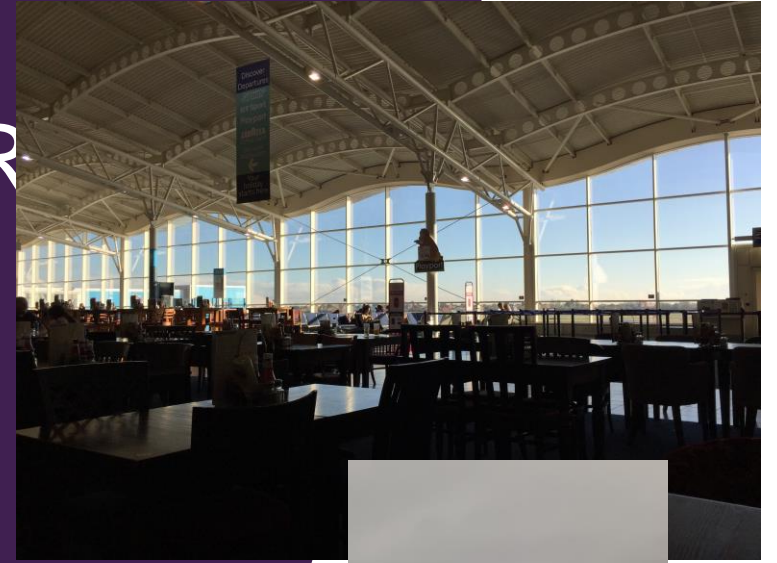


DONCASTER SHEFFIELD AIRPORT



Minute Annex H

Sheffield
City Region

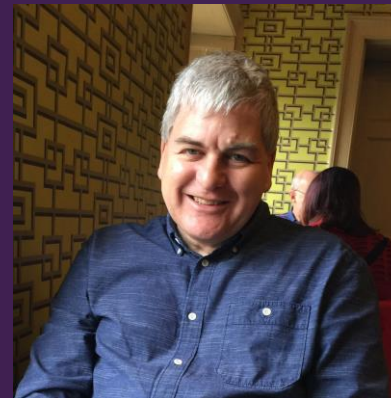
PETER KENNAN, SCR LEP PRIVATE SECTOR
BOARD MEMBER (TRANSPORT & ENVIRONMENT)
UPDATE TO DSA CONSULTATIVE COMMITTEE
28 JANUARY 2021

DONCASTER SHEFFIELD AIRPORT



My Role

- Sheffield City Region LEP – Private Sector Board Member
- Chair the DSA Partnership Delivery Board
- Chair the DSA Rail Station Board
- Chair of Doncaster Station Rail Board



Sheffield
City Region

DONCASTER SHEFFIELD AIRPORT PARTNERSHIP DELIVERY BOARD

- A public/private Board which pulls together partners from across SCR – local authorities, business representatives and representatives from DSA and Peel Group.
- Discusses and prioritises the key matters needing attention Up until the pandemic, these were:
 - 1) Route development
 - 2) Business Hub carrier
 - 3) Cargo development
 - 4) Car Park and Terminal expansion
 - 5) DSA's place in the Region's Strategic Economic Plan
 - 6) Freeports
 - 7) DSA Rail station

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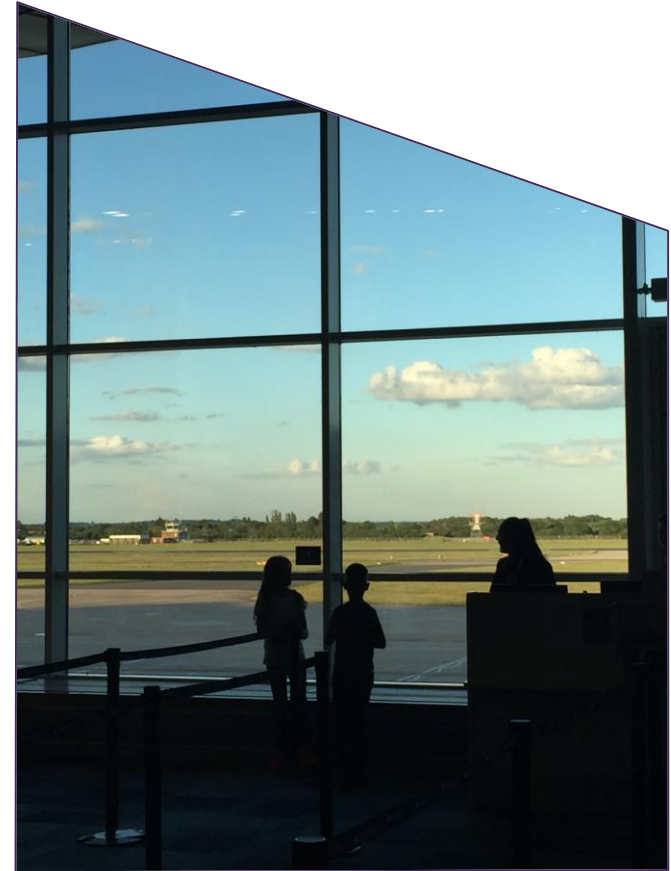
DONCASTER SHEFFIELD AIRPORT PARTNERSHIP DELIVERY BOARD

- Wizz Air success and the current challenges
- The breakthrough to more Western European routes with Wizz
- The US/Mexico routes with Tui
- The failure of Flybe and the recent opportunity to attract a hub carrier.
- Business support for a hub carrier
- Cargo in the pandemic – perishables, PPE. The Brexit factor.



DONCASTER SHEFFIELD AIRPORT PARTNERSHIP DELIVERY BOARD

- SCR LEP receives Local Growth Fund support from central government
- Two loans have been made to DSA – one for the south end car park and the other for a terminal expansion to increase the number of gates and to further improve the arrivals and security experience.



SHEFFIELD CITY REGION VISION FROM THE NEW STRATEGIC ECONOMIC PLAN [“SEP”]

- “SCR will grow an economy that works for everyone. We will develop inclusive and sustainable approaches that build on our innovation strengths and embrace the UK’s 4th Industrial Revolution to contribute more to UK prosperity and enhance the quality of life for all.”
- It is a LEP document but Mayor Dan Jarvis MP is a key driver.



SEP: OVERARCHING POLICY OBJECTIVES [THE GOLDEN THREAD]

- Growing the economy for all
- Ensuring that everyone has an opportunity to contribute to benefit from economic growth
- Driving low carbon opportunities within the economy and delivering zero omissions
- Growth, Inclusivity and Sustainability



SHEFFIELD CITY REGION – STRATEGIC ECONOMIC PLAN

- Page 8
- Higher level jobs
 - Investment in R&D
 - Better skills
 - Productivity growth driving GVA growth
 - Innovation, innovation, innovation

By 2040 our economy will look very different.

Inclusive growth, underpinned by productivity gains will drive an **extra £7.6bn** GVA



33,000 extra people in higher level jobs



People will live longer, healthier lives, improving by **3 years** for men and women in the SCR at birth.



A net **zero** carbon City Region

Our region's investment in R&D will be trebled, from £323m to **£1.1bn** A YEAR

30,000 more people with higher levels skills and **9,000** people fewer with no skills or low qualifications.



Wages will have raised, particularly among the lowest-paid, by over **£1,500**

STRATEGIC ECONOMIC PLAN – THE KEY ROLE OF INNOVATION

- Innovation: creating value from ideas.
- Developing new products needs new skills
- Two key market opportunities for SCR – decarbonization technologies and Industry 4.0 [trends towards automation, smart technology and complex computing].



STRATEGIC ECONOMIC PLAN – THE KEY ROLE OF INNOVATION

- Page 10 Many factors and issues to work on to achieve the step change
- Linkages and density of activity is particularly important [clustering].
- Proximity, collaboration, knowledge exchange.
- A Global Innovation Cluster to turbocharge our offer



DSA AND ITS ROLE IN DELIVERING THE SEP

- SEP is high level. The Gateway East/DSA Economic Blueprint implements it.
- Not yet finalized due to time pressures but here are some themes from the latest draft:
- Development of the 1600 acre site – largest single development site in South Yorkshire
- Innovation District at a major airport with its own rail station and great road access
- Sit this alongside passenger and cargo growth

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FREEPORTS

- Page 12
- Government to designate 10 Freeports in UK [likely to be 7 in England]
 - Bidding prospectus now issued.
 - Deadline for bids 5th February 2021



FREEPORTS

- We have i-port rail – very successful. Flows from Felixstowe, Southampton, Tees Port and Daventry
- We have DSA with cargo operations
- So a Freeport bid possibility exists at/around DSA/i-port





FREEPORTS

- Page 14
- What are they?
 - Designated zone up to 45km diameter.
 - Must have a port [we have 2]
 - Will have a “Primary Customs Site” – no UK customs duty going in or out
 - Size of this governed by the need to physically secure it.

FREEPORTS

- It has a tax site – this must not exceed 600 hectares [c1500 acres]. This 600 hectares can be made up of multiple tax sites (say 3 x 200 hectares each).
- Can have additional customs sites within the 45km diameter boundary.



FREEPORTS

- Tax sites – benefits
- No SDLT
- Write off building costs against tax over 10 years
- 100% tax relief in year 1 on all plant/equipment
- Employers NIC relief (3 years)
- Business rates relief



FREEPORTS

- Simplified planning system in the whole outer boundary [not just tax and customs zones]
- Access to a share of £175m seed capital funding – bid has to specify how this is spent [expected to be land assembly, site remediation and small scale transport projects].
- Innovation dimension absolutely critical. Bid must cover how the Freeport will drive R&D and public/private collaboration plus how it fits into the national and local eco-system.



FREEPORTS

• Page 18

Government objectives

- Objective 1: Trade and investment growth
- Objective 2: Regeneration and levelling up
- Objective 3: Creating hotbeds of innovation



FREEPORTS

- Objective 1 outcomes

Must show an increase in trade throughout the Freeport area

- Must show an increase in investment in the Freeport boundary, surrounding area and nationally.



FREEPORTS

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Objective 2 outcomes

- Employment: increase in jobs and average wages in deprived areas
- Economic activity: increase in economic specialization in high GVA activities compared to the current economy



FREEPORTS

- Objective 3 outcomes

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- Increase local involvement and funding in R&D and innovation
- Increased productivity in each target region, through increased capacity to absorb innovation
- Government wants a key focus on decarbonization/Net Zero via innovation in the bid



DONCASTER SHEFFIELD AIRPORT RAIL LINK

- Page 22
- What is it?
 - Regional transport priority. Supported by Peel, DMBC & SCR (+ TfN / Network Rail)
 - SOBC submitted to Government in February 2020.
 - DfT have refused the proposal in its current guise citing a number of reasons including passenger growth numbers, value for money
 - DSA Rail Station Working Group have stepped back, drawn breath and are on to Plan B.



DONCASTER SHEFFIELD AIRPORT RAIL LINK

- Here are some parameters and thoughts:
- Heavy rail or light rail? Both?
- Phasing.
- Where to put the station
- What would the train service be?
- Interaction with Tram Train project
- Doncaster CMSP [Network Rail] project and ECML upgrade
- Getting the business case to work
- New approach to Green Book

Work ongoing with total determination to get this delivered. Same grit as delivered the Great Yorkshire Way.



DONCASTER SHEFFIELD AIRPORT



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