



MANCHESTER AIRPORT UPDATE

M.C.C. ECONOMY
SCRUTINY COMMITTEE

16 December 2015

manchesterairport.co.uk



GATEWAY TO THE WORLD

- ✈ 22m passengers; 200 destinations; 100+ airlines
- ✈ 100,000 tonnes of freight
- ✈ 7 flights a day to Middle East
- ✈ Moscow, Vienna, Berlin, Lisbon, Rome now served
- ✈ Flybe hub and code share
- ✈ Two new routes to China



POSITIONING FOR THE FUTURE

- ✈ Government policy is to make the best use of existing capacity; Manchester is the primary UK gateway outside London.
- ✈ Adopt a long term Masterplan for a 2 runway airport of c.45mppa in line with the Manchester Core Strategy.
- ✈ Develop an investment plan to transform Manchester Airport.
- ✈ Deliver economic growth as part of Northern Powerhouse & One North by securing investment in surface access.
- ✈ Develop Airport City as part of the wider Enterprise Zone to deliver economic growth and regeneration.



PART OF M.A.G

DRAFT SUSTAINABLE DEVELOPMENT PLAN (SDP)

SDP - OBJECTIVES

- Cement Manchester's position as the pre-eminent airport outside London.
- Proactively plan for growth to make best use of existing capacity
 - Support economic growth in the region
 - Actively manage and contain environmental impacts
- Be active and supportive partners in the local community
 - Improve public transport accessibility



SDP – SUMMARY

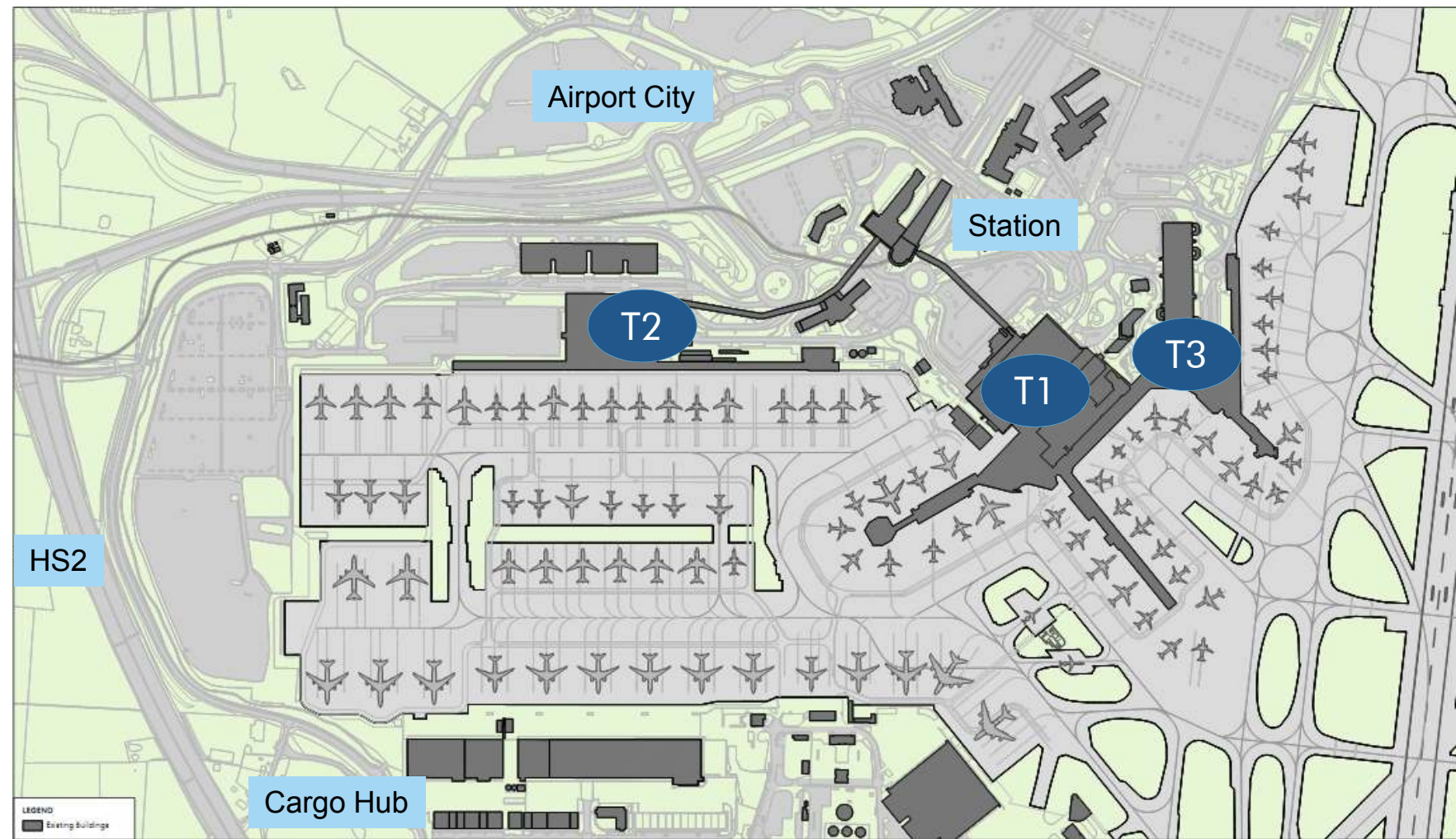
Community	Economy and Surface Access	Environment	Land use
Develop the Airport Academy and use to support Airport City	Potential to support 42,000 on site jobs and generate £2bn in economic benefit	Growth achievable within agreed noise and air quality limits and the existing boundary	Growth largely within existing boundary and two runways but with EZ extension.
Increase training & apprenticeship opportunities for young people	Support the One North growth agenda & develop Airport City	Invest in energy efficient & low carbon technologies; aim for airport operations to become carbon neutral	Improve and extend Terminal facilities – extend T2; expand T2 apron.
Increase community engagement; maintain Trust Fund	Improve and extend rail services to 25% mode share; long term 40% public transport target	Target of zero waste direct to landfill	Development plan for Westside improvements and redevelopment
Increase colleague volunteering from 21 % to 30% by 2018	Promote sustainable travel for employees. Reduce car use to 60%	Increase bio-diversity through habitat management	Decked or multi storey car parks to meet demand

07/12/2015

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PRK1 OF M.A.G

EXISTING SITE LAYOUT



THE NEED FOR INVESTMENT

Changing customer and airline expectations, and positioning Manchester as the 'Northern Gateway'

- Airline market changing e.g. charter airlines offering scheduled services; low cost airlines competing for business travellers; growing demand for transfer traffic;
- Growth of based carriers imposes pressure on peak slots; need to avoid MAN 'looking and feeling full'
- Substantial investments in competitor airports (e.g. Gatwick £1.5bn, Heathrow £3bn, Birmingham £150m) have raised the bar leaving MAN 'looking and feeling old'. Modern, fit for purpose assets are required.
- Enhanced rail connectivity improves the density of Manchester's catchment and makes MAN more attractive to airlines; especially scheduled carriers.
- MAN infrastructure needs to accommodate higher numbers of larger aircraft; while new mid-sized long range aircraft make new long haul routes viable;
- **To meet these opportunities, MAG have now endorsed a £825m long term investment plan**

THE NEED FOR INVESTMENT

Cramped & outdated baggage handling



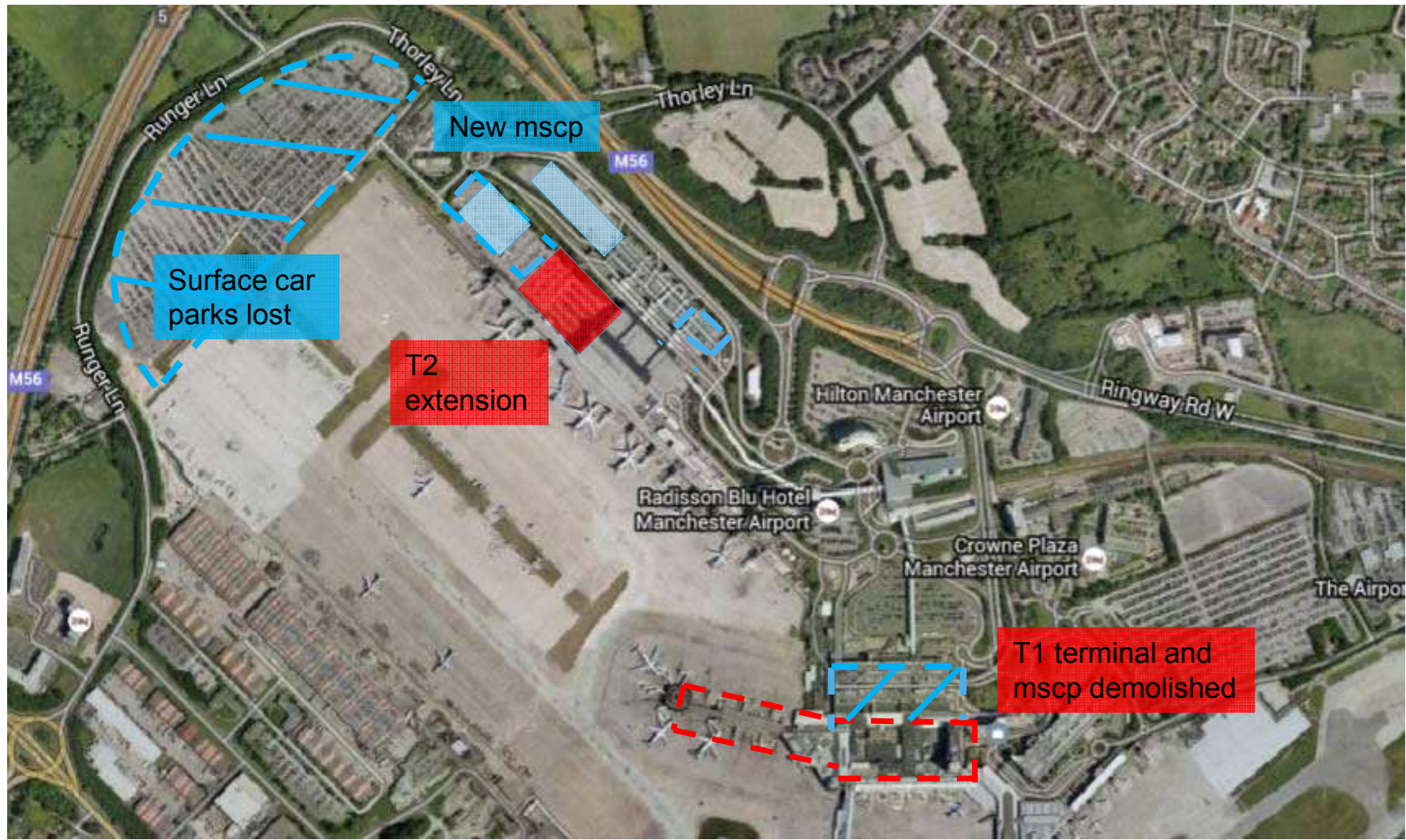
Poor entrances ; vertical circulation



Congested and out of date piers & arrivals area



KEY CHANGES



T2 EXPANSION

Gradual move of airlines from T1 to T2; T3 retained for low cost carriers.
Improved product quality and facilities and increase commercial yield

- **T2 designed for future modular growth . Expansion to deliver:**
 - Improved flexibility – space can be adapted to develop different product types e.g. layout of pier spaces, lounge products
 - Improved customer experience – better quality facilities, improved retail space
 - Improved transfer capability to reduce minimum connection times to 45-60 minutes, and supports US pre-clearance facilities
 - High environmental performance through new technology
 - Airside links between T2 and T1/T3
 - Demolish outdated and inefficient facilities in Terminal 1
- **New pier and stand layout** and increase contact stands from 56% to 71%, improving the overall product for airlines and customers; stands sized for modern aircraft fleets.
- **Additional car parking spaces;** more use of multi storey facilities to replace lost T1 mscp and surface car parks

T2 EXPANSION



SURFACE ACCESS - CONTEXT

- Good surface access has been critical to success and growth; but congestion is increasing on all strategic road and rail links.
- Our objective is to grow public transport mode share.
- 'Kiss & fly' and taxis have c.60% mode share – and are the major contributor to road traffic (4 road trips = 1 return air trip)
- Road traffic is c.60% of airport CO2 emissions
- Transport obligations form part of R2 S106 agreement. Road improvements to M56 / T2 need to be fully complete by c.32mppa.
- Transport is key to accessing employment from GM; capturing and driving economic benefits and providing connectivity for people and goods.

CURRENT POSITION

- **Rail** – 4 rail platforms; 9 trains per hour; express services across the North. Capacity, congestion and reliability issues – especially Manchester – Leeds. A poor hourly service to Crewe is the only south bound link.
- **Road** – M56 serves us well; but increasing congestion on M56, M60, M62, M6. Internal road layout congested and confusing.
- **Tram** – 12 min daytime frequency to Cornbrook.
- **Coach** – Hub on the National Express network
- **Bus** – local bus links to Manchester, Stockport, Altrincham. Local link to Wythenshawe.
- **Staff travel** – some car sharing; cycling. Discounts on tram & train.
- **The Station** – a modern interchange but issues of congestion, ageing assets, poor commercial returns.

REVISED MODE SHARE TARGETS (*Draft SDA*)

	Passengers			Employees	
	Current 22 mppa	Revised GT Strategy +40 mppa		Current c.19,000 (22 mppa)	Revised GT Strategy c.35,000 +40 mppa
Coach	3%	5%	Bus	12%	10%
Bus					
Rail	14%	25%	Rail	4%	10%
Kiss & fly / taxi	52%	30%	Car	72%	57%
Park on site	21%	15%	Cycle / walk	5%	8%
Park & Ride	8%	17%			
Metrolink	-	5%	Metrolink	6%*	15%
Car hire	3%	3%			
All figures rounded		* Initial estimate, part year			

Our new targets require us to:

- Raise Passenger public transport use from c.3.8 m. users to 14 m. users and
- Raise Staff use from 3,040 users to 16,400 users at 40 mppa throughput.



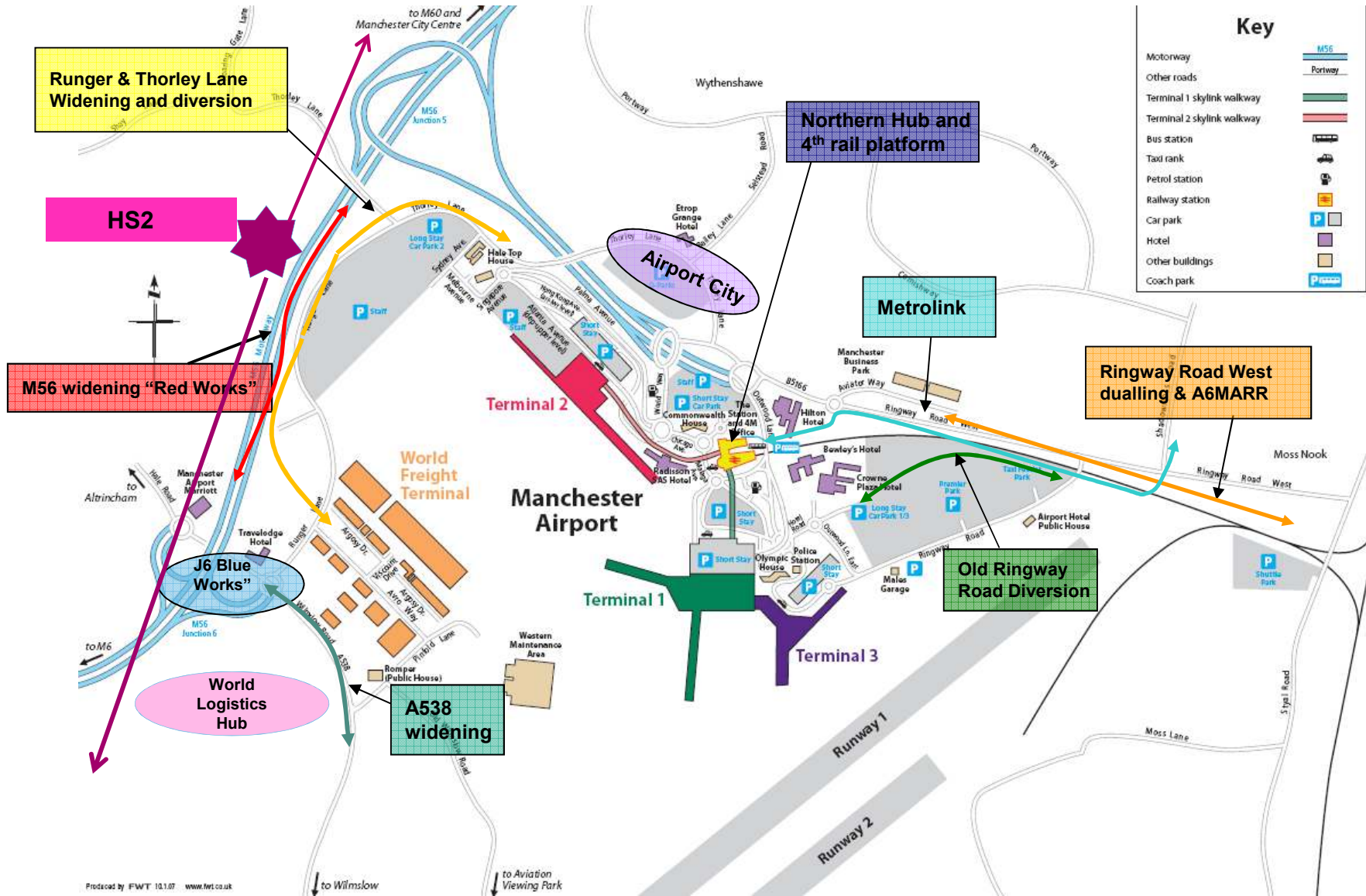
EMERGING STRATEGY (1)

- **Influencing** the One North agenda to reinforce Manchester as the North's international gateway for passengers and air freight and thus a key driver of economic growth.
- **Rail** – 4th rail platform [2015]; Northern Hub and electrification works need completing. Influencing TPE & Northern refranchises [2016] with emphasis on more direct services; increased frequency on core routes more capacity; better south bound links; improved product, ticketing, information, station facilities (off site).
- **HS2 [2033]** – lobby for an Airport stop; agree connectivity to terminal complex and The Station.
- **East – West links (HS3)** – airport as a key hub in a new strategic trans Pennine rail / road corridor.
- **Metrolink** – connect to the wider GM network with the second city crossing [2017]; extend operating hours to meet demand [2017]; western extension to complete Wythenshawe loop (improved links to EZ employment sites and HS2)

EMERGING STRATEGY (2)

- **Coach** – niche market, unexplored potential for inter-city express links where rail is poor.
- **Bus** – need to review and improve bus network in post Metrolink world.
- **Employee travel** – need more aggressive promotion, marketing and incentives to change behaviour and improve access to jobs from areas of need.
- **Road** – Airport – A6 link road [2017]; M6-M56 A556 new link [2017] complete R2 related works (rainbow works) to improve M56 and T2 links [2017 – 2024] . HA proposing 'smart' motorway on M60 & M56
- **The Station** – concept study completed for major rearrangement and expansion to handle growth, Airport City and solve current problems. Business case needed.

TRANSPORT SCHEMES



ECONOMIC IMPACT - FACTS

- Airport is a major contributor to G.M. and N.W. economy – direct jobs; supply chain jobs; inward investment; tourism; freight.
- The airport is one of the largest single employment sites in G.M. (6.5% of G.M. employment). A major employment site – c. 20,000 jobs on site; c.300 companies and a very diverse range of jobs, skills, professions and industries.
- 75% of staff live in G.M. – South Manchester, Trafford & Stockport dominate

Airport Impact	22 mppa	40+ mppa
Contribution to UK economy	£918m	£2,000m
On site employment	20,600	41,838
Direct employment	26,938	59,318
Wage impact (on- site jobs)	£271m	£597m
International visitors via MA spend	£469m	£1,0134m



ECONOMIC IMPACT – REALISING POTENTIAL

- **G.M. Enterprise Zone** – c.12,000+ jobs across 7 sites around the airport – focused on connectivity and key growth sectors. Employment Strategy developed.
- **Significant local supply chains** – increase local capacity
- **Extensive programmes on education & employment** – activity in schools (MEA academy), skills development (Airport Academy), targeted to areas of need (Wythenshawe)
- **Strong partnership working** – on site and locally
- **Construction** – a key focus for Manchester Modernisation Programme

AIRPORT CITY NORTH & WORLD LOGISTICS HUB						
Area	Office	Adv. Manuf.	Retail	Hotel	Logistics	Total
Airport City – Planning Application	9,358	1,124	264	647	0	11,393
Airport City – Airport-Related	2,085	0	170	650	0	2,905
World Logistics Hub	0	0	0	0	1,782	1,782
Other Plots	0	240	0	0	0	240
Total	11,443	1,364	434	1,297	1,782	16,320