

# **Cardiff Airport and St Athan Enterprise Zone**

## **Strategic Plan 2018 – 2021**



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## 1. BACKGROUND

### Wales Enterprise Zones

There are eight **Enterprise Zones** across Wales. Enterprise Zones are designated geographical areas that support new and expanding businesses by providing a first class business infrastructure and support and each has a focus on one or more key business sectors.

The Cardiff Airport and St Athan Enterprise Zone focuses on the advanced materials and manufacturing sector and in particular its aerospace sub-sector.



For more details of the Zones please visit:

<https://businesswales.gov.wales/enterprisezones/>

## **2. VISION AND KEY PRIORITIES FOR DELIVERY**

The overall vision for the Enterprise Zone is to strengthen the foundations already in place to maximise the opportunities for Cardiff Airport and St Athan to become an internationally recognised centre of excellence for the aerospace industry and Maintenance, Repair and Operations (MRO) activities.

The Vision for the Zone recognises five key priorities:

- Investing in high-quality and sustainable infrastructure;
- Making Wales a more attractive place to do business;
- Broadening and deepening the skills base;
- Encouraging innovation;
- Targeting the business support we offer.

A Development Framework has been agreed by the Board and the Vale of Glamorgan Council who will undertake consultation on this document. Support will be considered to drive forward private sector projects, including feasibility studies and support for marketing.

### **Key infrastructure and property considerations**

Road access within the Zone has been improved with the straightening of the Gileston Bends, and with work currently underway to look at measures to strengthen the Five Mile Lane.

At Cardiff Airport considerable improvements have been made to the visitor experience in an effort to attract more routes. This has included reconfiguring the car parks, internal changes of use to provide more natural light and additional public transportation to the Airport. These works will continue as part of the ambitious business plan being implemented by the Airport.

Investment will be required for the construction of advance units at St Athan designed around the market interest being generated. Negotiations with the Ministry of Defence to agree site segregation remain ongoing.

The gateway site has the potential to be a hub for future development to accommodate freight and R&D, and there is an aspiration to enhance the current academic provision within the Zone.

### 3. PROGRESS AND ACHIEVEMENTS SINCE INCEPTION

Progress in the Zone in support of the Board's objectives includes:

- **Aston Martin** has chosen the St Athan Aerospace Business Park to be the site of its second manufacturing location. This investment aligns with the Zone's focus on leading edge engineering, manufacturing and materials and will support and complement the renewed focus on both Airport assets and their surrounds. Around 750 jobs could be created when the facility is in full operation by 2019.
- **Cardiff Airport** has developed substantially under Welsh Government ownership with an increase in passenger numbers of 48% over the last 3 years and new routes being established to Germany, Ireland, Italy, France and Spain in that period. Flights to Doha with Qatar Airways also commenced in May 2018.
- Close cooperation between the Welsh Government, the new airfield management contractor Serco Ltd and the Ministry of Defence has enabled the **St Athan airfield** to open seven days a week, making a major improvement to the marketability of the Aerospace Business Park.
- **Bristow Helicopters** contractors Balfour Beatty have completed construction of a £5m facility for Search & Rescue covering south Wales and the south west of England.
- In addition to its **maintenance, repair and operations (MRO) facility** already operated at St Athan, **Cardiff Aviation Ltd** has set up a training facility in the Norman Hangar at Cardiff Airport.
- The development of **the Picketston** site at St Athan has seen several companies locating there with projected creation of 48 jobs. Once the businesses, many of whom are SMEs, have established themselves on site, it is anticipated that job numbers will grow to in excess of 150.
- The Board is working closely with Cardiff and the Vale College to explore the potential of providing specialist provision for both inward investors and Enterprise Zone employers from the International Centre for Aerospace Training located at Cardiff Airport.
- A local initiative to promote an **apprenticeship scheme** within the aerospace sector of the EZ has submitted a report of its conclusions. It has identified 7% of apprenticeships within the EZ, compared to a norm of around 2.5%. Known as "Economy with Skills", it has been submitted for Ministerial consideration.
- A joint venture was completed by Welsh Government and Cardiff International Airport Limited (CIAL) in July 2018 which has agreed that CIAL would be responsible for operating the airfield and its services at St Athan.

## **Enterprise Zone Performance**

Update of progress against key projects across the Enterprise Zones is published annually (please see Section 6 – Previous Enterprise Zone Publications for links to the relevant documents).

- From inception to March 2018, 231.6 jobs have been created either through direct financial support or through wider assistance from the Welsh Government, with a further 85 assisted.
- From inception of the zone to March 2018, almost £23.5m was invested by Welsh Government with almost £6.4m invested by the Private Sector during this period.
- From inception to March 2018, 34 businesses within the Zone have been financially supported and financially assisted through Welsh Government business support programmes or direct interventions.

## **Enterprise Zone Business Rates Scheme**

The Enterprise Zones Business Rates Scheme was launched in October 2012 as a means of providing financial assistance for business rates liabilities incurred by small and medium-sized businesses located in Enterprise Zones in Wales. Since its inception the Wales Enterprise Zone Business Rates Scheme has benefitted 18 businesses within the Cardiff Airport & St Athan Enterprise Zone with over £209,586 offered towards the cost of their business rates.

#### 4. FUTURE PRIORITIES AND DIRECTION FOR THE ZONE

The Board has identified the following key priorities and objectives for the further development of the Zone moving forward:

- 1) The endorsement and support for the Cardiff International Airport Limited 20 year Masterplan, which includes strategic aims of:
  - The Airport's aspirations to be an outstanding capital city airport connecting Wales to the World and the World to Wales;
  - To be a sustainable airport business generating significant economic benefit for Wales;
  - To grow from the current 1.5 million passengers per annum to three million and beyond;
  - To grow facilities to meet the needs of the increased passenger numbers;
  - To grow in balance with local environmental and social concerns, with the Airport recognising the important role sustainability plays in the future vision.

To achieve this, objectives include:

- Create an International Gateway;
- Grow capacity to three million passengers per annum and beyond
- Attract new airlines, secure new routes and increased choice;
- Diversify to create and develop opportunities for aviation, cargo, education, technology and innovation;
- Develop a new terminal to present a unique identity as the gateway to Wales;
- Enhance travel choices for customers, the community and the Airport team; car, bus, rail, taxi, car hire and active travel;
- Work with South East Wales Metro to develop integrated travel choices.

2). The development of the Aerospace Business Park (ABP) at St Athan to fulfil the potential of the site to create significant economic growth. This includes strategic aims of:

- Promote Cardiff Airport and St. Athan Enterprise Zone as a quality environment in which to do business (as a continuing objective of the Strategic Development Framework, 2015);
- Secure long-term functioning of the ABP to promote inward investment and accommodate growth in business;
- Maintain Wales' competitive advantage in the aerospace sector, particularly manufacturing and maintenance, repair and operations (MRO);

- Capitalise on the siting of the Aston Martin plant as a catalyst for further investment;
- Enhance the capacity of the ABP to accommodate automotive and other non-aerospace businesses;
- Grow the levels of high-quality, sustainable employment at the ABP.

To achieve this, objectives include:

- Acquisition of the ABP freehold;
- Site entry and security arrangements - Currently the ABP is located within a secure area, controlled by the Ministry of Defence (MOD). From 31 March 2019, the WG will have in place new security arrangements;
- Road infrastructure - a new Northern Access Road will provide substantially improved road access to the northern side of the ABP, which will be the main access point to the site in the future;
- Improvements to the A4226 (Five Mile Lane) and access to the wider EZ;
- Airfield operations: to retain St. Athan as a fully operational airfield, the WG is preparing to transfer the airfield to Civil Aviation Authority (CAA) jurisdiction from 1 April 2019 onwards;
- Transfer of the airfield to civilian control is essential to secure the ABP's viability as a location for both existing aerospace sector tenants and future aerospace-related development;
- Preparation of development plots - in order to expand commercial activity within the ABP, a number of infrastructure measures are needed across different areas of the ABP to make plots suitable for large scale private investment;
- Take advantage of the space available and configuration of the ABP (including the operational runway) to prepare for both aerospace and non-aerospace investment activity;
- Making strategic sites ready for major large-scale inward investment;
- Preparing specific development plots for the market generally.

3) Supporting British Airways Maintenance Centre (BAMC) to retain its position as the preferred location for wide bodied aircraft maintenance for the BA fleet.

To achieve this objectives are:

- Support through the WG activities enabling progress in composite materials in new generation aircraft such as the Boeing 787 (Dreamliner) and the Airbus 350;



- Remain a key anchor company for the region;
- Support the facility in accessing alternative and complementary activities in the wider aviation market of MRO.

4) Develop the skill set and training opportunities to meet the demands of the growth across the EZ.

To achieve this, objectives are:

- Develop and sustain the Aerospace Apprentice Scheme (AAS), having established a take up of 7% in 2018;
- Diversify the engineering offering of employment to adopt new techniques and develop emerging markets.

## **5. GOVERNANCE**

### **Enterprise Zone Boards**

From inception to 31 July 2018, each Enterprise Zone has been led since inception by an independent; private-sector Advisory Board which advises the Welsh Government on the implementation and delivery of action plans and priorities for the Zones.

### **Future Governance Arrangements for the Zone**

The tenure of the current Board ended on 31 July 2018. Governance arrangements for the Zone will transfer to other suitable advisory structure(s) in due course.

## **6. PREVIOUS ENTERPRISE ZONE PUBLICATIONS**

### **Strategic Plans**

Cardiff Airport & St Athan Enterprise Zone – Strategic Plan 2015 (includes updates made in 2016 and 2017)

<http://gov.wales/docs/det/publications/170719-strategic-plan-cardiff-airport-and-st-athan-en.pdf>

Enterprise Zones – Progress Update November 2014

<http://gov.wales/docs/det/publications/141203-ezw-progress-update-en.pdf>

Enterprise Zones – Progress Update October 2013

<http://gov.wales/docs/det/publications/141001-enterprizezone-summary-en.pdf>

### **Enterprise Zone Performance**

Key Performance Indicators 2017/18

<https://gov.wales/docs/det/publications/enterprise-zone-key-performance-indicators-annual-report-april-2017-to-march-2018.pdf>

Key Performance Indicators 2016/17

<http://gov.wales/docs/det/publications/170719-kpi-16-17-en.pdf>

Key Performance Indicators 2015/16

<http://gov.wales/docs/det/publications/160802-kpi-15-16-en.pdf>

Key Performance Indicators 2014/15

<http://gov.wales/docs/det/publications/150615-ezw-kpi-14-15-en.pdf>

Key Performance Indicators 2012/13 and 2013/14

<http://gov.wales/docs/det/publications/140522ezwkpi1213-1314en.pdf>