

Public Document Pack

PRESENTATION SLIDES

OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 9TH FEBRUARY, 2023

The following presentation slides were used at the Overview and Scrutiny Committee meeting.

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We'll be starting soon

Overview and Scrutiny
Committee
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9th February 2023



AGENDA ITEM NO. 2

Overview and Scrutiny Committee 9th February 2023



**Councillor Mike Smith
In the Chair**



Overview and Scrutiny Committee

9th February 2023

**Item 1 –
Minutes**





Overview and Scrutiny Committee

9th February 2023

**Item 2 –
Farnborough Airport**



Overview and Scrutiny Committee, 9 February 2023

Item 2: Farnborough Airport

Tim Mills, Executive Head of Property and Growth

Contents

- Background to the Study
- Key points from the Economic Impact of Farnborough Airport Study
 - Information from the seven sections of the document.
- Conclusions
- Questions



Background

- The Economic Impact of Business Aviation at Farnborough Airport, published in May 2009.
- Commissioned to inform the Rushmoor Local Plan.
- This study aims to:
 - Update the work previously commissioned by RBC in 2009.
 - Calculate the airport's actual economic impact as observed in 2019 (pre-covid baseline).
 - Revise how the economic impact of the airport might change as it increases its ATMs and reaches its current 50,000 ATMs per annum planning limit.
- Both studies undertaken by Lichfields, one the country's leading planning and development consultancies.

Structure of the report

- Section 3 - an overview of Farnborough Airport, its facilities and operations, and other economic activities based there which are considered in the economic assessment;
- Section 4 - defines business aviation and presents an overview of the role Farnborough Airport plays within this sector;
- Section 5 - an overview of the policy context and socio-economic conditions in the area;
- Section 6 - examines the economic impact of Farnborough Airport and considers how this has changed. This section also considers the impact of the Covid-19 pandemic on Airport activity;
- Section 7 - the economic impact associated growth in ATMs (up to 50,000 movements per annum), and how the transition to net zero may impact this;
- Section 8 - the Airport's catalytic and wider community and economic effects; and
- Section 9 - the overall conclusions for the study.

Section 3 – Overview of Farnborough Airport

- Location – 7% of the borough's land area and part of a larger aerospace and technology ecosystem.
- Operations – restricted by planning conditions e.g. hours, type and weight of aircraft and types of activity.
- Key infrastructure – a long runway (1800m), a large, modern terminal building, several large hangars, state-of-the-art tower etc.
- Tenants – Over 70 companies. Larger tenants include Gulfstream, Flight Safety International and Farnborough International.
- There has been significant investment and development in the infrastructure and facilities at the airport including current works on a new 175,000 sq. ft hanger.

Section 4 – The business aviation sector

- The International Business Aviation Council (IBAC) definition of business aviation is outlined in the Study and used for consistency and comparability.
- Notwithstanding this definition, the airport's permitted flying activity remains that which was prescribed in its planning consent:
- “Business Aviation” means flying activities and operations that are dedicated to the needs of companies individuals and organisations which require a premium priced service for a high degree of mobility a high standard of service and flexibility and privacy in aviation services. This definition excludes activity in connection with the Airshow bulk freight services scheduled passenger services and “inclusive tour” charter flying. No training or flying (other than recreational flying by the DERA Aero Club or essential familiarisation training and flying checks by aviation aircrew) shall take place”

Section 4 – The business aviation sector

- The UK has the third largest business aviation sector in Europe and Farnborough is the UK's largest business aviation airport.
- Aviation sector severely impacted by the COVID-19 pandemic but business aviation has been shown to be more resilient than commercial aviation.
- Farnborough one of five red list entry ports alongside larger airports such as Heathrow and Gatwick.

Section 5 – Policy and socio-economic context

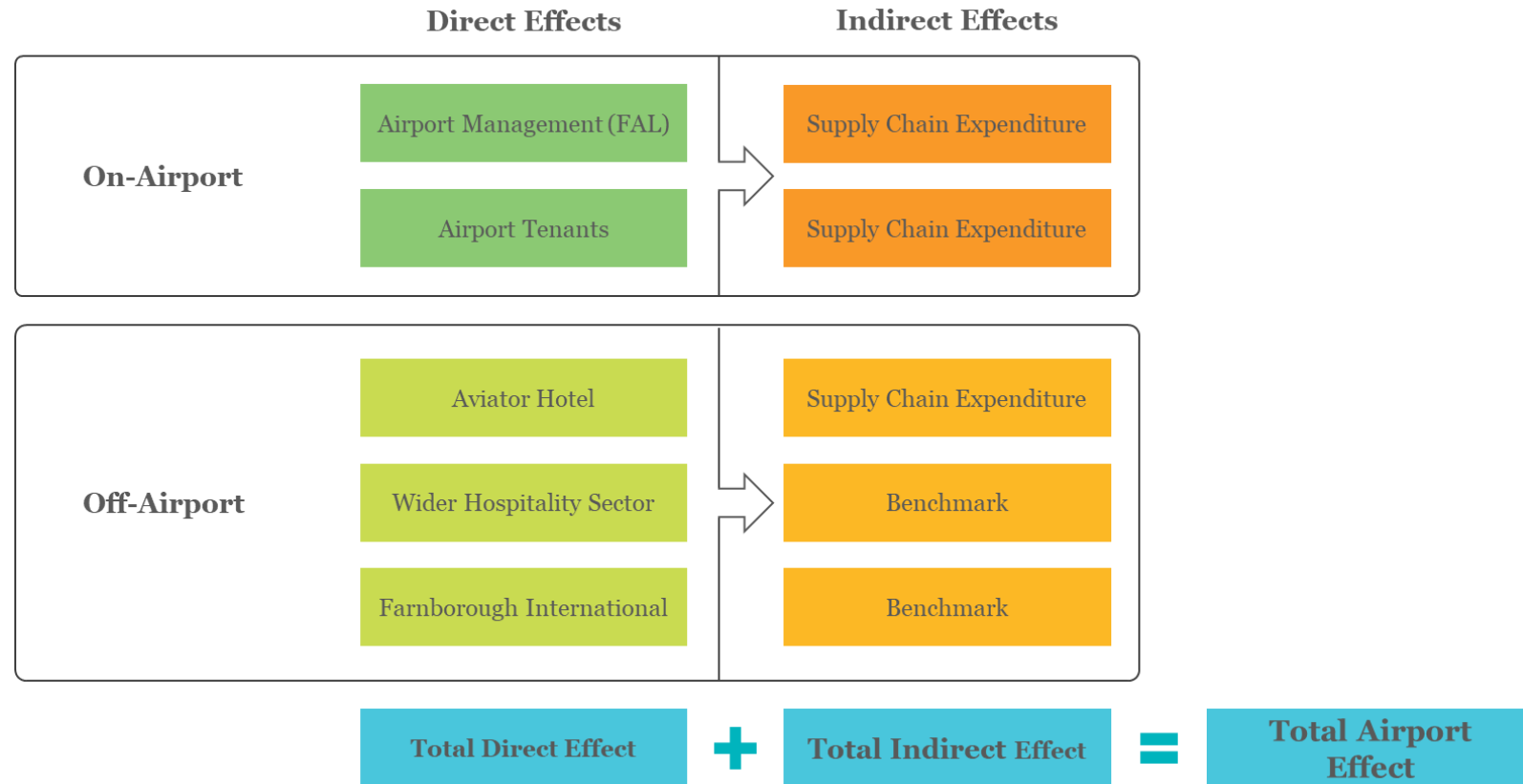
- Sets out the policy context which influences current operations and potentially future growth. This includes:
 - National government policy
 - Flightpath to the Future
 - Jet Zero Strategy
 - Levelling Up White Paper.
 - Sub-regional
 - EM3 LEP draft Local Industrial Strategy.
 - Local
 - Rushmoor Local Plan.

Section 5 – Policy and socio-economic context

- This section also sets out the economic characteristics of the local economy. In summary these include:
 - A strong and resilient local economy which typically outperforms regional and national averages.
 - Strong and stable employment, above average skills, low unemployment, and relatively high wages.
 - A dominant service sector/ knowledge-based industries, in addition to a modest manufacturing base.
 - Some parts of the area’s economy perform better than others e.g. Rushmoor performs comparatively worse than Hart and Surrey Heath on qualifications and unemployment.

Section 6 – Economic impact

- Overview of the approach to the various strands of impact.
- This analysis was informed by a tenant survey undertaken in summer 2022.



Section 6 – Economic impact

At the Rushmoor Borough level, total employment supported directly and indirectly is estimated to be in the region of 1,735 FTE jobs (3.5% of the borough’s total employment).

Table 6.7 Total airport-related employment, 2019

		Rushmoor	Hampshire + Surrey	UK
Direct on-Airport	Airport management		197	
	Airport tenants		1,361	
Direct off-Airport	Aviator hotel		103	
	Wider hospitality sector		10	
	Farnborough International		39	
Total direct (i.e., with on/off-Airport)			1,710	
Total indirect (i.e., with on/off-Airport)		25	211	1,610
Total		1,735	1,921	3,320

Section 6 – Economic impact

- At the Rushmoor level, the Airport's total contribution is estimated to be in the region of £151.8 million, or the equivalent 52.8% of its total contribution nationally.
- This is in addition to the airport's fiscal contribution - £2.04 million in 22/23 and capital investment e.g., Domus III, a new £55 million hanger.

Table 6.8 Economic contribution of Farnborough Airport, 2019

		GVA (£ million)
Direct on-Airport	FAL	£10.5
	Airport tenants	£133.2
Direct off-Airport	Aviator hotel	£4.6
	Wider hospitality sector	£0.3
	Farnborough International	£3.2
Total direct (i.e., on/off-Airport)		£151.8
Total indirect		£135.9
Total		£287.7

Section 6 – Economic impact

Table 6.9 Comparison of economic impact of Farnborough Airport, 2009 and 2019

		2009	2019	Change (%)
ATMs		25,500	31,561	+23.8%
Direct jobs (headcount)	On-Airport jobs	1,104	1,654	+49.8%
	Off-Airport jobs	155	184	+18.7%
	Total	1,260	1,838	+45.8%
Direct jobs (FTEs)	On-Airport jobs	-	1,558	-
	Off-Airport jobs	-	152	-
	Total	1,180	1,710	+44.9%
Wider employment (indirect/supply)		940	1,610	+71.3%
Total employment		2,120	3,320	+56.6%
Direct GVA (£ million)		£93.0	£151.8	+63.2%
Indirect GVA (£ million)		-	£135.9	-
Total GVA (£ million)		-	£287.7	-
Airport-related jobs per 1,000 ATMs		83.1	105.1	+26.5%
(Direct) GVA per 1,000 ATMs		£3.647	£4.810	+31.9%

Section 7 – Potential future employment

- This section considers how potential levels of employment associated with the Airport's operations are likely to change in the future as ATMs reach the current maximum cap of 50,000 movements per annum.
- Whilst seeking to refresh the analysis presented in the 2009 Study (i.e., drawing on the latest-available evidence), this section also considers how employment related to Farnborough Airport (i.e., direct on/off-Airport employment, as well as wider employment) is likely to evolve over time.

Section 7 – Potential future employment

		Actual 2009	Actual 2019	Forecast	
				2009 Study	2022 Study
ATMs		25,500	31,561	50,000	
Direct jobs (FTEs)	On-Airport jobs	-	1,558	-	1,900-1,970
	Off-Airport jobs	-	152	-	225
	Total	1,180	1,710	1,350-1,550	2,125-2,195
Wider employment		940	1,610	1,530-1,550	2,000-2,065
Total employment		2,120	3,320	2,800-3,100	4,125-4,260
Direct GVA (£ million)		£93.0	£151.8	£118.9-£126.4	£187.3-£193.6
Indirect GVA (£ million)		-	£135.9	-	£167.7-£173.3
Total GVA (£ million)		-	£287.7	-	£355.0-£366.9
Airport-related jobs per 1,000 ATMs		83.1	105.1	57.6-62.0	82.5-85.2
(Direct) GVA per 1,000 ATMs (£ million)		£3.647	£4.810	£2.378-£2.528	£3.746-£3.872

Section 8 – Catalytic and Wider Economic Effects

- Catalytic effects relate to the wider role of airports in attracting investment and businesses to an area, where the latter have no direct economic linkages, but may utilise its services and/or gain some other competitive advantage from a location near the airport.
- Difficult to quantify because business decisions include a number of factors.
- Local opportunities related to the International Airshow (and its economic impact on the local area), local employment opportunities and supporting skills development.

Section 9 - Conclusions

- Activity related to Farnborough Airport supports an estimated 1,710 FTE jobs directly, in addition to a further 25 FTE jobs more widely within Rushmoor Borough. This represents 3.5% of the Borough's total employment in 2019.
- The Airport's economic contribution adds up to £287.7 million per annum, of which £151.8 million (or the equivalent to 52.8%) supports the Rushmoor economy.
- Growth in total employment and economic output between 2009 and 2019 (estimated to be +56.4% and +63.2% respectively) was faster than growth in the number of ATMs per annum). This means that the Airport not only supports more jobs, but also supports higher productivity levels.
- On the basis of the above, Farnborough Airport plays a key role in supporting the vitality and resilience of the Rushmoor Borough economy. This includes both the direct and wider (i.e., supply chain and induced) effects of the Airport's activities (i.e., both on-Airport and off-Airport), in addition to benefits associated with the clustering effect around aviation, defence and related industries across the sub-region.

Section 9 - Conclusions

- The increased productivity (i.e., estimated in terms of £4.8m GVA per 1,000 annual ATMs) contributes to the borough's success when compared with the rest of North Hampshire in terms of growth in GDP (i.e., between 2009 and 2019), as well as GVA per job filled and GVA per hour worked.
- The Airport's overall impact as annual ATMs increase to 50,000 is now anticipated to be higher than the impact estimated by the 2009 Study. Overall, total employment is estimated to be between 37.4% and 43.2% higher than identified in the 2009 Study. In addition, the Airport's economic output (i.e., direct GVA) is expected to be between 53.2% and 57.5% higher than identified in the 2009 Study.

Air Quality in Rushmoor & around the Airport

Overview and Scrutiny Committee 9 February 2023

**Richard Ward – Env & Airport Monitoring Officer
Environmental Control and Pollution**

Regulatory Background

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LAQM - Environment Act 1995:

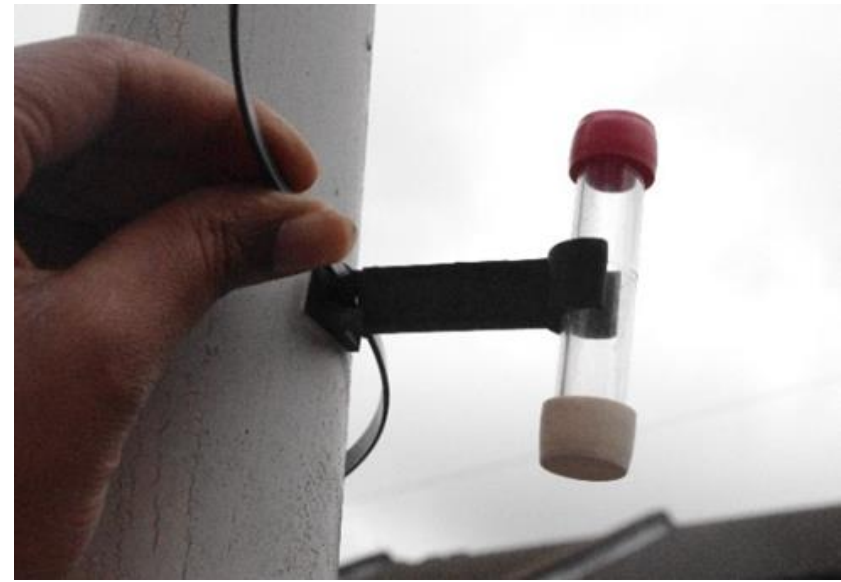
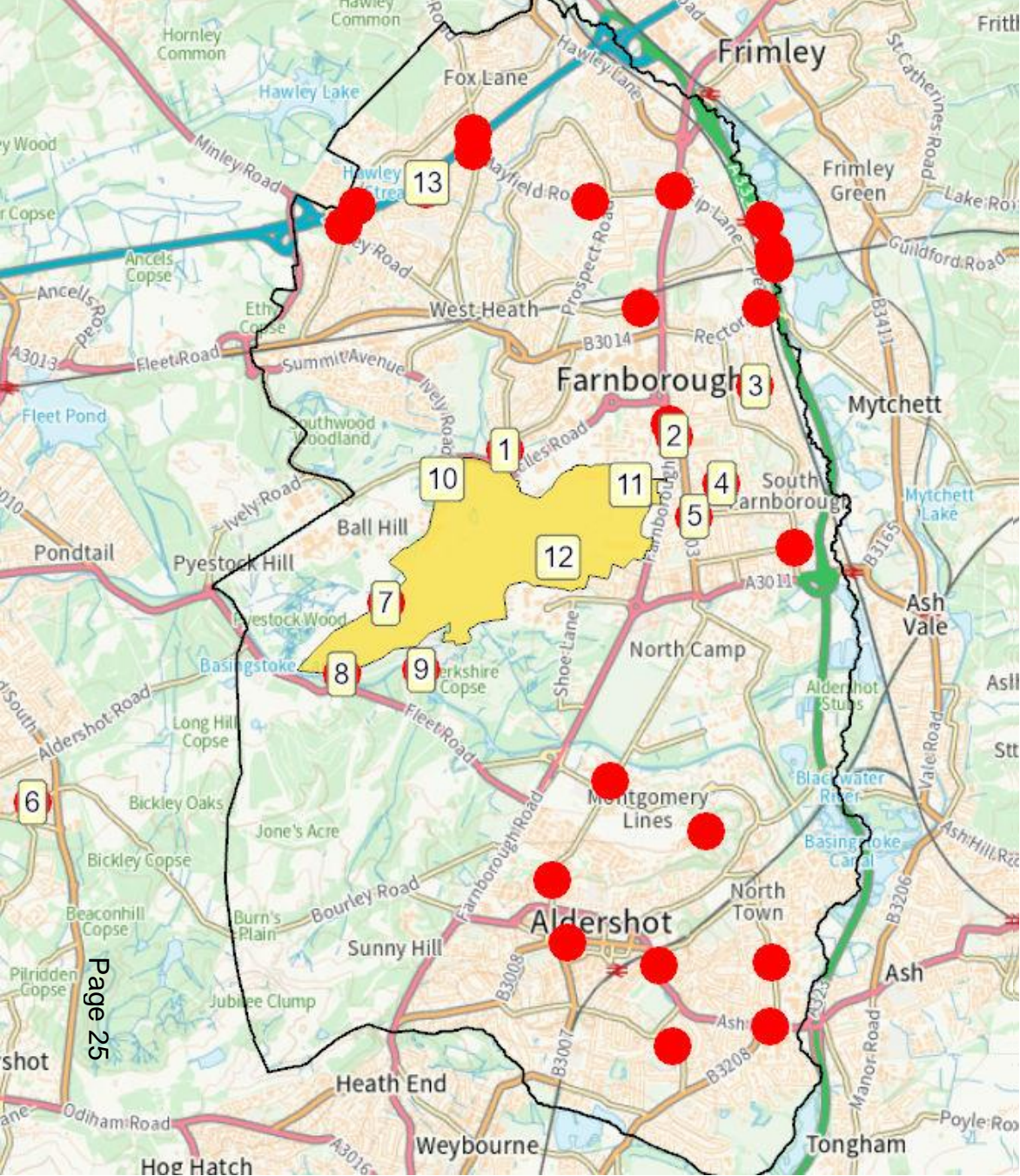
- Duty on LAs to review and assess air quality
- Objectives for 7 key pollutants
- Main pollutant of concern in Rushmoor is nitrogen dioxide (NO₂) – emissions from traffic

UK NO₂ Plan 2017

- Ministerial Direction to tackle roadside levels along A331

Airport - Section 106 Agreement

- AQ Monitoring Scheme



LAQM – Env Act 1995

- RBC -20 sites

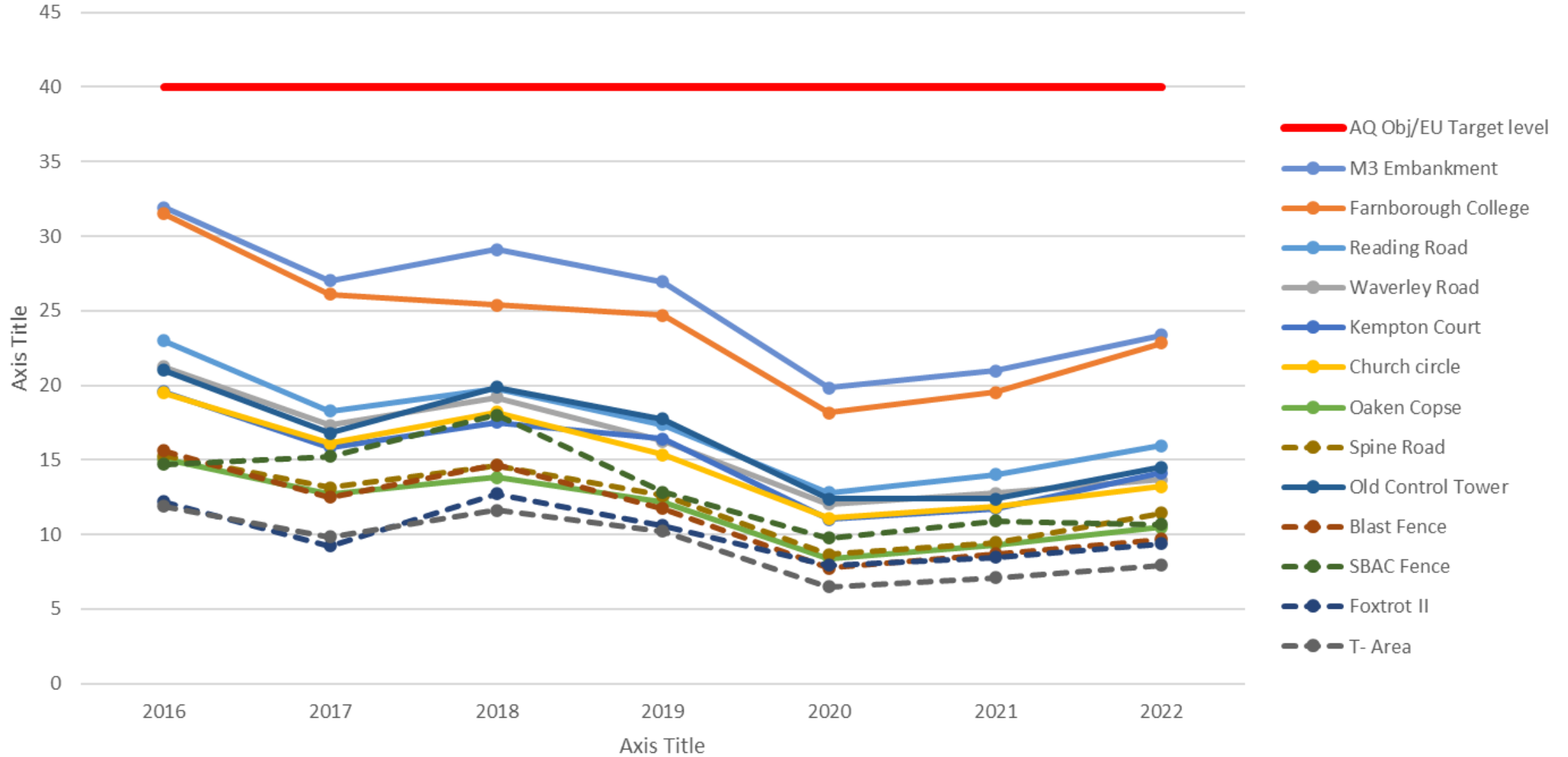
UK Plan – roadside NO₂ (2017)

- A331 – 6 sites

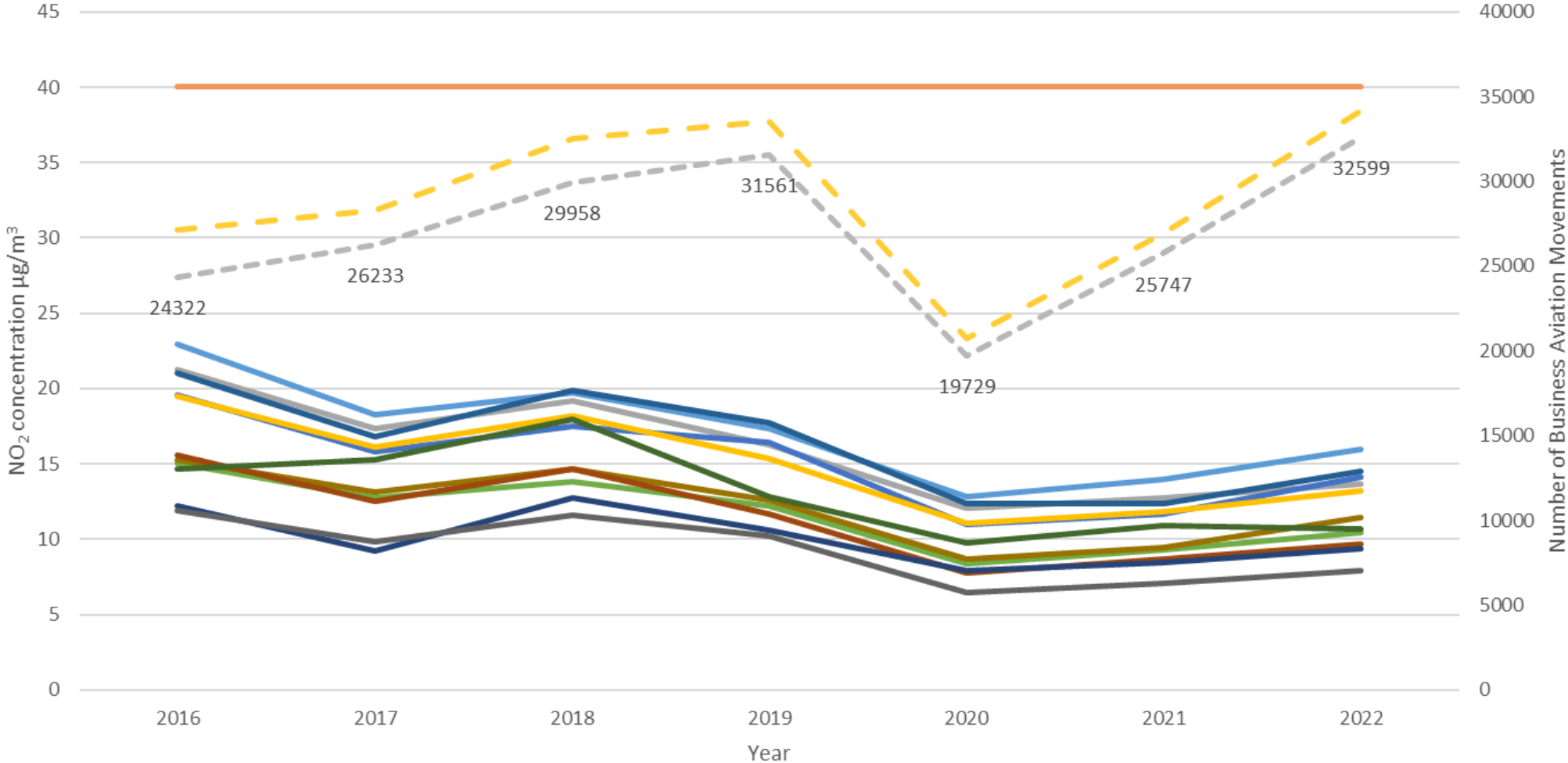
S106 – AQ Monitoring

- Airport -13 sites

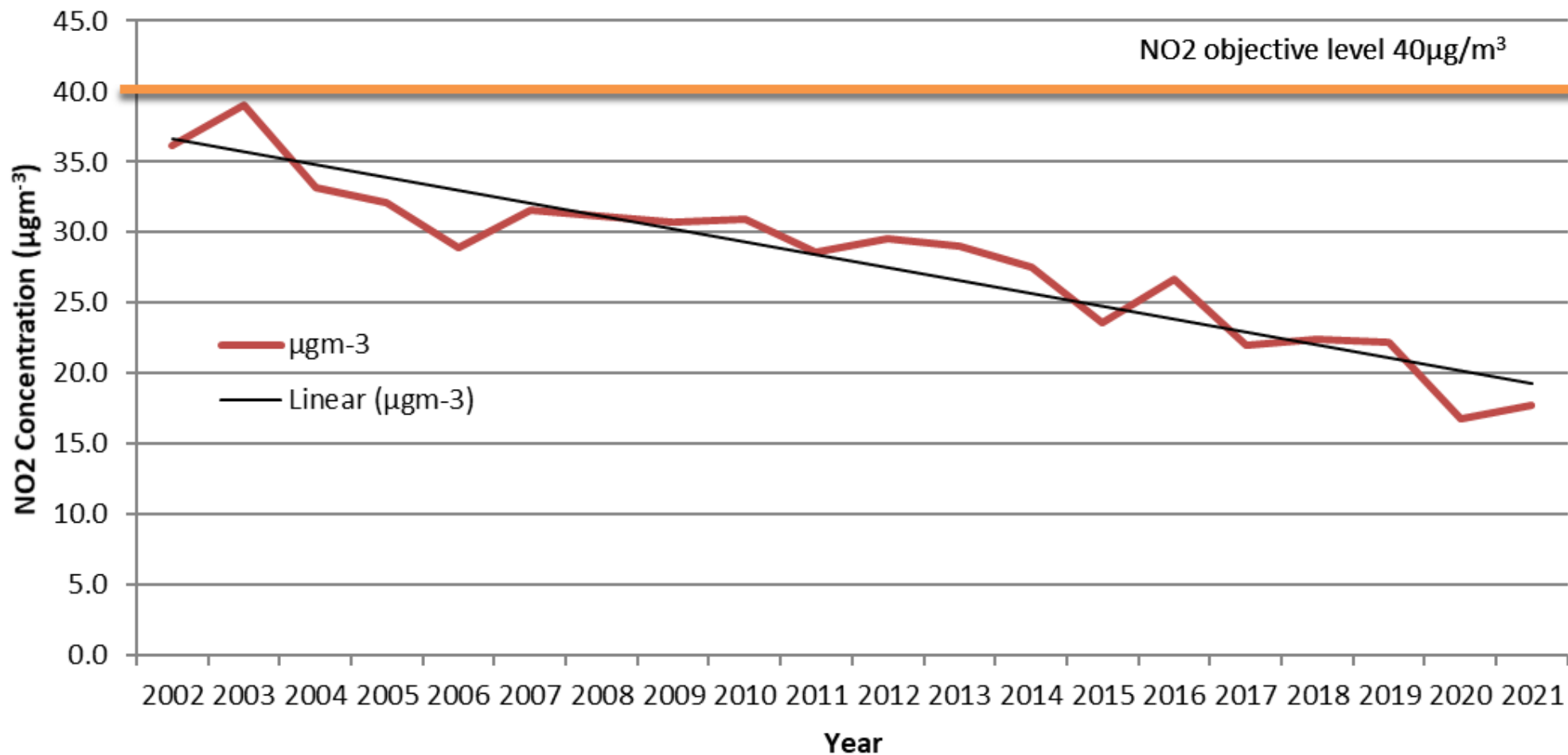
Airport Annual Mean NO₂ data ug/m³



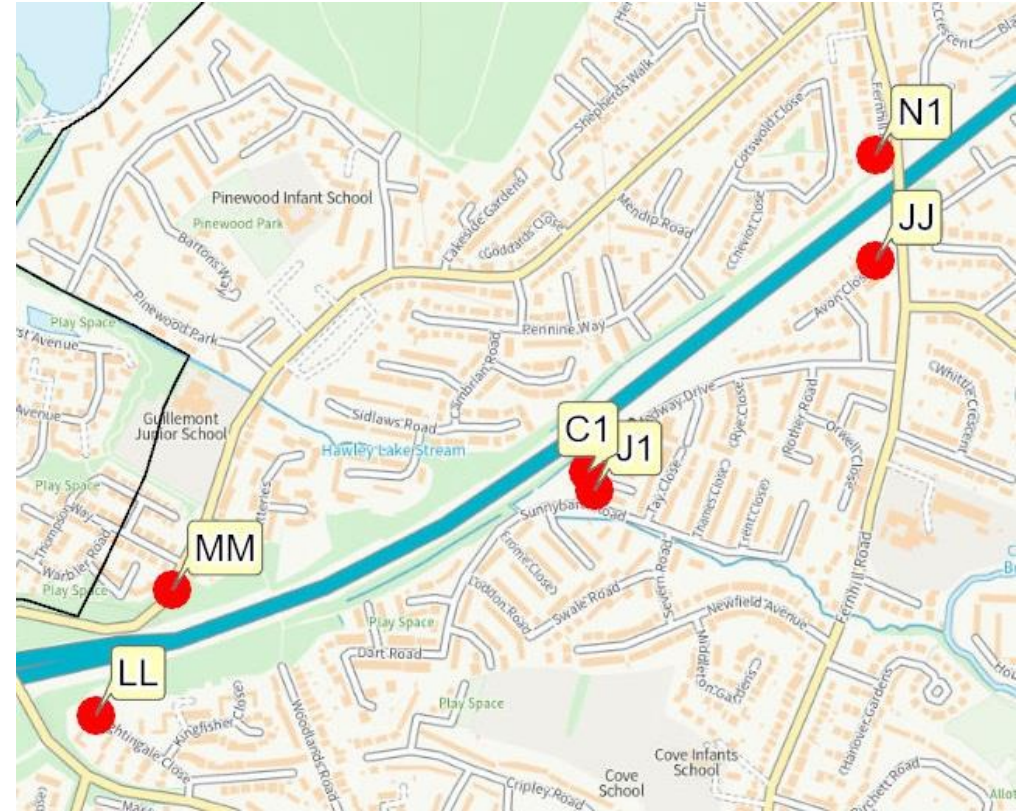
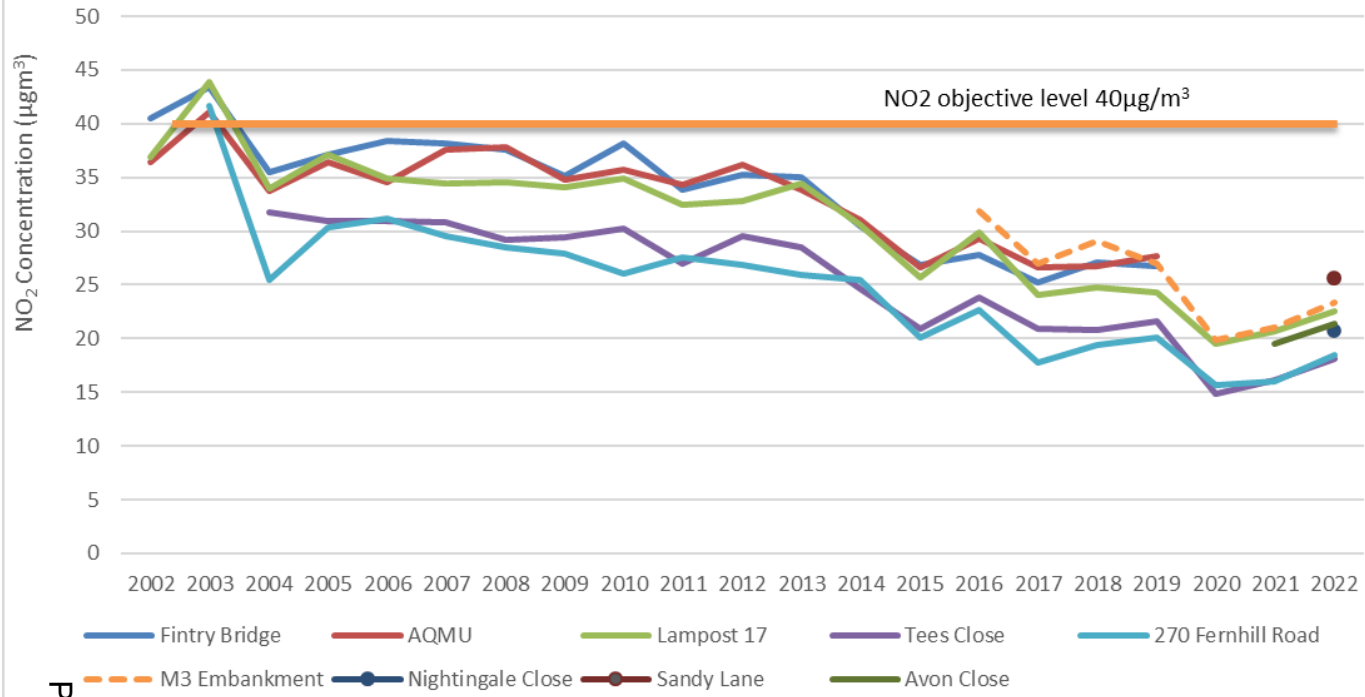
Airport Annual Mean NO₂ data (ug/m³) vs ATMs



Trend in the average annual mean NO2 concentrations across Rushmoor Borough

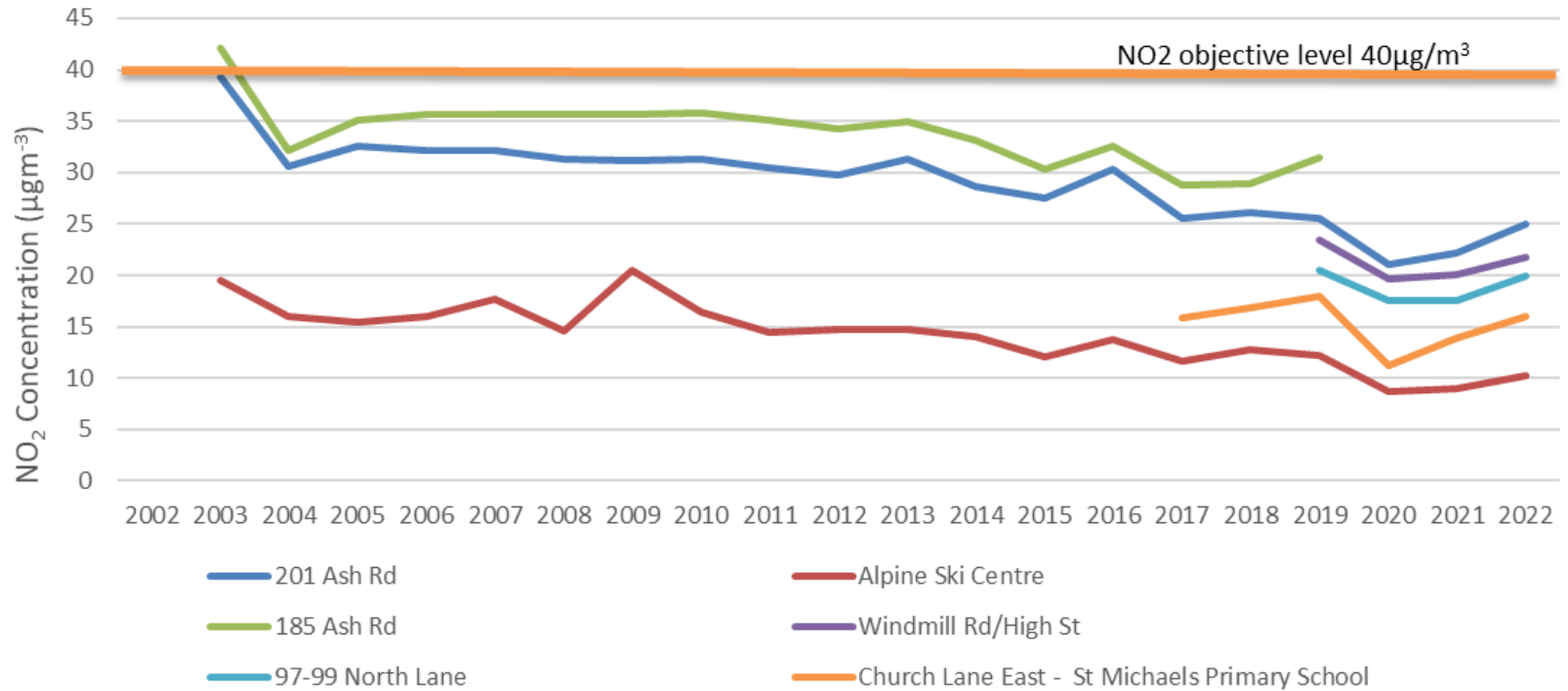


Average annual mean NO₂ concentrations by the M3

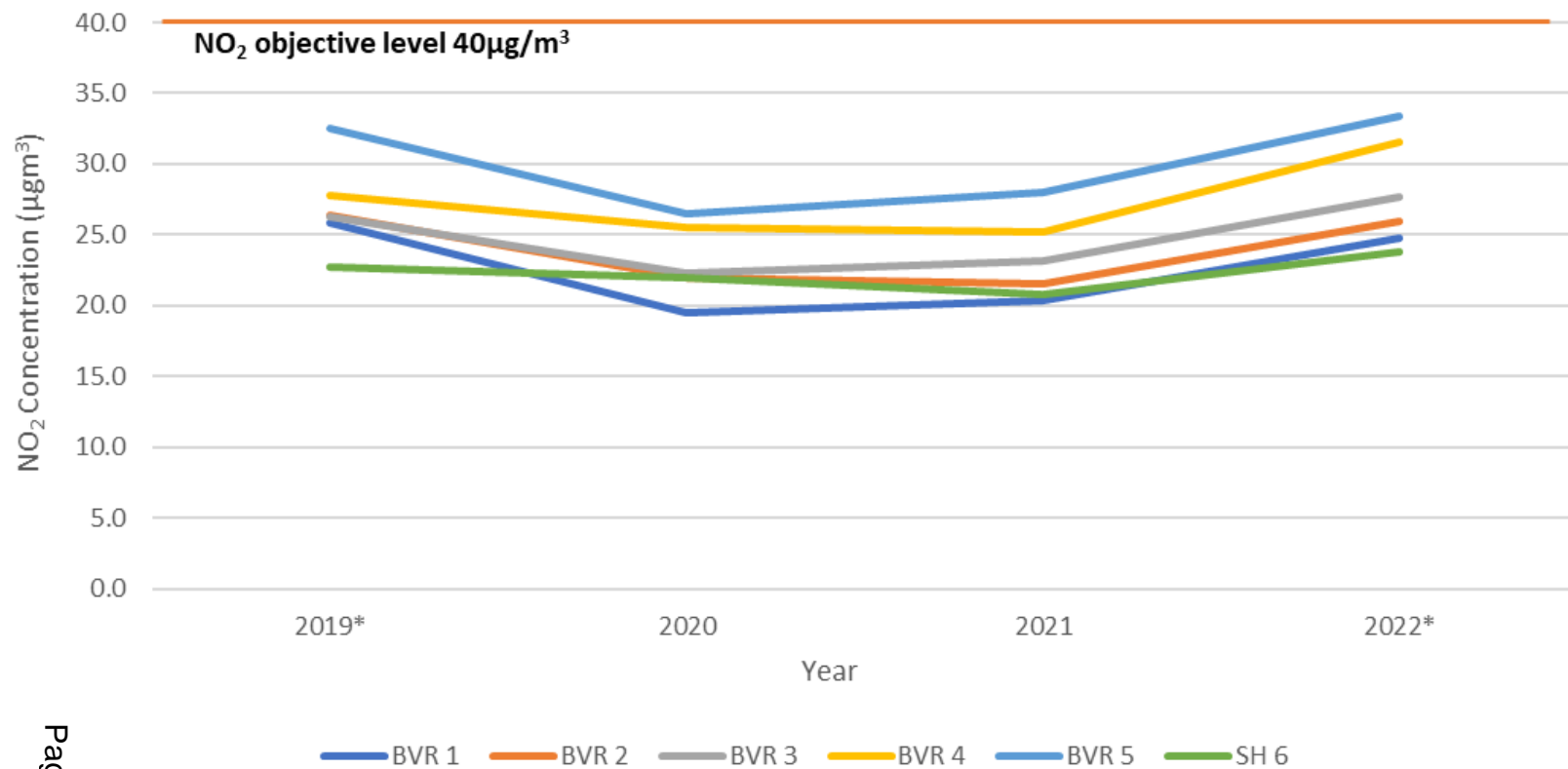


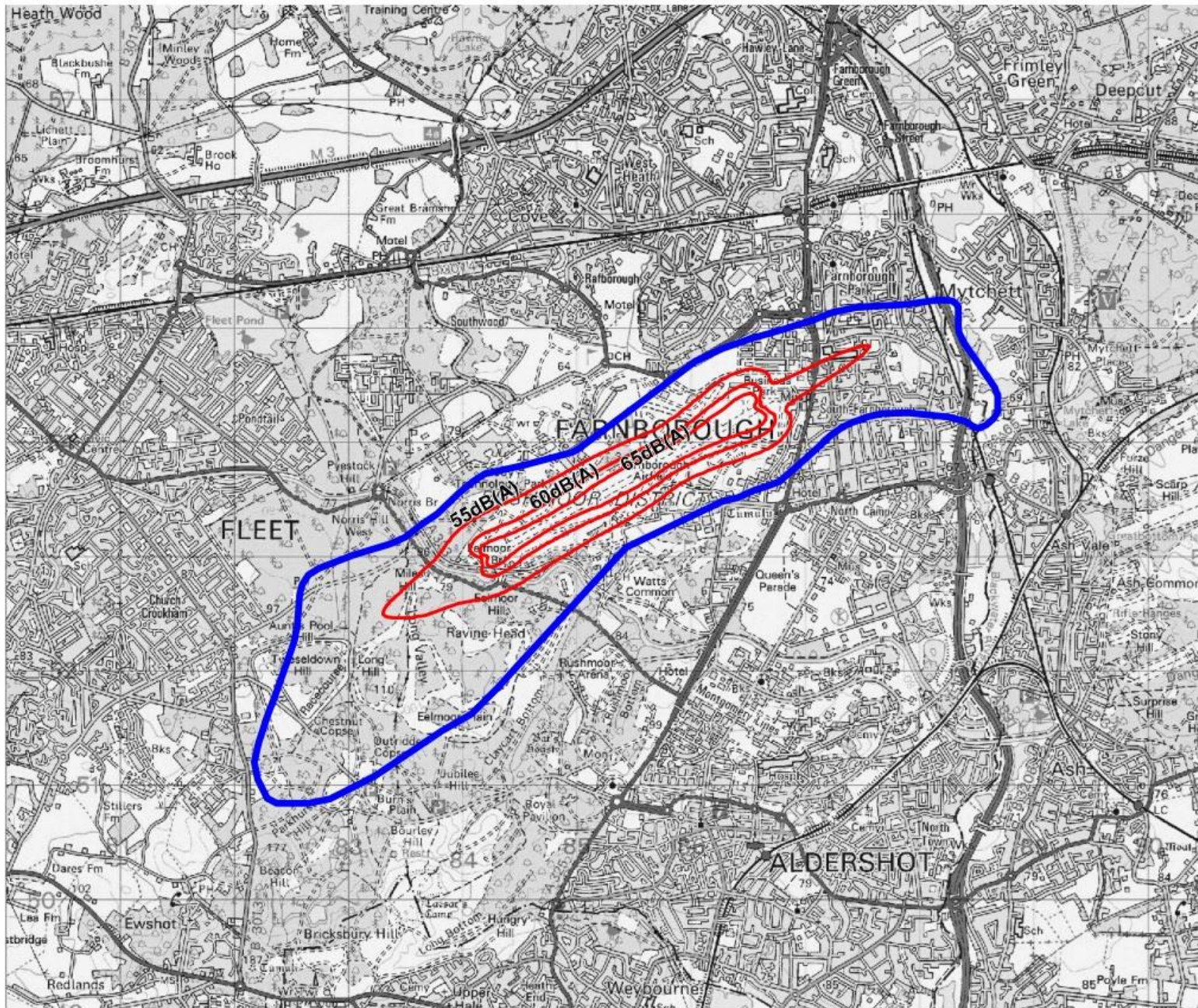


Annual mean NO₂ concentrations at sites in Aldershot



Monitoring along Blackwater Valley footpath by A331





Key:
— Airport Noise Contours
dB(A) LAeq 16
— Planning limit 55dB(A)
LAeq 16 Noise Contour

Revisions

Farnborough Airport Ltd
Farnborough
Hampshire
GU14 6XA

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Based upon Ordnance Survey 1:50000 mapping
Licence Number: 1000 36221

Scale@A4	Date	Drawn by
1:40 000	02/02/23	DB

Title
Figure 1:
Airport Noise Contours
All 2022

Drawing No.	Rev No.
GN TG A OP 3342	A

File

Jet Net Zero Strategy

- Build's on the aspirations set out in the UK aviation strategy.
- The Jet Zero Strategy sets out the government's vision for decarbonising aviation.
- Commits the aviation sector to achieve net zero by 2050, with a target for domestic flights to reach net zero by 2040.
- Includes measures focused on achieving system efficiencies, increased availability of Sustainable Aviation Fuels (SAF) and zero emission flights.
- On SAF the Strategy issues a mandate to target at least 10% SAF by 2030.

Jet Net Zero

- RBC is working with EM3 Local Enterprise Partnership and other partners to understand the local opportunities presented by the Jet Zero agenda.
- This reflects wider opportunities in Rushmoor of which the presence of Farnborough Airport is part. These include:
 - a broad cluster of aerospace and defence businesses
 - the Aerospace Research and Innovation Centre (ARIC) at Farnborough College
 - A strong knowledge-based economy (reflected in section 5 of the Study)
 - a rich aerospace and innovation heritage.
- RBC is keen to ensure local residents and businesses can realise any opportunities emerging in the sector.

Farnborough Airport

9th February 2023



FARNBOROUGH
AIRPORT

Driving prosperity

As a flagship employer of the borough, we want to continue to drive prosperity in the region.



Supporting economic wellbeing in Rushmoor



Longstanding history of contributing to the economic wellbeing of the borough.



Creating jobs which are resilient in times of change.



Through continued investment we aim to support the creation of many more jobs and further growth.



Highest rate payer in the borough

1. Farnborough Airport	11. Fluor Limited
2. BMW (UK) Ltd	12. Dfs Trading Limited
3. The Accounting officer (MOD)	13. B&Q Plc
4. Qinetiq Limited	14. BAE Systems Plc
5. Tesco Stores Ltd	15. Farnborough International Ltd
6. Asda Stores Ltd	16. Costco Wholesale Uk Limited
7. CsC Computer Sciences Ltd	17. Wm Morrisons Supermarkets Plc
8. Gulfstream Aerospace	18. Aviator Hotel (Farnborough) Ltd
9. Wm Morrisons Supermarkets Plc	19. Syneos Health Uk Limited
10. J Sainsbury Plc	20. NHS Property Services Limited



Bringing Community Projects to Life

40

Over the last decade, the Farnborough Airport Community Environmental Fund has awarded more than £700k in grants to enhance community areas and facilities.





Attracting, developing & retaining employees

We are committed to becoming a recognised employer of choice and responsibility in the borough.

We aim to do this through attracting and retaining our employees, catering to their development and wellbeing.



Inspiring the next generation

We recruit locally where possible.

Recognising the higher than regional average unemployment figures for 18 to 24-year-olds in the borough.

We want to attract and inspire the next generation of aviation.



Minimising our environmental impact

We are working to minimise our environmental impact. Actively managing:

Noise

Air quality

Carbon emissions

Waste recycling

Biodiversity

Wildlife management





Net Zero by 2030 or sooner

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Last year we launched our Roadmap to Net Zero by 2030.

By following our Net Zero pathway, by 2030 or sooner we can reduce emissions within our direct or indirect control by 91%.

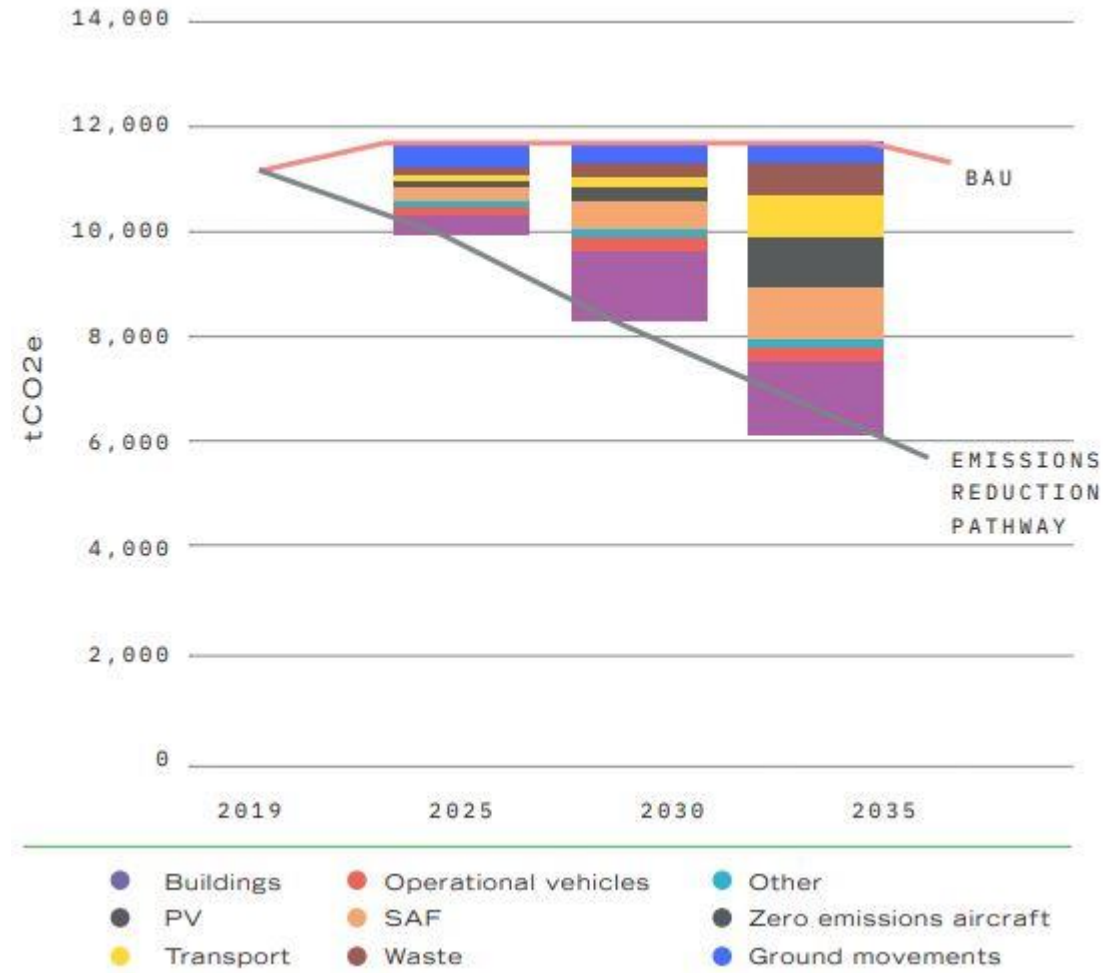




Reducing further emissions

We are looking at new ways we can supply and create sustainable energy sources, from solar power to Sustainable Aviation Fuels (SAF).

Following an emissions reduction pathway will enable the Airport to reduce a wider scope of emissions, that include aircraft movements up to 3,000 feet, by more than 40% by 2035 or sooner.



Ahead of the Curve



Overview and Scrutiny Committee

9th February 2023

**Item 4 –
Work Plan**



The meeting
has now
finished



The meeting
has paused



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