Report to	Cabinet	Item
	5 August 2015	
Report of	Executive head of regeneration and development	4
Subject	Norwich International Aviation Academy	_
	KEY DECISION	

Purpose

To agree a grant in kind to facilitate the proposed Norwich International Aviation Academy.

Recommendation

To approve a grant in kind, by way of a peppercorn rent, on property jointly owned by the city council and Norfolk County Council.

Corporate and service priorities

The report helps to meet the corporate priority of a prosperous city and the service plan priority to create employment opportunities and encourage regeneration which will grow business rates and investment property income.

Financial implications

The financial implications associated with this report are commercially sensitive and members are referred to the exempt report which will also be presented at this meeting.

Ward/s: All

Cabinet member: Councillor Stonard – Resources

Contact officers

Andy Watt, head of city development services	01603 212691
David Rogers, client property and parking manager	01603 212463

Background documents

None

Report

Background

- 1. Key stakeholders including the city council have been working closely with partners to deliver the Norwich International Aviation Academy (NIAA). This project builds on one of Norwich and Norfolk's key employment sectors as identified in the City Deal and the New Anglia Local Enterprise Partnership's Strategic Economic Plan.
- 2. The aviation sector, especially in engineering, is one that is projected to grow substantially locally, nationally and internationally. Norwich is in a prime position to capitalise on this with the creation of a training academy, where local people especially will be able to take advantage of this opportunity. The sector is identified as a major growth opportunity in both the Strategic Economic Plan and the City Deal.
- 3. By creating a major facility for aviation-related training close to Norwich Airport it will help attract businesses in this sector to grow, or to relocate, and the planned Norwich Aeropark will be ideally placed to accommodate new business. The project will also benefit from proximity to the proposed Norwich Northern Distributor Route.
- 4. The city council has a 40% interest in the wider Norwich Airport Industrial Estate and a facility such as this would be a major anchor tenant which could kick-start the redevelopment of this key employment area within the city, leading to greater employment opportunities and growth in both rental income and business rates.

The proposal

- 5. The proposal is for the county council to use its borrowing powers to provide part of the finance to create a physical location for the Norwich International Aviation Skills Academy at a site close to the edge of Norwich International Airport, to be opened in time to commence training in September 2016.
- 6. The key aims of the proposal are to create a facility that will provide:
 - a) local jobs;
 - b) opportunities for local people to work in a national or international setting;
 - c) an opportunity for a national and international facility in Norwich.
- 7. The main training partners have worked on the development of a training plan. The key issue to consider is the need to create a custom-designed facility, enabling access to the airport itself which would initially focus on aviation engineering training to support the existing demand from KLM UK Engineering, but with the intention of this increasing over time to incorporate skills across six areas of aviation:
 - a) pilot;
 - b) engineer;
 - c) air traffic control;
 - d) cabin crew/crew;
 - e) airport operations;
 - f) operations, planning and crewing.

- 8. A business plan has been produced by the Aviation Skills Partnership (ASP) on behalf of the key partners and stakeholders. It sets out a costed proposal to create the academy and shows that enough training revenue can be derived from each element of the initial phase of the academy to cover:
 - a) the operational cost;
 - b) renewals;
 - c) the cost of servicing the loan required to create the facility.
- 9. The plan is largely based on training currently being delivered or for which a market has already been established.
- 10. The proposal is to use a site, located on the Norwich Airport Industrial Estate, which is jointly owned by the city council and the county council. Details of the location of the site and the financial implications can be found in the accompanying exempt report which will also be presented at this meeting.
- 11. The business case for the Aviation Academy relies upon there being a peppercorn rent for the land and premises which will require the city council to effectively provide a grant-in-kind in lieu of rent.

Integrated impact as	ssessment NORWICH City Council
	npact of the recommendation being made by the report th completing the assessment can be found <u>here</u> . Delete this row after completion
Report author to complete	
Committee:	Cabinet
Committee date:	5 August 2015
Head of service:	Andy Watt
Report subject:	Norwich International Aviation Academy
Date assessed:	23 July 2015
Description:	

		Impact		
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)			\square	
Other departments and services e.g. office facilities, customer contact	\square			
ICT services	\square			
Economic development		\square		
Financial inclusion	\square			
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	\square			
S17 crime and disorder act 1998	\square			
Human Rights Act 1998				
Health and well being	\square			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	\square			

	Impact			
Eliminating discrimination & harassment	\square			
Advancing equality of opportunity	\square			
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation		\boxtimes		
Natural and built environment		\square		
Waste minimisation & resource use				
Pollution	\square			
Sustainable procurement	\square			
Energy and climate change		\square		Improved EPC ratings of new buildings
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management				

Recommendations from impact assessment
Positive
The positive imlications outway the relatively small immediate financial implications
Negative
Neutral
Issues