

**What are the real business opportunities associated with the development of a new regional airport? A case study of Robin Hood Airport Doncaster Sheffield**

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## ABSTRACT

**Objectives:** The paper examines the local business opportunities associated with the development of a new regional airport; Robin Hood Airport near Doncaster in South Yorkshire, UK. The paper explores the potential ways that small and medium sized businesses (SMEs) can work with, use, or otherwise benefit from the development of an airport in their vicinity.

**Prior work:** There have been a number of studies of the economic impact of airports (ACI, 1992, 1998; York Aviation, 2002, 2004). These have tended to focus on the employment opportunities associated with airport development. This paper builds on existing studies by assessing the implications of new airport development for small and medium sized businesses.

**Approach:** The findings are based on: an extensive literature review of more than 30 existing studies relating to Robin Hood Airport and other similar airports; 19 face-to-face interviews with key stakeholders, including local economic development organisations and airport representatives; and 42 face-to-face interviews with businesses located within 30 minutes drive of the airport.

**Results:** The research shows that there are a number of ways in which SMEs can engage with an airport in their vicinity: (1) as a direct or indirect supplier to the airport; (2) as a beneficiary of inbound tourism; (3) use of the airport for business travel; (4) use of the airport for freight; and (5) other 'catalytic' benefits, such as advertising and promotion, and property development. Analysis of the airport supply chain reveals that the majority of goods and services are procured via long-term contracts with existing/national suppliers. Few local SMEs have secured contracts to supply the airport or its direct suppliers and business engagement with the airport has been restricted primarily to business travel and catalytic effects.

**Implications:** Airports are widely regarded as drivers of economic development in their locality. Existing airport studies provide a range of assessments of likely impact and, where such studies accompany proposals for the new airport development, there is a perception that the potential economic benefits may be overstated. The findings of this paper suggest that, in the short term, the business opportunities arising from the development of a regional airport are likely to be low.

**Value:** The paper assesses the potential benefit of a regional airport from a variety of perspectives, including economic development representatives, airport and airport-related companies, and local SMEs. The assessment of opportunities is, therefore, grounded in the experiences and perceptions of the local stakeholder and business population.

## 1. Introduction

The paper examines the local business opportunities associated with the development of a new regional airport; Robin Hood Airport Doncaster Sheffield. The paper explores the potential ways that small and medium sized businesses (SMEs) can work with, use, or otherwise benefit from the development of an airport in their vicinity.

The findings presented in this paper have been developed as part of a study that has been undertaken by the University of Lincoln. The aims of the study were to assess the potential opportunities arising from the development of Robin Hood Airport both for the labour market and businesses in the area of Lincolnshire which lies closest to the airport, around 17 miles or 30 minutes away. The recommendations of the study were used to inform business support and training intervention by local government and intermediary organisations.

This paper focuses specifically on the opportunities for SMEs associated with the new airport. The development of the airport has been accompanied by a number of studies that predict a high level of economic impact and assert that the airport will offer “an unrivalled opportunity to promote economic development, and develop the business and employment base of the sub-region”<sup>1</sup>. This paper seeks to explore the effect of the airport on SMEs in its vicinity, to understand the opportunities offered by the airport, and to assess the awareness and perception of these opportunities by SMEs. The question we seek to address in this paper is: what are the real opportunities for SMEs associated with the development of a regional airport?

## 2. Robin Hood Airport

Robin Hood Airport was developed on the site of a former RAF base, Finningley, near Doncaster in South Yorkshire, UK. The airport opened for commercial flights in April 2005. It is owned and operated by Peel Airports Group, which also owns Liverpool John Lennon and Durham Tees Valley Airports. Robin Hood Airport is situated in the metropolitan borough of Doncaster and lies 8 miles from Doncaster town centre, 29 miles from Sheffield and 17 miles from Gainsborough, the closest town in Lincolnshire to the airport.

Flights from the airport are operated by primarily low cost and charter carriers, such as Thomsonfly, Ryanair, Flybe and Wizz Air. Destinations have focused on mainly European cities and holiday resorts, including Paris, Amsterdam, Dublin, Belfast, Katowice, Geneva, Alicante, Malaga, Jersey, Faro, and the Canary Islands. The airport also offers a small number of long haul destinations, including Florida, Mexico, Toronto and Pakistan. Passenger numbers have, so far, exceeded initial expectations. The airport currently achieves more than a million passengers per year, and numbers have increased by 12.6% between March 2007 and 2008<sup>2</sup>. The airport is expected to achieve sustained growth, with forecasts that it will generate 2.3 million passengers per year by 2014<sup>3</sup>.

Robin Hood Airport is one of many “newcomer airports”<sup>4</sup> to be developed in Europe over the last twenty years or so. These airports can be defined as “newly set up *or*...an enlarged airfield *or* a

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<sup>1</sup> Renaissance South Yorkshire (2005) *Robin Hood Airport Doncaster Sheffield: Project Plan*

<sup>2</sup> Robin Hood Airport website ([www.robinhoodairport.com](http://www.robinhoodairport.com))

<sup>3</sup> Peel Airports and EC Harris (2003) *Local Employment and Training Action Plan*

<sup>4</sup> Behnen, T (2004) “Germany’s changing airport infrastructure: the prospects for ‘newcomer’ airports attempting market entry” *Journal of Transport Geography*, Vol 12 (4)

converted airbase which tries to compete with established airports”<sup>5</sup>. Examples include Rome Ciampino, Coventry, and Frankfurt Hahn<sup>6</sup>. These are often located further away from main centres of population than established airports, and are more likely to be typified by the presence of low cost and charter flights.

### 3. Literature Review

#### 3.1 Understanding the Economic Impact of Airports

Airports are widely regarded as drivers of economic development in their localities. In its 2003 White Paper, “The Future of Air Transport”, the UK Department for Transport states:

“Many airports increasingly act as a focal point for clusters of business development... Building local supply chains and capacity for the aviation industry could bring important benefits to the economies of region”<sup>7</sup>

Aviation makes a significant contribution to the UK economy. In 2001, it contributed £11.4 billion to the UK economy (1.1% of total GDP)<sup>8</sup>. The sector is expected to grow significantly over the next 25 years, with the Department for Transport forecasting that passenger movements in the UK will more than double from 2003 to 2030, from 200 million to between 400 and 600 million per year<sup>9</sup>.

The business activities associated with airports are not restricted solely to aviation but include retail, catering, car parking, business parks and office space. It is estimated that more than half of revenue generated at an airport is from non-aviation sources<sup>10</sup>. The business opportunities associated with or generated by an airport are, therefore, diverse and extend beyond core airport business to wider activities that take place at an airport.

Airports Council International<sup>11</sup> and York Aviation<sup>12</sup> have developed a typology to reflect the different types of business activities and opportunities associated with an airport. This is:

Direct Impacts	Opportunities directly linked to the operation of the airport
Indirect Impacts	Opportunities associated with the supply chain of companies serving the airport
Induced Impacts	Opportunities associated with income multipliers associated with direct and indirect impacts
Catalytic Impacts	Opportunities linked to inward investment, tourism growth, increased business output/exports, productivity improvements etc

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<sup>5</sup> Ibid, p 278

<sup>6</sup> Dennis, N (2004) *Can the European low-cost airline boom continue? Implications for regional airports*, The 44th European Congress of Regional Science Association

<sup>7</sup> Department for Transport (2003) *White Paper: The Future Of Air Transportation in the United Kingdom*, Department for Transport, London, Chapter 4, p 6

<sup>8</sup> Oxford Economic Forecasting (2006) *The Contribution of Aviation to the UK Economy*

<sup>9</sup> Department for Transport (2003) *The Future of Transport: Key Facts*

<sup>10</sup> Gerber, P (2002) “Success Factors for the Privatisation of Airports – an Airline Perspective” *Journal of Air Transport Management*, Vol 8, p 29-36

<sup>11</sup> Airports Council International – ACI (2004) *What Constitutes an Airport?* [online] available from <http://www.airports.org>

<sup>12</sup> York Aviation (2004) *Renaissance South Yorkshire – Maximising the Economic Benefits of Robin Hood Airport*, York Aviation, United Kingdom

Direct impacts include those associated with the core business of an airport and the airlines. Indirect impacts include activities contracted to suppliers of the airport, such as cleaning, passenger handling, security, freight handling, public transport and car parking. Induced and catalytic impacts are created as a result of the presence of an airport, but not directly linked to it, and include construction, tourism, warehousing, increased trade activity and business travel.

A number of factors have been shown to affect the potential economic impact of an airport. These include the procurement practices of the airport (the extent to which functions are performed in-house or contracted to external suppliers), the volume of passengers and freight, the number of airlines using the airport as a base or “hub”, and the presence of onsite maintenance facilities<sup>13</sup>. The variety of factors that affect the potential of the airport to generate benefits to the economy in the local area is reflected in the following categories that have been developed by ACI and York Aviation<sup>14</sup>:

Low Density	(e.g. Cork, Edinburgh) which generate 350-600 jobs per million passengers per annum (mppa). These have relatively low volumes of freight/passengers, traditionally high proportions of charter flights to scheduled air and limited business park developments.
Medium Density	(e.g. Luton) which generates 600-900 jobs per mppa. These have medium/high passenger/freight volumes, scheduled flights, low cost carriers, some airline bases and significant business park development
High Density	(e.g. London Heathrow) which generates 900-1200 jobs per mppa and are international hubs characterised by high passenger/freight volumes, scheduled flights, numerous airline bases and substantial business parks
Very High Density	(e.g. Cardiff) which generate over 1200 jobs per mppa, characterised by low-medium passenger/freight volumes, airline headquarters and airline maintenance bases

Using this typology, Robin Hood Airport could currently be classed as a low density airport. It has relatively low volumes of passengers and freight, is characterised by charter and low cost flights, and has limited business park development and no airline headquarter or maintenance presence. The potential of the airport to generate economic benefits beyond the airport site may, therefore, be limited compared with larger, more established airports.

There is some scepticism in the wider literature about the accuracy of standard measures for assessing the economic impact of airports. Niemeier (2001) states that calculations such as those outlined by ACI and York Aviation are often used to accompany proposals for airport expansions, and have been the subject of criticism for overestimating economic benefits<sup>15</sup>. Whitelegg (2007) states that new airports are frequently promoted on their ability to attract foreign direct investment, but this is inconsistent with the focus of new airline capacity which is mostly aimed at outbound tourism<sup>16</sup>.

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<sup>13</sup> Starkie, D (2002) “Airport Regulation and Competition” *Journal of Air Transport Management*, vol 8, p 63-72

<sup>14</sup> ACI and York Aviation (2004) *The Social and Economic Impact of Airports in Europe*, p 36

<sup>15</sup> Niemeier, H (2001) “On the Use and Abuse of Impact Analysis for Airports: a Critical View from the Perspective of Regional Policy”, *Regional Input-Output Analysis*

<sup>16</sup> Whitelegg, J (2007) *Summary Proof of Evidence on behalf of Stop Stansted Expansion: Economic and Employment Aspects of Stansted’s Proposed Growth Trajectory*

### 3.2 Understanding the Economic Impact of Robin Hood Airport

A number of studies have been conducted into the potential economic impact of Robin Hood Airport. Estimates of the likely impact vary depending on the author of the study. In their own employment and training plan, Peel outlines projections of 2,300 direct jobs by 2014<sup>17</sup>. Estimates generated by York Aviation are more conservative, at 1,382 direct, indirect and induced jobs by 2010<sup>18</sup>.

Work undertaken by Renaissance South Yorkshire Enterprise Agency suggests that there is potential for the airport to contribute to the growth of key business sectors which include aerospace/automotive, business and financial, creative and digital industries, and environmental and energy<sup>19</sup>. This suggests that may be indirect and catalytic opportunities for SMEs in the local area.

A study undertaken on behalf of Doncaster Metropolitan Council by Mouchel Parkman<sup>20</sup> suggests that the effects of the airport will be limited by the nature of the local economy. The authors state, “the analysis shows a kind of chicken and egg effect where the airport can do some modest good but needs a stronger economic base around it to really flourish and do more good. The existing economic base is helped by, but not transformed by, the presence of a regional airport”

### 4. Approach

The findings presented in this paper have been developed using a number of research approaches:

- A **literature review** of more than 30 sources, including existing studies of Robin Hood Airport and other similar airports, government white papers, and peer-reviewed journal papers.
- Nineteen face-to-face **interviews with key stakeholders** to develop an understanding the airport’s development and its effect on the local economy and to assess the compatibility of activities at the airport and the nature of local businesses. Interviews were undertaken with representatives of Peel Airports and organisations involved in business support and economic development, such as local authorities, business support organisations, and regional development agencies.
- **Interviews with 42 businesses** located at the airport and in the surrounding area. The purpose of the interviews was to explore how businesses could benefit from Robin Hood Airport, to assess businesses’ awareness of opportunities at the airport, and to identify actions that businesses were or could be taking to benefit from the airport.

A snowball sampling technique was used to identifying existing and potential suppliers and users of the airport. Interviews with Peel Airports were used to identifying existing suppliers, and a preliminary list of potential users and suppliers was identified through the stakeholder interviews.

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<sup>17</sup> Peel Airports and EC Harris (2003) *Peel Airports (Finningley) Ltd – Local Employment and Training Action Plan*

<sup>18</sup> York Aviation (2004) *Renaissance South Yorkshire – Maximising the Economic Benefits of Robin Hood Airport Doncaster Sheffield*

<sup>19</sup> Renaissance South Yorkshire (2005) *Robin Hood Airport Doncaster Sheffield: Project Plan*

<sup>20</sup> MouchelParkman (2004) *Finningley and Rossington Regeneration Route Study: Working Paper 7 Economic Impact of Finningley Airport*

Further suggestions for existing and potential users were identified via the business interviews. The businesses selected for interview can be divided into the following categories:

- Existing suppliers of Robin Hood Airport (6 companies)
- Potential suppliers of Robin Hood Airport (3 companies)
- Manufacturing (18)
- Tourism (6)
- Logistics (2)
- Infrastructure (1)
- Business-to-Business Services (5)

A distinction was made between the airport and its existing suppliers and those companies that could be potential suppliers or other users of the airport. Airport-based companies were asked a series of questions about their existing supplier relationships, their procurement processes, their potential for further growth, and their awareness of local suppliers or other beneficiaries. Potential suppliers and users were asked a series of questions that explored the ways that they had or could work with Robin Hood Airport.

## **5. Opportunities to Supply Robin Hood Airport**

### **5.1 Understanding the Airport Supplier Linkages**

Interviews with Peel Airports and the companies based at the airport were used to develop an understanding of the airport supplier linkages. The companies were asked questions about their suppliers, the goods and services provided, and the nature of the relationships with their suppliers. This information was used to explore the potential opportunities for local suppliers.

Peel Airports has outsourced a number of airport functions. These are set out in Table 1. Thomsonfly is the main carrier at the airport, and was the “launch” airline for when the airport started to operate. The relationship is described as a partnership, as the airport and airline would not be able to operate on the site without the commitment of the other. Other outsourced functions are passenger and freight handling (Penauille Servisair), cleaning (Mitie Cleaning), retail and catering (Alpha Retail), and security services (Group4Securicor). Each of the contracts has been awarded to companies through a competitive tendering process, and most are for a three year period. Peel Airports states that these services are likely to remain outsourced in the future. Other functions such as grass cutting and building maintenance are currently undertaken by Peel, but may be outsourced in the future if it is considered more efficient to do.

For other goods and services, the majority of suppliers are located in the Manchester area, in the vicinity of Peel Group headquarters. Although the property manager at Robin Hood Airport states that there are opportunities for local suppliers and that the airport tries to buy locally where possible, he also states that these opportunities may be declining as Peel moves towards a group buying policy. This suggests that opportunities for local companies to become a direct supplier of Robin Hood Airport may be limited. Peel states that local companies could work with the airport in a number of ways, including: (i) subcontracting to suppliers that have secured a contract with the airport, such as Bovis, which subcontracted to a number of local building firms; and (ii) providing ‘ad hoc’ services for the airport, such as maintenance or repair of lifts, escalators and baggage handling machinery.

**Table 1: Suppliers of Robin Hood Airport**

<b>Supplier</b>	<b>Location</b>	<b>Nature of Relationship</b>	<b>Products or Services</b>
Thomsonfly	On Site (HQ Luton)	Partnership	Charter and low cost flights
Penauille Servisair	One Site (global company)	3 year contract	Passenger services and ground handling
Mitie Cleaning	On Site (HQ London)	3 year contract	Cleaning of passenger terminal, fire station and offices
Alpha Retail	On site	Contract (term not known)	Catering services and shopping for terminal building
Group4Securicor	On Site (HQ London)	3 year contract	Airport security services

Thomsonfly, which is part of the German-based Tui group, provides low cost and charter flights at Robin Hood Airport. At Table 2 shows, the company has a number of suppliers that have a contract with Thomsonfly across all its locations. These include LSG Sky Chefs and Aircraft Service International. Thomsonfly also has a number of contracts with local firms. These include a local taxi firm, which provides transport for flight crew to and from other UK airports, and the Cargo Handling Centre, which is a new company set up to handle freight at Robin Hood Airport.

**Table 2: Suppliers of Thomsonfly**

<b>Name of Supplier</b>	<b>Location</b>	<b>Nature of Relationship</b>	<b>Products of Services</b>
Penauille Servisair	On Site	Local contract	Ground handling and check in
LSG Sky Chefs	Nottingham East Midlands Airport	National contract	In flight food
Hallmark Taxis	Doncaster	Local contract	Taxi services
Express Baggage	Rotherham	Local contract	Delayed luggage delivery
Aircraft Services International	Surrey	National contract	Supply aviation fuel
Group4Securicor	On site	Contract with Peel	Security
Cargo Handling Centre	On site	Local contract – 3-5 years	Cargo handling services

Penauille Servisair is an international company that provides passenger check-in, aircraft loading, and baggage handling services for Robin Hood Airport. The procurement of goods and services is mostly arranged at the national headquarters in Manchester. Boarding cards, bag tags, and uniforms are provided by companies that have a long term agreement with Penauille Servisair. The company has one local contract, with a Yorkshire based company called ICS, for aircraft cleaning. Penauille Servisair states that there are a limited number of ‘ad hoc’ opportunities for local companies, such as supply of office furniture.

**Table 3: Suppliers of Penauille Servisair**

<b>Name of Supplier</b>	<b>Location</b>	<b>Nature of Relationship</b>	<b>Products of Services</b>
Penauille Servisair	Manchester		Stationery goods
ICS	Hull	Local contract	Aircraft cleaning
FT Print	Hertford	National contract	Boarding cards and bag tags
Selection Clothing	London	National contract	Uniforms

Group4Securicor is responsible for security at the airport, and conducts bag scanning, body searches, and aircraft inspections. The company headquarters are in London but it has operations across 110 countries. The company receives goods from companies that supply uniforms, shoes, stationery and stands, and IT support. These are all procured via contracts arranged at the company headquarters.

**Table 4: Suppliers of Group4Securicor**

<b>Name of Supplier</b>	<b>Location</b>	<b>Nature of Relationship</b>	<b>Products of Services</b>
Dimensions	Castle Donington	National contract	Uniforms
ARCO	Hull	National contract	Safety shoes
BANNA	Not known	National contract	Stands
Computer Centre	Not known	National contract	IT Support

Mitie Cleaning is part of Mitie Group, which is a company which provides building support services. It provides cleaning services for Robin Hood Airport terminal, offices, fire station, and the Cargo Handling Centre. All goods procured by Mitie are from companies that have a long term agreement with the Mitie Group at a national level. The opportunity for local suppliers are, therefore limited except for occasional one-off purchases.

**Table 5: Suppliers of Mitie Cleaning**

<b>Name of Supplier</b>	<b>Location</b>	<b>Nature of Relationship</b>	<b>Products of Services</b>
Bunzle	Wakefield	National contract	Cleaning chemicals
Johnson Diversey	Northamptonshire	National contract	Vacuum cleaners
Nilfisk Advance	International	National contract	Vacuum cleaners, buffing machines
HAKO	Not known	National contract	Washer scrubber drier

The Cargo Handling Centre (CHC) is a new company which has been established to handle freight at Robin Hood Airport on behalf of the airlines. CHC has a policy of using local suppliers where possible. The company purchases stationery, vehicle hire, equipment and haulage. Because the company relies on local companies' use of their freight facilities, it has an open door policy for local companies. Opportunities are, therefore, available for local suppliers.

**Table 6: Suppliers of the Cargo Handling Centre**

<b>Name of Supplier</b>	<b>Location</b>	<b>Products or Services</b>
Peppers Warehousing	Worksop	Haulage
Pawson and Son	Doncaster	Haulage
Johnsons	Finningley	Haulage

The interviews with Robin Hood Airport and its suppliers suggest that there are limited local supplier opportunities. As Peel, Penauille Servisair, Thomsonfly and Mitie are part of large national and international companies, there are many existing supplier relationships in place through long term contracts at a company (rather than branch or subsidiary) level.

There are a small number of examples of where goods and services have been procured through local suppliers. These include building sub-contracting (e.g. demolition work, maintenance), taxi services, cargo handling, cleaning, baggage delivery, supply of office furniture, and haulage.

## **5.2 Implications for Suppliers in Lincolnshire**

The findings have a number of implications for potential suppliers of goods and services in Lincolnshire. These include:

- The group buying policy of Peel and other companies based at the airport means that – for the majority of contracts – local suppliers wishing to secure work at the airport must be willing to tender for contracts alongside existing suppliers. In order to be successful, local suppliers need to (i) be aware of when such contracts become available for tender/renewal and (ii) have the necessary expertise to tender effectively.
- As the airport expands, there may be a number of sub-contracting opportunities associated with building work (such as the expansion of the terminal and development of a business park) and expanding infrastructure.
- There are limited opportunities for local companies to supply “ad hoc” goods and services, such as stationery, furniture, and maintenance services. Local suppliers need to be aware of any such opportunities. Conversely, opportunities for local companies may be improved if airport companies are made aware of local suppliers.

## **6. Businesses’ Interaction with Robin Hood Airport**

This section sets out the results of the interviews with companies located within a 30 mile vicinity of the airport in Lincolnshire and that had the potential to work with or use Robin Hood Airport. The typology developed by York Aviation and ACI, outlined in the section 2, formed the basis of a series of prompts for use in the interviews. Companies were asked whether they had, or whether it was likely that they could, use or work with the airport in the following ways:

- As a direct supplier to Peel Airports or the airlines
- As an indirect supplier to the airport (working with existing suppliers)
- As a beneficiary of tourism
- Use of the airport for business travel (customers and/or employees)
- Use of freight facilities at the airport (freight in/out)
- Any other uses of benefits (e.g. advertising at the airport, or promotion of the region abroad)

The ways that companies said that they had, or could, use or benefit from the airport is set out in Table 8. The table shows the number of existing and potential users/beneficiaries of the airport for each business sector.

### 6.1 Direct Suppliers of Robin Hood Airport

From the interviews, no existing suppliers of Robin Hood Airport were identified in Lincolnshire. However, five companies identified that they were potential suppliers of the airport. These were mostly manufacturing companies that could provide components or equipment for use in the airport operations. One service sector company, XS Broadcasting, currently provided advertising broadcasts for motorway service stations, and were investigating the possibility of providing a similar service for Robin Hood Airport.

**Table 6: Potential Suppliers of Robin Hood Airport**

<b>Company</b>	<b>Potential Supply Opportunity</b>
East Midlands Instruments	Power distribution services
Eminox	Specialist exhaust pipes for airport vehicles
FKI Logistex	Conveyor belts for baggage handling
Tag Guard	Wireless security systems for the airport
XS Broadcasting	Advertising broadcasts in the terminal building

### 6.2 Indirect Suppliers of Robin Hood Airport

No existing indirect suppliers (suppliers to companies supplying the airport) were identified in Lincolnshire from the business interviews. Seven potential indirect suppliers were identified, which were primarily manufacturing companies. Aviation Samaritans, a Lincolnshire-based company that acts as an agency to supply aviation engineers to a number of airports, was identified as a company that could potentially supply labour to Penauille Servisair and Thomsonfly.

**Table 7: Potential Indirect Suppliers to Robin Hood Airport**

<b>Company</b>	<b>Potential Supply Opportunity</b>
AO Smith	Motors for fans and cooling systems
Dynex Semi Conductor	Electronic components to a company that could supply the airport
SPE International	Machines that remove runway markings
Tag Guard	Security for car parks, construction sites and warehouses
FKI Logistex	Conveyor belts for catering services
Flexadux	Hoses for aeroplane refuellers
Aviation Samaritans	Labour to Servisair and airlines

**Table 8: Existing (E) and Potential (P) Use of Robin Hood Airport among Lincolnshire SMEs**

Sector	Business Firms	Direct supplier to the airport	Indirect supplier to the airport	Beneficiary of tourism	Use airport for business travel	Use freight facilities at airport	Other uses/ benefits	TOTAL Existing User (E)	TOTAL Potential User (P)
M	AMP Rose				P	P			2
M	AO Smith		P		E	P	E	2	2
M	Dynex Semi Conductor		P		P				2
M	East Midlands Instruments	P	P		P	P			4
M	Eminox	P	P		E	P		1	3
M	FKI Logistex	P	P		E	P	P	1	4
M	Flexadux		P		E	P		1	2
M	Impaq Ltd				P	P	P		3
M	MAV Wallcoverings				E	P		1	1
M	Pam's of Gainsborough				E			1	
M	PING			P	E	P	P	1	3
M	Pretorian Technologies				P	P			2
M	Pyramid Plastics				P	P			2
M	Regal Packaging				P				1
M	Sinclairs				P	P			2
M	SPE International		P		E	P		1	2
M	Tag Guard	P	P		E	P		1	3
M	Technosys				P	P			2
	<b>Sub Total (Existing)</b>				<b>9</b>		<b>1</b>	<b>10</b>	
	<b>Sub Total (Potential)</b>	<b>4</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>15</b>	<b>3</b>		<b>40</b>
B	Elesa				P	P			2
B	Europower Components				P	P			2
B	Linwave Technologies				E	P		1	1
B	Offshore Products				P	P	E	1	2
B	XS Broadcasting	P			E	P		1	1
	<b>Sub Total (Existing)</b>				<b>2</b>	<b>4</b>	<b>1</b>	<b>3</b>	
	<b>Sub Total (Potential)</b>	<b>1</b>			<b>3</b>	<b>4</b>			<b>8</b>
T	Bridge Guest House			P			P		2

**Table 8: Existing (E) and Potential (P) Use of Robin Hood Airport among Lincolnshire SMEs**

Sector	Business Firms	Direct supplier to the airport	Indirect supplier to the airport	Beneficiary of tourism	Use airport for business travel	Use freight facilities at airport	Other uses/ benefits	TOTAL Existing User (E)	TOTAL Potential User (P)
T	Eastbourne Guest House			P			P		2
T	Forest Pines			P			P		2
T	Hemswell Antiques Centre			P	P	P	P		4
T	Hickman Hill Hotel			P	P		P		3
T	Sands Venue			P	P		E	1	2
	<b>Sub Total (Existing)</b>						1	1	
	<b>Sub Total (Potential)</b>			6	3	1	5		15
AE	Alpha Retail	E							
AE	Cargo Handling Centre	E	E					2	
AE	Group4 Securicor	E	E						
AE	Mitie Cleaning	E	E					2	
AE	Servisair	E						1	
AE	Thomsonfly	E						1	
AP	Aviation Samaritans		P		P	P			3
AP	DK Aviation				P				1
AP	North Lincolnshire Aviation								
	<b>Sub Total (Existing)</b>	6	3					6	
	<b>Sub Total (Potential)</b>		1		2	1			4
L	Denby Transport				P				1
L	PA Freight, Newark					P			1
	<b>Sub Total (Existing)</b>								
	<b>Sub Total (Potential)</b>				1	1			2
I	Wright Investments						P		1
	<b>Grand Total (Existing)</b>	6	3		11		3	23	
	<b>Grand Total (Potential)</b>	5	9	7	18	22	9		70

M - Manufacturing; B - B-2-B Services; T - Tourist Industry, AE - Airport related Existing Supplier; AP - Airport related Potential Supplier, L - Logistics, I - Infrastructure

### **6.3 Beneficiaries of Tourism**

A number of tourist attractions and hotels/B&Bs close to the airport in Lincolnshire were interviewed. Three of the four hotels that were interviewed had considered the possibility of providing park/stay-and-fly facilities but considered themselves to be too far from the airport. The possibility of providing a link from the Robin Hood Airport website to their own websites was also raised.

All the companies identified that they had the potential to benefit from any in-bound tourism facilitated by the presence of the airport. Hemswell Antiques and the Sands Jazz Venue both currently attract visitors from across Europe, USA, and Japan. They identified that the airport could make access to their businesses easier for overseas visitors, particularly if flights continued to expand to destinations outside of Europe.

There was some scepticism among the hotels and visitor attractions about the potential of Robin Hood Airport to increase the prominence of Lincolnshire as a tourist destination, which has a lower tourism profile than neighbouring counties such as Yorkshire and Derbyshire. Although interviews with Thomsonfly revealed that their flights to and from Robin Hood Airport carried in-bound as well as out-bound passengers, it was not possible to verify the number of these or the proportion they contributed to the total. Discussions with Lincolnshire Tourism suggested that these were mostly likely to be business travellers, ex-pats visiting friends and family, and migrant workers.

### **6.4 Use of Robin Hood Airport for Business Travel**

Passenger flights to and from Robin Hood Airport were identified as the most common existing and potential use of the airport for businesses in Lincolnshire. Twelve companies had already used the airport for business travel, and 15 stated that they intended to use it in the future. The opportunity for business travel was shown to be most relevant to manufacturing and service sector firms. All of these companies stated that they had either already used the airport for business travel (11) or had plans for use it (11 companies). Of those that had used the airport, there was agreement about the savings in time and costs brought about by using a local airport. One company stated, “it’s ideal for us. Easy to park – it’s off the plane, get the bags and you’re gone”.

The most frequently used flights from Robin Hood Airport were Dublin (5 firms), Paris (5), Amsterdam (2), Geneva (2), and various destinations in Spain (3). The destinations that businesses said they would be most likely to use if available from Robin Hood Airport included USA (11 firms), Cologne (9), Sweden (6), Madrid (7), Hong Kong (3) and China (3).

### **6.5 Use of Freight at Robin Hood Airport**

All the manufacturing firms in the sample were involved in the international movement of freight. However, there were no existing users of freight services at Robin Hood Airport within the businesses that were interviewed. This may be due partly to the nature of freight facilities at the airport, which are still developing. For freight to and from Europe, companies tended to use road freight as it was considered the cheapest method of transport. Freight integrators, such as DHL, TNT and UPS, were also used by the majority of manufacturing and business services firms for smaller items. These were considered to be convenient, if expensive, with a “drop and collect” service, and hubs located around the world. Air freight – arranged through freight forwarders – was used mostly for large items and for long haul destinations.

The route that their freight took did not appear to be a concern for the majority of businesses, as this was felt to be the responsibility of the freight forwarder. For example, one company stated, “we wouldn’t tell our freight forwarder which airport they should use – it’s a bit like posting a letter and telling the postman to send it via the Leeds sorting office”.

There is currently a limited freight service offered by Thomsonfly at Robin Hood Airport, which carries 150kg of freight on their passenger aircraft. The Cargo Handling Centre provides a daily trucking service for freight from Robin Hood Airport to Manchester and Birmingham Airport. Discussions with local freight integrators suggest that there is potential for Robin Hood Airport to expand its freight forwarding service to other, larger airports. This could bring about cost and time savings for local manufacturing firms.

## **6.6 Other Benefits of the Airport**

Beyond supplying the airport and use of the passenger/freight facility, a number of other potential benefits of the airport were identified. These included advertising at the airport. This had been used by the Sands Jazz Venue, which purchased advertising on billboards around the airport car park. Wright Investments, a construction company, had developed residential property in Gainsborough which, it states, was partly influenced by the development of the airport and the housing needs of airport staff. This is an example of activity based on the ‘catalytic’ and ‘induced’ effects of the airport.

## **6.7 Barriers and Constraints**

Businesses and stakeholder organisations were asked if they considered there to be any barriers or constraints that might prevent businesses from benefiting from Robin Hood Airport. Few businesses identified any barriers or constraints that might limit their ability to work with the airport and the majority, 23, felt that there were no barriers. Issues raised by both stakeholders and businesses included:

- poor transport infrastructure between Lincolnshire and Robin Hood Airport;
- a lack of knowledge/limited information about Robin Hood Airport;
- existing contractors and contracts at the airport;
- a perception that the airport is focused more on leisure than business customers;
- a perception from some businesses that they have “missed the boat”, i.e. the airport has already been built and any opportunities have gone;
- low levels of general skills within businesses and the local labour market;
- a lack of skills in identifying contracts, contracting and adapting to new opportunities;
- a lack of foreign language skills.

When asked what actions they would need to take to benefit from Robin Hood Airport, the majority (22) stated that no action was necessary, or were not able to identify any actions. Three companies intended to talk to the airport about advertising opportunities, two said that they intended to target the airport for sales of goods/services, and two wanted to investigate the possibility of providing a web link between the Robin Hood Airport website and their own websites. Other actions identified by companies included: making themselves more aware of the flight schedules; talking to the airport about preferred flight destinations; and setting aside time to look at freight costs and the feasibility of using Robin Hood Airport for freight.

## 7. Conclusions

Discussions with Robin Hood Airport and the airport-based companies provide some insight into the nature of supplier linkages at the airport. The majority of these are with established airport suppliers that operate at a national and sometimes international level. Many of the companies based at the airport, such as Thomsonfly, Penauille Servisair, Mitie, and Group4Securicor, are branches of large multinational companies. A consequence of this is that purchasing decisions are often taken centrally, and staff based at branch locations of these companies (such as at Robin Hood Airport) do not have the flexibility to purchase goods and services from local suppliers.

For non-aviation related goods and services, there are a limited number of local supplier opportunities. These include taxi services, supply of office furniture, and maintenance of lift and elevator equipment. These opportunities tend to be ‘ad hoc’ and arise infrequently. If the airport undergoes further expansion, there may be opportunities for local companies in activities such as building sub-contracting.

It is clear from the interviews with SMEs in Lincolnshire that the current use of or engagement with Robin Hood Airport is a small proportion of its potential. Businesses considered the greatest potential benefit of the airport to be the opportunity for cheaper and more convenient business travel, with 29 existing and potential users, and freight, with 22 potential users. No existing suppliers of the airport were identified among the interviewees. A small number of potential direct and indirect suppliers were identified that comprised mainly manufacturing firms.

The SME interviews suggest that the new airport is regarded as largely irrelevant for the majority of interviewees, other than as an additional hub for business and leisure travel. Few businesses appeared to have given any thought as to how they could work with or otherwise benefit from the development of Robin Hood Airport. Actions that businesses identified would improve engagement with the airport included: information on flight destinations and freight; information on supplier opportunities; and more facilities for businesses at the airport. It was also identified by stakeholder organisations that supplier opportunities may become more accessible if collaborative working and tendering between companies was encouraged, and if the tendering capacity of companies was improved through training and business development.

A conclusion of the study is that there have been few local business opportunities arising from the development of Robin Hood Airport. The role of the airport as a “focal point of clusters of business development”, as suggested by the Department of Transport and Renaissance South Yorkshire, is not something that was observed within the period of this study. The induced and catalytic effects of the airport, as outlined in the literature, provide the most likely source of business opportunities for SMEs in Lincolnshire. This has already been observed in the development of property in the area and the use of flights for business travel. Many of the induced and catalytic effects, such as increases in trade, foreign direct investment, and increased expenditure in the economy, and are likely to be longer term and may be difficult to measure and attribute directly to the airport. It is clear that many of the local business opportunities associated with the development of Robin Hood Airport are yet to emerge.

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