



<b>Subject:</b>	Heathrow Expansion: Opportunities for Local Supply Chain Development and Site Locations
<b>Date:</b>	11 April 2018
<b>Reporting Officer:</b>	John Greer, Director of Economic Development
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Some time in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of Main Issues</b>
1.1	The purpose of the report is to update Members on the potential for local sites to be used as a focal point for works related to Heathrow Airport expansion plans as well as opportunities for local companies to be part of the supply chain for the airport expansion and associated developments.

<b>2.0</b>	<b>Recommendations</b>
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2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>- Agree to set aside a maximum of £10,000 to contribute to the business case development work as part of a combined NI bid for the Heathrow Logistics Hub.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
3.1	<p>Members will be aware that in October 2016, the UK Government approved a third runway at Heathrow to expand UK airport capacity. The decision is subject to public consultation and work is unlikely to get underway until at least 2020.</p>
3.2	<p>The expansion of Heathrow will be one of the largest infrastructure projects in the UK. In order to accommodate the third runway, it will be necessary to re-position and build over part of the M25 motorway adjacent to the airport, re-position some of the local access roads, divert local rivers, provide space for houses, offices, car parking and freight services and replace a number of existing airport facilities.</p>
3.3	<p>In recognition of the scale of investment and the potential for all parts of the UK to benefit from supply chain and skills development opportunities, Heathrow sought expressions of interest for up to four Logistics Hub locations. The proposal was that these could be used as off-site centres for construction and manufacturing in order to help the airport to deliver its expansion plan, within an agreed timeframe and with minimal on-site disruption.</p>
3.4	<p>From an initial 121 applications, 65 potential sites were shortlisted. Six of the sites are located in Northern Ireland. They include:</p> <ul style="list-style-type: none"> <li>- North Foreshore – Belfast</li> <li>- Global Point Business Park – Antrim and Newtownabbey</li> <li>- Belfast International Airport – Antrim and Newtownabbey</li> <li>- Former Michelin Site – Mid and East Antrim</li> <li>- Silverwood Business Park – Lurgan</li> <li>- Former Shackleton Barracks – Ballykelly.</li> </ul>
3.5	<p>As part of their assessment process, a number of representatives from Heathrow visited some of the Northern Ireland sites in early March. The remainder of the site visits will take place in June 2018. In the course of the engagement, it emerged that Heathrow would be open to a joint NI bid involving multiple sites and a collaborative programme of support</p>

	<p>around supply chain development and skills development. This could potentially align to some of the work being undertaken as part of The City Deal.</p>
3.6	<p>In order to improve the chances of making a successful bid, partners have identified that a collaborative proposition involving all six NI sites as part of a “fully packaged solution” is likely to be favoured over individual, stand-alone site solutions. This will involve engaging with major construction companies as well as co-ordinating the local supply chain and working with Heathrow to understand skills requirements in order to develop tailored solutions.</p>
3.7	<p>In order to develop the business case for the combined NI bid, it is proposed that each council involved contributes up to £10,000 for each site to access specialist advice and consultancy support. This will enable the submission to be made to Heathrow by the November 2019 closing date.</p>
3.8	<p>In parallel with the work on the Logistics Hub joint bid, Belfast City Council has agreed to host a ‘Meet the Buyer’ event in Belfast City Hall on 20 June 2018. This will enable local businesses to meet with key buyers in Heathrow, focusing on existing supplies and services requirements. This event will give local businesses an introduction to doing business with Heathrow and will enable them to get an understanding of future investment and procurement opportunities.</p>
3.9	<p><u>Equality and Good Relations Implications</u></p> <p>No specific equality or good relations implications.</p>
3.10	<p><u>Financial and Resource Implications</u></p> <p>It is proposed that a maximum £10,000 is set aside to contribute to the business case development work as part of a combined NI bid for the Heathrow Logistics Hub. The funding is available within existing resources and has been approved as part of the estimates process.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	None