

APP/L2250/V/10/2131934 & APP/L2250/V/10/2131936

SECTION 77 TOWN AND COUNTRY PLANNING ACT 1990 – REFERENCE OF APPLICATIONS TO THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT

TOWN AND COUNTRY PLANNING (INQUIRIES PROCEDURE) (ENGLAND) RULES 2000

**SUMMARY REBUTTAL PROOF OF EVIDENCE OF LOUISE  
CONGDON  
BA (Soc Sci), MTD**

**SOCIO-ECONOMIC CASE**

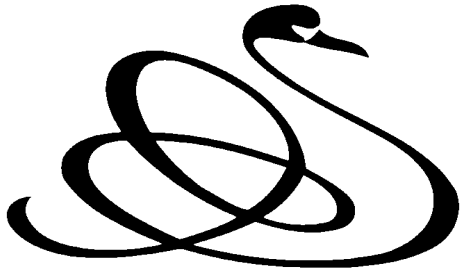
In respect of:

Planning Application Reference: Y06/1647/SH (New Terminal Building)

Planning Application Reference: Y06/1648/SH (Runway Extension)

relating to land at London Ashford Airport, Lydd, Romney Marsh, Kent, TN29 9QL





**York Aviation**

**Originated by: Louise Congdon**

**Dated: 8<sup>th</sup> February 2011**

**Updated: 17<sup>th</sup> February 2011**

**Reviewed by: Niall Gunn**

**Dated: 8<sup>th</sup> February 2011**

## **SUMMARY**

- 1.1 In this Rebuttal Proof of Evidence, I have considered evidence submitted on behalf of LAAG, CPRE and RSPB. I have dealt with the comments made by other parties by theme.

### **The Status of White Paper Policies**

- 1.2 I do not consider that witnesses for LAAG and CPRE are correct in asserting that less weight can be placed on the support for LAA within the Future of Air Transport White Paper in the light of more recent developments, such as the Heathrow Judgement, Climate Change Act 2008 and the recession. Nor do I consider that recent airport related planning decisions serve to remove the specific support for development at LAA, subject to the environmental tests being met.
- 1.3 I do not agree that there are any material changes which affect the validity of the White Paper policy towards development at the smaller regional airports in the South East, including LAA. I consider that extension of the existing runway and the provision of modern terminal capacity would be consistent with the objective to secure best use of the capacity offered by LAA in terms of meeting local demand for air travel and, therefore, providing some relief to congestion at the main London airports.

### **Airport Profitability and the Basis of Assessment**

- 1.4 In terms of viability, LAA is part of a portfolio of businesses owned by FAL holdings. It is the combination of these assets which constitutes the relevant vehicle to consider the profitability of investment at LAA. In this respect, I consider that it is more appropriate to consider the potential for the attainment of overall profitability taking into account the other FAL businesses in aircraft engineering, general aviation and the Golf Club.

- 1.5 Furthermore, the LAA business is part of a multi-national, multi-sector conglomerate with a consolidated balance sheet. FAL Holdings see LAA as a long term investment, with the potential for appreciation in the asset value. Therefore, attaining an operational profit is not the only factor for FAL in determining future value.
- 1.6 I do not consider it relevant to consider the informal Master Plan intention regarding the possibility of developing the Airport to 2 mppa as relevant to consideration of the current applications.
- 1.7 LAAG has also presented a contradictory position in relation to the fallback or base case for assessment, with Louise Barton arguing it should be 300,000 passengers, representing maximum use of the existing infrastructure and Malcolm Spaven arguing that the impacts should be assessed against current conditions. I have set out what I consider to be the true fallback position in my main Proof of Evidence.

## **Market Performance**

- 1.8 In my main Proof of Evidence, I have set out a detailed assessment of the demand which LAA will attract and addressed the reasons why it has been unable to attract commercial air services to date. I do not agree with Louise Barton for LAAG that the reasons for LAA's inability to attract commercial air services to date are not related to the restricted length of its existing runway. I consider that a runway extension is essential to allow LAA to attract airlines to offer services to meet local demand.
- 1.9 I have set out the relative catchment areas of LAA and Manston and explained why the performance to date at Manston does not provide an indication of the extent to which LAA will be able to attract airlines to operate services. I reject the contention made by Louise Barton that superior infrastructure at Manston means that there is no need for the capacity which LAA can offer with appropriate facilities in place.

## **Economic Issues**

- 1.10 Brian Lloyd for CPRE contends that there is no support in economic policies for expansion at LAA. I disagree and have set out the support given in my main Proof of Evidence. The recent Local Enterprise Partnership bid clearly shows LAA as an airport expected to handle commercial traffic.
- 1.11 Louise Barton for LAAG asserts that the employment density used to assess the number of jobs which LAA will create is too high in the light of the impact of low fares airlines. In my main Proof of Evidence, I have presented revised employment estimates which fully take into account recent productivity improvements in the industry.
- 1.12 I also reject the view expressed by Louise Barton and other parties that there will be lost jobs in the tourism sector or a lost opportunity for jobs at Dungeness C as a consequence of the proposed development at LAA. There is no case for netting off any negative job implications from these proposals.
- 1.13 In terms of whether development of commercial air services from LAA will lead to a worsening of the tourism deficit, as asserted by Louise Barton for LAAG, this has to be examined in the light of the extent to which passengers which could use LAA would simply have used other airports if services from LAA are not available and the extent to which alternative uses of discretionary income would actually have been used to purchase imported goods. As I project only a small amount of stimulated outbound travel as a consequence of the proposed developments at LAA, any impact will be small, particularly once account is taken of alternative forms of discretionary expenditure leading to imports and the extent to which the outbound leisure industry is UK based, with profits being retained by UK companies, including airlines. Government airports policy does not distinguish between inbound and outbound travel, with the latter being seen as part of quality of life.
- 1.14 Nor are references to the sustainability of aviation related employment relevant to consideration of the application for development at LAA and its local impacts. The references used by Louise Barton for LAAG raise national level issues not relevant to consideration of whether the jobs which LAA can create would be valuable locally in the context of the need for regeneration.