

The Present and Future Role of Gloucestershire Airport (2004)

Progress on Recommended Actions 2004 to 2007

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Background

In 2001 Gloucestershire Airport issued a development strategy for 2002 to 2007. As a result, the shareholders commissioned a study from Gloucestershire University and subsequently a more in-depth one from Gloucestershire First (GF) in 2003. GF selected a well respected specialist consultancy, the Transport Research Laboratory (TRL), to produce the report, entitled **The Present and Future Role of Gloucestershire Airport** (2004).

An executive summary of the original TRL 2004 report is available on the GF website at www.glosfirst.co.uk under the 'Publications' section, where a copy of this update document can also be found.

The Present and Future Role of Gloucestershire Airport report supported the continuation of the role the Airport played within the County economy, and put forward a series of recommended actions. These actions were necessary to ensure that the Airport complied with standard Civil Aviation Authority (CAA) guidelines, and had the opportunity to become increasingly profitable.

The Airport has seen substantial growth in recent years, reporting a turnover of £2.65M and profit of £150K in 2003/04. Through this success the Board has been able to provide the shareholders, Cheltenham Borough Council and Gloucester City Council, with increasing dividends.

It is now timely to provide an update on progress against the key recommendations of the original 2004 report.



A Cessna Citation corporate jet at Gloucestershire Airport

A Brief History of Gloucestershire Airport

In 1931, Gloucestershire Airport began life as Down Hatherley airfield, on a site adjacent to its present location. In 1936 the Councils of Cheltenham and Gloucester purchased the present airport's land, and the new airport was named Staverton.

Staverton served as an RAF training base during World War II and, during the 1940s, flying pioneer Sir Alan Cobham helped develop in-flight refuelling at the airport.

In the post-war years Smiths Industries based their flying test bed aircraft at the airport. Destinations such as the Channel Islands, Dublin and the Isle of Man were serviced by scheduled flights. Sir George Dowty developed a unique internally sprung wheel. Over 70 years later, Messier Dowty and Dowty Rotol, the descendants of his famous company, are still at the Airport, building landing gear and propellers for world markets

During the 1960s and 70s, as one of the first in Britain dedicated to the preservation of Second World War aircraft, the airport was home to the Skyfame Museum.

In the 1990s, the airport became an important helicopter centre, with Police Aviation Services and Bond Air Services establishing their headquarters here. In 1993, Staverton was renamed Gloucestershire Airport to reflect its increasing prominence as the business aviation centre for the County. Its three asphalt runways mean that crosswinds are rare and there is also a 300-metre grass runway for those aircraft needing it.

In late 2006, the airport was one of only 6 in the UK participating in a Civil Aviation Authority trial, for aircraft using GPS satellite technology to guide them to the Airport.

Gloucestershire Airport Business Strategy 2002 to 2007

The business strategy produced by Gloucestershire Airport contained thirteen key objectives, six of which have been completed, one deferred and one is still in progress. The other five objectives were to start after the 2004 study recommendations had been published and are mentioned later within this update document.

The objectives met are:

- The radar has been upgraded.
- A new and improved relationship with the emergency services was established, and the Airport is now represented on the County Emergency Planning Committee.
- Third parties, one of which supports employment in the maintenance of helicopters used by the emergency services, have built two hangars.
- The aviation fuel management facility has been upgraded.
- The building at the rear of the main apron has been removed, freeing up space for more aircraft parking outside the terminal building.
- The letting of Meteor Business Park has now been completed.

The Airport Today

Gloucestershire Airport is a successful General Aviation (GA) airport located in a prime business location with potential direct access from the M5/A40 junction, only 250 metres away. The Airport currently handles around 90,000 movements per year, making it one of the top three GA airports in the country. The annual turnover averages around £2.5M, comprising £2M from the flying operation and £500K from commercial property. Operating expenditure is typically around £2.3M.

As a Limited Company it contributes directly to the income of its Local Authority shareholders by paying them a proportion of its operational property rental income and an annual dividend. The business income of the Airport is derived from five main sources:

- Property letting
- Landing fees
- Passenger handling fees
- Hangarage
- Fuel sales

Current Tenants

Amongst the numerous aviation related businesses currently based in the office space and hangarage at the airport are:

- the headquarters of two of the largest commercial helicopter operators in the UK
- an Air Traffic Control training college
- the aeronautical engineering training centre for the City of Bristol College
- eight commercial flying training schools
- two business jet charter operators
- a business jet engineering centre and a jet engine testing centre.

There are around 130 aircraft based at the Airport, ranging from single seat light aircraft to Executive Jets.

Key Personnel

Airport Director: - Mark Ryan

Board Member having overall responsibility for safety and strategic direction. implementation of the company safety policy through the development, application and audit of the Safety Management System. The position is also responsible for ensuring compliance with the Department for Transport's National Aviation Security Programme (NASP) and Emergency Planning.

Commercial Director & Company Secretary: - Lesley Bexson

Board Member having responsibility for all tenant and staff matters.

Operations Manager/Senior Air Traffic Control Officer: - Darren Lewington

Official in Charge of day-to-day operations of the aerodrome and provision of Air Traffic Services. Ensures the aerodrome and the airspace within which its visual traffic pattern is normally contained are safe at all times for use by aircraft. Responsible for security and the safety management systems, and liaison for all the emergency services and county emergency planning.

Progress on Recommended Actions 2004 to 2007

Recommendation i)

Financing for the runway resurfacing is released, and the work carried out, as a matter of urgency: we understand that approval of this financing has now been made.

Progress

The large scale re-surfacing work, costed at £1m was postponed. More minor but essential repairs to the surface were carried out.

The Airport has developed a broader 5 Year Plan encompassing larger scale works and more lasting solutions, including the re-surfacing work. The likely costs of these works are estimated at £2.8m, which includes a capital injection of £1.8m.

Work is planned to address long-standing safety issues with close-in obstacles and the Runway End Safety Area to ensure the main runway complies with the current Civil Aviation Authority safety regulations. Completion of this work will restore around 160 metres of existing, but currently unusable, runway length.

In November 2005 both shareholding councils agreed to the plan, subject to planning permission being obtained, Civil Aviation Authority approval, and a new dividend policy being adopted. Full details of the 5 year Plan are available via the Tewkesbury Borough Council (TBC) website.

Recommendation ii)

There appears to be no business justification for the expenditure associated with major earthworks at the eastern end of the runway. However, alternative plans which would increase the LDA to 1,199 metres and improve safety standards should be investigated further.

Progress

Alternative plans have been investigated and resulted in the development of the 5 year Plan (see above). The work proposed in this plan removes major obstacles from the approaches to either end of the main runway, constructs a Runway End Safety Area (RESA) at the end of runway 27 (see map on page 9 of this document) and installs an Instrument Landing System serving runway 27.

A previous application to aid extension of the runway was rejected by TBC on Green Belt grounds as apparently the full picture was not adequately explained. Four new but related applications have now been submitted: relocation of Blenheim House, the residential building obstructing one end of the runway; relocation of a building at the other end of the runway; a grass run-off extension to the runway; the closing of the existing road access to the airport and the opening of a new road access point.

These works will create a safe, fully compliant Code 2 runway (as at London City Airport and others), equipped with an industry standard precision approach landing aid. The applications will go to Committee as part of an overall package, at the latest by May 07. If these are approved the Airport intends to commence works as soon as possible.

Once the planned improvements are carried out, significant financial benefits are expected to result. The installation of an Instrument Landing System (ILS) would generate immediate and significant income for both home-based and visiting commercial training operations at the Airport.

Because ILS is the standard approach aid, home-based operators and regular visitors (such as the Oxford Air Training School) are required to train students thoroughly in its use. ILS locations with training slots available are becoming increasingly scarce, and the Oxford Air Training School currently travel as far as the Channel Islands to obtain the use of an ILS.

The additional income generated from these and other training operators would be likely to exceed £75,000 in the first year of ILS operation. The ILS would also provide the precision approach capability essential to attract the development of the business, charter and scheduled services potential recognised in the TRL report.

The estimated increase in income resulting directly from the development work, as detailed below, would be in addition to normal operational income.

- Years 1 & 2 - Nil extra during works period
- Year 3 - Additional ILS training and corporate aircraft business
Income estimate = £160,000
- Year 4 - Growth in Year 4 income sources
Income estimate = £245,000
- Year 5 - Growth in Year 5 income sources
Income estimate = £330,000

Recommendation iii)

In the short to medium term a policy of organic growth should be pursued, including further development in the general aviation field and the encouragement of potential operators of regular passenger services, whether scheduled or charter. Acceptance of this policy implies that some land within the airport boundary which is presently within the Green Belt will need to be released for suitable aviation-related development.

Progress

The Airport has continued to grow in line with the business growth trend in the aviation industry. There has been a steady increase in aircraft charter business. Further development is unlikely until the planned building and re-surfacing works have been carried out.

Once the runway improvements have been made, the landing distance available on runway 27 will be increased from 997 metres to around 1,160 metres, making it suitable for a wider range of popular aircraft.

Release of land at the airport, within the Green Belt outside the defined development boundary, may be problematic. Operational requirements of the Airport itself are likely to be sympathetically considered, however the Local Plan Inspector did not recommend any changes to the current development boundary.

The Airport has worked with consultants to investigate the possibility of green belt use and the associated planning issues. They have a long term strategy to pursue opportunities but accept that there would be significant obstacles to overcome.

Recommendation iv)

The first part of recommendation ii) should be reviewed if regular passenger services develop to such an extent that the investment costs might be more justifiable in view of the potential benefits to the wider Gloucestershire economy.

Progress

Regular passenger services have not yet developed (see update to point iii above). The runway improvements would make possible the introduction of regular, scheduled flights, servicing destinations such as Dublin, Glasgow/Edinburgh, London City and the Channel Islands, if operators consider it to be a cost effective venture.

The improvements to the runway declared distances could also be expected to attract larger business aircraft that cannot currently use or are severely restricted in their use of the Airport. This would be likely to include new, home-based aircraft, raising income from landing fees, fuel and hangarage. Each such aircraft would typically generate £250 per movement. Visiting business aircraft would also be expected to increase in number, each landing also typically generating £250 in fees and fuel charges.

Recommendation v)

Modest extensions to the airport's operating hours would provide greater operating flexibility to users and would consequently make the airport more attractive. Consideration should be given to this, weighing the benefits involved with the additional staffing costs, estimated at around £50.000 p.a., which would be incurred.

Progress

The operating hours remain the same.

Gloucestershire Airport, as a business airport, opens between 8.30 am to 7.30 pm Monday to Friday. At weekends it opens later at 9.00am and, during the winter months, closes earlier at 6.00pm. Variation to these hours may be made by prior arrangement (incurring extra fees) for individual flights to operate slightly outside these hours. The majority of out-of-hours flights occur within 2 hours of the published opening times. The staffing of the fire service and air traffic control functions has been increased to offer greater flexibility in covering out of hours operation. On occasions the Airport opens during the night for the emergency services (usually for a medical flight).

Recommendation vi)

The shareholders should recognise that the closure of the airport and the re-use of the site is not a feasible option, and should take steps to express this recognition publicly, so as to remove any doubts over the airport's future.

Progress

This support was initially expressed, but more recent political changes since the May elections have resulted in the situation becoming less clear regarding the shareholders stance.

The Airport land is not recognised as a development area (for housing or employment) by the Regional Planning Body in the draft Regional Spatial Strategy published June 2006, due to its strategic Green Belt location. There may possibly be arguments against this by objectors at the Examination in Public in April/June 2007 (see update to point vii below).

Recommendation vii)

The shareholders should recognise that the sale of the airport as a going concern would move it in line with the great majority of other (formerly) local authority-owned airports; and the shareholders may wish to consider whether it would now be an appropriate time to follow such as course of action themselves.

Progress

There have been approaches made by several consortia keen on buying or running the Airport, and various proposals have been put forward. There has been no movement to date on ownership, and no clear policy on behalf of the shareholders.

Gloucester City Council believes that the re-use of the site is a feasible option and has put this view to the body considering the draft regional spatial strategy. However, the city council recognises that any change of use will not be immediate and in the meantime wants the Airport company to maximise the returns to the shareholding councils. The City Council will not sell the freehold, but may consider the sale of the company. However any purchaser would want guarantees on the length of the lease.

AERODROME CHART - ICAO

BEARINGS ARE MAGNETIC
ELEVATIONS IN FEET AMSL137
HEIGHTS IN FEET ABOVE AD(36)

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