

Airports Commission

Discussion Paper 06: Utilisation of the UK's Existing Airport Capacity

Response from Kent County Council

Kent County Council (KCC) welcomes the opportunity to respond to this discussion paper on utilisation of the UK's existing airport capacity. KCC has limited its response to questions that are of relevance to Kent, which includes the recent closure of Kent's International Airport at Manston and approval for the expansion of Lydd, London Ashford Airport.

Q: Is the Commission right to identify particular financial challenges for smaller airports? Can respondents corroborate or refute any of the Commission's evidence on financial pressures at regional airports?

Kent County Council (KCC) agrees that the Commission is right to identify the issue of financial challenges for smaller airports. KCC can corroborate the Commission's evidence on financial pressures at regional airports as it has had direct experience of this with the recent closure of Manston, Kent's International Airport.

In its discussion document published in 2012 'Bold Steps for Aviation', Kent County Council set out its plan for a more strategic approach to meeting the UK's aviation needs and how this can be met in the short, medium and long term. 'Bold Steps for Aviation' stated:

"In Kent, Manston Airport has the potential to make a significant contribution, providing excellent communications to Europe destinations and reduced flight times. Manston has one of the longest runways in Europe (at 2,752 metres) and is therefore able to cater for all modern jet aircraft. The airport operates in Class G airspace, outside of the London Control Zone, and has sufficient capacity for the 4.7 mppa and 400,000 tonnes of freight anticipated by the Airport Master Plan by 2033. Its local environmental impacts are greatly reduced by its location on the Thanet Peninsula, with much of its uncrowded flight path located over water to the east of Ramsgate. There is a fully-equipped passenger terminal facility with a capacity of around 1 mppa subject to the aircraft used and scheduling arrangements."

The commercial owners of Manston Airport made several attempts to secure operators of scheduled passenger flights in addition to general aviation, its small charter operation and substantial freight services (around 30,000 tonnes per annum).

EUjet failed as a low cost operator based at the airport in 2004/05, losing millions in just 10 months of operations and resulted in the airport's owner, Planestation, going into administration as it had acquired the failing low cost carrier in an attempt to turn around the fortunes of both the airport and the airline. Despite this financial failure, between September 2004 and July 2005 during 10 months which excluded the peak summer season, the airport handled over 300,000 passengers, a peak that was never to be replicated again.

In 2005, a New Zealand based investment company, Infratil Limited, bought Manston Airport out of Administration. In the next eight years, despite modest growth in cargo operations, passenger growth failed to materialise and Infratil reported losses averaging £3 million a year. Flybe operated limited scheduled services with non-based aircraft to Jersey, Edinburgh, Manchester and Belfast during different periods between 2009 and 2012 when the airline decided to consolidate its route network and withdrew all its services from Manston.

In April 2013, KLM started a double daily scheduled service with 80 seater aircraft based at Manston as part of its City Hopper short haul feeder network for its hub at Amsterdam Schiphol.

In November 2013, Manston Skyport Limited (a company wholly owned by Mrs Ann Gloag) acquired Manston Airport from Infratil. Whilst acknowledging this was a loss-making airport Mrs Gloag said she was investigating opportunities for growth at Manston. However, on 15 May 2014, following a statutory consultation period with staff at risk of redundancy, the airport was closed.

Thanet District Council is currently considering whether it can acquire the airport through a Compulsory Purchase Order (CPO) supported financially by a prospective airport operator. Kent County Council supports the actions taken so far by Thanet District Council to retain Manston as a regional airport. We recognise the value that a regional airport brings to East Kent and are disappointed at its closure. Kent County Council will therefore be exploring with Thanet District Council ways in which it can support proposals to retain Manston as an airport.

Q: What analysis ought the national or local Government undertake when faced with a potential airport closure?

The Government should take a more active role when faced with a potential airport closure. Local authorities have very little scope for intervening in the affairs of private companies (who own and operate the majority of airports)

and have limited financial resources to take ownership and subsidise the operation of loss making businesses. The emphasis must be on Government to analyse the national strategic significance of airports closing, especially if they have the potential to play a role in relieving the congested London airport system.

In light of its recent closure and given the strategic importance of Manston Airport with its 2,752m runway capable of handling long haul aircraft, and its location in the South East where the capacity of the London airports will be at saturation point by around 2030; analysis should be undertaken by Government to look into retaining this national infrastructure asset for long term contingency. This will become especially important if new runways at Heathrow or Gatwick prove to be undeliverable and air traffic is forced to use alternative airports in order to serve the London and South East market post 2030.

Q: In the longer term, what is an appropriate, adequate or ideal shape for the UK's airport system? Is consolidation of the airport network desirable, inevitable, both or neither?

The UK's airport system is an ideal shape in that regional airports provide the opportunity for passengers to fly from their local airport, especially in the leisure market with the growth of low cost carriers. Although there is evidence of route consolidation by low cost carriers and reduction in passenger numbers at some regional airports, this is most likely to be a short term reaction to the recession. The long term trend is likely to be continued growth, albeit most likely at a slower rate than the low cost 'boom' of the early 2000s.

If people can fly from their most convenient airport, they are most likely to choose to do so. However, the lack of comprehensive route networks at regional airports due to a function of the limited catchment area and the business model of low cost carriers, results in the need for people to travel to larger airports, often termed 'hub' or 'focal' airports, in order to access a wider range of destinations included long haul services provided by network airlines. However, there is growing evidence of long haul services now being provided at airports outside of London such as at Manchester, Birmingham and Newcastle and the increasing use of 'hub-busting' aircraft such as the Boeing 787 Dreamliner could result in a greater range of services being available at regional airports.

Spreading demand around a network of airports across the UK helps to reduce surface access pressures on the larger airports. It also reduces the demand for domestic feeder routes into congested airports if passengers do not need to connect through a hub airport. In addition, it improves resilience as there is less reliance on fewer airports to provide the UK's air connectivity. This is also important for the London airport system as the capital does not rely on one focal airport, therefore during times of disruption such as severe

winter weather; if one airport is forced to close, other airports may still be operational and therefore continue to provide air connectivity for London.

It would not be desirable to consolidate the UK's airport network and certainly not beneficial to focus the South East's airports into one 'mega-hub' as suggested in the Thames Hub Airport proposals.

Q: Has the Commission correctly identified the major options to support or bolster the regional airports sector? Of all the options here explored, which have the potential to be most beneficial?

KCC welcomes the introduction of start up aid for new routes from regional airports through the Government's Regional Air Connectivity Fund. This may have come too late for Manston but may be applicable to Lydd, London Ashford Airport.

KCC advocates that there should be further reforms to Air Passenger Duty (APD) with overall reductions to allow the UK to be more competitive with its European rivals which have lower levels of passenger duty or have abolished the tax completely. If UK APD is retained, KCC urges that there is differential charging with a lower rate or no duty levied at regional airports where there is spare capacity. With a lower APD charge or no APD, air fares at regional airports could be reduced. Airlines able to offer lower ticket prices due to lower APD at regional airports could help to redistribute demand from congested airports to regional airports where there is spare capacity.

There is also the potential for further reduction in ticket prices from start-up aid covering up to 50% of the landing charges at regional airports with fewer than 3 million passengers per year for up to the first three years of a new route operating. These financial incentives may encourage airlines to move some operations from congested London airports to regional airports, especially to other airports in the South East where there is spare capacity and still close enough to London to serve the capital's market. Passengers would be attracted to use the uncongested airports through a lower fares offer. This could have helped Manston to attract a low cost carrier and could be beneficial to Lydd Airport in Kent, an airport that is investing in a runway extension and new passenger terminal capable of accommodating 500,000 passengers per annum.

Q: Are there longer-term or more extensive surface transport improvements and developments (beyond those committed to in the National Infrastructure Plan) that could support the other London airports to make the best use of their capacity?

In terms of the other London Airports (excluding the shortlisted options of Heathrow and Gatwick), extensive surface access improvements are needed for Stansted beyond the committed feasibility study in the National

Infrastructure Plan. Improvements are also needed for Luton, Southend and Lydd airports. Manston, should it still have a future as a regional airport, would also need surface access improvements; although the approval of funding through the single Local Growth Fund (LGF) for a new Thanet parkway railway station nearby, along with Network Rail's Journey Time Improvements (JTI) on the Ramsgate to Ashford mainline, is a significant step towards improving the accessibility of this area of East Kent.

In KCC's submission to the Airports Commission on making the best use of existing airport capacity in the short to medium terms (May 2013) and its proposal for additional airport capacity in the longer term (July 2013) **the following surface access improvements for Stansted were outlined:**

In terms of rail access, services on the West Anglia Main Line (WAML) are currently the most overloaded in the Anglia region. To relieve this it is planned that trains will be lengthened to 12 cars in the short term and an additional platform provided at Stansted Airport Station.

The Great Anglia RUS¹ in 2007 proposed a scheme to 4 track WAML between Broxbourne Junction and Coppermill Junction (south of Tottenham Hale). This would allow the Stansted to London service to be enhanced to 8 trains per hour (tph). Due to capacity constraints between Coppermill Junction and Liverpool Street, 2 of the additional trains would need to run to Stratford. However, in the London and South East RUS in 2010 this scheme was dropped owing to lack of funding and replaced by some minor works which would not facilitate a significant enhancement of the Stansted services. If funding were available it should be possible to deliver this scheme relatively quickly as most of this section was in the past 4 track, therefore much of the land for the additional 2 tracks is within the railway boundary.

To accommodate more than 8 tph on this route it may be necessary either to flight (group fast trains) services to avoid conflicts with services serving intermediate stations between Stansted and Broxbourne. Also to accommodate increases in service levels, it would probably be necessary to increase the number of platforms at Stansted Airport Station.

Stansted Airport² has estimated that if the rail journey time to London was reduced from 45 to 30 minutes (or there was an equivalent increase in service frequency) the airport could attract an extra 1.5 million passengers per annum.

Further rail access improvement would be achieved through CrossRail 2 Option B regional scheme, which would provide improved access to both Gatwick and Stansted. CrossRail 2 Option B regional scheme, would link the West Anglia Main Line (WAML) at Tottenham Hale, with the South Western Main Line (SWML) at Wimbledon. In the central area there would be stations at Angel, Euston/St Pancras, Tottenham Court Road, Victoria and Kings Road Chelsea. The north-eastern section of this route is ideal for providing

¹ 'Greater Anglia – Route Utilisation Strategy', Network Rail, 2007

² 'Airport Capacity in London', London Assembly, 2013

enhanced capacity to Stansted. With some modifications, train services would also be able to run between Gatwick and Stansted. This would make efficient use of rolling stock tailored for airport access operations and would improve the connectivity between the two airports. Also, through the interchange with CrossRail 1 at Tottenham Court Road, it would provide access to Heathrow from Gatwick and Stansted.

These enhancements would provide major benefits for domestic rail traffic in the relevant corridors as well as for airport access. In the meantime, the completion of CrossRail 1, projected for 2019, will greatly improve access to Liverpool Street particularly from the Thames Valley and Heathrow; and therefore will improve the rail accessibility of Stansted.

For Luton airport the following surface access improvements were commented on in KCC's previous submissions to the Airports Commission:

Luton Airport is served by Luton Airport Parkway which is around a mile from the airport terminal. The airport and station are connected by a bus service every 10 minutes with a journey time of 6 minutes. In the off-peak the station is served by 6 tph Thameslink trains to Brighton or Sutton via St Pancras. There is also one Midland Main Line (MML) semi-fast St Pancras to Nottingham service. The journey time to St Pancras varies between 26 and 47 minutes depending on the stopping patterns. In the peak this increases to a total of some 10 tph to St Pancras.

To alleviate crowding it is planned to increase Thameslink train lengths to 12 cars. Also the current Thameslink upgrade will improve Thameslink services south of the Thames giving better access to London Bridge. This will improve access between Luton and the City of London. To improve airport access in the off-peak it should be possible to increase the service to around 10 tph dependent on whether trains could be pathed and turned at St Pancras or south of the Thames. The electrification of the MML north of Bedford by 2019 will allow the use of higher capacity rolling stock on the Nottingham semi-fast service.

The Luton and Dunstable Busway, which is currently under construction, will provide high frequency bus services between the airport and centre of Luton and Dunstable.

For Southend airport the following surface access improvements were commented on in KCC's previous submissions to the Airports Commission:

In terms of rail access, Southend Airport is served by Southend Airport Station which was opened in 2011 and adjoins the new terminal building opened in 2012. It is served by trains between Southend Victoria and Liverpool Street, which join the Great Eastern Main Line (GEML) just east of Shenfield.

When Crossrail opens it will take 2 of the 4 tracks on GEML between Shenfield and Stratford. The RUS notes that it is not practical to increase the number of trains between Shenfield and Liverpool Street beyond 24 tph although it is planned to increase trains to 12 cars. In the longer term remodelling of Bow Junction should allow this to be increased to 28 tph.

In the medium term, the Southend Airport service could be enhanced by running the peak 6 tph subject to sufficient paths being available on GEML. To improve journey times the 3 additional trains could skip some of the less important stops.

The completion of Crossrail in 2019 to Stratford and Liverpool Street will provide additional accessibility from west London via connections to Southend Airport services from those two stations. Interchange with HS1 at Stratford International also provides accessibility to St Pancras and north of London services; and to Kent with services to Ebbsfleet, North Kent/Medway Towns, Ashford and East Kent. With an HS1-HS2 link, passengers on high speed services from north of the capital could also access Southend via interchange at Stratford International/Stratford Regional.

The London Tilbury and Southend Line serves a large catchment in Essex Thameside. To provide access to this it would be beneficial to provide a bus link over the two miles between Southend Central Station and the airport.

Road access to the airport is via the A127 dual carriageway that connects to the M25 at Junction 29. This section of the M25 in Essex has recently been widened to four lanes. However, through the urban area of Southend to the airport, the A127 is an urban 40mph route. Local road improvements are likely to be required if the airport surpasses its planned growth of 2mppa.

In Kent, Lydd (London Ashford) Airport with its planned runway extension and terminal for 500,000 passengers per annum would need surface access improvements as previously described by KCC:

The airport is approximately 16 miles from the HS1 station at Ashford, so the potential total journey time to London St Pancras from the airport is approximately one hour (38 minutes from Ashford to St Pancras on HS1). A bus link could be provided to Ashford International. Such a link plus improvements to taxi facilities and demand responsive bus services to serve the local demand were proposed in the 'Public Transport Access to Small and Medium Sized Regional Airports'³ and 'Innovative Bus Services to Small and Medium Sized Regional Airports'⁴ reports for KCC through the EU Interreg funded 'Green Sustainable Airports' project. A direct coach service from central London was also proposed for the longer term.

The airport is close to the A259 and A2070 single carriageway providing a link to Ashford and the M20 motorway (approximately 18 miles away) for onward

³ 'Public Transport Access to Small and Medium Sized Regional Airports', Mott MacDonald, 2011

⁴ 'Innovative Bus Services to Small and Medium Sized Regional Airports', Mott MacDonald, 2012

travel to London and the South East. Local access road and junction improvements into the airport would be needed and potential upgrades to the A259 and A2070.

If Manston (Kent's International) Airport was to continue as a regional airport, the following surface access improvements have previously been described by KCC:

Manston is about one mile from the Ramsgate to Ashford railway line. In the off peak this route is served by a single train per hour from Margate to St Pancras International via High Speed 1 (HS1), while in the peak this increases to 2 tph with a journey time of 76 minutes. It is also served by 2 tph stopping trains from Ramsgate to Charing Cross via Tonbridge whose journey time from Manston is approximately 130 minutes; 2 tph to Charing Cross via Dover with a journey time of some 150 minutes; and 2 tph to London Victoria via the North Kent Line with a journey time of around 120 minutes.

Journey times on High Speed services and services via Ashford will be reduced to around an hour with Network Rail's Journey Time Improvement (JTI) scheme between Ashford and Ramsgate. Line speed enhancements have been secured through a successful Regional Growth Fund bid for Phase 1 (Ashford to Canterbury) to be completed by 2016 and Phase 2 (Canterbury to Ramsgate) should be delivered by Network Rail by 2019. This will bring down journey times on high speed services between the airport and London to around an hour.

However, rail connections had to be improved if Manston was to succeed as a regional airport. Research commissioned by KCC⁵ through an EU funded project seeking to improve sustainable surface access to regional airports, revealed evidence that with a fixed rail link, passenger numbers increase as it enables a wider catchment of people to use the airport. A station (Thanet Parkway) near to Manston Airport served by high speed rail services to London would have increased the attractiveness of the airport to airlines and passengers.

A Thanet Parkway station is planned near Manston and this could have been linked to the airport by a dedicated shuttle bus. Despite the closure of the airport, KCC has been successful through the South East Local Enterprise Partnership (SELEP) in obtaining funding through the single Local Growth Fund (LGF) for this station to be delivered by 2018 which is estimated to cost some £14 million. The business case for the station was not dependent on the airport as it serves the wider area, stimulates regeneration, creates jobs and improves accessibility to this part of East Kent.

The potential service frequency from the station to London would depend on which of the HS1 paths allocated to domestic trains could be used to serve Manston. It may be possible to provide a 4 tph service using the current 2

⁵ 'Public Transport Access to Small and Medium Sized Regional Airports', Mott MacDonald, 2011

peak paths and extending the 2 peak trains from Ebbsfleet back to Ramsgate. This would be dependent upon whether demand at Ebbsfleet could be catered for. It is unlikely that a precise interval service could be offered as trains would probably need to be flighted in sets of 2 to avoid conflicts with the stopping services. The station could also be served by the Ramsgate to Charing Cross stopping services.

In terms of road access, Manston enjoyed good strategic road links to London and the wider South East via the A299 dual carriageway which joins the M2 motorway. Local access was recently improved with the completion of the East Kent Access Road.

Q: Are there any ways that Government, or any other stakeholders, could improve airport site access? Are there any innovative ways that airports could resolve site access problems?

It is noted that the Commission is interested to know how bodies such as the Local Enterprise Partnerships (LEPs) liaise effectively to prioritise and progress surface access to regional airports. However, LEPs must prioritise transport investments against a wide range of needs across LEP areas and these must be balanced against the needs of regional airports. Given that in most instances airports are in the private sector, any improvements to surface access will directly enhance the prospects of the business, therefore any infrastructure developments should be financed through a combination of public and private funds. If surface access improvements are needed to provide strategic access to the UK's air connections, then central Government funding should be forthcoming to provide the necessary investment.


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