



**MANSTON AIRPORT
AVIATION ACADEMY:**

Response to the Thames Estuary
2050 Growth Commission

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AZIMUTH
ASSOCIATES

RIVERAK
INVESTMENT CORP., LLC

1. Introduction

As part of the ambitious Thames Estuary 2050 project, a freight-focused airport will provide a considerable boost to the local and regional economies. Providing businesses with the means to import and export high value, time-sensitive and perishable goods, Manston Airport will alleviate some of the trade that is currently lost due to a lack of UK airport infrastructure. Last year, 2015, the UK missed out on at least £9.5bn in potential trade with emerging economies due to the lack of runway capacity¹. Our submission under the Thames Estuary 2050 Growth Commission's call for ideas is for a Manston Aviation Academy, to run alongside the successful operation of a freight-focused airport on the Thames Estuary in East Kent.

RiverOak

RiverOak, a US-based investment corporation, and its investors want to acquire and redevelop Manston as a freight-focused airport. RiverOak has had prior airport experience fund-raising for Fort Worth Alliance. During this project, RiverOak realised there is a lack of specialist cargo airports in Europe. Manston Airport was identified as the ideal location for a freight-focused airport in the South East of the UK. Manston Airport is able to handle over 10,000 cargo movements per annum without affecting the airspace of other airports.

Aims and objectives

The aims and objectives of the Manston Airport redevelopment project are to:

- Create a world class freight-focused airport with passenger services to connect the people living and working within the Thames Estuary area to the rest of the world
- Create jobs across a range of skill sets
- Inspire young people to continue in their education and training and to provide the facilities to allow them to learn close to home, within the Thames Estuary growth area.

Manston Airport

Manston Airport is located on the Isle of Thanet in East Kent, 17 miles from the Port of Dover, 65 miles from Central London and 60 miles from the Port of Tilbury. The airport's runway has a length of 2,752-metres and a width of 61 metres, heading 28/10. It is capable of handling all types of aircraft, including the A380-800F. Manston had been an airport for 100 years until it was closed to traffic in May 2014. RiverOak are currently in the process of applying through the Development Consent Order process for compulsory purchase of the site.

Before its closure, Manston managed all airport activities including Air Traffic Control, fire cover, security, ground handling, catering, duty-free and slot allocation. The airport focused on the cargo market whilst also providing a number of passenger flights. In terms of cargo, Manston established a reputation for speedy handling of perishable goods, with unloading and throughput times much faster than competitor airports. Manston was previously carrying around 30,000 tonnes of cargo per year. Our forecast shows Manston will be able to attract and handle around freight 10,000 movements and 145,000 tonnes per year by its fifth year of operation. We will also aim to provide a service to more than 1.2 million passengers by that time.

¹ Centre for Business Research (2016), *The Importance of Air Freight to UK Exports: The impact of delaying the runway capacity decision on UK international trade growth*. Report for Let Britain Fly Campaign, available from <http://londonfirst.co.uk/wp-content/uploads/2016/09/Importance-of-air-freight-to-UK-exports-PDF-FINAL.pdf>

Vision for the future

Our vision is for a vibrant freight-focused airport, employing local, well-trained people and supporting local, regional and national businesses. In order to meet this challenge, it is essential that we train and educate local people in line with the needs of the business. However, the opportunity exists for a much more comprehensive vision of an academy designed to bring together the aerospace industry with academia (universities, colleges and potentially schools), in line with UK and European government policy. As such, RiverOak are keen to establish an aviation academy close to or on the Manston Airport site.

2. Manston Aviation Academy

For many years there has been discussion about skills shortages in the UK workforce and the significant impact this makes on business. Between 2013 and 2015, the number of skill-shortage vacancies rose by 43%². This was particularly noticeable in the field of engineering³. Additionally, poor careers advice in the UK is causing students to drop out of school, college and apprenticeships⁴.

In terms of the EU's strategy for aviation, the Commission says:

"It is [also] crucial to maintain leadership in aviation through a highly educated, qualified and experienced workforce. Partnerships between research, universities and industry on education will facilitate the movement of experts between these sectors, which at the end would be very beneficial for the development of the European aviation sector.

New skills and competences, some of which are not yet broadly available, such as those of drone specialists and flight data analysts will have to be developed. Training should be given priority. In this respect, the European Aviation Safety Agency Virtual Academy will further develop a true European network of aviation training institutes.⁵

The concept for this project brings together the UK (and potentially the European) aerospace industry, government and academia, providing a focus through which to develop effective and sustainable channels of communication. The aim is to ensure the structures and provision of education, training, and life-long learning support the needs of the aerospace industry. The project will help move the industry forward and address concerns over innovation and skills shortages. There is a requirement for the industry to adopt best practice in learning, people management and continuous professional development whilst also promoting itself so that it will attract and retain the highest calibre talent.

East Kent is an area of particular deprivation, a measure that includes the educational level of its residents. In October 2015, Thanet ranked as one of the poorest parts of the Country, with deprivation having worsened over the previous five years⁶ This project will therefore help to realise the full economic and social potential of East Kent and the wider Thames Gateway areas.

Previous owners of Manston Airport developed and funded a highly successful BSc Business Studies with Airport Operations degree at the Broadstairs Campus of Canterbury Christ Church University. The success of this degree course lay in the ability of the course to attract local students from first generation university families. These highly motivated students were attracted by the involvement of the airport with their local Higher Education provider. The course acted as a pilot for a dedicated Aviation Training Academy, which will match the need for skills by industry with provision by Higher and Further Education and training institutions in the area. In addition and given the Government's agenda for 14 to 19 year olds, this may also include schools.

² Employer Skills Survey 2015, p. 4 available from:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499047/UKESS_Summary_report_-_for_web.pdf

³ <http://www.huffingtonpost.co.uk/news/skills-shortage/>

⁴ <http://www.bbc.co.uk/news/education-31061905> and
<http://www.huffingtonpost.co.uk/news/skills-shortage/>

⁵ European Commission (2015), *An Aviation Strategy for Europe* (Brussels, 7.12.2015), p. 10

⁶ <http://www.kentonline.co.uk/thanet/news/thanet-among-most-deprived-areas-44113/>

3. Thames Estuary 2050 Growth Commission

In response to your invitation to input to the Thames Estuary 2050 project, we believe Manston Airport can play a key role in the growth and prosperity of our region.

Connectivity and high productivity clusters

Thanet and the County of Kent have a long history of excellence in the agricultural sector. Promoting a competitive and integrated food supply chain, responsive to the needs of consumers, is essential to ensure the cluster maintains and develops high productivity. Air transportation is a vital resource for importers and exporters in this sector, allowing perishable goods to reach the customer at their peak, thereby demanding the maximum price possible for growers and suppliers. Manston Airport has a lengthy history of supporting this cluster and has plans to extend its services to include flowers, fruit, vegetables, and fish and shellfish. It is expected that business in the supply chain will cluster around the airport to produce value-adding products for customers.

Air transportation also supports Just-in-Time practices, particularly for high weight-to-value goods with short product lifecycles. The manufacturing sector in Kent is a key sector with potential to expand, particularly as the UK prepares to leave the EU. Engineering is also an area where the presence of the airport stimulates interest. High tech engineering clusters inevitably grow up around airports, since the airport is a key user of engineering services. In addition to the usual maintenance and repair facilities, plans for Manston include a recycling operation on the airport site, which will demand a large number of skilled engineers to refurbish and certificate aircraft parts for reuse.

High productivity clusters need high quality transport links but with air freight constrained in the UK, particularly in the South East, there is an enormous impact on our economy, job creation and contribution to GVA. The East Kent area is additionally suffering from congestion around the Channel Crossings, exasperated by the migrant issues at Calais and problems with strikes by French transport workers. The Freight Transport Association together with Transport for London predict that, by 2050, more than two million tonnes of freight will have to cross the Channel in trucks to be flown from airports in Northern Europe⁷. This figure equates to some 100,000 truck crossings. A fully functioning airport at Manston will go some way to alleviating this congestion, freeing up haulage companies to transport to and from the airport rather than suffering the delays of the Channel Crossings.

Securing investment

RiverOak is a specialist investment corporation. Investment in an airport is a £multimillion project and RiverOak have already spent many £millions preparing their submission to the Planning Inspectorate and developing a robust Master Plan. The presence of an airport encourages large employers to locate nearby. Studies show a 10% increase in the supply of air services at an airport was associated with a 4% increase in the number of large firms headquartered nearby⁸, that air connectivity is one of the four most important factors affecting

⁷ York Aviation (2015), *Implications for the Air Freight Sector of Different Airport Capacity Options*. Available from <http://content.tfl.gov.uk/air-freight-implications-from-new-capacity.pdf>

⁸ Bel. G and Fageda, X. (2008), Getting There Fast: Globalization, intercontinental flights and location of headquarters, *Journal of Economic Geography*, Vol. 8, No. 4.

location decisions⁹, and that IATA firms change their investment decisions due to constraints on air services¹⁰.

Airports are also linked to increases in business investment and Foreign Direct Investment (FDI). Studies show that a 10% increase in air transportation usage increases business investment by 1.6%¹¹. A 1% increase in international seat capacity is associated with a 0.47% increase in FDI inbound and a 0.19% increase in FDI outbound and a 10% change in the growth rate of seat capacity in the UK leads to approximately a 1% change in the growth rate of the UK's GDP¹².

Centre of Excellence

An Aviation Academy at Manston would allow the Thames Estuary 2050 project to develop a Centre of Excellence in a globally attractive field. This inspirational location, close to a vibrant airport, and the ability to study near home should attract young people from across the Thames Estuary area. The purpose of the Manston Aviation Academy is therefore to:

1. Harness local enthusiasm for the airport and use this to encourage young people to enter Further and Higher Education as well as a wide range of other training opportunities
2. Match education and training provision with the needs of the aerospace industry
3. Raise the profile of the Thames Estuary as a vibrant, growing and innovative economy in the local area, with industry and with Central Government
4. Support businesses within the Thames Gateway area by providing fast, reliable access to the rest of the world for freight and passenger movements
5. Help to attract inward investment by increasing the attractiveness of the Thames Gateway area by providing a vibrant freight-focused airport with passenger services and upskilling the local and regional workforce

⁹ Arndt, A. et al. (2009), *Economic catalytic impacts of air transport in Germany: The influence of connectivity by air on regional economic development*. ATRS Conference.

¹⁰ IATA (2006), *Airline Network Benefits*, IATA Economic Briefing No. 3.

¹¹ Cooper, A. and Smith, P. (2005), *The Economic Catalytic Effects of Air Transport in Europe*, Commissioned by EUROCONTROL and available from https://www.eurocontrol.int/eec/gallery/content/public/document/eec/report/2005/025_Economic_Catalytic_Effects_of_Air_Transport_Europe%20.pdf

¹² PWC (2013), *Econometric Analysis to Develop Evidence on the Links Between Aviation and the Economy*, Report for the UK Airports Commission.

4. Conclusions and recommendations

Treating the area from Thanet along the Thames Estuary on both the Kent and Essex sides of the river as well as including the London Docklands area is a wonderful opportunity for the South East and for the UK. Investment and regeneration are badly needed and the presence of a freight-focused airport, missing at present from the transportation network, will make a huge difference to the sustainable regeneration of the area. Previous attempts to lift this area from its 'poor cousin' relationship to the rest of the South East have largely failed. Now, under the leadership of Lord Heseltine, we have the opportunity to get it right.

Using the airport as a focal point for various initiatives including creating, expanding and upskilling the high productivity clusters in the Thames Gateway area, improving connectivity, increasing investment, and creating a Centre of Excellence at the airport we hope will play a major role in the success of the project. RiverOak welcomes the opportunity to discuss this project further with the Commission.

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