



York Aviation

**PANSHANGER PEOPLE
THE ECONOMIC IMPACT
OF PANSHANGER AERODROME**

August 2014

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Dated: July 30, 2014

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Dated: August 7, 2014

PANSHANGER PEOPLE
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EXECUTIVE SUMMARY

Introduction

1. York Aviation LLP (YAL) was appointed in July 2014 by 'Panshanger People' to undertake an economic impact study of Panshanger Aerodrome. York Aviation is a specialist air transport consultancy with a long established reputation as a leading specialist in the field of economic impact assessment.
2. Panshanger Aerodrome is a unique local asset. Located to the east of Welwyn Garden City in Hertfordshire, it is one of only two licensed general aviation aerodromes in Hertfordshire and has been the home to the North London Flying School (NLFS) since 1993, which has some 15,000 members.

Policy Context

3. Government policy is strongly supportive of the growth of air transport and the Government's current Aviation Policy Framework specifically highlights the role of general and business aviation in supporting economic growth.
4. The General Aviation Challenge Panel was established by Ministers in November 2013 and published its Final Report in May 2014 which recommended that greater weight and consideration be given in national, local and regional planning to the value of GA airfields, including the benefits of a network of GA airfields. The Panel also felt that insufficient weight was placed in the National Planning Policy Framework on the contribution an aerodrome makes to the local, regional and national economy. The Department for Transport is currently seeking to update the Government's understanding of the economic value of general aviation, with the intention to evaluate the need for a strategic network of general aviation aerodromes, in recognition of the sector's economic importance and contribution to improved transport connectivity.
5. Panshanger Aerodrome could also play an important role in supporting local economic policy by:
 - continuing to provide employment to current staff;
 - providing important additional transport connectivity options for local businesses and acting as a catalyst for business as a convenient centre for business communication;

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- enhancing the sport and recreational offer in the local area, which would also improve the quality of life offer and consequently makes it easier for local businesses to attract employees;
 - potentially acting as a centre of excellence for a cluster of small aerospace or other businesses;
 - promoting further collaborative working with Higher Education institutions in the local area.
6. Central government made an overall cut of 26% in funding to local authorities in the spending review of 2010 to 2014, and further cuts have been announced. This has implications for each local authority's geographical competitiveness and ability to attract inward investment and business growth. However, the Government has now enabled local authorities to retain 50% of the business rates collected at local level (with 100% under consideration). Government has therefore given local authorities a strong incentive to pursue local growth initiatives and the retention of Panshanger Aerodrome could potentially play an important role in supporting this objective.
7. An area that has a local airfield could therefore be seen to have a key economic advantage.

The Economic Value of General Aviation

8. Several previous studies have demonstrated that general and business aviation airfields play a very significant role providing transport options that otherwise would not exist, and also in providing an intrinsic social amenity through sports and recreational flying.
9. The availability of smaller airfields for corporate and business aviation purposes is highly valued by the business community and especially those individuals whose value of time is very high.
10. A general aviation aerodrome can make a contribution to attracting and retaining inward business investment within a local area. Panshanger Aerodrome is already making such a contribution, as is evidenced further below.

The Current Economic Benefits of Panshanger Aerodrome

11. There are 16 full-time and 34 part-time jobs supported by the businesses currently on site, which equates to 33 full-time equivalents (FTEs). We estimate that there would be an additional 10 FTEs supported through indirect and induced effects. The total operational employment impact of the Aerodrome at present is therefore 43 and the corresponding GVA impact is estimated to be £2.02 million.

12. Our conversations with local businesses clearly indicate that they value Panshanger Aerodrome as an important local asset which makes them more likely to continue to create jobs in Welwyn Hatfield. We set out below a selection of views from mainly large corporate businesses with HQs in Welwyn Hatfield, based on consultations undertaken for this study.

A Selection of Views from Local Businesses

"I fly into Panshanger Aerodrome with a private aircraft when I meet with my client in the local area and it makes a lot of sense from a business perspective. There are massive benefits to me in terms of time savings. Any closure of local airfields such as this is a backward step." Tom Cassells - Managing Director, Reed Boardall Transport Ltd and a supplier to Tesco.

"Developing these links are essential facilitators of growth to businesses such as Bounty well into the future. This would also include air links e.g. the Panshanger Aerodrome, which makes Welwyn a more attractive location in which to do business than many others." Clare Goodrham/Jim Kelleher – former and current UK General Manager, Bounty UK.

"Connectivity is really important for us in terms of transport infrastructure that facilitates access to numerous locations in the UK as well as the 12 countries around the world in which we operate." Michael Kissman, UK Communications Director, Tesco.

"Any business of our size employing a couple of thousand people, who have a HQ in Hatfield, would find the concept of an air taxi to be very attractive to in both maintaining and enhancing our business in this area, as well as the number of people we employ." Dan Perlet, Director of Corporate and Financial Affairs, EE (Everything Everywhere – formerly T-Mobile and Orange).

13. The loss of the Aerodrome would result in the complete loss of its current economic impact and wider value to the local community.

Potential Future Value

14. Were it to be possible for the Aerodrome to continue its operations, there is significant future potential for expansion with the provision of only limited additional infrastructure, and with the added potential benefit of a runway realignment that would further reduce noise. In this way Panshanger Aerodrome could build on and add to the current benefits it brings to the local economy. This future could include:

Panshanger Aerodrome Economic Impact

- a potential trebling of GVA benefits to the local economy, if Panshanger were to grow to the size of a GA aerodrome such as Redhill in Surrey, with only limited additional infrastructure;
- the further development of the existing light aviation activity on the airfield which could also result, with only limited further physical development, in a cluster of aviation-related businesses on the site to provide a centre of light aviation excellence;
- potential to further encourage and develop the use of business aviation at Panshanger providing an opportunity for local businesses to make more use of the Aerodrome;
- some limited helicopter operations, near the eastern end of the airfield well away from housing, allowing quick transit to virtually any location within the country and even into central London or nearby Europe;
- development of the onsite catering facilities to include a bigger/better dining experience and associated aviation-themed parties; conference and hotel facilities would present a further opportunity, as would the possibility of an aviation museum;
- aircraft hangar development for the undercover parking of private or corporate aircraft and potentially for associated engineering facilities, which would also generate business rate income;
- further development of local educational links, especially with the University of Hertfordshire's aerospace engineering faculty, within which some 450 students are enrolled.

Conclusion

15. Government policy recognises the contribution general aviation makes to the economy at national and local level and emerging policy is expected in future to support the maintenance of a strategic network of existing general aviation aerodromes in the country. Panshanger Aerodrome makes a significant contribution to local policy objectives by supporting inward investment and business retention in the local area. Its current economic impact would be completely lost if the aerodrome were to close. If, however, it were allowed to maintain operations there are significant opportunities for it to consolidate and grow its economic contribution to the local area.

1 INTRODUCTION

- 1.1 York Aviation LLP (YAL) was appointed in July 2014 by ‘Panshanger People’ to undertake an economic impact study of Panshanger Aerodrome.
- 1.2 The aim of the study is to produce an outline assessment of the current economic impact of the Aerodrome and the impact of its closure on the local and wider economy. The assessment also considers the potential benefits of retaining the airfield and further developing it, should this be possible.

York Aviation and Our Approach

- 1.3 York Aviation is a specialist air transport consultancy established in 2002 and is part of the York Consulting group of companies. York Aviation provides advice to public and private sector clients from all over the world in relation to a broad range of airport and air service related issues and has a long established reputation as a leading specialist in the field of economic impact assessment. We use a range of techniques to consider how airports interact with the economies that surround them and we explain our methodology in more detail in section 5 of this report.
- 1.4 We have also supplemented our assessment with a range of consultations with local stakeholders to enable us to fully understand the potential linkages between the Aerodrome and the local and regional economy and to enable us to articulate some of the less quantifiable impacts on the surrounding economy.

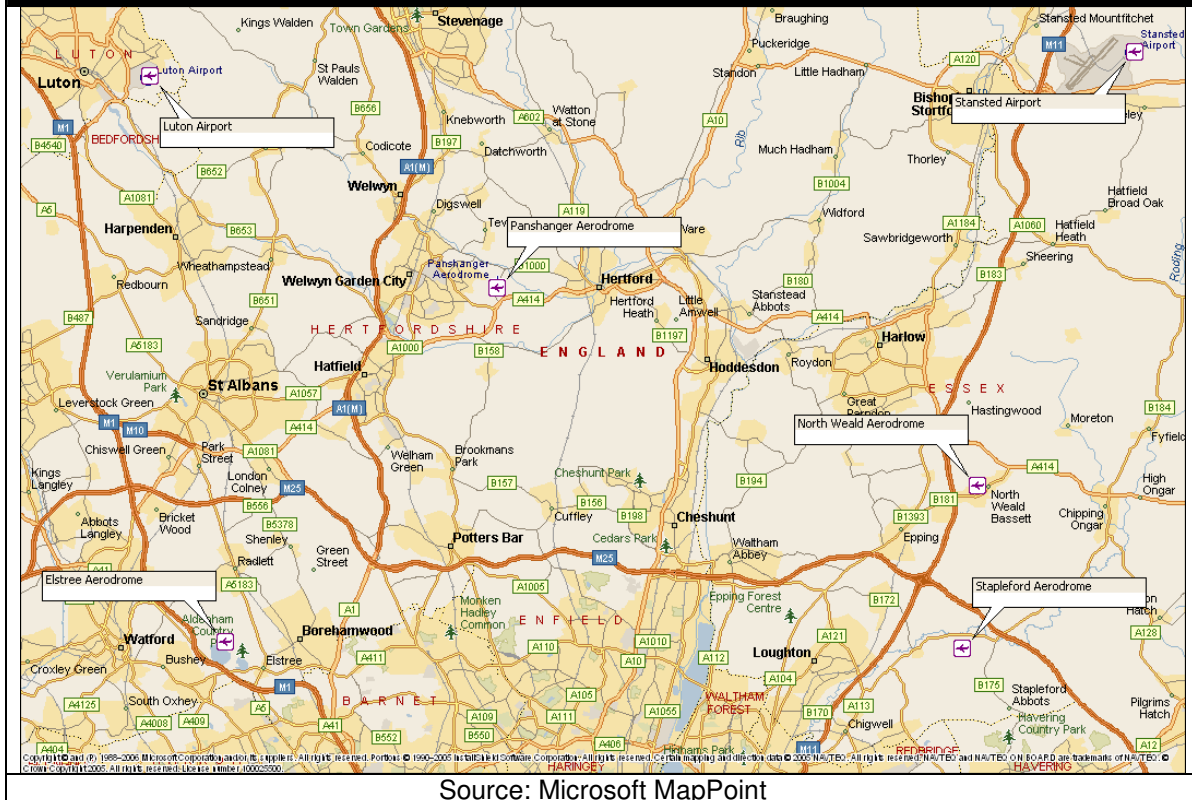
Report Structure

- 1.5 This report is organised as follows:
- in **Section 2**, we present a short profile of Panshanger Aerodrome and its current operations;
 - in **Section 3**, we set out the relevant aviation and economic policy context;
 - in **Section 4**, we outline some background on the economic value of general and business aviation activity;
 - in **Section 5**, we consider the current economic impact of Panshanger Aerodrome and the impact of closure;
 - in **Section 6** we consider the potential for future development;
 - in **Section 7** we summarise our conclusions.

2 PROFILE OF PANSHANGER AERODROME

- 2.1 Panshanger Aerodrome is a general aviation (GA) airfield, located to the east of Welwyn Garden City in Hertfordshire. The aerodrome is licensed by the Civil Aviation Authority (CAA), which means it is available not only for training but also for the commercial transportation of passengers in aircraft for hire. The airfield's history dates back to the Second World War when it was used by the RAF for training and as a decoy site for the airfield at Hatfield. Since that time the airfield has been used primarily by flying clubs for training and recreational flying, by private pilots who own their own aircraft, and to a limited extent by aircraft used for business purposes.
- 2.2 The Aerodrome is located close to the A1M and around an hour away from central London. Two of the major London airports, Luton and Stansted, are within 30 and 45 minutes drive-time respectively, but the only other licensed general aviation aerodrome in Hertfordshire is Elstree, which is around 18 miles away. Beyond that, North Weald Airfield in the Epping Forest District of Essex is around 20 miles to the south east, but is an unlicensed aerodrome, and Stapleford Aerodrome in the same district is around 25 miles away (see **Figure 1.1** below).

Figure 1.1: Location of Panshanger Aerodrome and other nearby airfields



- 2.3 The grass runway (11/29) is 975 metres in length and 26 metres wide and is capable of accommodating most types of light single- and twin-engine propeller aircraft. Many grass runways at general aviation airfields are prone to waterlogging in the winter, but the runway at Panshanger is unusual in that it has a gravel base and is slightly raised above the surrounding terrain such that it does not flood or get waterlogged. This makes the runway at Panshanger a significant asset to the general aviation community in the area, providing pilots with confidence in its usability at all times of the year.

Current Aviation Activity

- 2.4 Panshanger Aerodrome has been the home to the North London Flying School (NLFS) since 1993. This CAA approved Flying School is highly regarded and serves a wide catchment area. NLFS has a valuable set of approvals and certifications which allow it to undertake a wide range of training and maintenance, which are site-specific to Panshanger Aerodrome and cannot be transferred to another airfield. NLFS has been ranked the 'Number 1' flying school in the UK by the Top Rank website¹.
- 2.5 There are some 15,000 members, many of whom are pilots who use the Aerodrome but many others are also local supporters and patronisers of the facility. Around 300 members are resident in the Panshanger housing estate, which is adjacent to the Aerodrome.
- 2.6 The Light Aircraft Association estimated that the Aerodrome has around 18,500 aircraft movements (i.e. a landing or a take-off) per annum, although NLFS estimates a higher figure of around 25,000. Most of these are flown by local pilots and students, but there are also a significant number of visiting aircraft. Fuel (Avgas) and CAA approved maintenance (to 'M3' level) are available if required.

Ancillary Activity

- 2.7 The 'Out of the Box' Café is a fully licensed members café operated as a sole trader. It attracts a large clientele from on-site staff, resident and visiting pilots, and other members of the local community.
- 2.8 Regular events are also held at the Aerodrome including a historic revival day, aerobatic displays, and charity events, all of which attract large numbers of member visitors and provide a unique focus for local community life.

¹ <http://www.toprankflyingschools.co.uk/>

3 POLICY CONTEXT

3.1 In this section, we consider

- the Government's Aviation Policy Framework as it relates to the economic benefits of aviation, and of general/business aviation in particular;
- regional and local policy, as it relates to the current and potential economic benefits of the Aerodrome;
- local Government funding & business rate retention, and its relevance to the future development of the Aerodrome.

The Aviation Policy Framework (2013)

3.2 On 22 March 2013, the Coalition Government published its Aviation Policy Framework (APF) following consultation undertaken during 2011 and 2012. This Framework replaces the 2003 Air Transport White Paper as Government policy on aviation and sets out the Government's overall objectives for aviation and the policies needed to achieve them.

3.3 The APF expands on the importance of aviation to economic growth as follows:

"We believe that aviation infrastructure plays an important role in contributing to economic growth through the connectivity it helps deliver. For example, it provides better access to markets, enhances communications and business interactions, facilitates trade and investment and improves business efficiency through time savings, reduced costs and improved reliability for business travellers and air freight operations."²

3.4 The economic importance of general and business aviation is specifically noted:

"The business and general aviation (GA) [sector] is important to the UK. Its contribution to the economy has been estimated at £1.4 billion per annum. The sector delivers vital services, including search and rescue, mail delivery, life-saving (organ) transport, law enforcement, aerial survey and environmental protection flights, as well as underpinning the training of future pilots, ground-based aircraft engineers and technicians. The sector also covers a wide range of activities, from corporate business jets and commercial helicopter operations through to recreational flying in small private aircraft, including gliders. A Civil Aviation Authority (CAA)-initiated and chaired strategic review of the sector has acknowledged its growing economic importance, particularly for the British and European manufacturing industry."³

² Aviation Policy Framework, DfT, March 2013, paragraph 1.2.

³ Ibid, paragraph 1.12.

- 3.5 The APF also acknowledges the importance of the network of aerodromes serving general and business aviation in the UK:

"Across the UK there is a network of aerodromes of varying sizes, from airports in Northern Ireland, Scotland, Wales and regional airports in England to small business and general aviation (GA) airfields into which GA aircraft can readily gain access. While almost all of these are privately owned and operated, maintaining access to such a national network is vital to the continuing success of the sector.

Business and general aviation connects many UK and international destinations that do not have, and are unlikely to develop, scheduled air services or other direct transport links. GA aerodromes can also complement commercial air transport and provide increased connectivity at important hubs such as London. These links are particularly important for local businesses. Ninety-six per cent of city pairs served by business aviation have no scheduled connection.

Given the importance of this GA network, while recognising that in congested airports this may not be appropriate, we encourage airport operators to ensure that GA aircraft are able to continue to enjoy equitable access to their airports and in doing so take account of the needs of all users, alongside other relevant considerations."⁴

- 3.6 This demonstrates clear support from central Government for the economic importance of growth in the aviation sector, including at smaller aerodromes such as Panshanger which serve the general and business aviation community.

Emerging Government Policy

- 3.7 The General Aviation Challenge Panel was established by Ministers in November 2013 following the Government's General Aviation 'Red Tape Challenge'. This independent Panel was composed of unpaid volunteers who had between them a wealth of experience and knowledge of the GA sector, and of business and planning issues. The Panel was charged with undertaking a detailed review of the current regulatory oversight of general aviation in the UK and published its Final Report in May 2014, which noted that:

⁴ Ibid, paragraphs 1.86 to 1.88

“The Panel is convinced that a vibrant General Aviation sector is crucial to securing the success and future growth of commercial air transport and aerospace in the UK. It underwrites aviation, provides a focus for interest and a vital source of recruits for commercial air transport operations and aerospace manufacture, both of which are among the UK’s most successful industries. It also ensures that the UK capitalises on its strengths in higher technology and added value enterprises, whilst contributing to the connectivity of regions not served well by commercial air transport and providing a valuable and wide ranging leisure outlet for society.”⁵

- 3.8 The Panel identified a number of areas of Government policy which it believes require immediate consideration and one of these is the safeguarding of a network of airfields for GA to support connectivity, training and leisure. The Panel made a specific recommendation in this regard:

“Greater weight and consideration should be given in national, local and regional planning to the value of GA airfields, including the benefits of a network of GA airfields.”⁶

- 3.9 The Panel’s report went on to note that:

“The National Planning Policy Framework (NPPF), provides a presumption in favour of sustainable development but the panel considers insufficient weight is placed upon the contribution an aerodrome makes to the local, regional and national economy when considered against other requirements such as housing stock. This is evident in recent cases such as Wellesbourne, Panshanger and Manston airfields which have come under threat due to planning pressures for new housing. As a result the panel would like to see greater priority provided by Government (such as through CAA safeguarding provisions) on the retention of a network of GA airfields.”⁷

- 3.10 Cabinet Minister without Portfolio, Grant Shapps MP, has now confirmed the Government’s intention to evaluate the need for a strategic network of General Aviation airfields:

“There is already a Department for Transport tendering process underway in order to establish the full scale of the contribution made by general aviation to our economy. We will then carry out an evaluation of the need for a strategic network of general aviation airfields in order to support more jobs and growth in the UK.”⁸

⁵ General Aviation Challenge Panel Final Report, May 2014, page 4.

⁶ Ibid, Recommendation 8, page 41.

⁷ Ibid, page 41.

⁸ Flight Training News, 19 August 2014 (full article is appended to this report).

Hertfordshire's Economic Objectives

3.11 The importance of business support and development to Hertfordshire is articulated in the Hertfordshire Economic Development Strategy 2009-2021, prepared by the Hertfordshire Works Partnership. It was adopted by the Hertfordshire Works Board in June 2010, following a formal consultation period. The document sets out Hertfordshire's Economic Vision:

*'By 2021, Hertfordshire will have a resilient and low carbon economy characterised by quality jobs, innovative and dynamic business, supported by a well skilled workforce and an entrepreneurial culture, where everyone has the opportunity to prosper and fulfil their ambitions.'*⁹

3.12 The vision for Hertfordshire looks to:

- strengthen Hertfordshire's economic advantage, providing a robust platform for recovery and promotion of strong sustainable growth;
- recognise the importance of high quality training to the success of the Hertfordshire economy;
- acknowledge that there are pockets of persistent disadvantage and inequality across the county;
- recognise the importance of a strong economy while also managing growth in the county in a way that does not undermine the county's quality of life.

3.13 In developing more specific targets, the Strategy sets out a number of ambitions that are consistent with how Panshanger Aerodrome could develop in the future. These include clustering businesses together¹⁰, increasing employment growth among small firms and in aerospace employment¹¹, and collaborative working between businesses and Higher Education¹².

Local Enterprise Partnership

3.14 Local Enterprise Partnerships are a Coalition Government initiative led by local authorities and businesses across natural economic areas. The ambition for Hertfordshire is to be in the top three economies in the country outside of London. The Hertfordshire LEP has as its mission:

⁹ Hertfordshire Economic Development Strategy Summary 2009-2021, page 3.

¹⁰ Ibid, page 5.

¹¹ Ibid, page 6.

¹² Ibid, page 7.

“To accelerate business-led economic growth in Hertfordshire”¹³

3.15 Hertfordshire is strategically positioned between three of the world’s most renowned academic research centres – London, Cambridge and Oxford – which means that Hertfordshire is one of the UK’s top areas for research and development - an activity becoming increasingly important to the UK economy as a whole. The LEP also notes in its brochure that:

“Hertfordshire is home to globally recognised brands such as Tesco, GSK and Warner Brothers. However, the LEP recognises that Hertfordshire needs to raise its profile in order to compete internationally and secure investment. This will involve the business community playing a key role as advocates for Hertfordshire as a place to live and work.”¹⁴

3.16 Panshanger Aerodrome could play an important role in supporting policy objectives in Hertfordshire by:

- continuing to provide employment to current staff;
- providing important additional transport connectivity options for local businesses and acting as a catalyst for business as a convenient centre for business communication;
- enhancing the sport and recreational offer in the local area, which would also improve the quality of life offer and consequently makes it easier for local businesses to attract employees;
- potentially acting as a centre of excellence for a cluster of small aerospace or other businesses;
- promoting further collaborative working with Higher Education institutions in the local area.

3.17 We explore these opportunities in more detail later in this report.

Local Government Funding and Business Rate Retention

3.18 Central government made an overall cut of 26% in funding to local authorities in the spending review of 2010 to 2014, and further cuts are confirmed for 2015 and subsequent years until 2018. Welwyn Hatfield will experience this as an average 3.2% reduction in its spending power in each year between 2011/12 and 2015/16.¹⁵

¹³ ‘Hertfordshire: Open for Business’, page 4.

¹⁴ Ibid, page 7.

¹⁵ <https://www.gov.uk/government/publications/change-in-spending-power-final-local-government-finance-settlement-2014-to-2015>

- 3.19 Sharp reductions in central government grant are set to continue. However, on 1 April 2013 a new system of business rates retention began in England. By enabling local authorities to retain 50% of the business rates collected at local level Government has given local authorities a strong incentive to pursue local growth initiatives:

“Business rates retention is at the heart of the Government’s reform agenda and will help achieve two of its key priorities: economic growth and localism....the rates retention scheme will provide a strong incentive for local authorities to promote growth, while ensuring all local authorities have adequate resources to provide services to local people. It will give councils every possible reason to use the influence they have over planning, investment in skills and infrastructure and their relationship with local businesses to create the right conditions for local economic growth. Economic analysis highlights that the incentive for growth introduced through these reforms could add approximately an additional £10 billion to the national economy over the next seven years.”¹⁶

- 3.20 This has implications for each local authority’s geographical competitiveness and ability to attract inward investment and business growth. We understand that 100% rates retention is also actively being considered. The retention of Panshanger Aerodrome could potentially play an important role in supporting this objective.

Conclusion

- 3.21 It is evident that Government policy is strongly supportive of the growth of air transport, particularly in order to support economic growth by providing enhanced connectivity. The Aviation Policy Framework specifically highlights the role of general and business aviation in supporting economic growth. Emerging Government policy is also being developed to evaluate the need for a strategic network of general aviation airfields in the UK.
- 3.22 Regional and local economic policy seeks to support investment and new business formation, particularly by businesses trading internationally. It is recognised that the area needs to improve and sustain its competitiveness in order to retain and attract business investment. The enhanced connectivity, including to international markets, which Panshanger Aerodrome could provide could play an important role in this.
- 3.23 At a local level, Welwyn Hatfield Borough Council could also take advantage of the presence of Panshanger in supporting the local growth incentives that result from the Government’s business rates retention initiative.

¹⁶ Business Rates Retention Policy Statement, DCLG, November 2012.

4 THE ECONOMIC VALUE OF GENERAL & BUSINESS AVIATION

4.1 In this section we set out some of the generic economic and social benefits of general and business aviation. This will set the context for the subsequent assessment of Panshanger Aerodrome's current and potential value as a local economic asset, which we address in the next section.

General Aviation

4.2 The wider general aviation market can be defined as all civil aviation activity other than that carried out by the commercial air transport sector, and also encompasses the business aviation market. 'General aviation' therefore includes:

- flying training for new pilots, who often go on to work in the commercial aviation sector; there are over 100 flying schools and clubs operating in Britain, producing some 2,500 new pilots each year;
- emergency services operations by aircraft and helicopters offering improved reaction and mobility for police and ambulance services, as well as for civil search and rescue operations;
- agricultural aviation, which helps protect farm and forest land;
- aerial survey work, including traffic monitoring and pipeline/power cable inspections;
- flights for leisure and recreational purposes - nowadays the pursuit of flying for recreational purposes supports an industry which is a vital component of the UK economy; sports and recreational flying also provides a valuable service to the community in terms of social and educational benefit;
- flights for business purposes, either using corporately owned aircraft or by the ad hoc hiring of an aircraft for business purposes;
- deliveries of transplant organs and blood to local hospitals.

- 4.3 GA is the largest sector of the UK aviation community. Whilst commercial air transport has about 900 aircraft and uses around 25 airports, the active GA fleet comprises some 15,500 aircraft, including helicopters, gliders, microlights and balloons. These are flown by more than 32,000 pilots. GA in the UK uses 143 aerodromes licensed by the CAA and around 1,000 other flying sites. More than 70% of flights carried out by GA have some connection with business or safety. These include business flights, pipeline work, police and pollution patrols, traffic surveys, medical flights, newspaper and postal flights, aerial surveys, civil search and rescue operations and pilot training¹⁷.
- 4.4 A study by the Civil Aviation Authority (CAA)¹⁸, which draws on research undertaken by Terry Lober of University College London, estimated that there are some 27,000 commercial aircraft on the UK register, of which only 4% are commercial airliners and of which around 9,000 are GA fixed-wing aircraft (excluding microlights). The total number of pilots licensed to fly powered aircraft in the UK is 47,000 and, of these, 19,000 have professional licences and 28,000 have private licences, of which 3,400 have the more basic national licence. The same report concluded that the estimates made by Terry Lober's study of £1.4 billion direct economic contribution by GA were reasonable¹⁹. GA activity is also estimated to employ over 11,000 people in the UK. The GA market is, therefore, a significant one²⁰.
- 4.5 The CAA study also considered the wider benefits of general aviation, noting that the sector:
- "...can and does provide air transport services that are not available from commercial airlines, both in terms of the airports that can be flown to and from, and the timing of the services offered. GA undoubtedly plays a positive economic role in the provision of these services, in particular the provision of high value services."²¹*
- 4.6 The study also noted the significant role that GA airfields can play in local economic development:

¹⁷ Information provided by the General Aviation Awareness Council (GAAC).

¹⁸ Strategic Review of General Aviation in the UK, CAA, July 2006.

¹⁹ This is direct expenditure on GA including aircraft operating expenses, operating margins, financing costs, and aircraft sales expenditure, but does not include any indirect expenditure generated by GA activity in the supply chain.

²⁰ The figures quoted here from the Terry Lober Study are likely to be conservative as the GA industry has probably grown considerably since this work was undertaken. The Department for Transport is currently tendering for research that will update these estimates.

²¹ Strategic Review of General Aviation in the UK, CAA, July 2006: paragraph 2.25

"Airfields can play an important role in local economic development. Whilst commercial airlines may bring the majority of visitors to an area, GA may both help sustain airfields that receive limited commercial flights, and also provide air transport options that would otherwise not exist. The Lober survey of local authorities shows that this is recognised by them. When asked to respond to a question listing several possible impacts of a local airfield, potential economic benefit was more regularly noted as an impact."²²

- 4.7 The study goes on to cite examples of GA airfields which illustrate how smaller airfields tend to have a more localised economic footprint, creating jobs in engineering and training businesses that are relatively specialised, whereas medium sized airfields can progress to acting as a magnet for other businesses and become strong contributors to the local economy as well as contributing to providing business transport links for the region.
- 4.8 There is also an intrinsic social value in sports and recreational flying in terms of its ability to provide opportunities for people to develop their interest in aviation. Recreational flying also enhances quality of life in affording opportunities to visit new people and places and to participate in activities that otherwise would not be available. There is also an educational value in recreational flying, and it allows all those involved, not just pilots, to enhance their skills.
- 4.9 The Government and the CAA announced plans in November 2013 to strip away unnecessary bureaucracy for the UK GA sector. Some of these proposed changes were suggested during the Government's recent 'General Aviation Red Tape Challenge', referred to in the previous section of this report, which found that the current regulatory regime for GA is often impractical and too prescriptive. In making this announcement, the economic importance of the general aviation sector was emphasised. The Ministers responsible for this initiative, Grant Shapps and Robert Goodwill, noted:

"The General Aviation Red Tape Challenge received a phenomenal amount of responses, receiving three times as many e-mail submissions as any other RTC theme to date. This shows the real need for change in a sector that is worth around £1.4 billion to the UK economy and supports up to 50,000 jobs. We have identified a number of areas where existing regulations are unduly onerous, or where the CAA could improve its approach. The measures we are announcing today (6 November 2013) will ensure that the regulatory framework is proportionate – deregulating completely wherever possible, and minimising regulation where it is still necessary. This will ensure that we have effective safety regulation while supporting the sector to grow. This is in line with both the Government's deregulation commitment and also its wider drive for growth in the economy."²³

²² Ibid, paragraphs 2.28 and 2.29.

²³ Department for Transport and CAA Press Release, 6 November 2013.

Business Aviation

- 4.10 There is no single, universally agreed definition of 'business aviation', but there is a common understanding of the type of operations it encompasses and is probably best expressed by the International Business Aviation Council (IBAC) which classifies business aviation into three broad categories:
- aircraft flown for business purposes as 'air taxis' or 'ad hoc air charters';
 - commercial operations flown by companies' own corporate aircraft with professional crews employed by the company;
 - privately-owned aircraft flown for business or leisure purposes by the owner or by crew employed by the owner.
- 4.11 A common characteristic of business aviation is the ability to fly at short notice, to a bespoke schedule and itinerary, and to airports or aerodromes that are not served by commercial scheduled flights. This flexibility is a key feature of business aviation and makes it less a luxury than a high value business tool. Other advantages of using business aviation include:
- more productive use of time whilst in the air;
 - shorter journey times to destination;
 - less congested airports;
 - privacy;
 - security.
- 4.12 These advantages are becoming more and more valuable in the modern business world as the pressure on commercial airports becomes greater and the time it takes to process passengers through check-in and security increases.
- 4.13 Business aviation aircraft can operate to a vastly greater number of airfields in Europe than can commercial scheduled services. In 2005, nearly 100,000 different pairings of airports within Europe were flown by Business Aviation aircraft. Of these pairings, only 5% were served by commercial scheduled airlines.
- 4.14 Business aviation also affords much greater security for executives travelling abroad both in terms of confidential work that may need to be done while travelling and in terms of accessing remote locations which may not be easily reachable by commercial services.

- 4.15 It is no longer the case that business aviation is the preserve of the rich and famous, or even of the company chairman. Companies are now increasingly able to make a clear business case for the use of business aviation, by evaluating the increased productive use of time and resources against the cost of the flight. Increasingly, it is groups of middle managers as well as senior executives that can justify the use of a business aircraft to fulfil a complex itinerary, very often at an overall cost saving.
- 4.16 As mentioned in a recent study²⁴, all these benefits explain why, according to a recent UK survey, as many as 18% of senior business executives use business aviation²⁵.
- 4.17 We give a specific example of the use of Panshanger Aerodrome for business purposes in the next section of this report.

Conclusion

- 4.18 It is clear from previous studies that local general and business aviation airfields play a very significant role providing transport options that otherwise would not exist, and also in providing an intrinsic social amenity through sports and recreational flying.
- 4.19 The availability of smaller airfields for corporate and business aviation purposes is highly valued by the business community and especially those individuals whose value of time is very high.
- 4.20 A general aviation aerodrome can make a contribution to attracting and retaining inward business investment within a local area. Panshanger Aerodrome is already making such a contribution, as is evidenced further in the next section of this report.

²⁴ The role of Business Aviation in the European Economy, Oxford Economics, October 2012.

²⁵ *UK Business Leaders 2011 Travel Survey*, conducted by Clarity Surveys on behalf of PrivateFly. The survey covered 105 senior executives in UK companies with an annual turnover of over £100 million.

5 THE ECONOMIC IMPACT OF PANSHANGER AERODROME

Introduction

- 5.1 In this section, we consider the current economic impact of Panshanger Aerodrome in the local economy, the wider economic benefits of the Aerodrome, the impact of closure, and potential future development, subject to the appropriate approvals.
- 5.2 We have structured this section as follows:
- Methodology: in which we set out our approach to the calculation of economic benefit and the assumptions we have used;
 - Operational Impact: the direct, indirect, and induced economic impacts of the Aerodrome on local Gross Value Added (GVA) and employment;
 - Wider Impact: the wider economic benefit of the Aerodrome as a local community asset; and
 - The Impact of Closure.

Methodology

- 5.3 Our assessment is based around a well accepted framework for economic impact analysis and is recommended by ACI EUROPE, the airport industry representative body. The analytical framework focuses on four broad categories of effect:
- Direct - employment and GVA wholly or largely related to the operation of an airport or aerodrome and generated within the operational area (i.e. on-site);
 - Indirect - employment and GVA generated in the supply chain of goods and services to the direct activities;
 - Induced - employment and GVA generated by the spending of incomes earned in the direct and indirect activities.
 - Wider (or 'catalytic') Impact - employment and GVA generated by the attraction, retention or expansion of economic activity in an area as a result of the services offered by an airport or aerodrome; this might include inward investors, exporting companies and visitor attractions.
- 5.4 The first three categories of effect are what might be termed the 'operational impacts' of the Airport, in other words those stemming from its simple operation as an economic activity. These impacts are the traditional focus of airport economic impact assessments and are robustly quantifiable.

- 5.5 Wider economic benefits are more difficult to assess. The relationship between air service access and, for instance, company location or inward investment decisions are not direct. There are a wide range of factors at work in such decisions and the availability of air service connectivity is only one. Robust quantification of these effects in terms of impact of employment or GVA is therefore often not possible. In assessing this wider economic impact of the presence of an aerodrome such as Panshanger we have therefore sought to present a range of qualitative evidence that articulates the real importance of the Aerodrome to the local economy.
- 5.6 In developing our estimates of the operational economic impact of Panshanger Aerodrome we have drawn information from a number of sources and made a number of assumptions:
- direct on-site employment has been derived from information on numbers of full time and part time employees set out in the Aerodrome's 'Response to Welwyn Hatfield Borough Council's request for information' of April 2014, which is available on the Council's website; we focus on full-time equivalents (FTEs), where full-time staff are counted as one employee and part-time staff are counted as 0.5 of an employee;
 - a multiplier has been used to calculate the indirect and induced effects, based on previous research undertaken at a wide range of other airports and aerodromes by York Aviation. In researching a range of European airports for ACI EUROPE, we estimated that the average sub-regional composite (i.e. indirect and induced or 'Type II') multiplier was 1.5. This means that for every 100 direct jobs, a further 50 indirect and induced jobs would be supported in the sub-regional economy. However, our experience of more localised effects of smaller aerodromes would suggest that this figure might be too high in this case. The Homes & Communities Agency Additionality Guide also offers some guidance on local composite multipliers, based on evidence derived from a range of studies, and these range from 1.21 to 1.38. We therefore consider a local multiplier of 1.3 to be a reasonable estimate of indirect and induced local impacts in this case;
 - Gross Value Added (GVA) is the standard measure of the added value of the goods and services produced in an economy; we have used data from the Office of National Statistics (ONS) to estimate GVA impact by multiplying the estimated employment effects by the most recently available 'GVA per filled job' value for Hertfordshire, which is £47,179.

Operational Economic Impact

- 5.7 There are currently four businesses operating onsite at Panshanger. These are:
- The North London Flying School (Training) – which offers flight training and operates 13 aircraft;

- The North London Flying School (Maintenance) – which looks after all the aircraft base at Panshanger including those of the Flying School as well as around 30 privately owned aircraft and some aircraft from other airstrips that do not have their own maintenance facilities;
- Professional Flight Management – responsible for aircraft parking, hangarage, landing fees, and the operation of the airfield;
- The ‘Out of the Box’ Cafe and Restaurant – which is open to the flying club’s 15,000 members and is fully licensed.

5.8 There are 16 full-time and 34 part-time jobs supported by these businesses, which equates to 33 full-time equivalents (FTEs). Using the multipliers referred to above we estimate that there would be an additional 10 FTEs supported through indirect and induced effects. The total operational employment impact of the Aerodrome at present is therefore 43.

5.9 The corresponding GVA impact, based on the GVA per filled job estimate referred to above, is estimated to be £2.02 million.

Wider Economic Impact

5.10 The wider economic benefit of an aerodrome such as Panshanger is difficult to quantify but is nonetheless a potentially significant factor in assessing economic impact. Such wider impacts are often recognised by policymakers and other stakeholders as being, in the context of supporting wider employment and the types of jobs generated, potentially even more important than the more readily quantifiable direct, indirect and induced employment and GVA set out above.

5.11 The mechanisms through which this wider impact can operate include the following:

- as an important factor in company location decisions; although this effect normally arises from the commercial air service connectivity available from international airports, the presence of a local general/business aviation facility for the use of private or corporate aircraft for business purposes or air taxi style services to connect to destinations within the UK or Europe, could also be a factor to be weighed in a company’s location decision; there is evidence of this within Welwyn Hatfield, which we refer to later;
- attracting inbound visitors, including both business and leisure visitors, to the area;
- enhancing the image of the area served and thereby its economic prospects;
- improving the connectivity of an area relative to competitor cities or localities and improving the competitiveness of the location as a place to do business.

- 5.12 Clearly, the most immediate wider benefit of an aerodrome such as Panshanger arises from the ability of local businesses to use private or corporate aircraft for business purposes or air-taxi style services to connect to destinations within the UK or Europe and in the previous section of this report we set out the significant advantages to business of this kind of air connectivity.
- 5.13 One of the most recognised pieces of research in this area is the annual European Cities Monitor produced by Cushman & Wakefield. This research surveys senior executives from 500 major European companies, focusing on issues around location decisions and inward investment. Easy access to markets, customers or clients (2nd) and Transport links with other cities and internationally (4th) were both identified in the top 4 most important factors in determining business locations in 2008. This is a well established pattern. These key factors, which provide proxies for the importance of air service access, have been amongst the top four factors for many years.
- 5.14 In addition to this, general aviation aerodromes such as Panshanger can play an important social role by enhancing quality of life and making their catchment areas attractive places to live and work. The intrinsic social value of sports and recreational flying, which we referred to in the previous section, can enhance the attractiveness of an area as a place to live and work. We understand that some local residents moved to the area specifically because they had an interest in aviation.
- 5.15 There are 250 companies in Welwyn Hatfield that employ more than 20 staff and a substantial range of businesses with hundreds of employees. Large commercial organisations located in Welwyn Hatfield include the corporate head-offices for Tesco, Ocado, Europa, Everything Everywhere (EE), Roche, Eisai, Mitsubishi, PayPoint, Bounty UK, and many others.
- 5.16 These businesses chose Welwyn Hatfield in part because of its connectivity with the rest of the country and Europe. However, despite transport links being superficially good, there are significant shortfalls which act as a potential barrier to further business investment in the area. Good transport links are provided by the nearby M25 and both the A1(M) and East Coast mainline, which cuts through the middle of the borough. However, the fastest East Coast trains do not stop in Welwyn Hatfield. Business executives therefore need either to travel into London in order to travel out again to Welwyn Hatfield, or stop their journey at Stevenage and continue by car down the A1(M). We also understand that the motorway is frequently congested where it narrows to two lanes between Welwyn and Stevenage.
- 5.17 Similarly, there are no easy options for business people to access Welwyn Hatfield using the West Coast Mainline. Again, the only option is to travel into London and then come back out by car or train, adding an hour and a half to the journey. HS2 does not come close to Welwyn Hatfield, which will therefore miss out on the projected £59.8 billion in benefits to the wider economy. Indeed, HS2 could even prove a positive pull away from business investment in Welwyn Hatfield.

- 5.18 A 'real world' example of the value of Panshanger Aerodrome to business is provided by a supplier to Tesco who uses Panshanger for meetings with his client for business purposes. We spoke to this supplier and his view is set out below.

"I fly into Panshanger Aerodrome with a private aircraft when I meet with my client in the local area and it makes a lot of sense from a business perspective. There are massive benefits to me in terms of time savings. Any closure of local airfields such as this is a backward step"

Tom Cassells - Managing Director, Reed Boardall Transport Ltd (supplier to Tesco).

- 5.19 We also spoke to Jim Kelleher, current UK General Manager of Bounty, a company based in Welwyn Garden City providing advisory services and products to virtually all expectant mothers and parents of young children. The company employs 120 office based people and around 300 'in the field'. Bounty spoke about the importance to its business of building and maintaining transportation links into Welwyn Garden City.

"Developing these links are essential facilitators of growth to businesses such as Bounty well into the future. This would also include air links e.g. the Panshanger Aerodrome, which makes Welwyn a more attractive location in which to do business than many others."

Clare Goodrham/Jim Kelleher – former and current UK General Manager, Bounty UK.

- 5.20 We spoke to Tesco, who have HQ offices in Cheshunt and Welwyn Garden City. An estimated 4,000 employees are based in Welwyn Garden City and around 3,000 in Cheshunt. Welwyn Garden City is therefore a key location for Tesco and is where a number of major company functions are located, including personnel, property, the online business and the non-food buying teams.

“Connectivity is really important for us in terms of transport infrastructure that facilitates access to numerous locations in the UK as well as the 12 countries around the world in which we operate.”²⁶

Michael Kissman, UK Communications Director, Tesco.

5.21 Tesco also noted that having a facility such as Panshanger Aerodrome in the local area is beneficial in terms of being a component of the ‘quality of life offer’ in the vicinity of the Welwyn Garden City offices and as such forms part of the attractiveness of the local area as a place to live and work. This contributes to Tesco’s ability to attract high quality employees to work at its Welwyn Garden City HQ.

5.22 Another major local employer is the mobile phone network operator and internet service provider company EE (Everything Everywhere, formed from a merger of Orange and T-Mobile), which is headquartered in Hatfield where some 2,000 people are employed. The company also has offices in Glasgow, South Wales, Portsmouth and Newcastle and is attracted by the idea of being able to use an air taxi service such as could be available from Panshanger.

“Any business of our size employing a couple of thousand people, who have a HQ in Hatfield, would find the concept of an air taxi to be very attractive to in both maintaining and enhancing our business in this area, as well as the number of people we employ.”

Dan Perlet, Director of Corporate and Financial Affairs, EE.

5.23 We also spoke to the CEO of another major local employer, Computacenter. This company has 14,000 employees across Europe and 5,000 in the UK, around 1,000 of whom are located in Hatfield on the business park (i.e. the site of the former Hatfield Aerodrome). The owner of this company has made regular use of Panshanger Aerodrome in the past for refuelling when landing by helicopter at the business park. Computacenter regards Panshanger as a “good local facility” which offers significant potential benefits to business and cited an example of a recent business need to attend meetings in Liverpool and Norwich on the same day, which is practically impossible without the use of private aviation from a small local aerodrome.

²⁶ Tesco wished us to note that their comments were intended to be read as support for a local aviation facility that is used and appreciated by various local people, including Tesco staff, and did not imply opposition to other forms of local development.

- 5.24 In summary, our conversations with local businesses clearly indicate that these businesses value Panshanger Aerodrome as an important local asset which makes them more likely to continue to create jobs in Welwyn Hatfield.
- 5.25 The Chair of Welwyn Hatfield Chamber of Commerce told us that the local area is located at the centre of the Cambridge/Oxford/London universities' 'Golden Research Triangle', which acts as an important engine of economic growth for the UK economy. Innovation is of key importance in this context and small firms are often able to contribute significantly to innovative business thinking, especially when located close to and working with larger companies. Panshanger Aerodrome could play an important role in this drive for economic growth through innovation, as it has the potential to act as a 'centre of excellence' for small engineering or other firms. As such, it has a potentially important role as a facilitator of wider economic growth in the area.

"It is important for policymakers to encourage and stimulate an environment in which innovative interaction can be fostered. The role of educational establishments such as the University of Hertfordshire is also an important component in this mix, especially in the current drive for universities to engage more proactively with business."

Nick Brown, Chair of Welwyn Hatfield Chamber of Commerce.

- 5.26 We also spoke to the University of Hertfordshire, which has around 25,000 students, with some 1,500 studying engineering and technical subjects and around 450 doing aerospace related courses. There are some 6 undergraduate courses in aerospace and some of these include 'pilot studies', for which 20 flying hours are required to be undertaken by the students. This flying training can be undertaken at an airfield of the students' choice, but the University has previously had a relationship with Stapleford Aerodrome. However, Stapleford is some considerable distance away and the University would like to strengthen its relationship with Panshanger Aerodrome because it is so much closer. There could also be a saving in travel time for the students. Weather conditions are also a major factor in being able to fly on any particular day and travel over a distance to Stapleford makes this more uncertain.
- 5.27 There could also be opportunities at Panshanger for students to gain experience in aircraft maintenance by spending time in a hangar, although it was felt that this would be at the students' initiative as the University is unlikely to have the resources at present to arrange and supervise this.

“There is a very strong aviation tradition in the area resulting from the legacy of de Havilland and British Aerospace in Hatfield and in fact the University grew out of a technical training college that was originally set up by de Havilland. As a result, having an airfield such as Panshanger in the area is generally welcomed as a community asset, albeit an intangible one.”

Ray Wilkinson, Aerospace Group Leader, University of Hertfordshire.

- 5.28 It is clear from these consultations that Panshanger Aerodrome is widely regarded as a significant local asset not only for business but also for the University, as well as to the many private individuals that use it as a sport and recreational facility.
- 5.29 The strong community support for Panshanger Aerodrome and the benefits it generates also derives to some degree from the rich aviation heritage of the local area, referred to by the University above. Hatfield was associated with the aircraft and aerospace industries from the 1930s and developed as a modern new town based around these industries. The De Havilland aircraft company originally moved to Hatfield in 1930. A hard runway was laid after the war and Hatfield saw development of both military and civil jet aircraft including the Comet, the world's first production passenger jet airliner. In 1960 de Havilland was acquired by Hawker Siddeley, which in turn became part of British Aerospace in 1978. Hatfield remained a centre of design and production of commercial aircraft for the next decade, but in 1993 British Aerospace announced the end of aircraft production at Hatfield and the airfield closed the following year. The de Havilland Aircraft Museum is also located in Hertfordshire and is the oldest aircraft museum in the UK.

Impact of Closure

- 5.30 The impact of closing the Aerodrome would therefore not just be limited to the quantifiable economic impact of current operations set out earlier (i.e. the loss to the local economy of some 43 jobs and around £2 million of GVA) but would also be felt more widely, as is demonstrated by the views of a number of local stakeholders set out above.
- 5.31 The questions of deadweight and displacement should also be addressed when considering the impact of closure. Deadweight refers to economic activity that would continue to exist, even Panshanger Aerodrome were to close. So, for example, if the North London Flying School could be relocated with the local area the economic value would continue to exist elsewhere. However, this is unlikely to be practicable. The issue was addressed in some detail by the Light Aircraft Association in its submission to Welwyn Hatfield Borough Council of 2 September 2013, which noted that the alternatives are impracticable because of distance and unsuitability.

- 5.32 Clearly, the existing private aircraft that are based at Panshanger would be forced to relocate to other airfields, but these would not necessarily be to the nearest airfields, and the flying school business itself could not practically re-locate within the local area.
- 5.33 Displacement arises when an economic activity takes market share, labour, land, or capital away from other activities. In this case Panshanger Aerodrome is meeting a specific local aviation need and is not displacing activity from other aerodromes. The aviation-related jobs at the Aerodrome are unlikely otherwise to exist elsewhere in the local area.
- 5.34 It would therefore be reasonable to conclude that the loss of the Aerodrome would result in the complete loss of its current economic impact and value to the local community.

Conclusion

- 5.35 The total operational employment impact of the Aerodrome at present is 43 full time equivalent jobs and the GVA impact is estimated to be £2.02 million. However, the wider impact of the Aerodrome is significant, as is clear from our consultations with local stakeholders and businesses.
- 5.36 Panshanger Aerodrome is widely regarded as a significant local asset for business and for the University of Hertfordshire, as well as to the many private individuals that use it as a sport and recreational facility.
- 5.37 The impact of the closure of the Aerodrome would mean that all of these economic benefits are likely to be lost to the local area.

6 POTENTIAL FUTURE DEVELOPMENT

- 6.1 Looking to the future, Panshanger Aerodrome has significant potential for development as an aviation facility, subject to any necessary planning or other permissions being granted.
- 6.2 The further development of the existing light aviation activity on the airfield is the clearest opportunity and the further expansion of the flight training opportunities that are already offered by NLFS. The Aerodrome has capacity for additional aircraft parking and there is potential for attracting small aviation engineering and research businesses on to the site. This could result, with only limited further physical development, in a cluster of aviation-related businesses on the site to provide a centre of light aviation excellence. This is exactly the sort of innovation-driven environment which the Chair of Welwyn Hatfield Chamber of Commerce was speaking of in his comments to which we referred earlier.
- 6.3 We also understand that the Aerodrome is considering the possible re-alignment of its runway, should it be able to continue operations, so that departing aircraft fly over the golf course further away from housing and thus further reduce the noise footprint.
- 6.4 There is also potential to further encourage and develop the use of business aviation at Panshanger. This need not involve the use of larger aircraft or jets, as a viable air taxi charter service could use single- or twin-engine light aircraft with no more than six seats. No additional local authority planning permission or CAA authorisation would be required and this would provide an opportunity for local businesses to make more use of the Aerodrome.
- 6.5 Some limited helicopter operations would also allow for quick transit to virtually any location within the country and even into central London. Operations could be located at the eastern end of the runway, away from existing housing. This would also provide a huge boost to local business and improve the attractiveness of the Welwyn Hatfield local area as a place to do business.
- 6.6 There is considerable scope for aircraft hangar development for the undercover parking of private or corporate aircraft and potentially for associated engineering facilities. Should any of the large number of hangars currently on-site be brought back into use for such activity, there would also be a benefit to Welwyn Hatfield in terms of an additional source of income from business rates.
- 6.7 There is also an opportunity to develop the on-site catering facilities to include a bigger/better dining experience and associated aviation-themed parties. Conference and hotel facilities would present a further opportunity, which some other small aerodromes in the UK (see the case study of Sywell Aerodrome below) have turned into a significant business enterprise

- 6.8 There could also be potential to explore the opportunity to set up a small local aviation museum (such as is found at many other general aviation aerodromes), possibly with a link to the de Havilland Museum, which has no airstrip of its own.
- 6.9 There is also clearly scope for the further development of local educational links, especially with the University of Hertfordshire's aerospace engineering faculty and associated flight training, currently undertaken outside the local area. Panshanger Aerodrome already provides educational opportunities for local schoolchildren in terms of work experience, educational seminars, engineering apprenticeships and guest lectures. This provides young people with vital work experience that can help them into employment.
- 6.10 It is perhaps worth citing here the Hertfordshire Student Union's views which were recorded in the 'Response to Welwyn Hatfield Borough Council's Request for Information' submitted by the Aerodrome in April 2014.

"North London Flying School...has given valuable work experience opportunities to at least 6 of our students. They have offered a variety of roles from bar work to photography. We are delighted to be their first port of call for staffing requirements and recognise the value of forging links between local businesses and our University."

Mandy Mitchell, Student Jobs, Hertfordshire Student Union

- 6.11 A future thriving Aerodrome could continue to offer this kind of valuable experience to local young people and would certainly be able to expand its links with local schools and FE/HE establishments in the future.
- 6.12 It is of course impossible to accurately estimate what the added economic value of this kind of expansion of activity at Panshanger might be. However, York Aviation recently prepared an economic impact study for Redhill Aerodrome in Surrey, which was presented at a recent Public Inquiry into a planning application for a hard-surfaced runway. Redhill Aerodrome is not dissimilar to Panshanger in that it is a general aviation airfield with a grass runway, in relative close proximity to London, and offers flight training. It differs in scale, however, in that it has around twice as many aircraft movements (around 40,000) including helicopter operations and six hangars in operational use by on-site companies. York Aviation's estimate of the current economic impact of Redhill's aviation related activity (excluding the non-aviation related activity on the site) was 130 direct jobs and 40 indirect and induced jobs, making a total of 170 FTE jobs and £5.8m of GVA. Were Panshanger Aerodrome to reach this larger scale of operation (which would not require much additional infrastructure other than some hangar refurbishment) its economic value to the local area in terms of GVA could almost treble.

- 6.13 We present below a case study of another UK general aviation aerodrome - Sywell in Northamptonshire. This aerodrome provides some examples of how Panshanger might develop (especially in terms of ancillary activities such as corporate entertainment), although in some respects it is a much larger facility than Panshanger is ever likely to be, and Panshanger has no foreseeable need for a hard surfaced runway in the way that Sywell had.

Case Study: Sywell Aerodrome

Sywell aerodrome is situated some 6 miles north east of Northampton and is now a very well-established general aviation facility for the local area. The airfield evolved from a WWII facility, has a major fixed wing flying school (the Brooklands Flying Club) on site. It is also the base of the Blades aerobatic display team.

The local authority (Wellingborough Borough Council) has a Local Plan saved policy (SY1) in relation to the aerodrome which states:

“This site is the County's only significant airfield and....as such it is an important asset and can provide air taxi and freight services for local businesses.”

Sywell has three grass runways but also obtained planning permission for a hard surfaced runway to overcome problems with the grass runways becoming waterlogged in winter. This was opened in 2010. There are 18 hangars and 125 based aircraft. Aircraft movement data is not published on a regular basis but certain local planning restrictions apply to the hours of operation and the numbers and types of aircraft movements permitted.

One of the hangars is used for corporate entertainment, dinner dances etc. There is also an Aviation Museum on the site and the Aviator Hotel, which is a 56-bedroomed Art Deco style facility, with associated function rooms, restaurant and gardens overlooking the airfield. ‘Hangar One’, adjacent to the Hotel, is a state-of-the-art conference centre used for dinner dances, corporate training days, and conferences.

Conclusion

- 6.14 Were it to be possible for the Aerodrome to continue its operations, there is significant future potential for expansion with limited additional infrastructure, and with the added potential benefit of a runway realignment that would further reduce noise.
- 6.15 In this way Panshanger Aerodrome could build on and add to the current benefits it brings to the local economy.

7 CONCLUSIONS

7.1 We summarise our conclusions below:

- it is evident that existing and emerging Government policy is strongly supportive of the growth of air transport and is specifically supportive of the opportunities provided by general and business aviation airfields such as Panshanger to support economic growth;
- regional and local economic policy seeks to support investment and new business formation, particularly by businesses trading internationally. It is recognised that the area needs to improve and sustain its competitiveness in order to retain and attract business investment. The enhanced connectivity, including to international markets, which Panshanger Aerodrome could provide could play an important role in this, as well as in supporting the local growth incentives that result from the Government's business rates retention initiative;
- it is clear from previous studies that local general and business aviation airfields play a very significant role providing transport options that otherwise would not exist, and also in providing an intrinsic social amenity through sports and recreational flying. The availability of smaller airfields for corporate and business aviation purposes is also highly valued by the business community and especially those individuals whose value of time is very high. In these ways a local aerodrome such as Panshanger provides a competitive advantage to a local area;
- the total operational employment impact of the Aerodrome at present is 43 full time equivalent jobs and the GVA impact is estimated to be £2.02 million. However, the wider impact of the Aerodrome is significant, as is clear from our consultations with local stakeholders and businesses. Panshanger Aerodrome is widely regarded as a significant local asset for business and for the University of Hertfordshire, as well as to the many private individuals that use it as a sport and recreational facility. The impact of the closure of the Aerodrome would mean that all of these economic benefits are likely to be lost to the local area;
- were it to be possible for the Aerodrome to continue its operations, there is significant future potential for expansion with limited additional infrastructure, and with the added potential benefit of a runway realignment that would further reduce noise; comparison with a GA aerodrome such as Redhill in Surrey suggests that Panshanger's local GVA contribution could triple;
- in this way Panshanger Aerodrome could build on and add to the current benefits it brings to the local economy.

Flight Training News

'Urgent work'

This version: 19th August 2014

Flight Training News has learned of a significant airfield-related initiative shortly to be announced by the UK government. Speaking exclusively to Flight Training News, Cabinet Minister without portfolio Grant Shapps MP said that the government will soon evaluate whether a strategic network of General Aviation airfields is now required in order to protect jobs, training and growth in the sector for the long term. A strong supporter of UK General Aviation, Mr Shapps made his unexpectedly candid comments during an exclusive interview with Flight Training News.

FTN has learned that the new announcement will form part of the government's response to a General Aviation Challenge Panel Report, which was published at AeroExpo in June. The panel pointed out that the lack of a strategic overview of airfields meant that licensed aerodromes are closing at an alarming rate – putting this entire job-creating sector under threat. The report's authors called on government ministers to respond.

Speaking in advance of the government's response to the Challenge Panel this Autumn, Mr Shapps said, "There is already a Department for Transport tendering process underway in order to establish the full scale of the contribution made by General Aviation to our economy. We will then carry out an evaluation of the need for a strategic network of general aviation airfields in order to support more jobs and growth in the UK."

The commitment is seen as important because, up until now, the survival of GA airfields has been down to local planning conditions. However, one implication arising from the government's consideration of a more strategic nationwide view of the network of airfields could be additional planning restraints imposed through the all-important National Planning Policy Framework. Mr Shapps also told FTN that, "This red-tape cutting government has offered a 'once-in-a-lifetime opportunity' to UK General Aviation." The Cabinet Minister explained, "This government has made it clear: we want to see regulations reduced and red-tape cut out. Now it's up to the UK's General Aviation community to grab this opportunity, rather than just waiting for its direction to be set by others. If aviation doesn't take up this chance, then decline in the sector is the only other plausible outcome."

Mr Shapps, whose role is officially titled 'Cabinet Minister without Portfolio,' says that the last research into GA showed that it adds around £1.4bn to Gross Value Added to the UK economy each year and supports up to 50,000 jobs directly and indirectly. However, fresh research to update this data is currently being commissioned by the government – and, off the back of that, decisions about creating a more protective planning environment around existing airfields will be taken.

Mr Shapps said, "In terms of the potential for so called STEM subjects – Science, Technology, Engineering and Maths – General Aviation offers it all. Not only can GA inspire the next generation, but it can also train them too - and not just as pilots. So we need to protect the sector

that we've got, and to set it free from the kind of red-tape that means that we no longer innovate enough in aviation at the same time as putting it beyond the wildest dreams of too many people to get involved. Britain once helped lead the way in aviation - and we can do so again."

The full article will appear in the next edition of FTN. For more information now, contact Jeremy Diack or Lembit Öpik at Flight Training News on 01865 841 441, or editor@ftnonline.co.uk

