manston's overall carbon emissions would, in a worst-case scenario, account for some 1.9% of the Jet Zero target at 2050 and would effectively reduce the emissions and potential air traffic growth at other UK airports. In the circumstances, we believe that the Government's commitment to the Jet

Zero target and the possible trajectories towards this represents a significant change to whether the proposed Manston development is consistent with current or emerging policy on climate change and would weigh heavily against DCO consent.

Appendix A

Department for Transport letter to Interested Parties
(11 June 2021)



Department for Transport

Great Minster House
33 Horseferry Road
London, SW1P 4DR

Telephone:
e-mail: transportinfrastructure@dft.gov.uk
Web: www.gov.uk/dft

All Interested Parties

21 October 2021

Dear Sir/Madam

Planning Act 2008 and the Infrastructure Planning (Examination Procedure) Rules 2010

Re-determination of the Application by RiverOak Strategic Partners Limited (“the Applicant”) for an Order granting Development Consent for the reopening and development of Manston Airport in Kent.

CONSULTATION ON THE INDEPENDENT AVIATION ASSESSOR’S DRAFT REPORT AND THE REPRESENTATIONS RECEIVED ON THE STATEMENT OF MATTERS

1. In its Order dated 15 February 2021 the High Court quashed the decision of the Secretary of State for Transport dated 9 July 2020 to grant development consent for the Manston Airport project in Thanet, Kent (“the Development”). The Secretary of State is now taking steps to re-determine the application submitted to the Planning Inspectorate by RiverOak Strategic Partners Limited on 17 July 2018 (“the Application”).
2. On 11 June 2021, the Secretary of State issued a statement setting out the matters to be considered further in the re-determination of the Application (“the Statement of Matters”) and invited Interested Parties to submit further representations on the Statement of Matters by 9 July 2021 (“the First Round of Consultation”). As set out in the letter dated 30 July 2021, this letter initiates the “Second Round of Consultation”.

Independent Aviation Assessor’s Draft Report

3. As set out in the Statement of Matters, the Secretary of State has appointed an independent aviation assessor to advise him on matters relating to need for the Development and to produce a report summarising those findings. The independent aviation assessor’s draft report has been published on the Planning Inspectorate’s website at:

- <https://infrastructure.planninginspectorate.gov.uk/projects/south-east/manston-airport/?ipcsection=docs>

4. The Secretary of State invites representations from the **Applicant** and **any Interested Party** on the independent aviation assessor's draft report.

Representations Received on the Statement of Matters

5. To provide Interested Parties with the opportunity to consider the representations received in response to the Statement of Matters, the Secretary of State published representations from the First Round of Consultation on 30 July 2021 at:

- <https://infrastructure.planninginspectorate.gov.uk/projects/south-east/manston-airport/?ipcsection=docs&stage=6&filter1=Re-determination>

6. The Secretary of State now invites submissions from the **Applicant** and **any Interested Party** on the representations received in response to his First Round of Consultation.

Other representations

7. The Secretary of State notes that the "*Decarbonising transport: a better, greener Britain*" and the "*Jet Zero consultation: a consultation in our strategy for net zero aviation*" was published on 14 July 2021. The Secretary of State invites comments from the **Applicant** and **any Interested Party** on whether this results in any change in whether the Development would be consistent with the requirements of national policies.

8. In addition, the Secretary of State requests comments from the **Applicant** on the matters specified below.

- The Secretary of State notes Network Rail's representation dated 1 July 2021 regarding the inclusion of protective provisions within the Manston Development Consent Order ("DCO") were the DCO to be granted, and outlines the status of negotiations between Network Rail and the Applicant on these and related matters. The Secretary of State welcomes comments from the Applicant on this representation, in particular regarding Network Rail's request for inclusion of protective provisions, and requests an update from the Applicant on negotiations with Network Rail.
- In light of the representations from the Ministry of Defence dated 9 July 2021 and NATS Safeguarding Office dated 22 June 2021, the Secretary of State requests the Applicant provide an update on progress regarding the relocation of the High Resolution Direction Finder.
- The Secretary of State notes the representation from Natural England dated 21 June 2021. The Secretary of State requests that the Applicant updates air quality assessments to refer to the most current background deposition and concentration datasets from the Air Pollution Information Service as necessary, or explain why no updates are required.
- The Secretary of State notes the following comment from the Applicant's submission dated 9 July 2021 "*None of the surveys completed after 9 July 2019 have yielded results that exceeded the reasonable worst-case assumptions used for preparing the environmental statement*" and in Annex 5 that: "*In any event the DCO contains measures to limit the environmental effects to those reported in the Environmental Statement so that we can be confident that there will not be any change to the*

assessment of significance". However, in Annex 5, Appendix B – *Updated Ecological Baseline and Qualitative Assessment* there are references to mitigation measures being required, for example at paragraphs 1.2.6 (corn bunting, grey partridge and skylark), 1.3.7 (bat roosts), 1.5.3 (invertebrates) and 1.6.2 (grassland vegetation). The Secretary of State requests confirmation from the Applicant that the references to mitigation in Annex 5, Annex B refer to mitigation measures that are already included within the draft DCO provisions rather than additional mitigation measures.

- The Secretary of State notes the representation from Kent County Council dated 9 July 2021 which states: *"There are major excavations happening in relatively close proximity to the application site, which have altered the study area evidence base and provided additional knowledge in terms of the archaeology in the wider landscape. However, this is not considered to have a particular bearing on the consideration of the site as it is already known that the potential is high"*. The Secretary of State requests the Applicant to confirm whether it is satisfied that its assessment of the impacts on the historic environment and heritage assets submitted in support of the application remains current, or where deemed necessary to submit any updated information.
 - The Secretary of State requests that the Applicant provide an updated Book of Reference with a schedule to highlight and explain any changes since the last version of the Book of Reference dated 9 July 2019.
9. The Secretary of State requests that the Applicant and any Affected Parties provide an update as and when any outstanding negotiations relating to the compulsory acquisition of rights or land are concluded during the redetermination period.

Deadline for Responses

10. The deadline for responses is 19 November 2021.
11. Due to Covid-19, submissions sent by post may be subject to delay therefore responses on the information requested above should be submitted, if possible, by email to manstonairport@planninginspectorate.gov.uk.
12. Responses will be published as soon as possible after the deadline on the Manston Airport project page of the National Infrastructure Planning website at:
- <https://infrastructure.planninginspectorate.gov.uk/projects/south-east/manston-airport/?ipcsection=docs&stage=6&filter1=Re-determination>

Re-Determination Correspondence

13. The Secretary of State has received correspondence between the First Round of Consultation and the date of this letter. As set out in the letter dated 30 July 2021, such correspondence will be treated as "re-determination correspondence" and will be published as such at the end of the re-determination process. Interested Parties who have submitted re-determination correspondence with any comments on the responses to the First Round of Consultation that they wish the Secretary of State to treat as a formal consultation response should re-submit those comments by 19 November 2021.
14. This letter is without prejudice to the Secretary of State's re-determination of the application for the Manston Airport application and his decision whether or not to grant development consent for the reopening and development of Manston Airport, and nothing in this letter is to be taken to imply what that decision might be.

Yours faithfully,

Natasha Kopala
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