

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting19th May 2016

1. Title of Item/Report

Durham Tees Valley Airport (DTVA) - Delivering the Masterplan

2. Record of the Decision

Consideration was given to a report on progress in relation to the delivery of the DTVA / Peel Master Plan and the required package of support that had been sought.

On the 10 September 2015 Cabinet considered a report regarding progress in relation to the DTVA Master Plan proposals. The background to that report was a review undertaken by the Council's Regeneration and Transport Select Committee, which had examined how the Master Plan proposals would ensure a viable airport going forward, and how future investment would seek to develop the airport related businesses. A Further update in September 2015 was also considered.

Ongoing losses, in the context of the impact and effect of the recession, the changes in the air passenger travel industry and the loss of holding charter programmes, resulting in reduced passenger numbers, had prompted the production of, and consultation on the Master Plan.

The Select Committee and Cabinet had, however, been reassured by the actions being taken by DTVA to bolster, wherever possible, the flight opportunities from the airport, considering the effects of all of these detrimental factors.

Members regarded the airport as a key asset in the Tees Valley, and wished to see it expand and grow in whatever guise was going to be profitable in order to ensure its continued presence and operation.

Cabinet was reminded of a report in 2012 by Regeneris Consulting commissioned at the time by Tees Valley Unlimited, which justified Members' views of the airport's importance. The report had found that the airport supported approximately 600 direct and indirect jobs, with some 480 or so of those jobs taken by Tees Valley residents and that it contributed an estimated £37M annually in GVA (roughly 0.4% of GVA of the Tees Valley Economy), with DTVA business flights also assisting in

delivering benefits for the UK as a whole.

As indicated in the report to Cabinet in September, 2015, the Master Plan promoted the principle of a business focussed airport supported by commercial activity and nearby residential development built on DTVA owned land.

The recent Lord Hesletine report identified DTVA as a key asset and made specific recommendations around supporting a sustainable future for it.

Since that report, the Local Growth Fund bid for £5M funding to provide for a new access road linking the Airport's Northside with the Southside, around the eastern end of the runway, had been approved (October 2015) by the Tees Valley LEP.

Planning permission had also been granted for the construction of the link road. When built this would open up the Southside, to enable an employment park, and logistics and processing areas with a variety of employment uses, to be provided.

Progress had also been made by DTVA / Peel in discussion with Darlington Borough Council in connection with the preparation of a planning application for residential development on the northside of the airport. This would be supported by obligations in a Section 106 Agreement in relation to education, open space, play provisions etc.

A bid was made for Enterprise Zone Status in October 2012 by Tees Valley Unlimited but unfortunately was not supported by Government.

Passenger numbers on the KLM Service from DTVA to Amsterdam Schiphol had proved to be very positive with numbers increasing significantly in 2015/16 compared to 2014/15.

The Skylive airshow (back after 26 years) was also taking place at the airport on the 28 May, and would be headlined by the Red Arrows, supported by (amongst others) historic aircraft from the Battle of Britain Memorial flight, the RAF Typhoon and Falcons parachute team. At the last count some 10,000 tickets had been sold.

Against the backdrop of the Master Plan proposals, the report to Cabinet, at its meeting on the 10 September last year explained that DTVA/Peel had asked the Local Authority Shareholders to consider a further proposal. This proposal was, and continued to be seen by DTVA/Peel as an important part of a package of key measures aimed at securing the Airports future. The other measures were the reduction in the cost base

and operations of the airport and diversifying its revenue base, in order to approach cash neutrality by the financial year 2023/24 (these measures were substantially completed at the time of the September 2015 report), together with approval for and implementation of the housing development referred to earlier in this latest report. Cabinet agreed to support the proposal by DTVA/Peel, in principle, subject to certain matters being satisfactorily agreed and concluded.

Details of the proposal were set out in an exempt appendix to the report, together with details of the developments that had occurred since September 2015.

Under paragraphs 3 and 5 of Schedule 12A Local Government Act 1972 members of the press and public left the meeting while Members considered the exempt information.

Members of the press and public were invited back into the meeting.

RESOLVED that

1. The progress report be received and noted.
2. The Proposal be agreed and implemented as detailed in the exempt (Appendix) and;
3. The Chief Executive, in consultation with the relevant Cabinet Member, be given delegated authority to finalise and agree the specific details of the Proposal and the basis upon which it was to be concluded and implemented, and the authority to execute all necessary or appropriate legal documentation in that respect on behalf of the Council.

(Councillor Nigel Cooke was in the Chair during consideration of the above item)

3. Reasons for the Decision

To ensure that Members were kept apprised of developments regarding the implementation of the Master Plan for DTVA/Peel, and to enable Cabinet to consider the further proposal from DTVA/Peel in light of the developments that had occurred since September 2015.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Bob Cook declared a personal prejudicial interest in respect of agenda item 13 – Durham Tees Valley Airport as he was a Director of Durham Tees Valley Airport. Councillor Bob Cook withdrew from the meeting and left the room during consideration of the item.

Councillor Jim Beall declared a personal prejudicial interest in respect of agenda item 13 – Durham Tees Valley Airport as he was a Director of Durham Tees Valley Airport. Councillor Jim Beall withdrew from the meeting and left the room during consideration of the item.

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight, 31st May 2016

Proper Officer
24 May 2016