Further Representation of Jennifer Dawes

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 ("the Development")

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This representation is made in response to the Department for Transport's ("DfT's") letters of 30 July 2021 and 21 October 2021.

I make this representation in my personal capacity.[1]

The letter of 21 October 2021, invites representations on:

- the IAA's Draft Report,
- representations received on the statement of matters, and
- other representations.

The Examining Authority ("ExA") found that there was no need for Manston Airport and that the Development Consent Order ("DCO") should not be approved. The Independent Aviation Assessor's draft report ("IAA's Draft Report") finds that these conclusions are sound (para.2.2) and that there have not been any significant or material changes to policy or to the quantitative need case to warrant a different conclusion in relation to need (section 6).[2] For the reasons set out below, and as elaborated by York Aviation (Annex I), the main findings of the IAA's Draft Report are correct: there was and continues to be no need for Manston Airport.

Without the need for Manston Airport, any related benefits will be extremely limited, while the disbenefits will be significant.

The decision-maker in this instance must take these conclusions and the evidence on which they are based fully into account and afford them the weight they deserve, without improper influence from competing personal interests.

Specific comments relating to the IAA's Draft Report and representations submitted by others in relation to the first consultation are set out below under the following headings:

1. National and local policy
2. Need
3. Climate change
4. Other matters

1. National and local policy

a. <u>The IAA's Draft Report</u>

i. ANPS

The IAA's Draft Report is correct that the Airports National Policy Statement ("ANPS") is currently in effect and has the same status as at the time of the Examination. (para.4.2)

It is also accurate in stating that the ANPS was and remains an important and relevant consideration to the determination of the application. (para.4.2)

The IAA's Draft Report refers to a letter published by the Secretary of State dated 6 September 2021, and notes that it states that the ANPS will not be reviewed at this time. (para.4.2) The

[1] I have received considerable support both for the judicial review and in preparing this and my 9 July representation, including in the form of financial contributions. Over 1,880 donations have been received, which demonstrates the strength of local feeling on this issue.
[2] Manston Airport Independent Assessor's Report, 21 October 2021.

consequence of this letter is that the ANPS remains in effect and an important and relevant consideration in relation to the determination of the DCO application.

ii. Thanet Local Plan

The IAA's Draft Report places undue importance on the Thanet Local Plan and characterizes it inaccurately.

The IAA's Draft Report states that the Local Plan should carry more weight in the redetermination because it has been adopted (para.4.3). The IAA Draft Report also states "Policy SP07 (Manston Airport) is important and relevant. In safeguarding the site for aviation use the policy is supportive of the Proposed Development, subject to it being acceptable in other regards." (para.4.3)

The IAA's Draft Report references Policy SP03 (Local Plan Review) and SP04 (Economic Growth) and concludes that the "principle of the Proposed Development is supported by the adopted Local Plan, subject to it being acceptable in other regards" but that the adopted Local Plan does not advance the need case for the development.

While it is true that the Local Plan does not advance the need case for the development, the IAA's Draft Report omits or mischaracterizes the Local Plan in other respects.

First, the Local Plan is not a statutory consideration under s.105 of the Planning Act 2008.

Secondly, in terms of specific policies, the Local Plan "recognises" the Applicant's proposals and notes that this is the subject of a DCO application (para.1.38). SP07 safeguards the land for "airport related uses".[3] This term is broad in scope and could support a range of uses that would not amount to an international freight airport with passenger and executive travel. Consequently, the Local Plan does <u>not</u> directly support the proposal put forward by the Applicant and does <u>not</u> safeguard the land for these purposes.

The fact that the Local Plan does not explicitly support the proposal is made clear by para.1.39, which sets out that both the granting and the rejection of the DCO will require the early review of the Local Plan.

Furthermore, the Applicant's proposal specifically conflicts with other policies in the Local Plan, including: SP37, Climate Change; SE06, Noise Pollution; and SE05 Air Quality.

In addition, the Local Plan was adopted in July 2020, a year before the publication of the Transport Decarbonisation Plan and Jet Zero Consultation were published by the Government in July 2021.

b. <u>The Applicant's and other representations</u>

i. ANPS

The Applicant's submission of 9 July recognises that the ANPS was reinstated by the Supreme Court decision in December 2020.[4] It further argues that the Supreme Court decision and the ANPS reinforce Government's support "for airports beyond Heathrow to make better use of

[3] Policy SP07 states: "Manston Airport as identified on the Policies Map is safeguarded for airport related uses. Whether or not the DCO is confirmed, the future use and development of Manston Airport and/or other policies affected by the outcome of the DCO process will be determined through the early review of the Plan."
[4] Applicant's Submission for the re-determination of the Manston Application, 9 July 2021, Annex 2

their existing runways to add capacity, taking careful account of all relevant considerations, particularly economic and environmental impacts" (para.4).

This is inaccurate. The Supreme Court decision was confined to specific issues relating to the validity of the ANPS in light of climate change and the Paris Agreement. Furthermore, the ANPS is clear that it "will be an important and relevant consideration in respect of applications for new runway capacity and other airport infrastructure in London and the South East of England" (ANPS, para.1.12). Further:

> "*Among the considerations that will be important and relevant are the findings in the Airports NPS as to the need for new airport capacity and that the preferred scheme is the most appropriate means of meeting that need*. (para.1.41)"

As has already been made clear in my 9 July submission (p.1-2), the ANPS was based on and supported the work of the Airports Commission (ANPS, para.2.23). The Airport's Commission reviewed the case for Manston as a freight airport and dismissed it as an option for further consideration because it:

> "*did not fit with the Commission's remit or offer a solution to the key question of providing additional long-term capacity and connectivity for the UK.*"[5]

The ANPS and Airport's Commission are therefore clear that there is no "need" for Manston Airport.

The Making best use of existing runways ("MBU") policy, of June 2018, reiterates that proposals for other airports with existing runways must take into consideration both economic and environmental considerations. This supports the argument that a viable economic case, is required. As York Aviation points out, "Re-opening a runway only for it to be seldom used in practice does not constitute an economically efficient use of that runway, and so would not be likely to equate to 'best use'".[6] Further, the MBU does not overcome the presumption contained in the ANPS that there is no need for a freight airport at Manston.

The Applicant also relies on the Stansted Airport appeal decision of 26 May 2021 to support its interpretation of aviation policy. The Stansted decision is not applicable to Manston Airport. The Stansted application was not an NSIP - indeed, the Stansted application did not propose to increase the total number of air transport movements ("ATMs") - and therefore the ANPS did not apply.

Further, and in any event, the Stansted decision specifically distinguished the finding relied upon by the Applicant, that need is not a paramount policy consideration for the development of MBU airports, from the situation at Manston, noting that Manston was 'not comparable' to the Stansted proposal. Manston involved a DCO scheme, for an unused airfield and was a cargo-led proposal.[7] Accordingly, on its own terms, the Stansted decision is neither relevant nor instructive from a policy perspective to Manston.

[5] Appendix 2 to the AC's Interim Report (2013), p16. See also Samara Jones-Hall, Deadline 5, Comment on Civil Aviation – Response to Examining Authority's WQ [REP3-231]. Manston was considered as a dedicated freight airport in the PWC report "The Air Freight Industry in the UK", which was one of the reports included in the AC's Economics Analysis: Consultants Reports – see: charts on p.33 & 34 and map on p.43

[6] Annex I, York Aviation Report of December 2021 (para.1.4), summarising the findings of its conclusions of July 2021.

[7] Stansted Appeal Decision of 26 May 2021, APP/C1570/W/20/3256619, at footnote 6.

ii. Thanet Local Plan

The Applicant's submission of 9 July 2021 quotes SP07 and states: "adopted local planning policies are supportive of it [Manston Airport] being reopened and developed in the manner put forward in the DCO".[8]

This is not accurate for the reasons set out at 1.a.ii above. SP07 supports "airport-related uses", not an international freight airport with passenger and executive travel.

Para.1.39 of the Local Plan makes clear that the review into the Local Plan will take account of Manston Airport whether the DCO is approved or not and is not indicative of support for the Applicant's plans.[9]

Employment, training and job growth plans set out in the Local Plan do not take into account the Applicant's employment projections.[10] They do however, refer to tourism, and prioritising the regeneration of town centres (SP04), both of which will be negatively impacted by the Development.

In addition, as demonstrated by York Aviation (Annex I, para.5.7-5.9), the Applicant's employment projections are inaccurate and overstated.[11] The true impact on employment would be limited to jobs relating to the construction phase of the project, which are likely to be national rather than local jobs. Long-term employment at the airport is unlikely to materialize because of the poor need case.[12]

Furthermore, alternative proposals that offer genuine long-term employment, such as that previously put forward by SHP, will be prevented from coming forward. Therefore, the long-term impact on employment, training and job-growth is minimal or negative.

As pointed out above (at 1.a.ii), the Development also conflicts with Local Plan policies on air quality, noise pollution and climate change.

iii. Kent County Council Interim Strategic Plan – Setting the Course (December 2020)

The Applicant cherry picks from Kent County Council's ("KCC") Interim Strategic Plan to provide support for the Development. KCC's Interim Strategy Plan does not reference Manston Airport. The section entitled 'Bringing forward infrastructure projects to stimulate economic growth' that the Applicant refers to specifically references the Lower Thames crossing, Ebbsfleet Garden City and the London Resort development but not Manston Airport. In addition, as already referenced, the Development's impact on employment is limited. In other respects, the Development explicitly conflicts with the Interim Strategic Plan, namely on

[8] The Applicant's Submission for the re-determination of the Manston Application, 9 July 2021, Annex 2, para.18.
[9] This is recognised and acknowledged by Dover District Council in the representation of Trevor Bartlett of 29 June 2021
[10] Thanet Local Plan, Policy SP04. In a similar vein, the South East Local Enterprise Partnership ("SELEP") Local Skills Report (March 2021) does not refer to Manston Airport at any point, despite referring to other projects that do not have DCO approval, such as the Lower Thames Crossing and London Resort. In contrast, the SELEP Skills Report refers to the SELEP's "two airports", (Stansted and Southend), and includes details of the Stansted Airport College, supported by the SELEP with £3.5m of public funding.
https://www.southeastlep.com/app/uploads/2021/03/SELEP-Local-Skills-Report-March-2021-FINAL.pdf
[11] See also, Jennifer Dawes representation of 9 July 2021, Annex I, York Aviation Report of 8 July 2021, para.3.53-3.54.
[12] Annex I, York Aviation, paras.5.4-5.6 and 5.14.

climate change. The Interim Strategic Plan specifically references the fact that KCC has recognised the climate emergency.[13]

iv. London Plan – adopted March 2021

The Applicant also refers to the London Plan in support of the Development because of the Plan's support for the use of waterways.[14] The London Plan does not refer to Manston Airport. Further, para.9.15.4 of the London Plan refers to the use of water movement, "particularly for low-value, non-time-critical bulk movements". Low value, non-time-critical freight is the opposite of the type of freight that Manston could hope to attract (see York Aviation, Annex I para.6.11, ExA para.5.6.123-124, ANPS para.2.7). In addition, the use of waterways by Manston Airport forms no part of the Development proposal and is, at best, an aspiration. The airport is almost 6km by road from the port. Cargo would have to be off-loaded and trucked to the port. Thanet District Council's current plans for the port, supported by the Levelling Up Fund, focus on the expansion of green industries on the site and make no reference to freight facilities.

The Applicant also claims that "there is now scope for freight to also be transferred by rail from the new Thanet Parkway station" (Annex 2, para.15). This is entirely disingenuous. The Thanet Parkway station will have no freight facilities. Furthermore, it is situated on an embankment and will not be able to accommodate freight at a future date. Maps from Network Rail, clearly illustrate that there is no freight route and no freight terminal in the vicinity of Ramsgate.[15] Further, the Kent Rail Strategy of March 2021 clearly shows there is no freight network serving Thanet and emphasizes that any significant change to the network would require considerable expenditure.[16]

2. Need

My representation of 9 July 2021 in response to the first consultation stated that the ExA Report's ("ExAR's") findings on the lack of quantitative need for Manston Airport remain valid: that there was and is no need for the Development. This statement was supported by the analysis and conclusions of York Aviation in their report of 8 July, annexed to my representation. My representation of 9 July 2021 and the report of York Aviation of 8 July 2021 are supported by the IAA's Draft Report.

a. <u>The IAA's Draft Report</u>

The IAA's Draft Report agrees with the conclusions reached by the ExA on need stating:

> *"The ExA Report provides a robust assessment of the evidence available at the time the Examination was held and the conclusions drawn are considered to be sound"* (para.2.2)

On the need case for the development, the IAA's Draft Report concludes:

[13] Kent County Council Interim Strategic Plan – Setting the Course (December 2020), p.25
[14] The Applicant's Submission for the re-determination of the Manston Application, 9 July 2021, Annex 2, paras.15-16
[15] Network Rail, South East Route: Kent Area Route Study, May 2018, fig 3.4 - Kent Route Study area showing freight routes and terminals at: [redacted] See also, Annex I, York Aviation, para.6.12-6.14
[16] Kent Rail Strategy 2021, March 2021, section 10, pp 50-54 and para 10.1 at: [redacted] See also, Annex I, York Aviation, para.6.12-6.14

"*that there have not been any significant or material changes to policy or the quantitative need case for the Proposed Development since July 2019 that would lead to different conclusions being reached (compared with the previous ExA conclusions) with respect to the need for the Manston development.*" (para.2.2)

As regards specific conclusions relating to need, the IAA's Draft Report confirms that:

- The growth in e-commerce sales is not driving demand for additional runway capacity for dedicated air freighters in the South East,
- Short-term changes in the balance of bellyhold and dedicated freighter activity due to Covid-19 are not expected to be permanent,
- There is unlikely to be a significant reduction in bellyhold freight capacity due to the introduction of narrow-bodied twin-engine aircraft,
- Changes since July 2019 do not alter the conclusion on need for Manston Airport. East Midlands Airport ("EMA") and Stansted have sufficient freight capacity,
- There is no new evidence to suggest different conclusions should be drawn in respect of Manston's locational performance compared to EMA and Stansted to that of the ExA Report. (para.6)

These conclusions are accurate and are borne out by the evidence, including as discussed in further detail in the submission of York Aviation (Annex I, section 4).

Specific details raised in the IAA's Draft Report are also addressed by York Aviation, including longer-term impacts of gross domestic product on air freight demand (Annex I, para.4.45), the impact of creating redundancy in the system (Annex I, paras.4.46-4.48), the Stansted planning consent (Annex I, paras.4.63-4.68) and developments at East Midlands Airport (Annex I, paras.4.69-4.74).

b. <u>The Applicant's and other representations</u>

i. *The status of need*

Annex 1 of the Applicant's submission of 9 July includes a section on "the status of need in the decision" and argues, citing the decision in relation to Stansted Airport, that need is not a paramount policy consideration and is only a factor in assessing the level of benefits and adverse impacts. Save Manston Airport have argued that "need" and socio-economic factors should be considered together.[17] This is a disingenuous attempt to avoid the onus on the Applicant to demonstrate a need, over and above that which can be met at Heathrow, as imposed by the ANPS.

As explained above (1.b.i), the decision regarding Stansted Airport is not applicable to the Development, as made clear by the inspector's themselves, not least because the Stansted application was not an NSIP.[18]

Need was properly identified as a principal issue by the ExA in its Rule 6 letter of 11 December 2018, pursuant to s.88 of the Planning Act 2008. There was no suggestion that need was only considered a principal issue because of the compulsory acquisition powers.

[17] Save Manston Airport – Matter 1, para.2.0

[18] Stansted Appeal Decision of 26 May 2021, APP/C1570/W/20/3256619, at footnote 6. The Kent Needs Manston Airport representation of 9 July 2021 also incorrectly relies on the Stansted decision.

The ANPS makes clear that while there is a need for new airport capacity in London or the South East, Heathrow is the preferred scheme for meeting that need (para.1.41) and that airports wishing to make more intensive use of their existing runways will need to submit an application. The ANPS continues:

> "*..the Government accepts that it may well be possible for existing airports to demonstrate sufficient need for their proposals, additional to (or different from) the need which is met by the provision of a Northwest Runway at Heathrow.*" (para.1.42) [emphasis added]

The clear implication is that demonstrating sufficient need is a necessary requirement for an application that will result in increased runway use.

As summarised by the ExA (at paras 5.1.2 to 5.1.3 of the ExA's Report):

> *"5.1.2. Paragraph 1.41 of the ANPS notes that the contents of the ANPS will be both important and relevant considerations in the determination of such an application, particularly where it relates to London or the South East of England and that:*
>
> *"Among the considerations that will be important and relevant are the findings in the Airports NPS as to the need for new airport capacity and that the preferred scheme is the most appropriate means of meeting that need."*
>
> *5.1.3. However, paragraph 1.42 of the ANPS states that the Government accepts that it may well be possible for existing airports to demonstrate sufficient need for their proposals, additional to (or different from) the need which is met by the provision of the Northwest Runway at Heathrow.*

The ExA therefore properly directed itself that it was obliged to examine the need for the proposed development, pursuant to section 105 of the Planning Act 2008 (at para 5.1.4 of the ExA Report).

In the Statement of Matters of 11 June 2021, the Secretary of State invited representations on "whether the quantitative need for the Development has been affected by any changes since 9 July 2019", accepting (correctly) that quantitative need is a material and relevant consideration.

The Applicant has repeatedly made the argument that need is simply a means of assessing whether certain benefits or negative impacts occur. This is inaccurate. The "need" for a scheme and its purported "benefits" are two completely discrete issues. If the airport is built and operates for a number of years without becoming profitable before ultimately failing, the negative impacts will extend far beyond those set out by the Applicant. A failed airport not only produces few of the benefits, including the socio-economic benefits, it also results in disbenefits, including:

- The considerable environmental and other impacts of the development works,
- The needless relocation of caravan owners, with recognised significant effects on health and quality of life,
- Blight and a lack of investment caused by uncertainty until it becomes clear that the airport is not viable, with a particularly negative impact on investment in the tourism sector, because of the risks of being overflown by aircraft from the airport, and
- The inability to develop the site as an alternative asset that brings long-term benefits to the community.

This is supported by the findings of York Aviation (Annex I, para.3.8 and paras.5.5-5.6 and 5.10-5.12)

ii. *Quantitative need*

The Applicant argues that the effects of Brexit and COVID-19 and the Stansted decision have improved its need case.[19]

As the report of York Aviation at Annex I makes clear, there is no evidence which alters the fundamentals of the Need Case as it was before the Examining Authority (para.4.82).[20]

York Aviation, also makes clear that other arguments put forward by the Applicant do not improve the need case for the Development, including that:

- it would make no logical sense to use the Development as a hypothetical cargo drone hub, due to its location,[21]
- delay to, or even cancellation of, expansion at Heathrow does not improve the need case for the Development,[22]
- an increase in e-commerce has not resulted in a discernible net impact in volumes of air freight, if it did bellyhold freight would likely be more attractive, and the Development would not be suitable for any dedicated freight for e-commerce because of its location and night-time restrictions,[23]
- there is a strong synergy between the express/integrator market and e-commerce and the Development is not suited to e-commerce for the same reasons that it is not suited to the express/integrator market,[24] and
- locational factors have been misunderstood by the Applicant.[25]

3. Climate Change

The Secretary of State has previously recognised that, as determined by the ExA, the proposed development would have a material adverse impact on his ability to comply with his net zero duty.

My representation of 9 July 2021 set out why the sixth carbon budget ("CB6") is relevant to a decision on the Development and detailed how, if CB6 is properly taken into account, the Climate Change impacts weigh significantly against the Development, instead of "moderately against", as determined by the ExA (ExAR, 8.2.75).[26]

[19] The Applicant's Submission for the re-determination of the Manston Application, Annex 3.
[20] See also, Annex I, York Aviation, paras.4.20-4.33 and paras.4.40-4.44
[21] Annex I, York Aviation, para.4.49-4.52
[22] Annex I, York Aviation, para.4.55-4.62
[23] Annex I, York Aviation, para.4.5-4.19
[24] Annex I, York Aviation, para.4.73
[25] Annex I, York Aviation, paras.4.75-4.81
[26] The Carbon Budget Order 2021 came into force on 24 June 2021 and sets the carbon budget for the period 2033 to 2037 at 965MtCO2e. The Government have repeatedly stated that CB6 includes international aviation and shipping.

Since 9 July 2021, the Government has published the Transport Decarbonisation Plan[27] and the Jet Zero Consultation.[28] The implications of these are discussed below.

a. The IAA's Draft Report

The IAA Draft Report does not consider the sixth carbon budget and confines its consideration of climate change as to whether the Transport Decarbonisation Plan and Jet Zero consultation impact on the need case.

The IAA's Draft Report concludes that they do not appear to have a material effect on the need case for the Proposed Development but that they introduce new goals around the carbon impact of airport operations and domestic aviation emissions which should be considered by the Secretary of State.

However, CB6, the Transport Decarbonisation Plan and Jet Zero will have a material impact on need for the reasons set out below.

CB6 incorporated the UK's share of international aviation and shipping emissions, and requires carbon emissions to be reduced by 78% by 2035.

The Decarbonising Transport plan contains commitments to consult on a range of policies, one of which is the Jet Zero strategy, with the aim of reaching net zero for UK domestic aviation by 2040, for all aviation by 2050 and decarbonising emissions from airport operations in England by 2040. There is a further intention to negotiate for a global climate goal for international aviation.[29]

The Jet Zero consultation ran from 14 July to 8 September 2021. The consultation document states that the Government believes the sector can achieve net zero without direct intervention to limit aviation growth by focussing on new fuels and technology (para.3.41). However, indirect impacts on demand are expected (para.3.44)

The consultation document also states:

> "We recognise that net zero 2050 must be achieved and we must ensure that any growth in aviation is compatible with our emissions reduction commitments." (para.3.42)

The Government acknowledges that its strategy "relies on the rapid scaleup and deployment of technologies that are currently at a relatively early stage of development and requires collaboration and commitment across all parts of the sector if it is to succeed." (para.3.42)

The Government therefore intends to continue to review the strategy to ensure that the sector remains on track.

The Government has yet to announce final policy decisions based on the consultation.

[27] Decarbonising transport: a better greener Britain, 14 July 2021 [redacted]

[28] Jet Zero Consultation: a consultation on our strategy for net zero aviation, 14 July 2021 [redacted]

[29] Decarbonising transport: a better greener Britain, 14 July 2021, p.11 and part 2a, p.116.127

The CCC have provided an Independent Assessment of the Government's Net Zero Strategy (the "CCC IA").[30] They have also responded to the Jet Zero Consultation, although the response has yet to be published.

The CCC IA criticizes the lack of demand-side measures in respect of aviation:

> "There is less emphasis on consumer behaviour change than in the Committee's scenarios. The Government does not address the role of diets or limiting the growth of aviation demand in reducing emissions, while policies to reduce or reverse traffic growth are underdeveloped. These options must be explored further to minimise delivery risks from an increased reliance on technology and to unlock wider co-benefits for improved health, reduced congestion and increased well-being." (p.4)
>
> "The Government plans put less emphasis on demand-side measures, which is a potential missed opportunity for reducing risk and delivering co-benefits." (p.13)

The CCC further notes that reduced flying cuts non-CO2 climate effects from aviation (which are of comparable size to the CO2 effects) (p.13).

In addition, the CCC IA notes that the net zero plan relies on "substantial progress" from technologies, including "sustainable aviation fuels and rapid improvements in new aircraft efficiency".

For example, the government's net zero strategy suggests sustainable aviation fuel blending will amount to 10% of fuel use by 2030, while the CCC's balanced pathway estimates that it will be just 2% by the same date (p.14).

The CCC concludes: "These ambitions are clearly very stretching, and progress will need to be monitored closely" (p.13). It also recommends "keeping in play behavioural options" such as "measures to limit growth in aviation" (p.15).

The Government's current favoured approach is to rely heavily on technological advances coupled with continued review to ensure net zero will be met and the strategy remains appropriate.[31] Because "any growth in aviation" must be "compatible" with net zero, the Development could result in the very real possibility of future airport expansion proposals being rejected on climate change grounds. As such, the requirement to demonstrate need is even more important.

The reality is that expansion at Manston will likely require capacity constraints elsewhere.[32] This cannot be justified given the lack of need for Manston.

b. <u>The Applicant's and other representations</u>

The Applicant acknowledges that CB6 is relevant to a decision on the Development and that the planning assumption is expected to be reduced.[33]

The Applicant refers to the Stansted decision as lending support for a first come, first serve approach.[34] Once again, the Stansted decision and Manston are not comparable. Indeed, in

[30] CCC, Independent Assessment: the UK's net zero strategy, October 2021
[31] Jet Zero Consultation (paras.3.41-3.44)
[32] CCC, The Sixth Carbon Budget - The UK's path to Net Zero, December 2020, p.176
[33] The Applicant's Submission for the re-determination of the Manston Application, Annex 4, para.1 and 4.
[34] *Id.*, Annex 4, paras.2-3. Save Manston Airport, Matter 3, makes similar arguments.

terms of increased emissions, Stansted was predicted to be a maximum of 0.09MtCO2pa while Manston is predicted to reach 0.73MtCO2.

Further, the MBU policy was based on the 80% reduction in carbon emissions by 2050 target, which is now outdated. In any event, the forecast underpinning the MBU also did not include cargo aircraft movements at Manston Airport, because at the time of the MBU it had been closed for 4 years with a proposal from the landowners to develop the site for housing.[35]

The new net zero target must be accounted for as must CB6. As set out above, given the constant review and likely constraints needed on aviation growth, the need case is of fundamental importance.

The Applicant also argues that a revised planning assumption favours the Development because it will have up to date facilities and will be future-proofed to allow for the latest electric and hydrogen-based aircraft.[36] This ignores the fact that all ground operations at UK airports will have to be net zero by 2040. Six airports currently claim carbon neutral status and others are aiming to achieve net zero for ground operations by 2030.[37] Further, the Development is not served by a national fuel pipeline and will therefore have to rely on delivery of aircraft fuel by road, in contrast to other airports.[38]

Even if the Development is designed with new technologies in mind, freighter aircraft are often older and more polluting thereby benefiting later from newer and cleaner technologies.[39] Further, electric and hydrogen powered aircraft are unlikely to be suitable for cargo carrying before 2050 (Annex I, para.6.3). In addition, as York Aviation note, dedicated freighter movements are generally less carbon efficient because they frequently fly empty on one of their legs so that the carbon per tonne of cargo is substantially higher than for bellyhold freight (Annex I, para.6.4-6.6).

Consequently, as a predominantly freight airport, Manston is likely to be comparatively more polluting and will require more off-setting and removals than airports providing bellyhold capacity.[40] A dedicated freight-only scheme would unavoidably give rise to significant additional ATM's, when freight capacity is available elsewhere in passenger aircraft which will fly (and emit) in any event. Suggestions by the Applicant and others that the operator will ban older, less efficient aircraft, are unrealistic given the poor need case and the proportionately higher off-setting costs that will be required for dedicated freight compared to bellyhold freight.[41]

It remains the case that CB6 and the net zero by 2050 target for all UK aviation, are material and relevant considerations and weigh significantly against the case for the Development.

4. Other matters

[35] See also, Annex I, York Aviation, para.3.15
[36] Similar claims are made by others such as Thanet and East Kent Chamber and Dover District Chamber of Commerce representation of 9 July 2021
[37] Jet Zero Consultation, para.3.9, see also Annex I, York Aviation, para.6.1
[38] Annex I, York Aviation, para.6.8. See also Commuters Against the Cargo Hub representation of 9 July 2021, p.3.
[39] Annex I, York Aviation, para.6.2
[40] Annex I, Yor Aviation, para.6.4-6.7
[41] RSP, Updated Register of Environmental Actions and Commitments, p.92 [REP11-008]; cited by Save Manston Airport representation - Matter 3, of 7 July 2021, para.1.0

a. *The IAA's Draft Report*

The IAA's draft states that the "Application Site" "is 5km south of Margate and 4km west of Ramsgate." (page 9) This fails to accurately capture the location and therefore the full impact of the Development.

The reality is that the airport's runway lies 1.37km from the nearest residence, 3.82km from the Royal Harbour of Ramsgate and 4.14km from the beach. Planes will inevitably fly at very low altitudes directly over the centre of Ramsgate. The proximity of the runway and flight path of the planes will have a huge detrimental impact on homes, schools and businesses.

The IAA's Draft Report also states that "Stone Hill Park Ltd's interests in the site were acquired by the Applicant on the final day of the Examination and their representation subsequently withdrawn." (page 5)

While this statement is accurate it omits the fact that the evidence submitted by Stone Hill Park Ltd, including the expert evidence of York Aviation and Altitude Aviation, was re-submitted by numerous individuals to the ExA. The evidence therefore continued to be relied upon and was referred to by the ExA.

b. *The Applicant's representation*

Annex 5 of the Applicant's submission of 9 July makes no changes to its environmental information. There is therefore no update made to reflect new flightpaths occasioned by new routes that the Applicant claims it will benefit from following Brexit and/or Covid.[42] The reason for the lack of an update is because there will be ample spare bellyhold capacity to accommodate any increase in freight and any temporary shortfall in capacity due to Covid can be filled by spare capacity at existing airports without the need for the Development.[43] However, if new long-distance routes were considered to bolster the case for the Development, the Environmental Statements should be updated accordingly.

As highlighted previously, the Environmental Statements submitted by the Applicant should be updated to take account of the numerous and wide-reaching impacts since November 2018, including climate projections, net zero, CB6, updated air quality projections and COVID-19, including the importance of access to green space and the known link between poor air quality and more severe health impacts from respiratory diseases. Natural England, also supported updating Environmental Statements.[44]

c. *Other representations*

Some of the supporters of Manston Airport have sought to discredit the evidence presented by York Aviation, whose Managing Partner is Louise Congdon. Such statements are baseless, as is clear from the extensive qualifications and experience of Louise Congdon and York Aviation LLP.[45]

[42] For example, see the Applicant's submission of 9 July 2021, Annex 3, para.73-74. See also, Annex I, York Aviation, para.4.42

[43] "To the extent that there is greater dependence on importing goods from further afield, we concluded that this would tend to reinforce the importance of bellyhold capacity as the principal means of carriage as it enables a wider network of points to be served directly rather than trying to consolidate cargo onto a small number of dedicated freight routes", Annex I, York Aviaiton, para.1.4 and 4.40-4.42.

[44] Natural England representation of 21 June 2021.

[45] For experience and client lists of York Aviation and Louise Congdon see [redacted] Economic Benefits, Louise Congdon, Proof of Evidence, paras.1.1 to 1.5 at [redacted]

Much is made by Save Manston Airport and others about the qualitative need for the Development because of the employment and other socio-economic benefits it offers. As demonstrated by York Aviation, employment figures for the Development are overstated, inaccurate and cannot be relied upon, not least because they vastly overestimate the quantitative need case for the airport (see above, para.1.b.ii.).[46] Without a need for a dedicated freight airport the asserted socio-economic benefits will not arise. The Applicant's own overall summary of case, which was relied upon in the DCO examination, acknowledged that the need for the project 'goes to' the likelihood of producing the forecast benefits (at para 41). At the same time, the Development may result in significant economic and social costs, as outlined above (para.2.b.1) and by York Aviation (Annex I, paras.5.5-5.6 and 5.10-5.14).

Some representations note that the Application should be approved because of the importance of the airport for the purposes of national security. However, it is noteworthy that the Ministry of Defence have objected to the Development because of its impact on a Safeguarded technical asset, namely a High Resolution Direction Finder, and the failure of the Applicant to put forward an acceptable solution.[47]

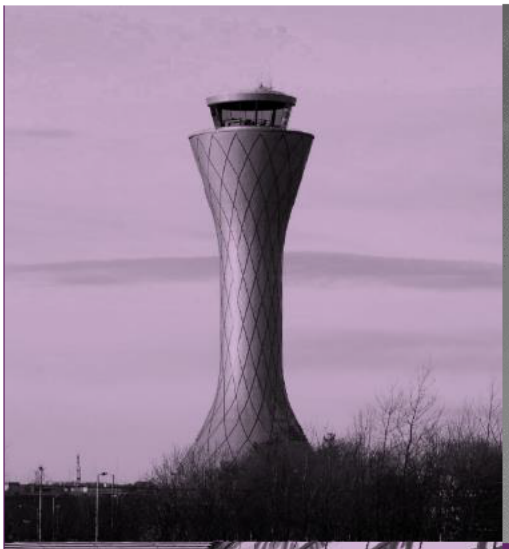
3 December 2021

[redacted]; and York Aviation Report of February 2019, in Stonehill Park Limited, Written Representation, p.394-395.

[46] See also, Jennifer Dawes representation of 9 July 2021, Annex 1, para.3.53-3.54; and York Aviation report of November 2017, Section 5.

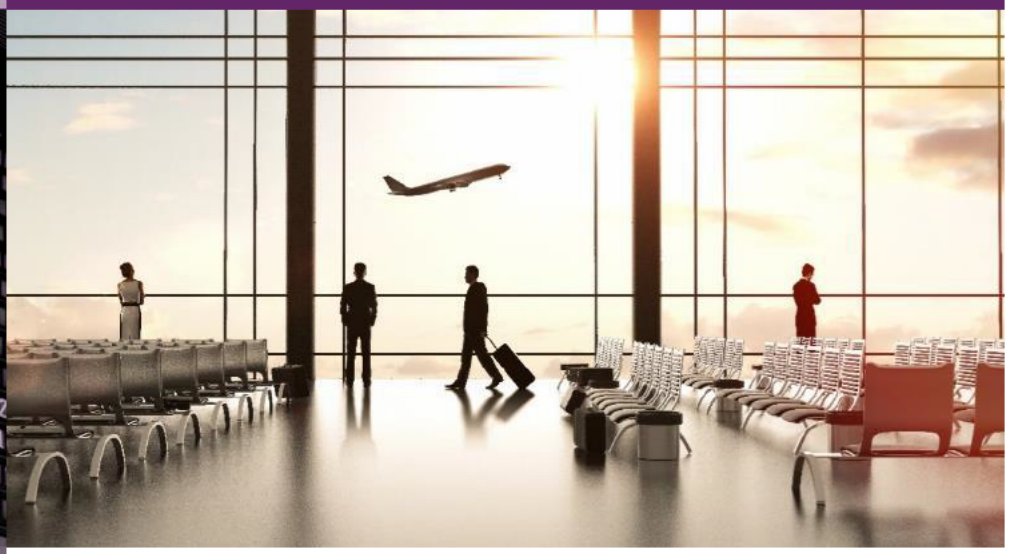
[47] Defence Infrastructure Organisation representation, 9 July 2021. See also, Annex I, York Aviation, para.8.1.

Annex I – York Aviation, Re-Determination of a Development Consent Order for the Reopening and Development of Manston Airport: Comments on Independent Assessor's Report and on Submissions by Other Parties, December 2021



Re-Determination of a Development Consent Order for the Reopening and Development of Manston Airport

Comments on Independent Assessor's Report and on Submissions by Other Parties



December 2021

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Contents

1. Introduction

Background

1.1 York Aviation (YAL) was instructed by Harrison Grant Solicitors on behalf of Jenny Dawes in June 2021 to provide expert evidence in response to the Department for Transport's (DfT's) Statement of Matters in relation to the re-determination of the Application by RiverOak Strategic Partners Limited (RSP) for a Development Consent Order (DCO) for the reopening and redevelopment of Manston Airport in Kent. This report was submitted in July 2021.

1.2 Our July 2021 report followed on from previous work by YAL submitted to the DCO Examination by Stone Hill Park Limited (SHP) who, in September 2017, had appointed YAL to review the evidence presented by RSP in connection with RSP's then prospective application for a DCO for the redevelopment and reopening of Manston Airport as a hub for international freight services, in addition to passenger, executive travel and aircraft engineering support services. In 2019, YAL produced an additional report that further highlighted the deficiencies in the evidence submitted by RSP in support of its case, in particular the absence of detailed analysis and justification from RSP related to the alleged need for the development. YAL supported SHP through the examination stage and our work was heavily referenced in the Examining Authority's (ExA's) report to the Secretary of State.

1.3 Our July 2021 report summarised our previous work and noted that it remained valid to a considerable extent. The July 2021 report focussed primarily on two specific points in the DfT's Statement of Matters in relation to its reconsideration of the application for DCO consent from RSP, namely:

- the extent to which current national or local policies (including any changes since 9 July 2020 such as, but not limited to, the re-instatement of the Airports National Policy Statement (ANPS)) inform the level of need for the services that the Development would provide and the benefits that would be achieved from the Development; and
- whether the quantitative need for the Development has been affected by any changes since 9 July 2019, and if so, a description of any such changes and the impacts on the level of need from those changes (such as, but not limited to, changes in demand for air freight, changes of capacity at other airports, locational requirements for air freight and the effects of Brexit and/or Covid).

1.4 The principal conclusions of our July 2021 response were that:

- the principal change to National Aviation Policy since July 2020 has been the reinstatement of the ANPS, which was not in force when the DCO was approved in July 2020, and that this reinstated the expectation that demand for air freight capacity in the South East of England would largely be met by the development of a third runway at Heathrow. The 'Making Best Use' policy still requires the applicant for a DCO to demonstrate that the proposal is meeting a need that cannot be met at Heathrow, which is no longer the case in relation to air freight given the reinstatement of the ANPS. Re-opening a runway only for it to be seldom used in practice does not constitute an economically efficient use of that runway, and so would not be likely to equate to 'best use'; and
- in terms of whether such need has been demonstrated or quantified, we concluded that:
  - an updated analysis of the long term trends to 2019 demonstrated that, over the longer term, the continued concentration of growth in the air freight market was evident, with the only material growth being at Heathrow (bellyhold) and East Midlands (dedicated freighters). In

general, there had been a clear switch towards the use of bellyhold capacity with the share of the cargo market carried on dedicated freighters falling from 35% to 30% since 2007. This was, in large part, a consequence of the large number of long haul services to/from the UK providing bellyhold capacity pre-pandemic, meaning that the UK was less reliant on dedicated freighters than other countries, including Germany. It is simply much more economic, in most cases, to use available bellyhold capacity where this is available;

- although travel restrictions have resulted in fewer passenger flights offering bellyhold capacity during the pandemic, this is expected to be a transient phenomenon with services expected to be reinstated to 2019 levels by around 2024. It is clear that volumes of air freight tonnage have also declined largely pro-rata to the underlying economic performance, notwithstanding the use of air freight for essential supplies. The lack of bellyhold capacity has meant that freighter capacity has been increased, including the temporary use of passenger aircraft as 'preighters' to provide capacity to meet demand. Even if recovery of passenger services was slower, the experience during the pandemic had shown that the industry is able to respond flexibly and that there is no shortage of airport capacity which would prevent it from doing so beyond 2024 if need be;

- it was evident from our updated analysis, however, that in periods when passenger flights have been operated and more bellyhold capacity available, demand for dedicated freighter operations had fallen back again. There was a strong correlation shown between the bellyhold capacity available and the amount of freight carried in bellyhold. This would suggest strongly that, over the longer term, as passenger services are reinstated, particularly in long haul markets, and bellyhold capacity becomes available again, the reliance on dedicated freighter operations will reduce again pro-rata.

- there was no systematic evidence that Brexit related border issues at the ports have resulted in any increase in demand for air freight services to/from the EU. To the extent that there is greater dependence on importing goods from further afield, we concluded that this would tend to reinforce the importance of bellyhold capacity as the principal means of carriage as it enables a wider network of points to be served directly rather than trying to consolidate cargo onto a small number of dedicated freight routes;

- the impacts of the Covid-19 pandemic on consumer preferences has led to an acceleration in e-commerce trade. Although, air freight does play a role in supporting supply chains related to e-commerce activity, we concluded that increases in e-commerce, however, do not necessarily lead to an increase in the volume of air freight carried to or from UK airports as e-commerce largely relates to the last-mile distribution from a centralised distribution centre rather than the initial carriage of goods to the UK to replenish the warehouses. To the extent that e-commerce operators, such as Amazon Air, are entering the air freight market, their patterns of operations replicate the existing integrator model, with a high reliance on night flying, such that Manston, with binding constraints on night operations, could not play any substantive role in such operations even leaving aside its locational disadvantages;

- in terms of meeting future growth in demand for air freight, the capacity expected to be available at other airports in the South East over the period remains largely as we previously assessed and would be more than sufficient to meet projected growth in demand for the foreseeable future, even if the development of a third runway at Heathrow is delayed. East Midlands Airport continues to have substantial spare capacity for air freight and its designation at the heart of the East Midlands Airport Freeport will further cement its role.

1.5 In this report, we respond to the findings of the Independent Aviation Assessor (ARUP, supported by Cebr and MDS Transmodal), which was appointed by the Secretary of State to produce a report summarising matters related to need for the proposed Development. This report also takes the opportunity to address claims made by RSP in their submissions of July 2021 and we bring up to date a number of the analyses contained in our July 2021 Report to emphasize that the evidence still does not support the case for there being a need for Manston Airport to meet air freight demand to/from the UK.

2. Response to the Findings of Independent Aviation Assessor

2.1 We note that Arup, and their partners, were appointed as the Independent Aviation Assessor by the Secretary of State to provide advice *"on matters relating to the need for the Development"*[1]. Their report was published on 21st October 2021 and starts by reviewing the conclusions of the ExA in relation to need[2], which found that:

"Given all the above evidence, the ExA concludes that the levels of freight that the Proposed Development could expect to handle are modest and could be catered for at existing airports (Heathrow, Stansted, EMA, and others if the demand existed). The ExA considers that Manston appears to offer no obvious advantages to outweigh the strong competition that such airports offer. The ExA therefore concludes that the Applicant has failed to demonstrate sufficient need for the Proposed Development, additional to (or different from) the need which is met by the provision of existing airports."

2.2 The Arup report is clear as to its purpose:

"the review has sought to identify any new information or evidence contained in the representations which addresses changes in national or local policy and changes to the quantitative need for the Proposed Development since July 2019 that could mean different conclusions in respect of the need case would be reached compared to those of the ExA. In this respect, this report does not seek to repeat evidence already submitted to and addressed by the ExA at the Examination."[3]

2.3 The Arup report is, hence, focussed on the extent to which there is new evidence that would suggest that there have been material changes impacting on the validity of material submitted to the Examination into the Manston DCO and the conclusions reached by the ExA in October 2019. If not, there could be no justification for revising these conclusions. This explains why the remainder of their report is purposefully focussed around addressing the matters raised by the Secretary of State in his 11th June letter and new evidence submitted by third parties, as well as their own analysis of the issues, before setting out their conclusions in relation to the need for the development.

2.4 Hence, Arup state that they have reviewed the basis of the Examining Authority's conclusions, including the detailed reports submitted by RSP and other parties, including SHP, and conclude that:

"the Independent Assessor agrees with the conclusions reached by the ExA with respect to the need for the development. The ExA Report provides a robust assessment of the evidence available at the time the Examination was held and the conclusions drawn are considered to be sound.

The ExA Report therefore forms the starting point for this Assessor's Report. The purpose of this assessment is to consider the ExA Report and test whether there have been any material changes, including in respect of policy, demand and/or capacity, since its publication which would affect its conclusions in respect of the need case.[4]

2.5 Based on our analysis of the evidence, including some updated analysis of our own, we concur with the overarching conclusion reached by Arup that:

[1] Department for Transport, Redetermination Letter, Statement of Matters 11th June 2021.
[2] Para. 5.7.28, TR020002-005347.
[3] Ibid, Section 2.4.
[4] Arup, Draft Manston Airport Assessors Report, 21 October 2021, Section 2.2.

"there have not been any significant or material changes to policy or the quantitative need case for the Proposed Development since July 2019 that would lead to different conclusions being reached (compared with the previous ExA conclusions) with respect to the need for the Manston development."

2.6 To support this conclusion, we now address the matters by topic, drawing on the structure in which the issues were addressed by Arup, and set out any further considerations related to the conclusions reached by the Independent Aviation Assessor and the evidence submitted principally by RSP.

3. Policy Position

Aviation Policy

3.1 Arup correctly point out that the ANPS has been reinstated since the Secretary of State issued his original decision in July 2020. They note that, although not *"in effect"* in relation to the potential development at Manston, it was treated as an *"important and relevant consideration"* by the ExA[5]. It is important to recognise the specific context for the ANPS being an important and relevant consideration in relation to any proposal for new airport capacity in the South East of England is set out at para. 1.41 of the ANPS, namely that:

"Among the considerations that will be important and relevant are the findings in the Airports NPS as to the need for new airport capacity and that the preferred scheme [the Heathrow northwest runway] is the most appropriate means of meeting that need."

3.2 Hence, the onus is on applicants for airport expansion to demonstrate a need over and above that which can be met at Heathrow. This was the case at the time of the Examination and the requirement was reinstated with the ANPS. Contrary to what is stated by RSP at para. 4 of Annex 2 to their submission, the MBU policy remained in full force through the challenge to the ANPS and the reinstatement of the ANPS makes no difference to the status of the MBU policy. Significantly, however, the reinstatement of the ANPS brings back the requirement to demonstrate a need that cannot be met at Heathrow.

3.3 Hence, it is not sufficient, as RSP seek to do, to seek to rely on the sufficiency of the MBU policy on its own. We do not agree with RSP's contention in Annex 1 to their submission that there is no requirement for an applicant for a DCO to demonstrate need. Whilst this may be so in other cases, such as the London Resort, it is evident that it is normal practice to set out clearly the case for the scheme, including the need for it, as part of a DCO application[6].

3.4 If there was no requirement to demonstrate need, why does the ANPS expressly state[7] that, an applicant for planning permission to make best use of an existing runway *"may be able to demonstrate sufficient need for their proposals, additional to (or different from) the need which is met by the provision of a Northwest Runway at Heathrow."* This clearly envisages that sufficiency of need is a relevant consideration and envisages circumstances where the need may not be sufficient to justify development proceeding. This negates the contention that there is no requirement to demonstrate need.

3.5 Although RSP claim in their submission (Annex 1, para. 7) that they have demonstrated a need different from that which is met by the provision of a third runway at Heathrow, this relies on the unevidenced assertion that there is a need for a dedicated freighter airport serving the South East of England, which is distinct from the major role that Heathrow plays, and will play, in handling the vast majority of air freight demand in the bellyholds of passenger aircraft. We address RSP's most recent claims in this regard through the later sections of this report.

3.6 We note that the Planning Inspectorate accepted that Stansted was not required to explicitly demonstrate need in the same terms for its 35mppa+ planning application but this proposal was of a smaller scale in terms of impact and did not involve consent for any additional aircraft movements, merely a change in how those consented movements were used and the volume of passengers that they would carry, with negligible resultant changes to the environmental impact of the Airport. It is material

[5] Ibid, Section 4.2.
[6] National Highways, Lower Thames Crossing, the Case for the Project, Statutory Consultation 2018.
[7] Airports National Policy Statement, para. 1.42.

that the Planning Inspectorate specifically differentiated Stansted from Manston in terms of the requirement to demonstrate need at footnote 6 of the Decision, noting that Manston was an application for development consent, as distinct from an application to vary existing planning conditions with very limited new works, and related to an existing well established airport with a track record of growth.

3.7 There are three important points to note in relation to the requirement to justify need:

- the Stansted Application was accompanied by a detailed forecasting report and the evidence on demand forecasts and the economic benefits flowing from those forecasts was subject to separate evidence and detailed scrutiny at the Inquiry;
- the need to make better use of Stansted's existing runway was expressly considered by the Airports Commission (AC) in terms of the requirement for airports, other than Heathrow, to make best use of their existing runways, which underpinned the MBU policy and the related statements in the ANPS[8]. This is not the case in respect of Manston, which was closed at the time of the AC's report, so was not an existing airport, and had not, in any event, been identified by the AC as having a role in meeting demand other than on the margin for business and general aviation[9]; and
- the Secretary of State has expressly asked about the quantified need for the development as a relevant consideration to the granting of the DCO, not least because the benefits of the development cannot be assessed without a robust quantification of the need/demand likely to use it. It remains an important principle that the benefits of a development outweigh its environmental costs as set out at para. 1.29 of the MBU policy:

  "We therefore consider that any proposals should be judged by the relevant planning authority, taking careful account of all relevant considerations, particularly economic and environmental impacts and proposed mitigations."

3.8 In the circumstances, like Manston, where the environmental impact in the local area of re-opening the Airport will be substantial, it is imperative that a real need for the development can be demonstrated and the forecasts of future demand verified in order to be sure that there is a realistic prospect of the benefits coming forward. Whilst RSP are theoretically correct (Annex 1 to their submission, para. 6) that, to the extent that the forecasts of demand are not realised, the environmental implications of the development would be less, this, of itself, does not negate the necessity of demonstrating that there is a need for the development works, which themselves will cause harm, leaving aside the potential for the site to be productively used for alternative purposes. The harms are not merely environmental but also socio-economic due to the potential relocation of existing activities, such as the caravan park, and the potential for the development to act as a deterrent to other regeneration initiatives in the local area, as we discuss further in Section 5.

3.9 It is also important to note that the Stansted decision, with its commentary on need, was taken in the context of a robust demonstration of the economic benefits of the development, including its relationship to the economic priorities of the area around the Airport and its specific connectivity needs, along with written support from the main airline operator, Ryanair. It is notable that no actual operator of air freight aircraft has come forward to support the re-opening of Manston, which must undermine the case for the development regardless of other considerations. If the Airport was potentially so important to e-commerce integrators, why have these not come forward to set out their specific need

[8] Ibid, para. 1.6.
[9] Airports Commission, Interim Report, November 2014, paras. 5.96 to 5.100.

for Manston? We address the economic benefits in the operation and construction phase further in Section 5.

3.10 Furthermore, in considering the need for the development, it is important to bear in mind that the justification of a Nationally Significant Infrastructure Project (NSIP) as an airport under section 23 of the Planning Act 2008 is where:

"The effect is—

(a) to increase by at least 10 million per year the number of passengers for whom the airport is capable of providing air passenger transport services, or

(b) to increase by at least 10,000 per year the number of air transport movements of cargo aircraft for which the airport is capable of providing air cargo transport services."

3.11 In the case of Manston, this means that if the Airport is not realistically capable of delivering at least 10,000 additional cargo air transport movements a year, i.e. if there is no need sufficient that such a number of services would be capable of being realised, this fundamentally undermines the justification for the Development Consent Order. Other rationales cited by some respondents as to why the DCO should be reinstated, such as the need for general aviation facilities or the broader need for regeneration in Kent, do not relate to the fundamental test for an NSIP. In relation to general aviation, this could not provide the grounds for the granting of a DCO under the terms of the Act. In relation to regeneration benefits, these should only come into play to the extent that a quantified likelihood of at least 10,000 cargo air transport movements being achieved has been verified.

3.12 The ExA rightly concluded that need had to be demonstrated in relation to the proposal to re-open Manston Airport and this remains the case today. We cannot agree with RSP's contention that their submissions *"show that the benefits of the project clearly outweigh the adverse impacts, even more so than one year ago when the decision was taken and two years ago when the examination concluded"* for reasons that we go on to explain. As the ExA and Arup have concluded, RSP have not demonstrated a quantitative need for the project and, consequently, the claimed benefits cannot be relied on as the basis of a need for the development.

Jet Zero

3.13 We note that specific reference to the 6th Carbon Budget was removed from the unredacted version of the Arup report, subsequently published by the Planning Inspectorate. The inclusion of emissions from international aviation within the 6th Carbon Budget from 2033 is just one of a number of mechanisms aimed at ensuring that aviation achieves its net zero carbon emissions target by 2050.

3.14 Arup correctly point out[10] that the Jet Zero consultation, whilst not yet policy, makes clear that the ANPS and MBU policies remain in force[11]. We note that Arup does emphasize the comment made in the Jet Zero consultation regarding the potential delays to airport expansion plans coming forward. However, it is important to note that this is due to Covid-19, with the consequent inevitable lag in traffic growth to warrant the planned airport expansions. Whilst this slow down in growth assists in providing more time for the carbon impacts to begin to be addressed before major expansion takes place, it is ultimately a reflection of the economic consequences of the pandemic and the slow down in underlying demand

[10] Arup, Draft Manston Airport Assessors Report, 21 October 2021, Section 4.2.
[11] Department for Transport, (2021). Jet Zero Consultation, A consultation on our strategy for net zero aviation, Endnote to para. 3.41.

growth impacting both passenger and freight demand. It is still to be expected that capacity expansion will be realised in the same relationship to the underlying demand growth.

3.15 In so far as the MBU policy assessed the carbon implications of the adoption of such a policy, it is worth noting that emissions from additional cargo flights at Manston were not included in the assessment. This information was before the ExA[12]. Furthermore, Manston was not included in the assessment of potential scenarios undertaken to support the Jet Zero consultation[13]. Hence, no allowance was made for additional cargo aircraft movements at Manston in the assessment but allowance was made for East Midlands Airport to grow from 75,000 annual aircraft movements to 264,000 annual movements, reflecting its significant national air freight role. This exclusion has implications for the extent to which it can be argued that allowing an additional 17,170 annual cargo aircraft movements at Manston has been taken into account in considering how the UK will achieve its objectives in relation to carbon. We address this further alongside the claims made by RSP in respect of Manston's ability to contribute to the aims of the draft Jet Zero policy in a later section.

Local Plan Policy

3.16 We do not believe that Arup are quite correct in their characterisation of the emerging Local Plan policy as it existed at the time of the Examination. As made clear in the RSP's Planning Statement[14], changes were being made to the pre-submission version of the plan at the time of the Examination and, whilst the Thanet website[15] does not indicate a specific policy position at that time, it does indicate that the site had an existing aviation use and that this would continue to apply within the Local Plan until such time as a decision in respect of the DCO had been taken. The policy currently included within the Adopted Local Plan reflects a carry forward of the pre-existing policy that safeguarded the site pending the outcome of the DCO rather than a new, considered policy position in support.

3.17 Hence, we conclude that there has, in effect, been no change to the policy position in respect of the Thanet Local Plan since the conclusion of the Examination. This is a holding position rather than a definitive policy that the site should be safeguarded for aviation uses over the longer term as RSP seek to claim in their submission.

3.18 RSP also seek to pray in aid support from the Kent County Council Strategic Plan and the London Plan within Annex 2 to its submission. We address these contentions more specifically at Sections 5 and 6 of this report respectively.

3.19 We address further the need for jobs and regeneration in Thanet more generally in Section 5.

[12] TR020002-004969, pages 1098-1100.
[13] Department for Transport, Jet zero consultation dataset, July 2021
[14] TR020002-002452- 7.2, Appendix 5.
[15] https://thanetcouncilplan.inconsult.uk/TLP_PRE_SUB/viewCompoundDoc?docid=9428628&sessionid=&voteid=&partId=9429364

4. Quantitative Need for the Development

4.1 We note that Arup addresses this need under a number of headings:

- Changes in demand for air freight, including as a result of Brexit and/or Covid 19 including:
  - The impact of e-commerce and air freight, including recent changes resulting from the Covid-19 pandemic;
  - The impact of the Covid-19 pandemic on bellyhold capacity and the increased use of freighters;
  - Shift to narrow bodied aircraft;
  - Post Brexit trade;
  - Longer-term impacts of Gross Domestic Product (GDP) on freight demand; and
  - Specialised air freight as a source of resilience.
- Changes in capacity at other airports, included:
  - Delay to expansion of Heathrow Airport;
  - Stansted Airport's planning inquiry; and
  - Developments at East Midlands Airport.
- Locational factors.

4.2 We adopt this structure and draw together our comments on Arup's analysis and the submissions made by RSP, providing updated evidence to add to that included within our July 2021 or previous submissions.

4.3 At the outset, we note that RSP continue to seek to rely on our early work for TfL in 2013 as the basis for its quantitative need case (Annex 3 to their submission, para. 3) and suggest that the Secretary of State should prefer this initial informal note prepared for TfL some 8 years ago over our subsequent more detailed and up to date work. For the reasons set out at length in our previous reports[16], RSP cannot place the reliance that they seek to do on the selective quotation from the 2013 note to TfL. Our more recent work and detailed analysis, including that contained in this report bring the trends on air freight demand and capacity up to date.

Changes in Demand for Air Freight

4.4 In Annex 3 to their submission, RSP start by setting out global information about air freight volumes (cargo tonne kilometres - CTKs) and global trade during the pandemic through to the early part of 2021. It is important to set these into the context of the slow down in production across industry as a whole through the pandemic leading to a period of catching up with demand and replenishment of supply chains as initial lock-downs began to be lifted. This rapid increase in CTKs would be expected to be a transient phenomenon rather than a long term trend, as economies and production re-stabilise. Updated information, in **Figure 4.1**, already suggests that the pattern is stabilising, albeit seasonally adjusted CTKs remained above pre-pandemic levels through the summer of 2021. It is important to remember that these are global statistics and, in part, reflect changes in the distances over which cargo is flown as well as simply tonnage[17]. Growth in CTKs has traditionally outstripped growth in cargo tonnes flown as the world economy has become more globalised and goods are transported further. We discuss, later in this section, further factors that have impacted on this short term performance including supply chain disruption and the potential longer term impact of the UK's new global trade deals.

[16] See paragraphs 2.9 and 2.10 of our July 2021 Report.
[17] IATA Air Cargo Market Analysis, September 2021.

Figure 4.1: Cargo tonne kilometers to Summer 2021

Sources: IATA Economics, IATA Monthly Statistics

E-commerce

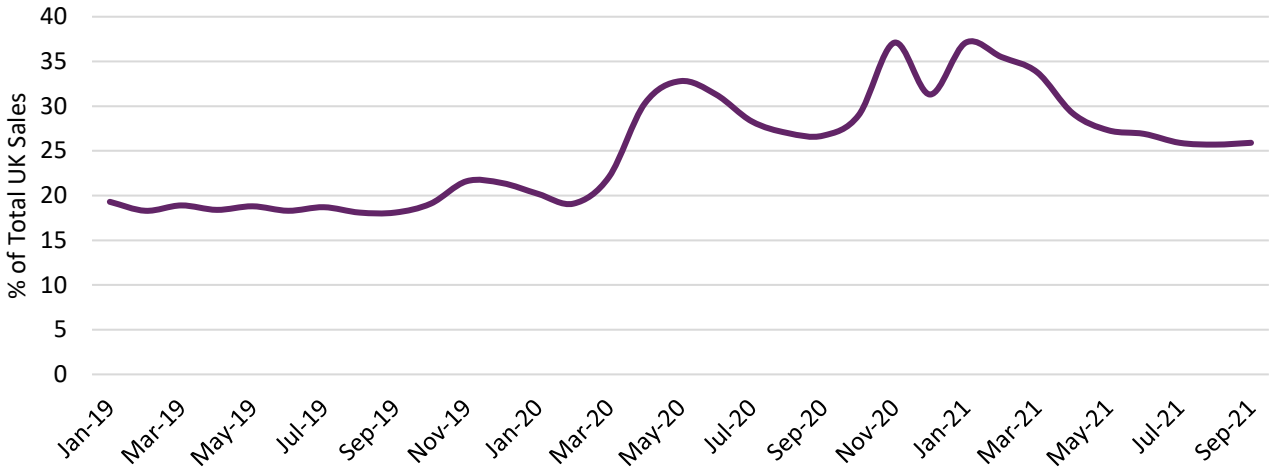
4.5 In support of their claim that e-commerce will increase demand for air freight, RSP, at para. 13 of Annex 3 to their submission, cite a US article that suggests that e-commerce players such as Amazon are changing from the practice of ordering in bulk from factories and relying on containerised sea transport to smaller palletised loads suitable for air freight. This is seen as driving growth in air freight activity coming out of the worst of the pandemic, particularly in the US. However, a full reading of the internet article shows that this is not necessarily seen as a long term trend, with the author stating:

"Yields will fall when belly capacity returns as the COVID-19 crisis fades, of course, and the ocean freight network eventually will work out its bottlenecks. But on balance, air cargo looks set for a promising period of growth."

4.6 To the extent that e-commerce does drive growth in demand for air cargo carriage, it is clear that the author sees the availability of bellyhold capacity as a key factor, with lower yields (charges to shippers) when bellyhold capacity is reinstated compared to the higher costs of using dedicated freighters. This reinforces the expectation that use of dedicated freighters will decline again as bellyhold capacity is reinstated and short term problems with shipping are overcome, as we discuss further below.

4.7 Ultimately, whilst noting the accelerated trend towards e-commerce, Arup conclude (page 16) that *"the extent to which recent trends in e-commerce will persist long-term following the Covid-19 pandemic is not yet clear"*. Evidence would suggest that retail sales have continued to fall back as a percentage of total retail sales but still remain above pre-pandemic levels as shown in **Figure 4.2**.

Figure 4.2: Internet Sales as a Percentage of Total Retail Sales



Source: ONS

4.8 The key question is the extent to which increased e-commerce activity translates to increased air freight activity. As we noted at para. 4.36 of our July 2021 report, the increase in e-commerce has not, so far, resulted in a discernible net impact in the volumes of air freight carried to and from UK airports. This message is reinforced by Figure 1 in the Arup report, which compares the value of internet retail sales with air freight volumes. Table 2 of the Arup report shows that air freight's share of the air/sea freight market has remained more or less constant over the 10 years to 2019, even whilst e-commerce was growing in importance. There is simply no evidence to support the claim that e-commerce will drive growth in the share of imports and exports carried by air over the longer term.

4.9 As the Arup report notes, a key consideration is the relative cost of air freight compared to trucking or maritime freight transport. Although somewhat out of date, a helpful comparison was provided by the World Bank in 2009, which estimated that the cost of air freight was typically 4-5 times more than road transport and 12-16 times that of sea transport[18]. Although IATA has suggested[19] that the gap between air freight costs and maritime freight costs has narrowed and may only be a factor of 3 currently, there are pandemic related reasons for this, which are likely to abate over the medium to long term. Reasons cited for the very high maritime freight rates include:

- A surge in demand for goods as the pandemic eases, reflecting pent up demand and restocking of inventories following the pandemic related slowdown in production, particularly in the US;
- A lack of goods flowing from the US to China resulting in a shortage of containers in the right places;
- Congestion in the ports globally due to lack of staff and out of place containers;
- The ongoing effects of the blockage of the Suez Canal earlier in 2021.
- Delays in new build ship deliveries due to manufacturing shut downs.

4.10 For these reasons, there may be some short term uptake in the use of air freight to ensure that urgent stocks are delivered but this is unlikely to be an ongoing factor once trade patterns return to normal and short term constraints in maritime capacity are overcome. Nonetheless, the underlying difference in

[18] World Bank Group, Air Freight: A Market Study with Implications for Landlocked Countries, August 2009.
[19] IATA Air Cargo Market Analysis, September 2021.

shipping costs, looking beyond the current special circumstances, is the main reason why air freight will seldom be the preferred means of transport for low value, high volume goods. As the Arup report notes, air freight is typically only used for limited shipments of high value goods, which are then stored at the relevant distribution centre for local distribution.

4.11 RSP cite, at para. 18 of Annex 3 to their submission, an academic research paper (Schwieterman et al., 2021)[20] that discussed Amazon Air's growth, particularly in regard to its growth in the US, and hypothesises its future growth plans in the US and in Europe. In setting out the impetus behind Amazon Air's growth at its two key US hubs at Cincinnati and Wilmington, Schwieterman et al. (2021) explain that:

"CVG [Cincinnati] and Wilmington are ideally suited for domestic package movements due to the centrality of their location, each within a 10-hour truck trip of much of the country's population. We expect both airports to remain focal points, as both have Amazon fulfilment centres near them and enjoy synergy with the DHL international points at CVG…" [21]

4.12 There is no reason to suggest that, if Amazon Air were to establish their own operating base in the UK, they would deviate from the successful hub-and-spoke formula that they have deployed in the US. An Amazon Air base in the UK would have to be in a relatively central location where core metropolitan areas of the UK could be easily accessed by truck, which immediately precludes Manston given its peripheral location in East Kent.

4.13 Furthermore, the presence of Amazon fulfilment centres within the vicinity of an airport is noted to be critical for Amazon Air's operations and, indeed, is most likely why some of Amazon Air's existing subcontracted freighter movements already operate at London Southend Airport, which has easy access to large Amazon fulfilment centres in Basildon, Tilbury and Dartford. As Arup note, the new Amazon distribution centre in Dartford is only one of a number of fulfilment centres located around the UK. Significantly, the locations in Dartford and Tilbury are in close proximity to the London Gateway Docks.

4.14 A further factor noted by Schwieterman et al. (2021) is that the presence of other freighter operators at the centralised airports, where Amazon Air have established their successful bases in the US, supports synergies with Amazon's international supply chain. This would reinforce our view that, if Amazon were to seek a major operating base for its airline in the UK, East Midlands and London Stansted would be by far the preferred candidates as both have well established freighter operations to many global markets. It is difficult to comprehend why Amazon Air would elect to establish a base at Manston.

4.15 We outlined Amazon's aviation operations in para 4.39 of our July 2021 report, explaining that Amazon's dedicated aviation operations in Europe are in their relative infancy compared to its operation in North America. There are a number of UK freighter movements that support Amazon's supply chains on a sub-contractor basis but Amazon Air is yet to establish its own operating base at a UK airport. To the extent that Amazon is using its own flights, subcontracted to ASL, to service the Dartford, Tilbury and Basidon fulfilment centres, it is already operating feeder flights to Southend Airport.

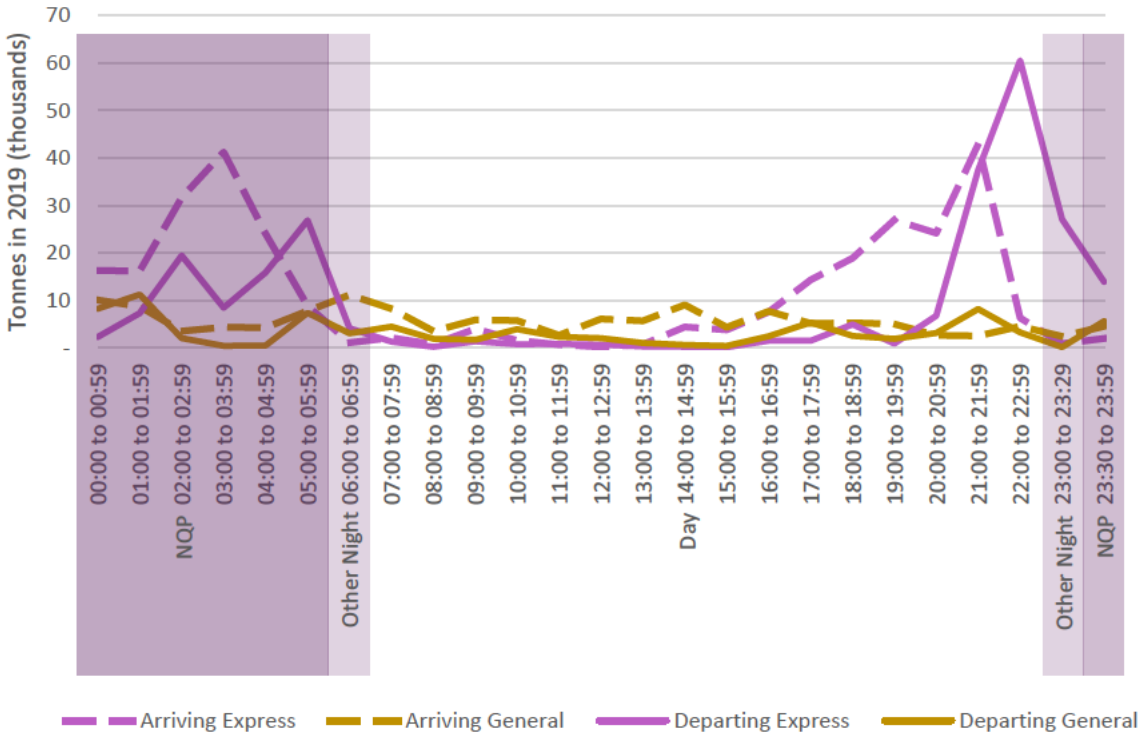
4.16 It is significant that a high proportion of these operations occur during the night-time. Analysis of flight tracking data from Flightradar24[22] suggests that approximately 50% of Amazon related freighter movements at London Southend operated between the hours of 23.00 and 06.00 during the week commencing November 1st 2021, although in other individual weeks during 2021, this proportion was as

[20] https://las.depaul.edu/centers-and-institutes/chaddick-institute-for-metropolitan-development/research-and-publications/Documents/Amazon%20Air%20Primed%20and%20Positioned%20final.pdf
[21] Page 5, ibid.
[22] Flightradar24 is a global flight tracking service that provides real-time and historic information of most commercial aircraft movements.

high as 66%. This demonstrates the importance of being able to operate during the night-time to Amazon's operations and supply chain, which confirms that Manston would be unsuitable for Amazon given RSP's commitment to no scheduled (or planned) night flights at Manston. The pattern of operations cited by RSP, at para. 67 of Annex 3 to their submission, with 70% of Amazon Air operations being between 06.00 and 22.00 relates to US operations where there are greater time zone differences impacting delivery and pick-up times. This is not the pattern of freighter activity to and from the UK. In any event, the integrity of the whole operation is likely to depend on the 30% of movements that do occur in the night. If the entire operating pattern of the aircraft cannot be accommodated over the 24 hours, it is more likely that the operation would not use a particular airport at all. An airport cannot simply cherry pick the day time only operations out of the whole distribution pattern.

4.17 To the extent that e-commerce may drive some growth in air freight activity in future, it is clear Manston will not be well positioned to support this activity due to the ban on night-time flying, which is of fundamental importance to e-commerce related aviation operations (see Figure 4.8 of our July 2021 Report). This point is recognised by Arup and also evidenced by the profile of Amazon Air's activity at Southend. Across UK airports as a whole, the dependence of freighter operations on the ability to operate at night is highlighted in our report for Airlines UK[23] reproduced below (**Figure 4.3**) for dedicated freighter operations only, subdivided into express and general operations, showing import and export tonnage by time of day. This is particularly so for the express freight sector, which is the relevant sector for e-commerce type activity. It is important to remember that Manston proposes only to allow delayed arrivals to operate within the night period so it is unlikely that airlines would take the risk of scheduling evening operations into the Airport, if re-opened, given the risk of being stranded when the night movement restriction kicks-in.

Figure 4.3: Air Freight Tonnes in Dedicated Freighters Arriving and Departing at UK Airports per Hour in 2019[24]



[23] York Aviation, The Economic Impact of Night Flying in the UK, July 2021, Figure 2.7.
[24] NQP – night quota period.

4.18 RSP also reference the emerging operations of Alibaba's logistics arm, Cainiao, which has recently commenced the operation of regular dedicated freighter services between Asia and Liege to support Alibaba's e-commerce activities. We also noted the headway made by Cainiao in regard to these new services in para 4.40 of our July 2021 report, explaining that Cainiao's use of Liege is largely reflective of its ability to operate 24/7 and its centralised location relative to key European cities that could be accessed easily by truck via the motorway network from Liege's advantageous location.

4.19 As Arup conclude, the evidence does not support the contention that e-commerce activity is creating a requirement for additional capacity for dedicated freighter operations in the South East of England. Our own analysis supports this view. Even if such e-commerce related air freight activity were to increase in future, Manston's ban on scheduled night-time operations would confirm its unsuitability.

Covid-19 Effect on Freighter Use

4.20 The Arup report sets out the evidence presented on the extent to which the pandemic and the cancellation of much passenger flying resulted in an increase in freighter aircraft movements. Whilst the supporters of the re-opening of Manston Airport construe this as a longer term trend towards the use of dedicated freighter aircraft, the evidence continues to point to this being a transient trend.

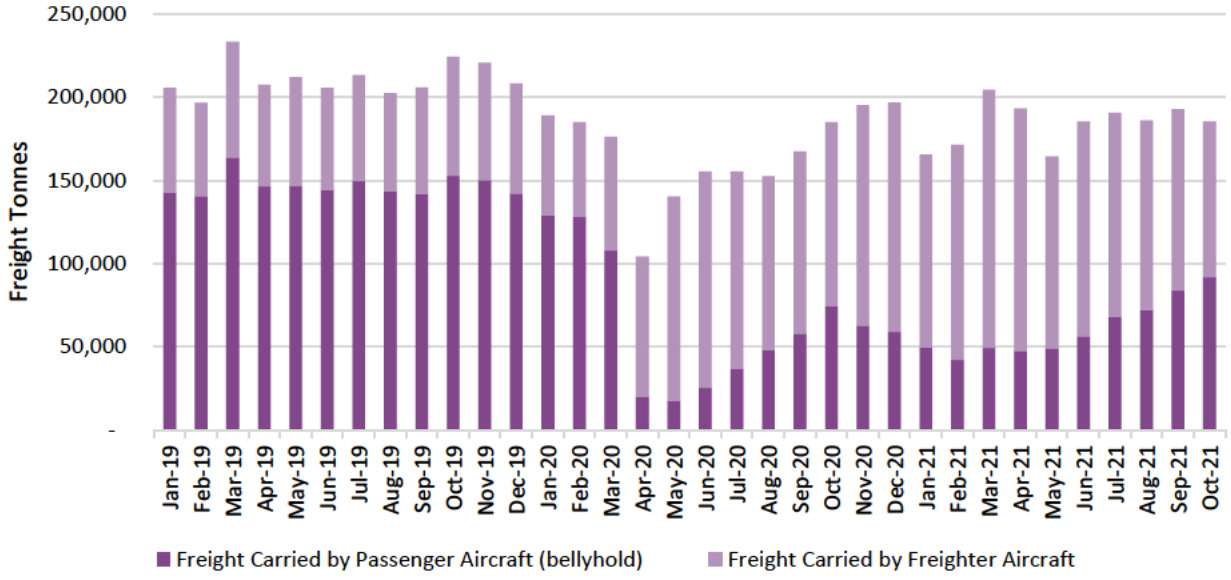
4.21 RSP more generally, within Annex 3 of their submission (para. 34ff), set out global examples of airports specialising in dedicated air freight which have shown high growth rates during the pandemic. This is hardly surprising given the widescale withdrawal of passenger services globally. One of the references cited by RSP[25] from AIPUT/Logistics UK illustrates this point by quoting the increase in freight tonnage of 30% and 18.7% at Stansted and East Midlands respectively in 2020. This 'Call to Action' stresses the importance of the Government supporting the air freight sector and ensuring that it can grow to meet demand, noting the importance of improved facilities – a point that we return to later in this section. The document also sets out a specific case study related to the pharmaceuticals sector, noting the importance for the firm in question of air freight capability from Birmingham, East Midlands and Belfast Airports. This highlights the importance of dedicated express freighter activity being located in close proximity to the manufacturing sectors which have strong demand for specialised air freight services and the strength of the Midlands in this regard. This is distinct from the general air freight sector, with the strong pattern of consolidation through the air freight forwarding infrastructure already in place around Heathrow. We return to these themes later in this section.

4.22 To assist in understanding the nature of these recent trends, and their longevity, we have updated some of the analysis set out in our July 2021 Report to the latest available data for October 2021[26].

4.23 The latest data, in **Figure 4.4**, shows that the proportion of freight carried in the bellyholds of passenger aircraft has been rising again but was still below historic levels. This is unsurprising given that much long haul flying, particularly across the Atlantic, had not re-started by October.

[25] AIPUT Logistics UK Call to Action Report, February 2021.
[26] CAA Airport Statistics. Note that data for October 2021 does not yet include data for Aberdeen, Belfast City, Dundee, Glasgow, Guernsey, Liverpool, Luton, Southampton or Stansted airports but the implications on the overall trend are not expected to be material.

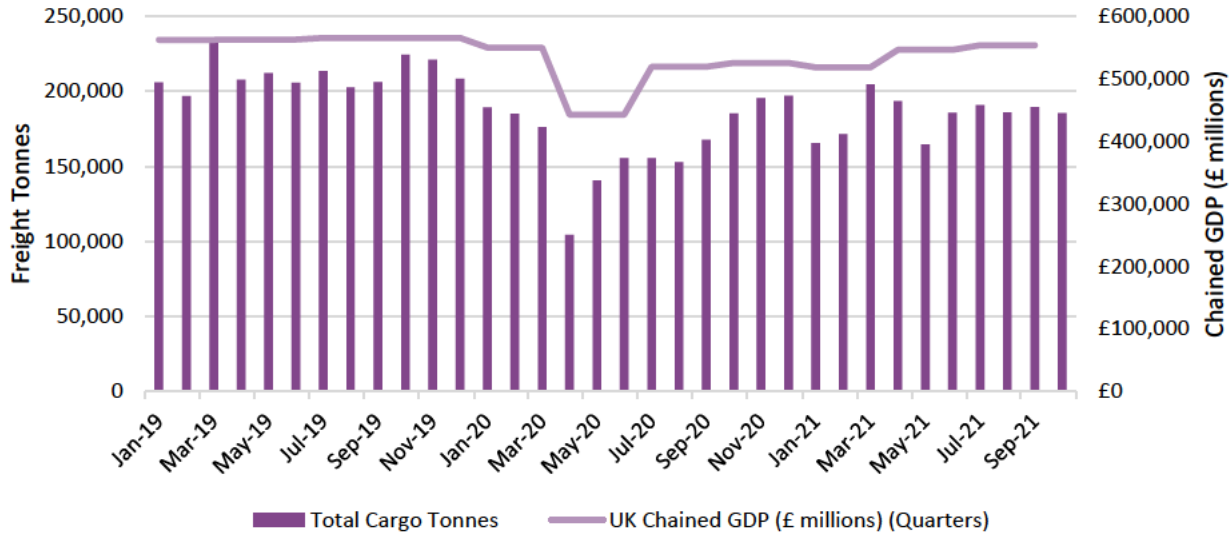
Figure 4.4: Total Freight Tonnage to/from UK Airports between January 2019 and October 2021



Source: CAA Airport Statistics

4.24 **Figure 4.5** shows that the lag in total air freight volumes continues to reflect the lag in overall economic output, which remains below pre-pandemic levels.

Figure 4.5: UK GDP and UK Air Freight Volumes between January 2019 and October 2021

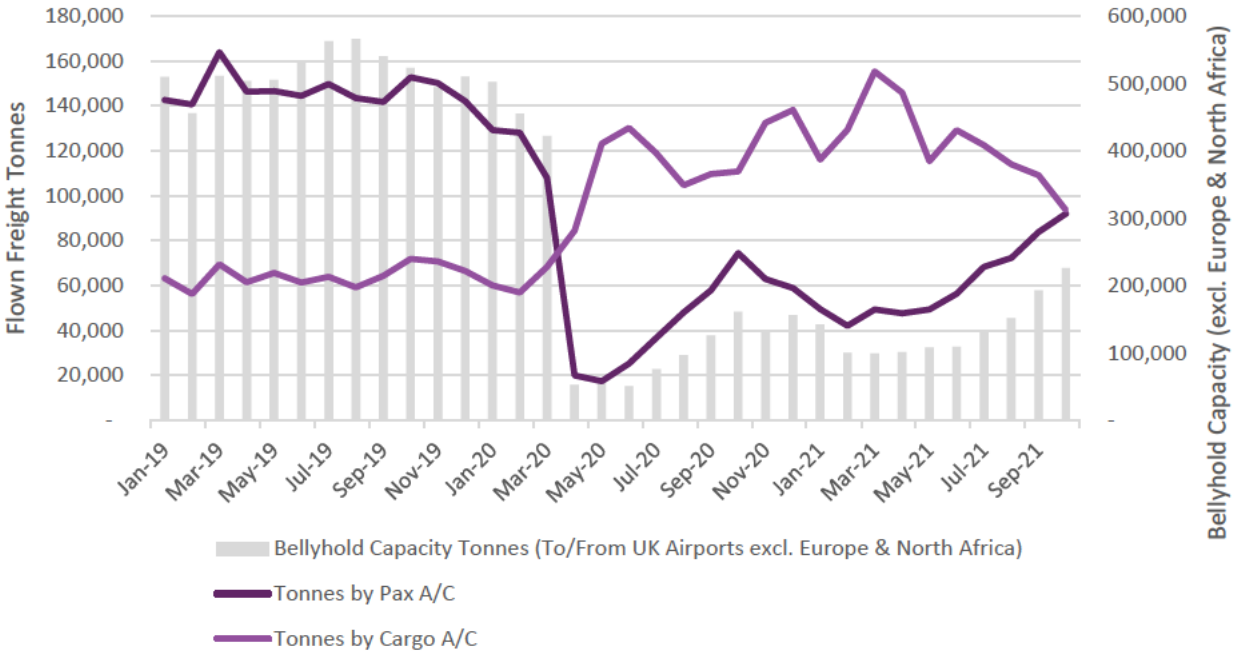


Source: CAA Statistics/ONS

4.25 Of particular significance is the clear evidence that the proportion of freight carried in the bellyholds of passenger aircraft is increasing in direct relation to the capacity available and that the proportion carried on dedicated freighter aircraft continues to decline as passenger services are reinstated. We have updated Figure 4.5 of our July 2021 Report, which was reproduced by Arup in their report, and the updated pattern is shown in **Figure 4.6** below. We have no reason to believe that this trend will not continue as passenger services are reinstated now that travel restrictions have largely been lifted. The updated correlation analysis is shown in **Figure 4.7**. It is the long term availability of more cost effective

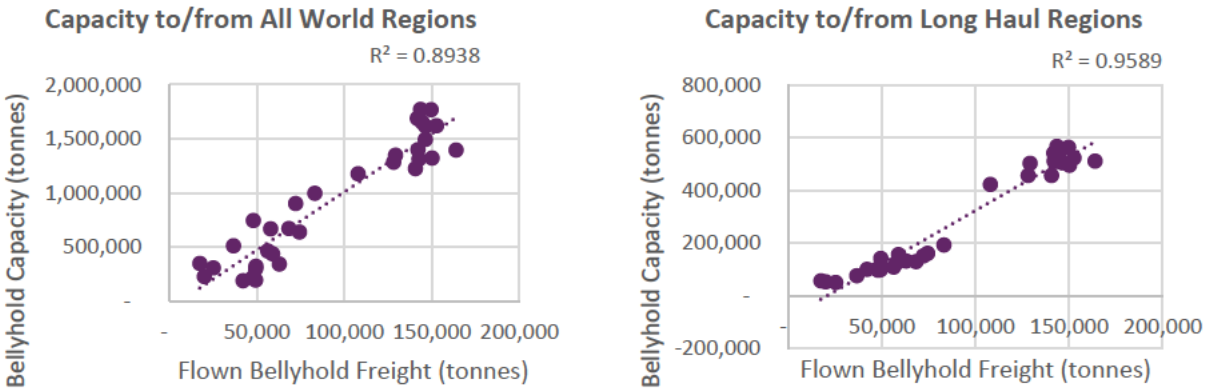
bellyhold capacity to/from the UK that results in the UK being less dependent on dedicated freighter activity than the global average. It is not, as RSP assert at para. 36 of Annex 3 to their submission, because of any shortage of airport capacity to handle demand for dedicated freighters. As is made clear in the AIPUT/Logistics UK Call to Action Report referred to earlier, the role of dedicated freighters in the UK context is complementary to the main role played by bellyhold capacity.

Figure 4.6: Air Freight Tonnes Handled at All UK Airports by Aircraft Type and Long Haul Bellyhold Capacity



Source: CAA Stats / OAG

Figure 4.7: Correlation between Available Bellyhold Capacity and Actual Utilisation between January 2019 and September 2021



Source: York Aviation analysis

4.26 Not only is airfreight transport more expensive than comparable road and sea transport rates but air freight rates are influenced by the absence of bellyhold capacity. For the reasons identified in our original 2019 work, the cost per tonne of carrying freight in a dedicated freighter aircraft is necessarily higher than the cost per tonne of carrying the same goods in the bellyhold of a passenger aircraft. This is because, to a large extent, the operating costs of the aircraft will be covered by the passengers on board, with the freight only needing to cover little more than its marginal costs to generate a material

contribution to profit. As bellyhold capacity has been withdrawn from the market through the pandemic, air freight rates have risen in part due to scarcity but also because freight is now having to bear the full operating costs of the aircraft. This, in part, explains the lag in the recovery of air freight volumes compared to GDP as, anecdotally, we understand that demand for general air cargo (as distinct from integrator/express freight) remains significantly reduced as it is no longer economic to fly some goods. Replacing bellyhold capacity with more dedicated freighter capacity, as RSP appear to suggest, is unlikely to reverse this trend. Hence, Manston would, even if it actually opened in the next couple of years, be able to play only a very limited role in filling the gap caused by any delay in the reinstatement of bellyhold capacity. The growth in freighter activity during the pandemic is in direct response to this shortfall in passenger air services offering bellyhold capacity, not due to any shortage in airport capacity to handle dedicated freighter operations prior to the pandemic acting to suppress such operations as RSP claim.

4.27 RSP and other supporters of the re-opening of Manston have claimed that the increase in freighter movements at Heathrow during the pandemic demonstrates a pent up demand for airport capacity suitable for dedicated freighters. At para. 64 of Annex 3 to their submission, RSP appear to suggest that there were physical capacity reasons why *"other airports with freight capability, ……., were unable to step in to handle increased CATMs/tonnage of air freight. Prestwick, Doncaster-Sheffield and Birmingham were not the airports of choice for airlines, with only Heathrow picking up a huge amount of business."* This is precisely the point, other airports were not the airports of choice compared to Heathrow. Nor would Manston be if it were to re-open. Short term increases in freighter activity have taken place at the airports most suitable, in terms of location, to handle the freight. The fact that other airports, with available capacity, have not seen the development of freighter services, even during the pandemic, rather tends to confirm that simply because an airport has capacity for an activity does not mean that the demand will actually materialise.

4.28 As Arup rightly point out, the fact that dedicated freighter operations grew substantially at Heathrow during the pandemic is closely related to the concentration of land based handling agents in the vicinity of the Airport. This concentration is due, in large part, to the whole process of consolidation of loads and effective use of bellyhold capacity, which is integrally linked to Heathrow's hub role and the substantial supporting air freight infrastructure located in the vicinity. It was logical, therefore, that absent bellyhold capacity in passenger aircraft, the concentration of replacement freighter activity would be located at Heathrow in the main. This reinforces the view that the increase in freighter activity was a direct response to the shortage of the preferred bellyhold capacity rather than a response to airport capacity suddenly becoming available.

4.29 We addressed RSP's long standing claims about growth of freighter fleets at paras. 4.15-4.20 of our July 2021 Report. In Annex 3 to their submission (para. 87), RSP repeat much of the previous material submitted to the Examination, supplemented by more recent information about freighter aircraft brought out of storage. By definition, these aircraft were in storage before the pandemic because they were not needed. Along with 'preighter' conversions, these aircraft are likely to be returned to storage or passenger use as passenger travel restrictions end and bellyhold capacity is reinstated.

4.30 In any event, as Arup rightly point out (on page 24):

"Dedicated freighters are only economic when they can operate fully laden. Otherwise, it is more economic to move cargo in the bellyholds of passenger services on a marginal cost basis. Dedicated freighters are therefore primarily deployed on (and limited to) trade routes where the aircraft can operate fully laden most of the time (certainly on routes between the Far East and Europe or North America). As runway capacity is available at EMA and Stansted Airports……, it is reasonable to expect that dedicated freighters (in the manner proposed for Manston) would already be operating if sufficient cargo was

available……It is therefore down to insufficient 'critical mass' rather than capacity constraints at the airports which (partly) explains the dominance of bellyhold operations into UK airports.

Allied to this is the large network of routes (origins and destinations) operated with suitable bellyhold freight aircraft at Heathrow, one of the world's largest international hub airports. This is the other factor explaining the use of bellyhold rather than dedicated freighters. Effectively a much larger range of origins and destinations can be served more economically (conveying smaller consignments) than would be the case with dedicated freighter operations."

4.31 To the extent that there is a slower recovery in some long haul markets, which would otherwise provide bellyhold capacity, as stated by some respondents cited by Arup, this would leave spare capacity at Heathrow and other airports sufficient for dedicated freighter operations to fill the gap in the interim. This would be a minor scale continuation of the trend observed during the pandemic whereby the air freight sector has proved itself resilient and able to adapt to changing circumstances making use of existing airport capacity. It does not follow from the increased use of dedicated freighters during the pandemic that there is any shortage of sufficient airport capacity for such operations now or in the future. Arup rightly conclude that *"Once the long-haul passenger market starts to recover, it is expected that the market will revert to the use of bellyhold freight capacity for air cargo movements."* The airport capacity position is considered further below.

4.32 RSP also appears to claim, at para. 65 of Annex 3 to their submission, that the reduction in cross channel truck movements was somehow related to the upturn in dedicated freighter aircraft operations. It was not, as it simply reflected the broader impact that the pandemic had on trade and economic activity more generally as illustrated by the overall economic performance shown in Figure 4.5.

4.33 Although RSP continue to cite strong growth at airports such as Liege and Rockport (para. 37/38 of Annex 3 to their submission), it is significant that both of these airports are major hubs for express/integrator operations. In the light of the ban on night-time operations proposed for Manston, these are simply not relevant comparators. The other example airport cited by RSP, Frankfurt Hahn, has recently filed for bankruptcy, highlighting the difficulties that airports specialising in freight activity have in attaining financial viability even when supported by low fares passenger airline activity; the same model that Manston proposes.

Shift to Narrow-bodied Aircraft

4.34 RSP and others have suggested that capacity for bellyhold cargo is reducing due to an alleged trend of long haul passenger airlines phasing out four-engine widebody aircraft in favour of smaller, narrowbody twin-engine aircraft that have significantly reduced seating and bellyhold capacity. Whilst it is true that the impacts of the pandemic have accelerated the process of some long haul airlines retiring four-engine aircraft, such as the Airbus A380 and Boeing 747, in favour of more fuel efficient twin-engine aircraft, RSP's suggestion (Annex 3 to their submission, para. 23) that significantly smaller narrowbody twin-engine aircraft, such as the Airbus A321XLR with around half the seating capacity of A380 and B747 aircraft and significantly reduced flying range, are being ordered by long haul airlines to replace their four-engine wide-bodied aircraft is fundamentally incorrect.

4.35 In general, the types of twin-engine aircraft replacing four-engine aircraft generally have increased bellyhold capacities compared to the aircraft that they are replacing. For example, the twin-engine Boeing 777-9X, which has been ordered by long haul carriers including British Airways, Cathay Pacific and Singapore Airlines, has an increased bellyhold capacity of up to 230 m^3, compared with up to 180 m^3 of bellyhold capacity available on the outgoing Boeing 747-400 aircraft.

4.36 Given that revenues generated from conveying bellyhold cargo can often be significant contributors to profit on many long haul routes, it would simply not make business sense for airlines to forfeit these revenues on long haul services by deploying smaller narrowbody aircraft that have a significant reduced bellyhold capacity on routes where there is strong passenger and freight demand, even before considering the implications of also having a significantly reduced passenger capacity. Furthermore, the A321XLR has a limited flying range of up to 4,700 nautical miles compared to the 7,285 nautical miles that the Boeing 777-9X is capable of covering, which means that the A321XLR would be unable to fly directly from the UK to the Far East or the west coast of North America and, therefore, it is not a realistic proposition that long haul airlines would elect for such narrowbody aircraft to replace widebody aircraft for the majority of their long haul flying.

4.37 Despite the reduced capability of the A321XLR over widebody long haul aircraft, the A321XLR does, nonetheless, have a distinct position within the market. Its relatively long range for a narrowbody aircraft and its seating capacity of around 200 passengers (approximately half the seating capacity of most widebody aircraft) make the A321XLR well suited to shorter long haul routes that might not have sufficient demand to fill a widebody aircraft, such as routes connecting 'secondary' cities such as Edinburgh to Boston or Belfast to New York. Such aircraft are unlikely to be main long haul operators at Heathrow. Indeed, as **Figure 4.8** illustrates, narrowbody aircraft have already been used to operate long haul passenger services on niche routes across the Atlantic for some time, albeit at a declining rate over the past decade. Hence, it is clear that there is a niche for such types distinct from the main long haul operations, which will continue to use larger aircraft with substantial bellyhold capacity. The use of such narrowbody aircraft in some markets is no more than a continuation of existing patterns of operation.

Figure 4.8: Transatlantic ATMs to/from UK Airports by Aircraft Type

Source: OAG

4.38 It is likely that new narrowbody aircraft such as the A321XLR will allow for the reinstatement of lost transatlantic services at regional airports across the UK, such as Birmingham, Bristol and Belfast, which had transatlantic services suspended between 2016 and 2017, in part due to the ageing transatlantic narrowbody fleet of the operator, United Airlines, which is also one of the few airlines to have ordered the A321XLR to replace B757s previously operated on some long haul routes from regional points. Indeed, at the time of placing an order for 50 new A321XLR aircraft, United Airlines stated that *"[the*

A321XLR] will allow United to explore serving additional destinations in Europe from its East Coast hubs in Newark/New York and Washington"[27].

4.39 Therefore, it seems reasonable to expect that overall bellyhold capacity available at airports across the UK is likely to increase over the coming decade, rather than significantly decrease as RSP suggest. Furthermore, in the context that air freight load factors to and from Europe have typically been in the range 50-55% pre-pandemic[28], even if there were to be some reduction in bellyhold capacity, this would not suggest that a marginal reduction in capacity, if it were to arise, would be material. It is significant that, in terms of bellyhold capacity available to and from the UK to long haul destinations, typical load factors pre-pandemic were below 30% based on the capacity and tonnage data shown in Figure 4.6. This reflects the strong bellyhold offer available pre-pandemic from Heathrow that, in large part, explains why the UK is less reliant on dedicated freighter operations than elsewhere globally.

Post Brexit Trade

4.40 RSP and others have asserted that post-Brexit trade deals will increase the demand for air freight capacity. However, Arup report that the effect of these new deals is expected to be relatively small in scale. It is more likely that increases in trade in those goods (high value/low volume) suitable for air freight carriage will be relatively limited and, hence, more suited to carriage in bellyhold to and from points such as Australia, where AIPUT/Logistics UK noted that Heathrow already handles 65% of existing trade flows.

4.41 In the context of the expected reinstatement of global passenger services over the next couple of years, particularly at Heathrow, the evidence as set out in Figures 4.9 and 4.10 of our July 2021 Report would suggest that there will be ample spare bellyhold capacity to/from key markets to accommodate any increase in relevant trading activities. As Arup note (page 28), it would be of interest to understand the extent to which spare capacity existed, and is likely to exist in future, but the data on flown tonnage by route is simply not publicly available to enable such analysis. Taken, overall, the evidence does not suggest that there are likely to be market gaps that would require additional dedicated freighter capacity once the global range of passenger services is reinstated, other than for niche cargoes and express operations as has always been the case.

4.42 It is also worth noting that other respondents, such as the local branch of the Chartered Institute of Transport and Logistics (CILT), suggest that Manston is expected to focus on this long haul connectivity with: *"a reliance mainly on long haul intercontinental flights rather than short haul to and from Europe."* This claim is at odds with the fleet mix assessed for environmental impact and, to the extent that RSP are suggesting a change in the focus of activity, this would render the environmental assessment no longer valid. The CILT response does, nonetheless, confirm the transient nature of the shortfall in bellyhold capacity and, to the extent that the shortfall persists with a slow return of longer haul passenger services, this simply leaves more spare capacity for dedicated freighter operations to fill any interim shortfall in capacity without the need to build more specialised airport infrastructure at Manston.

4.43 A further argument repeatedly made by RSP and their supporters relates to trucking of goods to Europe and potential problems at cross channel ports, citing the initial difficulties in early 2020 when pandemic related issues caused France to restrict traffic. This was, of course, a temporary phenomenon. We note that a new EuroTunnel service was launched in September 2021 to allow semi-trailers of freight to be

[27] United Airlines, United Sets a Course for the Future with Order of 50 Airbus A321XLR Aircraft (December 3rd 2019) https://hub.united.com/2019-12-03-united-airlines-sets-a-course-for-the-future-with-order-of-50-airbus-a321xlr-aircraft-2641509684.html

[28] IATA Air Cargo Market Analysis

loaded directly onto the train. Initially, this service is between Ashford and Calais but there are proposals for greater through running of trains across Europe[29]. In addition, Calais port has doubled in size recently[30]. Both of these initiatives would suggest that any issues with cross channel transit of goods are being overcome by the greater use of rail and maritime.

4.44 In terms of air freight being trucked to European hubs, as made clear in submissions to the Examination, this does not present an opportunity for Manston but is a function of the process of air freight consolidation at major hubs and integrator bases and the much cheaper costs of trucking compared to air freight to facilitate that consolidation. Such activity would inevitably continue even if Manston were re-opened as it is a fundamental part of the air freight logistics chain. The likelihood of Manston breaking into this market is extremely low.

Longer-term impacts of Gross Domestic Product (GDP) on Air Freight Demand

4.45 In relation to the impact of post-pandemic GDP projections on air freight demand, we presented updated estimates in Figure 4.9 of our July 2021 Report using established econometric relationships. It is important to note that the relationship cited by Arup (pages 30/31), taken from work by IATA, is between cargo tonne kilometres (CTKs) and GDP. This is not the same as the relationship between cargo tonnes and GDP as it also includes the expected increase in distance flown (kilometres) as well as tonnage. Hence, a higher GDP multiplier is to be expected compared to a projection of tonnage. Our work has shown the effect of the pandemic and the projected economic recovery on the balance between air freight demand and the expected capacity at UK airports to accommodate projected demand. Figure 4.10 of our July 2021 Report showed the specific balance for the London area as a whole. It is notable that our analysis shows that the system will have adequate capacity beyond 2040 even if development of a third runway at Heathrow is delayed. We address the potential for a delay in the development of a third runway at Heathrow later in this section.

Specialised Air Freight as a Source of Resilience

4.46 RSP and their supporters continue to refer to cross channel disruption and the effect of the pandemic, leading to increased use of dedicated freighter aircraft on a temporary basis as a justification for re-opening Manston. We have largely addressed these issues and the extent to which they create a need for Manston above.

4.47 Arup considered the issue in Section 5.2 of their report and concluded that creating spare capacity for air freight would create a degree of redundancy in the system to enable unforeseen events, but that such events were, by definition, rare. However, their analysis confirmed that there has demonstrably been considerable redundancy within the system that has allowed the impact of the pandemic on air freight transport to be easily accommodated through existing airport capacity.

4.48 One factor not considered by Arup, is the extent to which it would be economically efficient or viable to provide such redundancy. If there is not a need for the capacity that RSP seek to offer at Manston, then it would not be economically viable to operate the facility. It would certainly not be economically efficient investment to develop the large scale facilities envisaged 'just in case'. The investment case for the Manston development has never been clear and it would, prima facie, seem unlikely that the private sector would be willing to invest in a facility simply to operate on a standby basis, unless there was a clear quantifiable need and business case for permanent operations, which there is not. The only way such a contingency could be contemplated would be if the Government considered it of sufficient national

[redacted]

importance that it was willing to subsidise the development of the infrastructure and maintenance of operational readiness. We are not aware that this is in contemplation.

Changes to Distribution Channels

4.49 RSP, at para. 16 of Annex 3 to their submission, discuss the environmental impact of 'last-mile logistics' in global supply chains, particularly in regard to NO_x emissions emitted by delivery vans supporting e-commerce activities. RSP hypothesize that any taxation targeted to reduce these emissions could hasten the implementation of the use of cargo drones and autonomous vehicles, claiming, at para. 16 of Annex 3 to their submission) that this *"would add to the viability of air freight as a mode of transportation, particularly if airports are geared up to smooth the transition between aircraft and both air and surface drones."*

4.50 We acknowledge that Amazon, for example, has been researching into the feasibility and technology required to develop a drone delivery system since 2013, although we understand from various recent media reports[31] that Amazon's advances into developing its drone delivery technology in the UK have faltered and wider speculation on the matter suggests that Amazon's ambitions for drone delivery have effectively been suspended[32]. Regardless of the current status of Amazon's drone delivery ambitions, however, we understand that Amazon's plans were to deliver packages to consumers via drone from Amazon distribution centres – not airports. There is a simple logic for this, given that many of Amazon's distribution centres are strategically located within close proximity to urban areas, and that drones do not need to operate out of airports.

4.51 RSP appear to suggest that Amazon-related air freight arriving at Manston could subsequently be directly transferred to a delivery drone for last-mile distribution. Whilst, in principle, this would be possible, we understand that Amazon's last iteration of its delivery drone had a range of 15-miles[33]. Therefore, under this technology, a delivery drone service from Manston would only be able to cover Thanet, parts of Canterbury, and a small part of Dover. Even with significant improvements in drone payload and range, it is inconceivable that Manston could ever operate as an aircraft-to-drone hub for the South East. It is simply in the wrong place. Hence, we do not believe that the use of cargo drones at Manston would, as RSP suggest, *"add to the viability of air freight as a mode of transportation*", nor contribute to any need for the reopening of Manston.

4.52 Whilst aircraft-to-drone interfaces may come forward at a limited number of airports where this may be viable (i.e., those with large population catchment within a short distance), we believe that the most substantive developments in drone delivery technology will focus on last-mile distribution directly from a fulfilment centre, not an airport, direct to a consumer.

4.53 Furthermore, suggestions that Manston might operate as an eVTOL site also miss the point that the current range of eVTOL makes it more suitable for transporting small numbers of passengers within and between urban centres. This does not require conventional airports, as the proposals for the Coventry eVTOL facility from Urban Air Port demonstrate[34] and recent announcements from Virgin Atlantic suggest such operations might be used to feed passengers into Heathrow[35]. Neither of these examples suggest that eVTOL operations would have any synergy with the cargo operations planned for Manston and upon which its application for development consent relies.

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[31] Wired UK, The Slow Collapse of Amazon's Drone Delivery Dream, August 2021.
[32] Time Magazine, Whatever Happened to Amazon's Drone Delivery Service?, November 2021.
[33] GeekWire, Amazon Reveals New Delivery Drone Design with Range of 15 Miles, November 2021.
[34] https://www.coventry.gov.uk/news/article/3691/world-first_electric_urban_air_port_secures_uk_government_backing.
[35] https://www.businesstraveller.com/business-travel/2021/06/11/virgin-atlantic-plans-network-of-short-haul-evtol-aircraft/

Changes in Capacity at Other Airports

4.54 RSP's response in Annex 3 to its submission suggests that there have been further changes to the capacity for air freight that might be anticipated at other airports since the ExA's report and/or the Secretary of State's original decision in 2020. Other than the reinstatement of policy support for the provision of a third runway at Heathrow, this is simply untrue.

Delay to Expansion of Heathrow Airport

4.55 It is accepted that the development of a third runway at Heathrow is delayed and, based on the timescales previously stated, it is now unlikely that the runway could be operational before 2033. However, to a large extent, the delay to the project reflects the slippage in demand growth brought about by the pandemic. With the reinstatement of the ANPS, as discussed in the previous section, the provision of a third runway remains Government policy and, significantly, the principal means by which demand for air freight capacity will be met through the provision of an enhanced global network of passenger services offering bellyhold capacity.

4.56 Contrary to what RSP claim at para. 41 of Annex 3 to their submission, there is currently no evidence that Heathrow Airport Ltd will not bring forward plans for a third runway in due course when the timescale for market recovery is clear. As recently as 21st September, this was confirmed by the Chief Executive of Heathrow Airport Ltd (HAL) in giving evidence to the Transport Select Committee. When asked about whether there were still plans for a third runway, the reply was:

"Yes, absolutely. It is not just for Heathrow; it is for the UK. If we want to provide the benefits we have talked about, connecting all of Britain to global growth, providing the capacity for cargo as well as for passengers—we need an expanded hub airport."[36]

4.57 It is notable that in this response, HAL's Chief Executive emphasized the importance of cargo capacity in HAL's strategic thinking. This emphasis is reinforced in HAL's latest Regulatory Business Plan[37] for H7 (2022-2016), where there is a major emphasis on improving facilities for freight handling with Heathrow's capital investment plans. This investment includes a truck call-forward facility, traffic management system and an airside trans-shipment facility, as well as commencing a review of options to redevelop the southside cargo facility, which would see cargo handling capacity increase. None of this suggests that Heathrow is not planning to substantially increase its cargo handling capacity ahead even of bringing forward its third runway plans.

4.58 In any event, we agree with Arup that, to the extent that the pandemic has impacted on the timescale for provision of additional capacity at Heathrow, it is likely to have had an equivalent effect on the quantitative need case, to the extent that one existed, for Manston given the long term relationship between GDP and demand for both passenger and freight air services. We also agree with Arup, at section 5.3.1 of their report, that the prospect of a third runway at Heathrow not coming forward in due course is *"unlikely"*.

4.59 Even if the provision of a third runway at Heathrow was further delayed, the Government's aim for a 'Global Britain', emphasised as recently as March 2021 in the 'Build Back Better' plan for growth, would mean that there would still be a priority to ensure that airports are enabled to deliver the required network of global passenger services. It is reasonable to expect that these requirements for increased

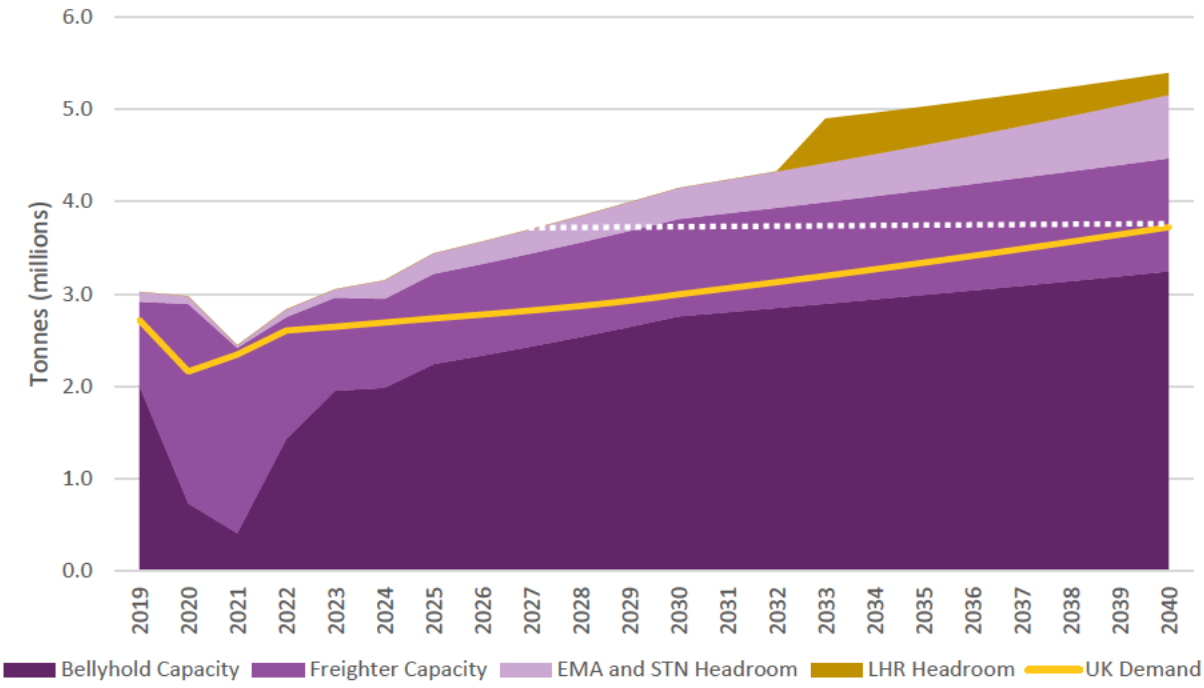
[36] Transport Select Committee, Transcript of Oral Evidence, 21st September 2021, Q55.
[37] Heathrow Airport Ltd, H7 Revised Business Plan Update 1 – June 2021, page 202.

long haul services would be met at Gatwick, Stansted or the larger regional airports, such as Manchester, Birmingham and Edinburgh, and that these passenger services would offer increased bellyhold capacity.

4.60 Furthermore, Heathrow has previously indicated that it could increase capacity by 25,000 annual aircraft movements (more than the dedicated freighter aircraft movements proposed for Manston) through the introduction of Independent Parallel Approaches[38]. Whilst this was seen as an initial step towards the development of a third runway, the proposal could be brought forward again as an interim measure should the application to develop the third runway be further delayed. Hence, more additional capacity is likely to be provided at Heathrow than proposed for Manston regardless of whether the third runway is delayed or even cancelled.

4.61 In our July 2021 Report, we illustrated the expected capacity available for air freight if the third runway was delayed until 2033. It is evident that demand for air freight in 2040 is below the capacity that would be available before the assumed opening of the third runway in 2033 (**Figure 4.9**). The same is also true, if the South East of England is considered in isolation (**Figure 4.10**). We reproduce these figures below. It is important to highlight that these graphs are based on the DfT scenario where a third runway is constructed but does not factor in additional growth at Gatwick, as proposed with its North Runway, or the realistic prospects of additional long haul services being operated from Stansted or other airports if Heathrow is unable to expand.

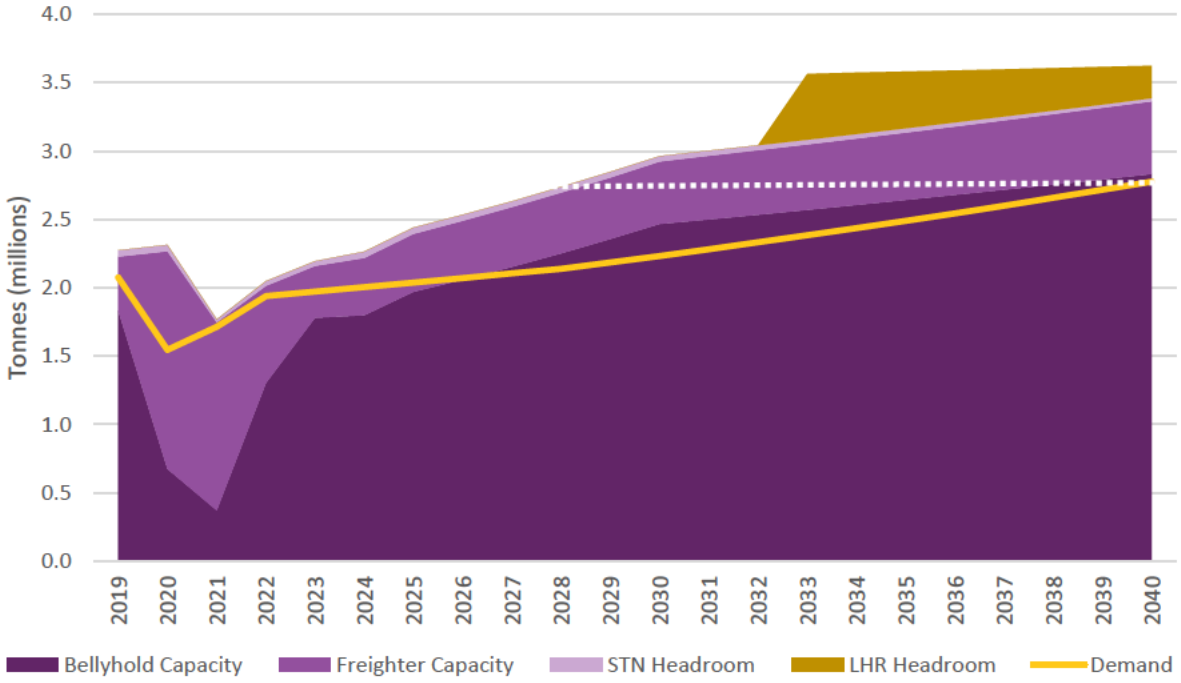
Figure 4.9: UK Air Cargo Capacity



Source: York Aviation

[38] Heathrow Airport Ltd, Making best use of our existing runways, January 2019.

Figure 4.10: London Airport System Air Cargo Capacity



Source: York Aviation

4.62 We conclude that, contrary to RSP's assertions, it is still reasonable to expect that Heathrow will remain the principal means by which the UK's demand for global air freight capacity will be met, mainly through the development of additional global passenger air services with efficient bellyhold capability direct to key global destinations. In any event, any gap in the market caused by a delay to the provision of more capacity at Heathrow, over whatever timescale, would be much more likely to be filled by accelerated development of direct long haul passenger services at the airports nearest to the large urban centres, providing alternative bellyhold capacity at a much lower cost to shippers than the use of dedicated freighter capacity. Furthermore, even if the development of a third runway at Heathrow was delayed or even cancelled, this would not make the alternative of dedicated freighter operations at Manston any more attractive for the reasons already highlighted and as set out by the ExA in its report[39], including the likely preference for a central location for any such operations.

Stansted Airport's Planning Inquiry

4.63 One area where we do disagree with Arup is in relation to Stansted. Arup appear to have accepted the supposition by some supporters of the re-opening of Manston that the effect of Stansted's recently granted planning consent to increase passenger throughput to 43 mppa, with a greater proportion of the consented annual aircraft movements to be used by passenger rather than other aircraft movements, could potentially have the effect of cargo movements being limited below the 16,000 annual movement cap now applied to such movements. On page 36 of their Report, ARUP state that the argument advanced by SMA (Support Manston Airport) that other movements might crowd out cargo movements at Stansted in the medium to long term, such that cargo movements would be restricted below current levels, *"does have some merit"*. This is not correct for a number of reasons:

[39] TR020002-005347-TR020002 Final Recommendation Report to DfT, para. 5.7.24

- It is predicated, at least in part, on Stansted not increasing the number of passengers per air transport movement (ATM). This is not logical given that it is well known that the Airport's principal airline operator is in the process of refleeting from B737-800 aircraft to B737-MAX8 aircraft, offering 8 more seats per movement. Furthermore, the advent of more long haul services, as is a fundamental part of Stansted's plan and demand forecasts, will further increase the average aircraft size, as well as providing substantial additional bellyhold capacity. The risk of Stansted not achieving its expected increase in passengers per ATM over the period to 2032 is very low.

- Furthermore, it is clear from the EIA Addendum[40] for Stansted's 35mppa+ planning application that Stansted Airport Ltd (STAL) expects Cargo ATMs to grow from 11,000 a year to 15,000 a year (within the 16,000 limit) by 2032, reflecting its expectations that it would be able to accommodate underlying growth in the dedicated freighter market serving the South East of England.

- To the extent that, growth in other aircraft movements would be curtailed as more of the overall aircraft movement cap is taken up by commercial passenger aircraft, the effect is to see business aviation (other movements) reduced from 17,000 in 2019 to 7,000 by 2032 in STAL's projections.

- This would be the economically rational response as, prima facie, STAL earns around 50% of the revenue from a business aviation aircraft movement compared to a cargo aircraft movement, based on its published airport charges[41].

- Cargo movements operate to a regular planned timescale so would be allocated and retain grandfather rights to their slots. The same would not apply to business and general aviation movements which would necessarily have to apply for ad hoc slots, i.e. those remaining after slots have been allocated to regular operations including cargo.

4.64 Arup's conclusion that: *"if Stansted meets or comes to close to meeting its cap on passengers per annum, it will be highly unlikely to also provide increased freight capacity in the long term"* is simply wrong. It is inevitable, therefore, that, to the extent that overall movement numbers at Stansted came under pressure before 43 mppa was reached, any displacement could reasonably be expected to be of business and general aviation movements not cargo flights. It is not plausible or rational that Stansted would need to limit cargo movements to below 16,000 a year in order to reach its 43 mppa consented capacity, whilst preserving its current level of business aviation activity.

4.65 It also should not be overlooked that Stansted is expected, over the time period, to increase its range of long haul flights offering bellyhold capacity. This point was made specifically to the Examining Authority (SHP submission TR200020-03977) in relation to RSP's false assertion that no freight was being carried on Emirates Dubai service and the inference that this was indicative of a lack of demand for bellyhold from Stansted. This was simply incorrect and an error in statistical reporting to the CAA, that we understand has also resulted in cargo carried in the bellyhold of passenger aircraft being under-reported at Gatwick as well as Stansted.[42].

4.66 Furthermore, RSP have continued to misrepresent the position at Stansted in terms of slot availability in the inferences that it seeks to draw from Figure 11 in Annex 3 to their submission. First of all, this shows there to be substantial available runway capacity for much of the day and to the extent that peak periods come under pressure, it is important to bear in mind that the infrastructure improvements consented as

[40] Chapter 4, Demand Forecasts, table at paragraph 4.2.20.
[41] Stansted Airport Conditions of Use 1st August 2021.
[42] Gatwick Airport Ltd, North Runway Consultation, Appendix 4.3,1 to the PEIR, paragraph 10.3.1.

part of STAL's 35mppa+ planning application[43] are aimed at increasing hourly runway capacity from 50 to 55 aircraft movements per hour so providing the headroom to accommodate growth in both passenger and cargo flights.

4.67 Even leaving aside any Covid-19 impacts, the Ex A's conclusion that *"there remains significant capacity for dedicated freight movements at Stansted, and an increase in passenger flights will provide further bellyhold capacity"* stands. This provides significant headroom to the extent that additional freighter operations to and from the South East of England are required.

4.68 It is important also to recognise that should **Gatwick Airport**'s proposal to permanently use the capacity offered by its North Runway be approved, additional freight capacity would be created there, with Gatwick predicting an increase in tonnage from an adjusted 150,000 tonnes per annum to nearly 350,000 tonnes per annum[44], which has not so far been factored into any assessment and would, on its own, provide two thirds of the capacity asserted by Manston but by way of cost effective bellyhold provision which is far more likely to be taken up and used.

Developments at East Midlands Airport.

4.69 On page 37 of their Report, Arup hypothesize that the operation of the East Midlands Freeport could have the effect of reducing the amount of air freight capacity that might be available at the Airport to handle UK import and export freight. In practice, some of the freight handled by the integrators is already transferred between flights at the Airport and does not contribute directly to UK imports or exports but is included within the statistics of freight carried, in the same way as transferring passengers at Heathrow. The operation of the Freeport would potentially only be an extension of this activity but with beneficial implications for the UK economy where value is added within the Freeport zone, which includes the area of the Airport.

4.70 Unlike East Midlands Airport, Manston lies outside of the Thames Freeport zone, which is clearly oriented to sea transport from Thames Gateway Port and Tilbury to enable companies to avail of the Freeport benefits. As we made clear at para. 3.24 of our July 2021 Report, Manston would not avail of these benefits and, hence, the existence of the Freeport does not in any way enhance the case for Manston. Teesside Airport will also benefit from being included within the Teesside Freeport area and so will be similarly well placed to avail of companies seeking to use air freight services associated with Freeport type activities. There will similarly be airside freeport facilities at Liverpool Airport as part of the Liverpool City Region Freeport.

4.71 It is clear from Figure 4.9 in our July 2021 Report, that the expansion of freight capacity at East Midlands, in line with its Master Plan contributes to a substantial reserve of capacity for dedicated freighter operations. It is notable that the expansion of freight capacity to handle 1.2 million tonnes is supported in the relevant Northwest Leicestershire Local Plan to 2031 (Policy Ec4). Hence, any required development to realise this throughput would be in accordance with the relevant development plan and this would include additional stands or facilities for other freight operators as required, contrary to what RSP assert at para. 52 of Annex 3 to their submission.

4.72 This confirms the conclusion that there is ample spare capacity at the UK's main dedicated air freight hub to handle any reasonable projection of increased requirements for dedicated freighter flights irrespective

[43] Stansted Airport Ltd, 35mppa+ Planning Application, Planning Statement, para. 2.92.
[44] Ibid, Table 10.1.1.

of the extent to which Freeport activity might use a part of this capacity. Indeed, UPS has already increased the scale of its facilities at the Airport.

4.73 RSP make an extraordinary assertion at para. 51 of Annex 3 to their submission that East Midlands focusses on the express/integrator market rather than the e-commerce market that it is targeting. In practice, as we have discussed earlier, there is a strong synergy between express/integrator activities and e-commerce. Much e-commerce traffic is carried by the established express/integrator operators today, aimed precisely at next day delivery. The only observable distinction is whether the e-commerce agent chooses to brand is own aircraft, as Amazon has done, or use the established express operators. As noted earlier in this section, e-commerce and express operations tend to co-locate as they have the same operational requirements and co-locating provides overall resilience in terms of guaranteeing delivery. East Midlands, with its central location and close proximity to major distribution facilities, is the UK's prime location for e-commerce activity.

4.74 Another more general point made by RSP, at para. 66 of Annex 3 to their submission, is that cargo operations would impede low cost passenger services generally at airports across the UK. This is simply not so as airports plan their operations and the provision of stands at the airport taking into account demand for fast turnaround passenger operations and longer stopping freighters, to the extent that they operate. East Midlands has distinct apron areas for passenger and cargo operations so RSP are simply incorrect to suggest that cargo operations would crowd out passenger operations there or vice versa.

Locational Factors

4.75 In relation to locational factors, RSP persist in confusing where air freight is handled at an airport with its actual origin. The strong attraction of bellyhold capacity at Heathrow and the cluster of freight forwarding companies in the vicinity of the Airport, which is integrally link to the Airport's global hub role, means that much freight from across the UK is consolidated and carried through Heathrow. This was the primary reason that, faced with a reduction in bellyhold capacity, airlines chose to deploy freighter and 'preighter' capacity at Heathrow as the supporting infrastructure was already concentrated there for good reason.

4.76 In Figure 12 of Annex 3 to their submission, RSP also confuse the value of imports and exports by region with the volume. Arup correctly conclude, in this regard, that:

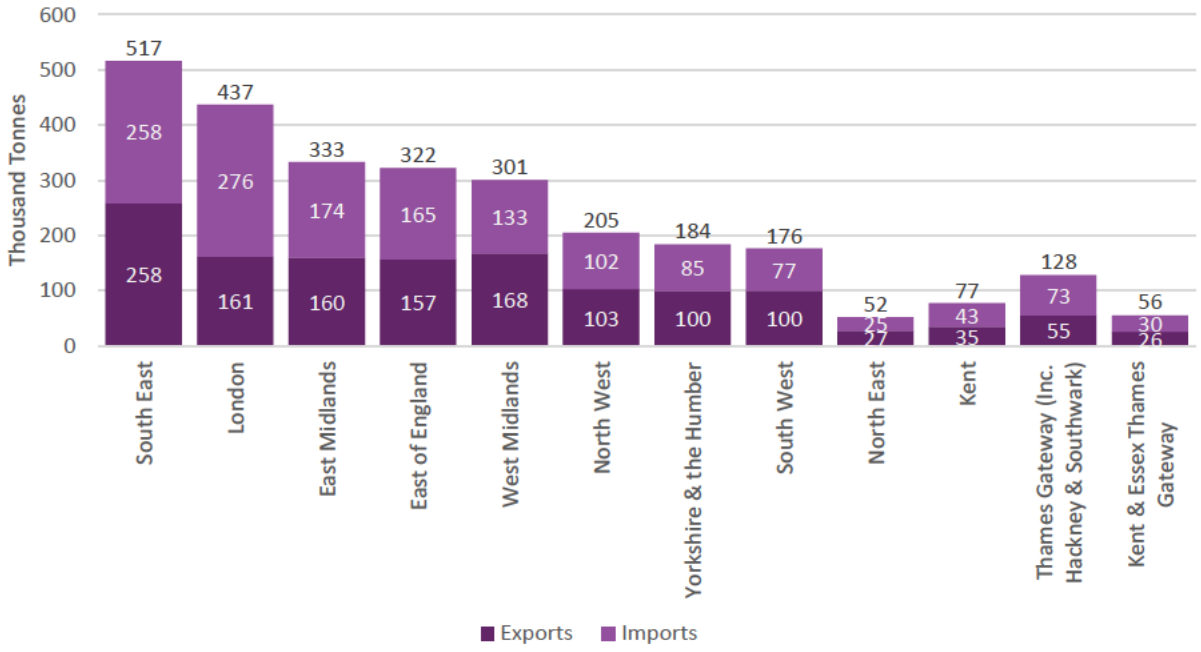
"When measuring by value (the more appropriate measure when consider origins and destinations), a relatively tiny number of small but very high value commodities can skew the results in favour of a particular region, thereby providing a false picture."

Arup go onto state that they do not accept that the information provided by RSP provides an accurate indication of imports and exports by region.

4.77 We have used a gravity model, taking into account the distance from the airports used and the economic structure of each region/sub-region to estimate the actual volumes of freight generated in the English regions shown in **Figure 4.11**. We have also included Kent and the Thames Gateway sub-region, with and without the London boroughs contained therein, to provide a better indication of the scale of air freight activity that might orientate towards Manston, rather than other airports, if it re-opened. We estimate that Kent accounts for approximately 8% of total air freight demand across London and the South East. This analysis would suggest strongly that the scale of the market that Manston might realistically service is of a similar magnitude to the air freight market in the North East of England. It is notable that total freight and mail tonnage carried from Newcastle and Teesside Airports was 4,748 tonnes in 2019, with

only 421 dedicated freighter aircraft movements[45] and that most freight travelled bellyhold on Newcastle's Emirates passenger service. This is a far cry from the 340,000 tonnes and 17,170 dedicated air freighter movements that form the basis of RSP's need case for Manston. There is simply no relationship between the local market for air freight that Manston might serve and the projected throughput, suggesting that it would need to draw in large quantities of freight by road from across the rest of the South East and beyond from the rest of the UK, which would be better handled where there is existing capacity at other airports.

Figure 4.11: Estimated Air Freight Demand by English Region in 2019



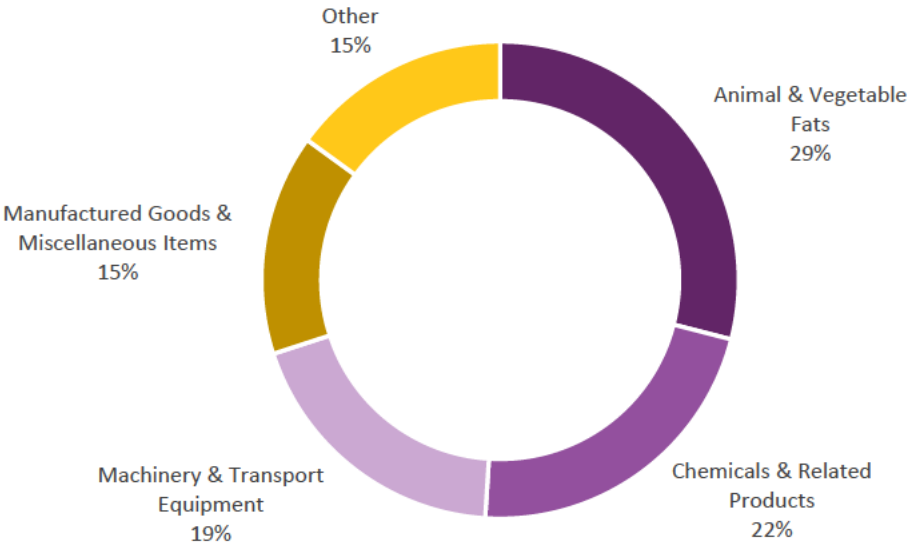
Note: South East / London is inclusive of Kent, Thames Gateway and Kent & Essex Thames Gateway

Source: York Aviation analysis of HMRC, ONS, and CAA data

4.78 In terms of new export opportunities, the extent to which this translates into a requirement for additional air freight capacity very much depends on the nature of exports from the area around the airport. **Figure 4.12**, which presents Kent's exports by broad commodity in 2019, illustrates that animal and vegetable fats are Kent's single most exported product by value, followed by chemicals and related products. The characteristics of these two types of commodities do not generally lend themselves to be suited to airfreight, particularly given the hazardous properties of some oils, chemicals and fats, although we do note that the broad category of 'chemicals and related products' does include an element of pharmaceuticals, which do often travel by air given their time critical, low weight and high value properties. Given that the composition of exported goods from Kent is not particularly well suited to air freight, it is perhaps unsurprising that the scale of air freight demand from Kent is relatively small. This is echoed by Manston's past performance when it was operational as a very small player in the market.

[45] CAA Airport Statistics 2019.

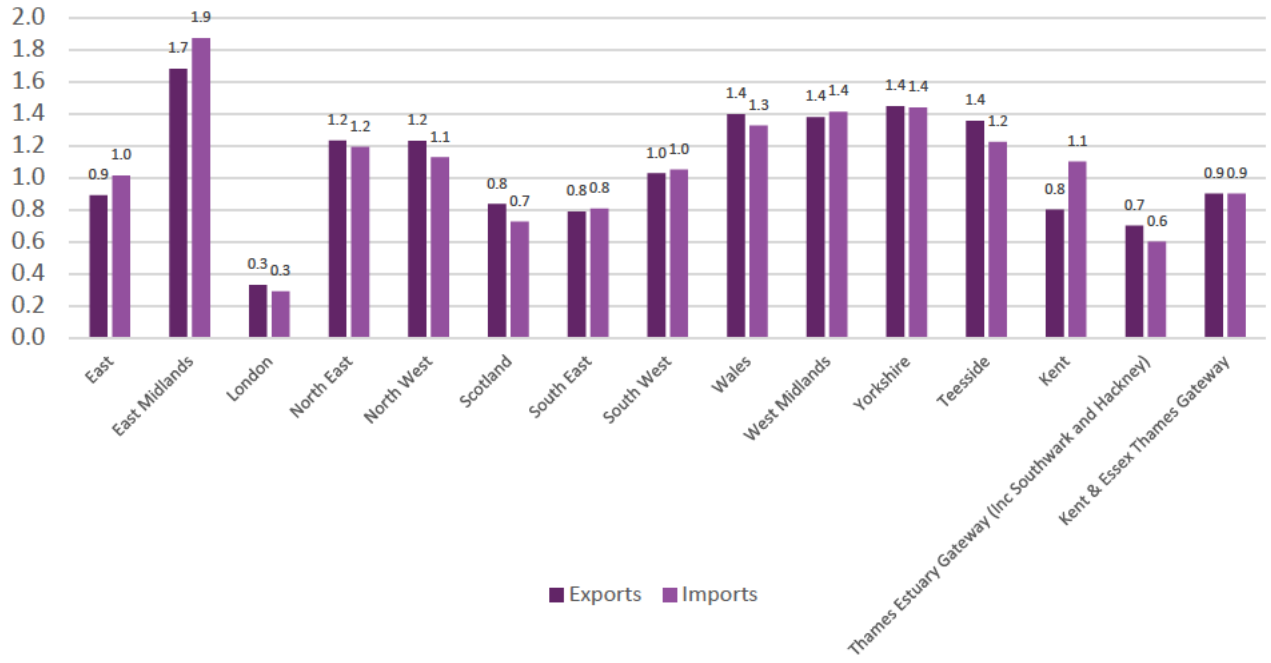
Figure 4.12: Kent's Exports in 2019 by Broad Commodity by Value



Source: HMRC Trade Statistics & Customs Analysis

4.79 The message in terms of where air freight transport is most important to the economy locally is reinforced by the pattern shown in **Figure 4.13**, which shows the location quotient for employment in sectors most reliant on air freight across the UK as a whole. This illustrates where concentrations of such activity lie. Kent and the whole of the South East perform relatively poorly in this regard compared to many other regions in the northern part of England. It is notable that the East Midlands region scores highest in this regard, which further reinforces the role of East Midlands Airport as important in the context of supporting industries with a high reliance on air freight for both exports and imports.

Figure 4.13: Employment LQ in Import/Exporting industries using Air Freight by Region



Source: ONS

4.80 Our analysis of the determinants of air freight demand within Kent suggests that the local economy does not possess the properties required to sustain an air freight hub to the same extent as RSP's proposals. Indeed, at Manston's peak in terms of annual air freight tonnes flown in 2003, Manston handled approximately 2.6% of all air freight flown in and out of airports across London and the South East.

4.81 RSP claims (at para. 91 of Annex 3 to their submission) that a new airport will enable "*technological, digital and environmental innovations will support competitiveness in the freight market".* It is not clear why such innovation, particularly digital, would not be a feature at all airports. Indeed, Heathrow's proposals to invest in its freight facilities are precisely aimed at enhancing and modernising its operations. It is not clear to us how such innovations would overcome the fundamental disadvantage of a more remote location and the disadvantages of greater time and distance between Manston and the general geographic centre of gravity of supply and demand for air freight across the UK.

Conclusion on Quantitative Need

4.82 Having examined the submissions of RSP and the supporters of Manston Airport, we do not consider that any of the new material presented alters the fundamentals of the Need Case as it was before the Examining Authority. Although demand for freighters has increased during the pandemic, the reasons for this are temporary and well understood.

4.83 To the extent that there have been changes to the capacity reasonably to be expected at other airports to meet such demand as is likely to exist for dedicated freighter operations, the position is, if anything, more positive since the Secretary of State's original Manston decision in 2020. This is particularly so, given the recent announcements by HAL of its intention to invest within the next 5 years in improving its infrastructure to support the handling of air freight.

4.84 It is also clear that, to the extent there is any further delay to the provision of a third runway at Heathrow, there are alternatives available to ensure that there would be no shortage of capacity for air freight, particularly in the important and cost effective bellyhold category. Dedicated freighter operations would not provide an appropriate or commercially viable alternative over the medium to long term.

4.85 Although we have some minor points of difference with Arup's findings, these are not material to the overall conclusion that:

"there have not been any significant or material changes to policy or the quantitative need case for the Proposed Development since July 2019 that would lead to different conclusions being reached (compared with the previous ExA conclusions) with respect to the need for the Manston development."

5. The Need for Regeneration in Kent

5.1 Although not a major theme in RSP's submission, they do cite a number of recent regional strategy documents by way of context for why they claim a need for the proposed development. In particular, RSP highlights Kent County Council's Interim Strategic Plan of December 2020 at paras. 11-13 of Annex 2 to their submission. This plan explicitly addresses the challenges faced by Kent following the Covid-19 crisis and focusses on an initial 18 month period[46]. Under any circumstances, Manston could not make a contribution to realising the objectives of this plan.

5.2 We recognise that a key priority of the plan is "*Bringing forward infrastructure projects to stimulate economic growth".* However, it is clear that priorities are for transport infrastructure to support housing growth[47] and, in relation to infrastructure, to support digital initiatives and:

- *"Progress the Infrastructure Proposition with Government to leverage national investment in the infrastructure, quality housing and economic development the county needs.*
- *Maximise the benefits of major capital investment projects into Kent, such as a Lower Thames crossing, Ebbsfleet Garden City and the London Resort development.*
- *Develop a pipeline of 'shovel-ready' infrastructure projects to act as a catalyst for the construction industry which also deliver a step-change in green infrastructure, helping Kent deliver its zero-carbon ambition."*[48]

There is simply no mention of Manston and any role it may play within this Strategy despite the fact that the DCO was in force at the date of the plan. We address Manston's green credentials in the next section.

5.3 Although not a major theme in RSP's submission, we are aware that a number of supporters of the project place a greater emphasis on the need for regeneration in Kent over the actual need for a dedicated air freight airport.

5.4 Whilst it is acknowledged that there is a need for a regeneration in East Kent, Manston Airport would only contribute to this requirement to the extent that there is a need for the airport, specifically the air freight capacity that is seeks to offer.

5.5 We agree with Arup that RSP has not demonstrated a need for the development sufficient to meet the criteria for the grant of a DCO. To the extent that there is no need for the development, even if it is developed, usage would be expected to be materially less than asserted by RSP. We address this in some detail in our Reports for SHP submitted to the Examination.[49] If there is no need for the development, the asserted economic benefits will simply not arise but there may be economic costs.

5.6 If there is no need, i.e. the freight services and tonnage, do not materialize, there will be no effective regeneration benefits, not least when considerations of construction employment are factored in as we discuss below. Indeed, to the extent that re-opening the Airport would not be economically viable, it could give rise to negative impacts on the prospects for regeneration through diversion of resources to an uneconomic project.

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[46] Setting the Course, Kent County Council's Interim Strategic Plan, December 2020, Foreword.
[47] Ibid, page 12.
[48] Ibid, page 14
[49] Appendix 6 to TR020002-003137 – Stone Hill Park Limited – Written Representation

5.7 In our original reports for SHP from 2017 and 2019, as submitted to the Examination, we also pointed out substantial flaws within the assessment of the socio-economic benefits of the development as presented by RSP[50]. These flaws stem from a number of factors, most significant of which were:

- the use of an inappropriate on-site employment density, including non-aviation related business park activity at East Midlands, as its basis for assessing direct jobs. If direct jobs are over-stated, the estimates of indirect, induced and catalytic employment will also be exaggerated as these are derived by applying multipliers to the direct jobs; and
- the use of national level, or even global level, multipliers for supply chain and catalytic effects but asserting that the employment would be generated locally within East Kent.

5.8 Table 5.3 of our November 2017 Report is reproduced below, showing the difference between RSP's claims for job generation in East Kent based on its forecasts for the usage of Manston and our projections based on more realistic forecasts of around 2,000 annual freighter aircraft movements and c.47,000 tones of cargo and properly defining the local study area multipliers for indirect, induced and catalytic employment. This demonstrates that the contribution of Manston to regeneration in the local area would at best be marginal, 1,000 jobs in total, rather than the thousands of on-site jobs and wider benefits asserted by RSP.

Table 5.3: Employment Impact of Manston Airport – YAL Forecasts Comparison

	Y2	Y5	Y10	Y15	Y20
Azimuth Impact Assumptions with Azimuth's freight + passenger forecast					
Direct	856	2,150	2,749	3,438	4,271
Indirect & Induced	1,798	4,515	5,773	7,220	8,970
Catalytic/Wider	0	8,601	10,996	13,753	17,085
Total	**2,654**	**15,266**	**19,518**	**24,411**	**30,326**
YAL Impact Assumptions with YAL's freight + passenger forecast					
Direct	216	391	409	442	486
Indirect & Induced	87	156	164	177	194
Catalytic/Wider	149	270	283	305	335
Total	**452**	**817**	**856**	**925**	**1,015**
YAL Total as % of Azimuth	**17%**	**5%**	**4%**	**4%**	**3%**

Source: York Aviation and Azimuth Associates

5.9 Even if RSP's projections of usage were correct, we still estimated that no more than 4,800 jobs, including indirect, induced and catalytic impacts, would be created within East Kent when the flaws in the assessment were corrected, of which no more than 2,300 jobs would have been directly created at the Airport.

[50] TR020002-003137 – Stone Hill Park Limited – Written Representation, page 461ff.

5.10 As was pointed out in the initial Relevant Representation on behalf of SHP[51], their mixed use proposals would have seen business park development sustaining 2,000 direct jobs local, within additional indirect and induced impacts on top, as well as the creation of 3,700 homes. There were also proposals by SHP to retain a part of the runway for ongoing light general aviation use, particularly for heritage aviation associated with the nearby Spitfire & Hurricane Memorial Museum. The potential benefits from an alternative use of the site are material.

5.11 As we pointed out at para. 3.19 of our July 2021 Report, the economic performance of Kent coming out of the recession is not significantly worse than the national position[52], although there are always variations. We recognise that there are differences across the county with Thanet recognised as in need of 'levelling up.' Thanet District Council was awarded £26.1m in the first round of Government funding for levelling up, of which £19.8m was awarded to Ramsgate, which lies directly under the main flight path to the Airport and would be most directly adversely affected by its re-opening. This funding covers a number of projects:

- Investment in the port to support green maritime logistics, creating 800 jobs;
- Repurposing of former harbour building in the Royal Port, including a new boutique hotel and a high end restaurant and a brasserie will provide meaningful apprenticeships and in work training in hospitality. This site lies virtually under the centreline of the main approach path to the Manston runway at a distance of only 2.5 miles. Hence, re-opening of the Airport and use by older noisier freighter aircraft would prima facie seem inconsistent with the prospective investment in hospitality related activities, estimated to create of the order of 200 jobs, including apprenticeships.
- A number of community access projects designed to provide training and enhance local skills.

5.12 The number of direct jobs provided by these projects alone outweigh any realistic estimate of the number of direct jobs that re-opening the Airport might bring yet the aims of these Government funded projects could, at least partly, be placed in jeopardy if the Airport were to re-open.

5.13 When set alongside other initiatives in the vicinity, as outlined in Section 3 of our July 2021 Report, and benefitting from the support of the Kent County Council Interim Strategic Plan, it is far from clear that the development of Manston would actually make any material contribution to overcoming the structural issues in the East Kent economy.

5.14 Whilst RSP would certainly deliver some construction jobs during the construction of the new facilities, these would not be permanent jobs. It is also far from certain that such construction employment would benefit the local community given the well reported shortages of skilled construction staff currently. It is likely that specialist labour would need to be brought in to construct the airport facilities, leading to increased pressure on housing in the local area.

5.15 We note that, as at the Examination, RSP have elicited support from a number of local bodies engaged in economic development, citing the potential wider connectivity benefits that could come from the development and which would enhance the attractiveness of the area as a location for business. However, these connectivity benefits would only arise if there is a need for the Airport and the airlines, passenger and cargo, put on services. The benefits do not derive from the existence of the Airport itself but the extent to which the airport offers services of relevance to local business. There is no evidence that this would be the case.

[51] TR020002-002756 – Relevant Representation by Pinsent Masons (on behalf of SHP), para. 12.6.
[52] Kent County Council, Unemployment Bulletin, October 2021.

6. Manston's Green Credentials

6.1 RSP claims, in its submission, that it is easier to make a new airport net zero than adapting an existing airport. Whilst this is true in part, given that newly built facilities can incorporate sustainable practices from the outset, this needs to be seen in the context that the Government has made clear, in the Jet Zero consultation, that all airports will be required to achieve net zero status no later than 2040, and many existing airport operators are seeking to better that timescale. MAG airports, which owns East Midlands and Stansted Airports, has stated [53] that all of its airports are already operating carbon neutral and will be net zero by 2038. Other airports, such as Bristol, are targeting carbon net zero by 2030. Hence, given the timescale for the development of Manston and the carbon implications of construction, it is highly unlikely that it would offer any benefits in terms of meeting the UK's Sixth Carbon Budget in relation to its own Scope 1 and 2 emissions from operations[54] compared to other airports.

6.2 As we pointed out in our July 2021 Report (para 4.31), encouraging more flights by dedicated freighter aircraft rather than consolidating freight on to passenger aircraft would appear to cut across the aims of reducing emissions from aircraft, not least as cargo aircraft tend to be older technology and, hence, more polluting than passenger aircraft at least over the medium term. This is because many aircraft in the fleets of freighter airlines are second-hand aircraft converted from passenger use, which are necessarily of an older generation of technology. This is reflected in Boeing's latest projections[55], which suggest that around half of all freighter operations in 2040 would be using converted passenger aircraft, which by definition would be older than the newer generation aircraft more commonly used across the passenger fleet.

6.3 Furthermore, as we set out in para 4.33 of our July 2021 Report, whilst in the longer term there may be potential for electric or hydrogen powered aircraft, current research and development suggests that such technology is more likely to be suitable for short to medium haul routes with smaller payloads[56], and so are unlikely to form the primary propulsion systems for freighter aircraft out to 2050. Hence, to meet the Government's Jet Zero target, operations at Manston would give rise to a higher requirement for off-setting and removals than airports providing bellyhold capacity.

6.4 Dedicated freighter movements are generally less carbon efficient than passenger movements with bellyhold capacity. IATA report that in September 2021[57], the industry-wide freighter load factor was just 55.3%. This is 9.1% above September 2019 levels, but IATA explain that transient supply chain conditions, notably the need for businesses to rapidly ship goods that have had their production delayed during the pandemic, is driving the slightly inflated load factors witnessed currently. We understand, however, that IATA's freight load factor analysis is based on weight rather than volume, which may understate the extent to which capacity on freighter aircraft is actually utilised in terms of volume. Regardless, the flow of air freight on most routes is generally asymmetric. This is particularly the case for chartered freighter operations that will usually require an empty positioning movement from the carrier's base to collect a consignment, followed by the movement where the consignment is carried from its origin to its destination, and then possibly followed by another empty positioning movement back to the carrier's base or to collect a new consignment elsewhere. The freighter flights that previously operated from Manston, which carried fresh produce from Africa and flowers, would inevitably have operated on similar

[53] MAG Airports CSR Strategy 2020-2025.
[54] Scope 1 — covers the Green House Gas (GHG) emissions that a company makes directly. Scope 2 — indirect emissions e.g. from energy purchased.
[55] Boeing Commercial Outlook, 2021-2040, page 13.
[56] McKinsey and Co. for Clean Sky 2, Hydrogen Powered Aircraft, May 2020.
[57] IATA, Air Cargo Market Analysis, September 2021, page 3.

principles, whereby it may have been relatively well loaded with fresh produce on its outbound leg to the UK but may have been empty on its return flight to Africa.

6.5 However, the environmental impact of air freight carried in the bellyhold of passenger aircraft is shared across the cargo and the passengers on board. IATA report that in September 2021[58], industry-wide passenger load factor was at 67.6%, which is 14.3% below September 2019 levels given the impact on passenger demand due to the pandemic. Passenger demand is generally more symmetrical, so a flight between Heathrow and Hong Kong will generally carry roughly the same number of passengers in both directions but may only carry large volumes of air freight on its inbound journey back to the UK. The environmental benefit in this hypothetical example is that even if the outbound sector does not carry any air freight in the bellyhold at all, the emissions generated by the aircraft travelling between Heathrow and Hong Kong relate to the carriage of a large number of passengers whereas a freighter aircraft on the same round-trip journey may be completely empty on its outbound sector.

6.6 Basically, the carbon accounted for per tonne of cargo carried in a dedicated freighter will be substantially higher than the carbon accounted for per tonne of cargo carried in passenger aircraft. Encouraging more use of dedicated freighters would seem to cut across broader climate change objectives.

6.7 Accepting that achieving carbon net zero by 2050 for aviation, as is the Government's target in the Jet Zero consultation, it is acknowledged that some degree of off-setting will still be required. For a passenger flight, also carrying cargo, the cost of off-setting will be shared across a large number of users but for a dedicated cargo flight, particularly with a high risk of asymmetric loads, the offsetting costs per tonne of cargo will be considerably higher. This will further increase the cost differential between the use of bellyhold and dedicated freighter operations.

6.8 A further consideration is in relation to fuel supplies. The fuel farm at Manston is not supplied by pipeline and so will require extensive tanker deliveries to service the requirements. Furthermore, we are not aware of specific proposals to manufacture SAFs[59] on-site. In contrast, Manchester Airport, for example, has announced that it will be the first airport in the UK to receive SAFs direct from a pipeline supply alongside existing pipeline delivery of aviation fuel. Although RSP cite their involvement with Project Napkin, this is a project aimed at developing electric aircraft to operate short haul regional services, supported by Heathrow Airport and which has simply no relevance to the proposed use of Manston.

6.9 RSP make a number of other claims as to how they will deliver their green credentials, in particular transfer of goods to waterborne freight and rail (para. 15 of Annex 2 to their submission).

6.10 In the first instance, RSP cite the London Plan and policy support for river transport for passengers and freight[60]. Although the Mayor of London makes clear that freight transport is as important as passenger transport[61], Policy T8 on aviation also sets out the Mayor's key principles in relation to airport development, in particular that *"Any airport expansion scheme must be appropriately assessed and if required demonstrate that there is an overriding public interest or no suitable alternative solution with fewer environmental impacts."* It is doubtful that re-opening of Manston Airport would pass this test if it was directly applied.

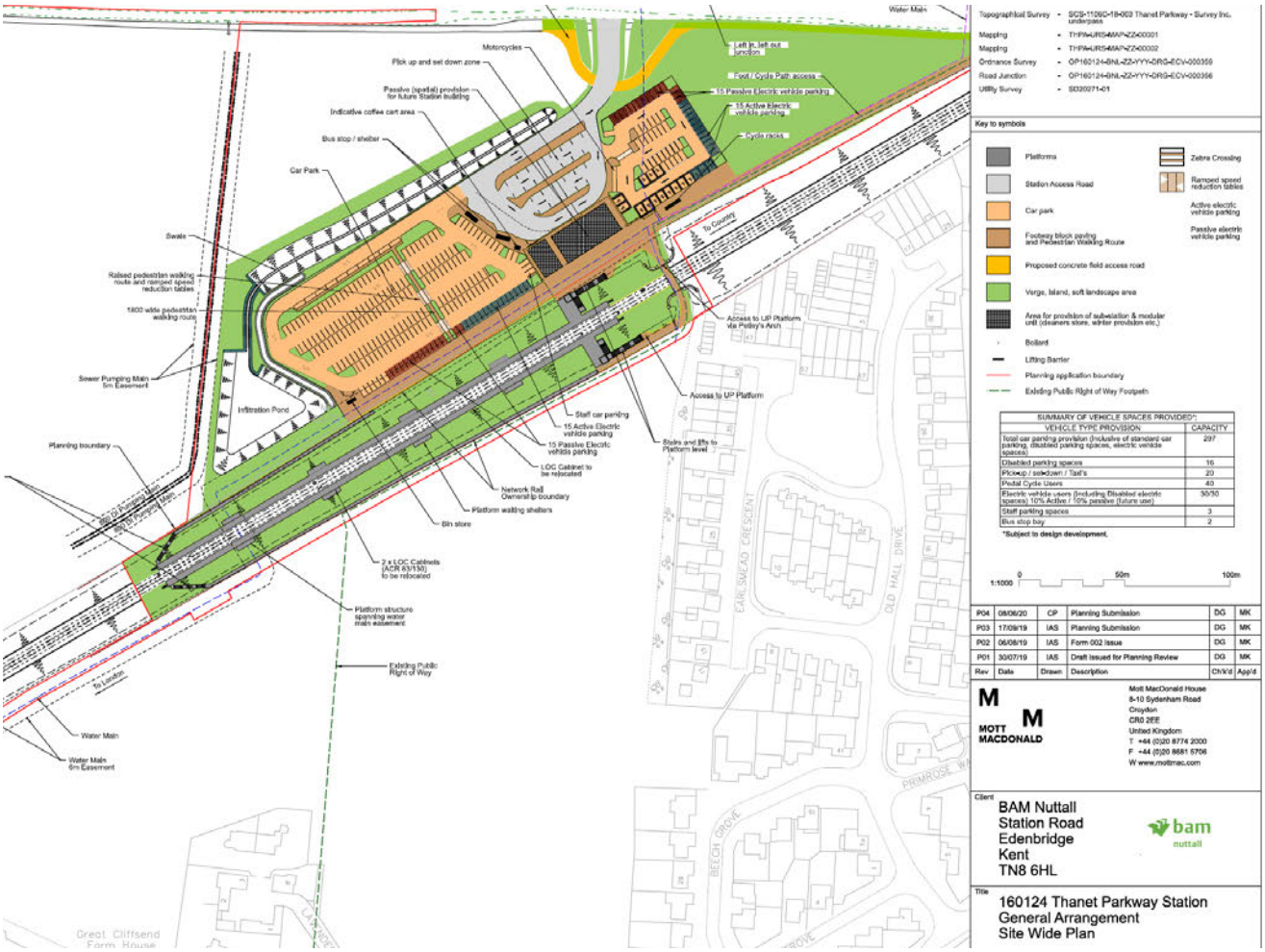
6.11 In relation to river transport, we are aware that RSP has suggested that it could tranship goods to electric barges through Ramsgate Port. More recently, it has modified this claim to include hydrogen powered barges. It is far from clear how such complex, multi-modal transit (air-road-barge-road) would be

[58] IATA, Air Passenger Market Analysis, September 2021, page 3.
[59] Sustainable Aviation Fuels
[60] The London Plan 2021, para. 0.0.5.
[61] Ibid, para. 10.8.9.

compatible with their claims about e-commerce and speed of delivery being a major driver for their proposals. As para. 9.15.4 of the London Plan makes clear the use of waterways for freight is suitable for *"low-value, non-time-critical bulk movements"*, which is the antithesis of air freight which is typically used for high value, time critical goods, although we do recognize that DHL has been considering the use of the river and bicycles for some urgent local document delivery within London to avoid traffic congestion[62]. This is a very different business proposition than delivering goods some 80 miles round the coast and up the river from Ramsgate to London.

6.12 Nor are RSP's suggestions that air freight might be transferred to rail via Thanet Parkway Station, now under construction, credible. **Figure 6.1** shows the design of the station and **Figures 6.2** and **6.3** show visualisations of station from the north and the south. From these images, it is clear that the station is on an embankment, with 2 platforms on an existing rail line with simply no provision for a rail siding for loading freight. Once again, assertions made by RSP do not hold up to scrutiny.

Figure 6.1: Plan of Thanet Parkway Station



[62] https://www.transglobalexpress.co.uk/news/1208/

Figure 6.2: Thanet Parkway Station from the north

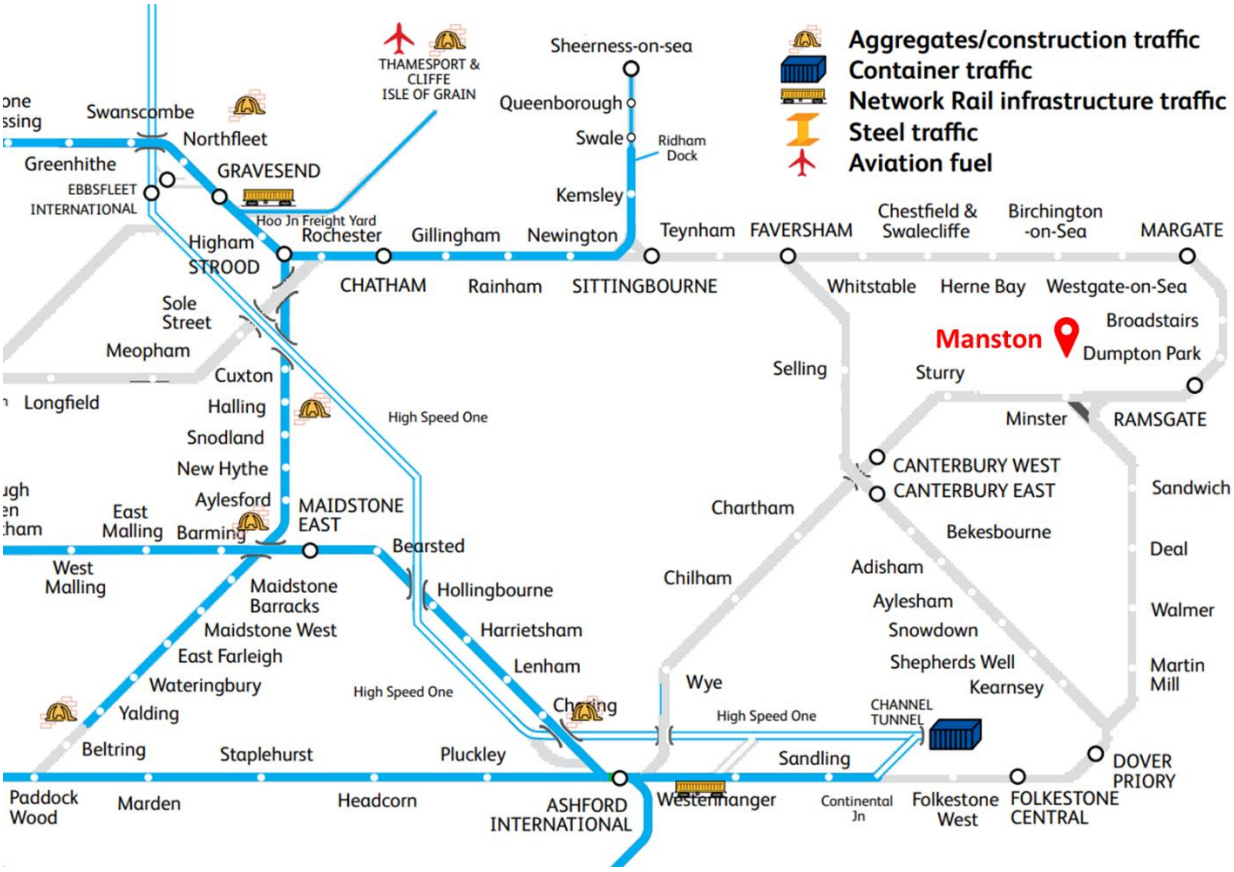
Figure 6.3: Thanet Parkway Station from the south

6.13 More recently, RSP has suggested that Ramsgate Station might be used instead but, again, this station has no provision for freight. The Kent Rail Strategy 2021[63] published by Kent County Council highlights the lack of rail freight infrastructure regarding both rail freight terminals and routes cleared for rail freight services across Thanet and the wider East Kent area. **Figure 6.4** shows, in blue, the limited number of

[63] Kent County Council, Kent Rail Strategy 2021, pages 50-54.

approved rail freight routes in East Kent, which clearly illustrates the lack of rail freight infrastructure around Manston. The Kent Rail Strategy 2021 explains, at para. 10.1, that any significant changes to the rail network to expand rail freight infrastructure would require considerable expenditure and that there is an overwhelming demand for capacity on Mainline routes in Kent to be prioritised for passenger services. Hence, the use of rail as a means of transport for freight arriving at Manston is not realistic for the foreseeable future.

Figure 6.4: Rail Freight Routes and Terminals in East Kent



Note: For clarity, we have superimposed the approximate location of Manston onto the map.

Source: Network Rail, as referenced in Kent Rail Strategy 2021

6.14 Other existing airports across the UK are better connected to the rail freight network than Manston would be if it were to re-open. For example, East Midlands Airport benefits from a dedicated rail freight terminal opened in 2019 that is located less than half a mile from the end of its runway, as shown in **Figure 6.5**. The rail freight terminal next to East Midlands Airport is able to accommodate trains up to 775 meters in length and has access to the UK's principal rail freight routes that also serve major UK ports including Southampton, Felixstowe, London Gateway and the Channel Tunnel[64].

[64] SEGRO Logistics Park – East Midlands Gateway, Maritime Rail Freight.

Figure 6.5: Proximity of Rail and Road Links to East Midlands Airport

Imagery: Google Earth

7. General Aviation

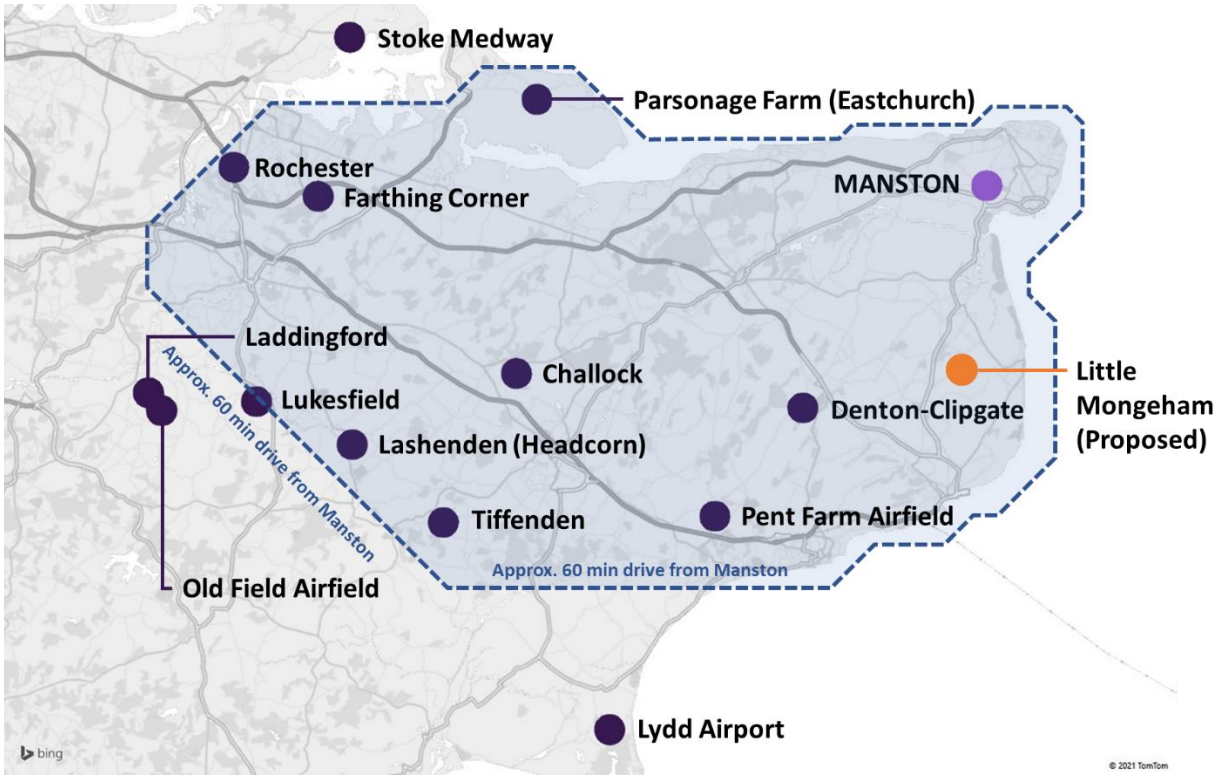
7.1 Arup also report (page 38) that some supporters have also cited the need for more light aircraft facilities in Kent as a reason for granting the DCO. It is important to bear in mind that facilities for general aviation do not constitute a reason for granting a DCO for airport development under the terms of Article 23 of the Planning Act 2008. As Arup rightly conclude, the need for the development was framed in terms of its effect being *to increase by at least 10,000 per year the number of air transport movements of cargo aircraft for which the airport is capable of providing air cargo transport services."* Hence, the need must be assessed against this criterion alone.

7.2 We are aware that 38,000 general aviation movements were included within the total number of movements assessed for the Environmental Statement but this is twice the number of such movements that Manston handled in 2011, when its total aircraft movements peaked before closure. Given the overall UK trend for a decline in general aviation flying in the decade leading up to the pandemic, it is our understanding that this was not a forecast of general aviation activity but an allowance for environmental assessment purposes.

7.3 In overall terms, Kent is generally well served by a range of general aviation airfields, as demonstrated in **Figure 7.1**, which illustrates the presence of airfields across Kent with reference to those that can be accessed from Manston within a 60-minute drive. Consultations undertaken with the general aviation community as part of our 2018 General Aviation Strategic Network Study[65] identified one hour as a reasonable travel time to access general aviation services. There are around a dozen alternative general aviation airfields within a 60-minute drivetime, or a little over 60-minutes, that can be accessed from Manston. These other airfields range in scale and purpose but include aerodromes highly regarded within the general aviation community, including Rochester and Lashenden. Although Lydd (London Ashford) Airport is slightly outside the 60-minute drivetime radius from Manston, Lydd offers a strong range of general aviation activities and is home to two flying schools, a Fixed Base Operator (FBO) and an HM Coastguard base, which moved away from Manston following its closure. Prior to the pandemic, private and flying school activity was increasing at Lydd, contrary to overall national trends suggesting that it is well located to meet the need.

[65] York Aviation (on behalf of Department for Transport), Research into a Strategic Network of General Aviation Aerodromes, October 2018.

Figure 7.1: General Aviation Airfields Accessible within 60-Minutes from Manston



Note: There are likely to be a number of additional private airfields and airstrips that we have not included within this figure, which further support general aviation activities.

Source: Pooleys and York Aviation

7.4 We acknowledge that the closure of Maypole Airfield in January 2021, which was located between Canterbury and Margate, has had a small negative impact on the availability of general aviation services in East Kent. We understand that the aircraft that were based at Maypole have been relocated elsewhere, thus demonstrating the availability of capacity for general aviation services across Kent. This position will be further enhanced if planning permission is granted for a proposed airfield at Little Mongeham near Deal, which includes proposals for a 750-metre grass runway and hangarage for based resident aircraft[66].

7.5 Overall, there does not appear to be a credible case that re-opening Manston is critical to ensuring that there is sufficient provision for general aviation within Kent. Generally, our work for the Department of Transport on the resilience of the General Aviation Network[67] shows that across the South East of England the population is better served in terms of access to general aviation airfields than the rest of the UK, except London itself. This does not suggest that there is an urgent need to open further airfields in the area, not least given the financial challenges that airfields in the sector are facing.

[66] Dover District Council Planning Application Reference 21/00626
[67] York Aviation for the Department of Transport, General Aviation Airfields resilience test 2021.

8. Other Matters

8.1 We note also that amongst the submissions were ones from the Defence Infrastructure Organisation (DIO) and National Air Traffic Services, which both maintain their objection to the proposed development pending an acceptable resolution to the need to relocate the HRDF beacon. The DIO goes into some detail about the failure of RSP, in the two years since the Examination, to put forward an acceptable solution:

"During the application process, the applicant has stated that a replacement HRDF can be provided that will ensure that the current service/capability will not be impaired. At this time however, no evidence has been submitted to demonstrate that this is the case. The developer has submitted a document entitled 'Phase 1A – Manston HRDF Relocation - Feasibility Study Report' which provides an initial, and cursory, inspection of possible HRDF replacement sites."

"MOD would like to emphasise that unless sufficient evidence can be provided to demonstrate an appropriately sited HRDF system can be provided, that such a system can be delivered in a manner that would allow appropriate testing prior to acceptance, and that the siting and installation of the new system would offer no detriment to the function of the existing asset, it would not be possible for MOD to provide support for the discharge of the requested requirements."

8.2 It is also significant that, despite two attempts, RSP have failed to pass the Design and Assess (Stage 2) Gateway of the Airspace Change process due to the inadequacy of the information provided, with the CAA stating in July 2021[68]:

"In our Gateway Assessment, the CAA concluded that the submission did not meet Criterion 3 and Criterion 5 above for the reasons set out below:

1. Criterion 3 (Design Principles Evaluation): The development of the baseline ("Do Minimum") scenario and comparative assessment of the suggested design options against the design principles did not evidence clearly that the design options had been adequately assessed against the design principles. (CAP 1616 - Step 2A Para 128 and Para E21).

2. Criterion 5 (Initial Options Appraisal): In Step 2B, the presentation of the Option Appraisal (which built on Step 2A) did not allow us to conclude that it had been correctly undertaken. (CAP 1616 - Step 2B Para 133 and Appendix E Para E12).

8.3 Based on these examples above, it would appear that RSP have not successfully progressed matters that would need to be progressed if there was to be confidence that the DCO could be successfully implemented, in practice. At the very least, these statements raise questions as to RSP's ability to open Manston at an early date and make any contribution in the near term to the post-pandemic requirements for air freight capacity. Furthermore, in common with other airspace proposals across the South of England, the proposed changes for Manston cannot be progressed until such time as ACOG[69] has produced its Masterplan and had this approved by the CAA. Hence, any realistic opening for Manston, if the DCO is reinstated, would be expected to be well into 2024, if not later, by which time it is expected that bellyhold capacity will have returned to pre-pandemic levels.

[68] CAA Airspace Portal
[69] Airspace Change Organising Group

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