

GWYNEDD COUNCIL'S CABINET



Report to a meeting of Gwynedd Council's Cabinet

Date of Meeting:	12 December 2017
Cabinet Member:	Councillor Ioan Thomas, Cabinet Member for Economic Development Councillor Dafydd Meurig, Cabinet Member for Environment
Contact Officer:	Sioned Williams, Head of Economy and Community Dafydd Williams, Head of Environment
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Title of Item:	Application for European Funds to improve infrastructure and access at Snowdonia Aerospace Centre, Llanbedr

1 THE DECISION SOUGHT

1. To Support the principle that Gwynedd Council should take the role of Lead Body for the project
2. Dependent on receiving confirmation of the other contributions:

(i) That the Cabinet supports the Economy and Community's decision to commit £250,000 from its Match Funding Fund towards a project worth around £25,000,000 to implement the necessary infrastructure to support the development of Snowdonia Aerospace Centre at Llanbedr.

(ii) That Gwynedd Council commits a further £250,000 to the project in advance from the proposed Asset Management Scheme.

2 REASON FOR THE NEED FOR A DECISION

It is estimated that the Development of Snowdonia Aerospace Centre, Llanbedr into a Centre of Excellence for the development and trialing of remotely piloted vehicles could lead to the creation of 100 jobs.

To allow for the Development of the site, additional Investment is required to develop the necessary infrastructure (£1,500,000 has already been invested) including improving the facilities at the airfield, and a new access road which will avoid the centre of Llanbedr village

The total cost of the scheme will be around £25,000,000 including funding from the private sector, Welsh Government and Europe. The Council is asked to commit £500,000 to match-fund the scheme, **on condition that confirmation of the other contributions is received**

3 INTRODUCTION

Llanbedr airfield is a significant asset which could Support the economy of Meirionnydd by creating high value jobs for local residents.

Since the site was designated as part of Snowdonia Enterprise Zone (see <http://bit.ly/2fvEtk9>) in 2013 the Council has worked closely with the company which operates the site – under the name Snowdonia Aerospace Centre – and Welsh Government, to facilitate its development.

It is intended that the airfield will be developed as a Centre of Excellence for remotely piloted vehicles (including land and marine vehicles, and aircraft sometimes referred to as Remotely Piloted Air Systems/RPAS) – to restore the historical use of the site by the Ministry of Defense

Welsh Government own the site. It is leased to Snowdonia Aerospace LLP on a long term contract.

Snowdonia Aerospace LLP work closely with the International company QinetiQ, and £1,500,000 has already been invested in upgrading the site.

If the site were to be developed further it could become a Centre of excellence for developing and testing remotely piloted Vehicles, creating up to 100 jobs in the local area (and 3,000 across Wales). Improving the infrastructure would also strengthen the case to license the site as a space port, which could, in turn bring a significant number of additional jobs, to the area, and to Wales.

To achieve these results, a significant investment to improve infrastructure on site will be required (such as the runways, the Air Traffic Control system and some buildings) and to create a new access road which would avoid the constraints experienced in the centre of Llanbedr village. The total cost of the improvements would be around £25,000,000.

Additionally, creating a new Access road would address the Transport challenges currently experienced in the village due to the layout of the existing road, especially during the summer months when a significant number of visitors come to the village.

4 REASONING AND JUSTIFICATION FOR THE DECISION RECOMMENDATION

As outlined, the proposed scheme offers benefits for Gwynedd from the perspective of the economy and Transport.

The Council (Economy and Community and Environment Departments together) have been working closely with Welsh Government and Snowdonia Aerospace for some time to develop this offer (especially in regard to the Access road) and to identify funding packages.

North Wales Economic Ambition Board have given priority to this project in terms of applying for the European Funding which is notionally available to the North to develop Business infrastructure – a potential £7,500,000 (subject to approval from the Welsh European Finance Office). Welsh Government and the private sector are likely to provide the majority of the match-funding but, in light of its significance to the county, the Council would be expected to contribute.

It is therefore recommended that Gwynedd Council contribute £500,000 to the scheme - £250,000 from the Council's fund for match-funding projects targeting European funding, and £250,000 in advance from the proposed Asset Management Scheme (to be confirmed with the Head of Finance). Gwynedd Council will not be asked to contribute this sum without confirmation of the contributions of other partners.

To apply for European funding, one partner must take the role of Lead Body. Having considered the options with WEFO, it is considered that only Gwynedd Council can undertake this role in this case, due to the lack of experience of the private sector partner in terms of implementing Europe-funded projects, and the complexities of the grant funding system of Welsh Government.

.6 NEXT STEPS AND TIMETABLE

This project has received the backing of the Economic Ambition Board, and the first phase of the application Process to the Welsh European Funding Office has been submitted. The Welsh Government Cabinet Secretary for the Economy and Transport is considering an application to contribute match funding, and the private sector partner is forming their funding package.

A full application to the Welsh European Funding Office will be submitted before the end of 2017.

In parallel, a planning application with regards to the Access road has been submitted to the Snowdonia National Park Authority.

Assuming that the Welsh European Funding Office supports the application for funding, Building Works will commence early in 2018 and will be completed during 2021.

7 ANY CONSULTATIONS UNDERTAKEN BEFORE RECOMMENDING THE DECISION

Public Consultation on the new Access road

A full WELTag Study was undertaken in choosing the best route for the Access road

Local Member's Opinion

I am pleased that money is available to develop the site, for the economic benefit of the area, not only in Llanbedr itself, but across the Ardudwy area and beyond.

The hope is that by developing the site, quality jobs will be created there which will enable the area's young families to remain in their communities rather than having to move away to look for work.

Head of Finance's Comments

Although the Council's capital resources are scarce, it is clear in this case that it is worth the Council committing £500,000 to match-fund a project which will provide advantages with a total cost of around £25,000,000. With such favourable "gearing", and uncertainty regarding equivalent opportunities in the future, it makes sense to act immediately on the Llanbedr infrastructure project.

£250,000 has already been allocated from the Match Funding Fund, which can be used by the Economy and Community Department as match funding to support such developments, and this could be used to this end.

The Council will need to commit another £250,000 to the project, and I can confirm that this money could come from the remaining resources of the current Asset Management Plan (there is around £300,000 which has not been committed in the plan for the 10 years to 2018/19)

While I support the principle that Gwynedd Council takes a lead body role for the project, plans should be in place to lessen the relevant risks, and to learn from experience in order to avoid slippages or changes to requirements which could result in costs falling upon the Council as lead body.

Monitoring Officer's Comments

No comments with regards to propriety