

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 13 July 2015

Portfolio:	Policy and Resources
Subject:	Daedalus Vision and Outline Strategy
Report of:	Director of Finance and Resources
Strategy/Policy:	Corporate Strategy
Corporate Objective:	To Maintain and Extend Prosperity A Dynamic, Prudent and Progressive Council

Purpose:

Following the transfer of land at Daedalus to the Borough Council, to consider the draft Vision and outline strategy for the future of the site, prior to a public consultation exercise.

Executive summary:

On 2nd March 2015, the Executive gave approval for the acquisition of the airfield at Daedalus, and the Enterprise Zone development areas to its east and west. The transfer took place on 27th March.

In the ensuing period officers have been in dialogue with airfield tenants, the airfield operator, potential future investors and other interested parties to gain a better understanding of how the airfield operates at present and its potential for the future. During this time a great deal of effort has been put in to ensuring that the Council is able to undertake its estate management responsibilities for this large new asset in an efficient and effective manner.

As a result of this work, a Vision and an outline strategy for the future of the site has been prepared and this is attached at Appendix A. The purpose of this document is to articulate the Council's aspirations for the airfield and how it intends to achieve them. As such it is intended that it will be the subject of consultation with local residents, current and prospective airfield users, key partners such as the Solent LEP and Hampshire County Council and potential future investors. It will then be finalised and will form one of the principal building blocks of a comprehensive Masterplan for the part of the land at Daedalus owned by the Borough Council.

The report also requests delegated authority for the Director of Finance & Resources to amend the fees and charges from time to time, following consultation with the Policy & Resources portfolio holder, in order that the Council can respond quickly to demand for these facilities in the future.

Recommendations:

That the Executive;

- (a) notes the draft Vision and Outline Strategy attached at Appendix A to this report and requests officers to undertake a public consultation exercise with local residents and interested parties;
- (b) delegates authority to the Director of Finance & Resources to amend the fees and charges from time to time, following consultation with the Policy & Resources portfolio holder, and to introduce ad-hoc promotional arrangements as appropriate.

Reason:

To enable future proposals for the site to be progressed.

Cost of proposals:

The costs of the proposals, some of which are already funded and some of which will be subject to the submission of a business case, are set out in the Appendix.

Appendices: **A: Daedalus: A Vision and Outline Strategy**

Background papers: Report to the Executive: 2nd March 2015: Land Transfer at Daedalus;

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Executive Briefing Paper

Date:	13 July 2015
Subject:	Daedalus Vision and Outline Strategy
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

INTRODUCTION

1. On 2nd March 2015, the Executive approved the terms of the transfer of 369 acres of land at Daedalus, comprising the airfield and development areas its east and west. The transfer took place on 27th March 2015.
2. In the three months since that time, Officers of the Council have concentrated their efforts on two main priority areas.
3. The first of these was to establish mechanisms to efficiently and effectively manage this large new asset. The tasks officers have undertaken include:
 - Establishing a presence on the airfield, based in the new Innovation Centre, to ensure that officers are accessible and are able to react quickly to day to day management issues;
 - Opening a dialogue with all airfield tenants with a view to understanding their views and concerns about how the airfield operates and to negotiate with them new short term leases.
 - Granting a temporary extension of the contract to manage airfield operations to Regional and City Airports Management (RCAM) until March 2016, pending a procurement exercise for a new long term contract which will commence in the autumn. The existing contract with RCAM expired in May 2015.
 - Holding discussions with RCAM concerning the resolution of many day to day issues such as grass cutting, wild life control, safety and security. This has included the provision of a new fire engine and the loan of an operational vehicle and a vehicle for sweeping the runway.
 - Discussing a more appropriate structure for fees and charges for users of the airfield.
4. Secondly, officers have engaged with a number of different interested parties to gain a better strategic understanding of how the airfield operates at present, particularly in comparison with other similar airfields, and its potential for development in the future. This has included dialogue with existing and potential new airfield users, potential future investors, Solent LEP, Hampshire County Council and RCAM.

5. Following these discussions, a draft Vision and Outline Strategy has been prepared and this is attached at Appendix A. It should be stressed that this covers only that part of the Daedalus site owned by the Borough Council. It does not cover the waterfront area, which currently remains in the ownership of the Homes and Communities Agency and which is exclusively within the area of Gosport Borough Council. The following paragraphs briefly summarise its main components.

VISION AND OUTLINE STRATEGY

6. A significant amount of investment has already taken place on and around the airfield. This includes the following:
- CEMAST, a part of Fareham College specialising in Engineering and Advanced Manufacturing Skills Training, opened in September 2014.
 - Fareham Innovation Centre, a £5.3m investment by the Borough Council to provide affordable office and workshop facilities in a supported environment for small businesses, welcomed its first occupants in April 2015.
 - The Borough Council has invested £1.5m in resurfacing and other improvements to the main runway and adjacent taxiways to significantly extend its useful life.
 - Work started in April 2015 to create roads and services which will enable the development of plots on Daedalus East to provide 28,000m² of commercial space. Work will start on one of these plots in September 2015 to provide a commercial building, owned by the Borough Council. This will be available to let on its completion in April 2016.
7. The Borough Council wishes to build on the work already completed and in progress and has developed the following Vision for the future.

Our vision is for Daedalus to become a premier location for aviation, aerospace engineering and advanced manufacturing businesses, creating many skilled employment opportunities for local people, which is under-pinned by a vibrant and sustainable airfield.

Building on the existing general aviation uses, the airfield will be an attractive destination for visiting aircraft and will offer the hangars, facilities and services to attract more corporate and commercial aviation activities, allowing it to be self-sustaining in the medium term and contribute positively to the local community.

8. In moving towards the achievement of this Vision a set of set of six primary objectives have been established. These are:
- To unlock the potential of the airfield's land and infrastructure assets through new commercial development, providing clusters of aviation, non-aviation and skills/innovation activity, thereby increasing private sector investment and contributing positively to the creation of skills jobs in the Solent Enterprise Zone.
 - To realise the potential for developing and increasing corporate/commercial aviation activity, whilst continuing to support and grow broader general aviation uses.

- To ensure that the airfield is financially sustainable in the medium to long term.
 - To further improve the infrastructure and facilities at the airfield, by enhancing its quality and making it more attractive to visitors and to new business.
 - To maintain a safe, secure, efficiently managed and sustainable airfield.
 - To generate a sense of local pride by making Daedalus an attractive location for businesses and their employees, for users of its facilities and for the local community, and to be a good neighbour.
9. The outline strategy sets out the particular actions the council intends to take to achieve these objectives and the timescale in which it hopes to undertake them. Whilst these actions are spread over the next ten years, of particular note are some of the early actions which it proposes to take over the next two years:
- Undertake a Masterplanning exercise for the site.
 - Provide new modular hangars to both relocate existing airfield users and attract new business.
 - Design and begin construction on new roads and services to unlock plots on Daedalus West.
 - Provide new facilities for visitors to the airfield.
 - Provide new public open space and play facilities in the area to the north of the airfield and new off-site allotments
 - Upgrade Air Traffic Control to Flight Information Service status.

OPERATIONAL MATTERS – FEES AND CHARGES

10. Regional & City Airports Management (RCAM) are employed to manage the airfield operations at Daedalus, and part of their role is to review and recommend the appropriate fees and charges for the airfield operation.
11. The income from fees for landings and aircraft parking for the 12 month period June 2014 - May 2015 was approximately £37,000, which is significantly below the long term target of c.£200k pa for aeronautical fee income. Recent works to the runway, to pilot lounge facilities, seafront pedestrian access and general awareness raising has seen positive increases in aircraft movement in recent months, and RCAM have identified opportunities that will allow us to achieve the target income through more appropriate fee structures and increasing activity (both from visiting aircraft and from attracting new aircraft to be based on site).
12. Recognising that the fees need to be commercially competitive and commensurate with the improving facilities that are provided, the Council (via the operator) need to be able to respond promptly to give the greatest opportunity to secure revenue and achieve its objective of financial sustainability.
13. It is therefore recommended that the Director of Finance & Resources is given authority to amend the fees and charges from time to time, following consultation with the Policy

& Resources portfolio holder, and introduce ad-hoc promotional arrangements, in order that the Council can respond quickly to demand for the facilities in the future.

FINANCIAL IMPLICATIONS

14. The indicative costs of the Vision are set out in Appendix A. The funding for some of the work, including building of modular hangars, building a new permanent hangar and the provision of public open space and allotments, has already been secured. Funding for the provision of new roads and services has been agreed in principle, but is not yet committed.
15. The funding for the remainder of the proposals, which largely relate to improvements to the airfield and provision of further commercial space have yet to be fully costed. These proposals will be subject to a detailed business case and will be brought back to the Executive for approval.

NEXT STEPS

16. To take the Vision and outline strategy forward to delivery, the next steps will be:
 - Consult with local residents, airfield users, potential new investors and key partners on the Council's proposals over the summer and early autumn months.
 - Refine the outline strategy
 - Undertake a detailed Masterplanning exercise for the site using the outline strategy as its cornerstone.
 - Proceed with those elements of the proposals scheduled for 2015/16.

CONCLUSIONS

17. This report has set out the progress made to date since the council took ownership of the airfield at Daedalus at the end of March 2015 and its vision and outline strategy for the future. The proposals set out in the strategy are designed to ensure that Daedalus becomes a premier location for the creation of new skilled employment opportunities, to build on existing aviation uses and encourage more commercial aviation to ensure the long term sustainability of the airfield.
18. The report also proposes that delegations are put in place to allow fees and charges to be implemented and amend as appropriate, to respond to demand for use of the facilities at Daedalus and to ensure that they remain sufficiently attractive and competitive.