

**AGREEMENT WITH MACC TO FORM A CONSORTIUM TO BID FOR MACHRIHANISH
TO BE A UK SPACEPORT**

1.0 EXECUTIVE SUMMARY

- 1.1 Representatives of Argyll and Bute Council have been working closely with Machrihanish Airbase Community Company (MACC) for a number of years to help the base reach its optimum economic potential in an effort to benefit the people of Kintyre and beyond. A significant opportunity presented itself to the MACC base in 2014 with the announcement by the UK Government, Department of Transport, to identify an UK Spaceport that would have the potential to generate up to 5,000 jobs and billions of pounds of infrastructure investment. The UK Government initially identified eight potential UK sites including Machrihanish.
- 1.2 The council, MACC and HIE jointly prepared a bid document highlighting Machrihanish's many strengths as a potential UK Spaceport. This bid was successful with 5 sites now shortlisted for a permanent base. MACC has subsequently written to the council inviting us to become a consortium partner. The consortium letter of agreement (see Appendix 1) is therefore proposed to be signed by the Leader of the Council, the Chief Executive of the Council, the Chair of MACC Board and the Manager of MACC. Given the lack of clear published criteria for the second round of the bidding process the level of resources being committed by the council to assist with the bid process will be subject to a further report to council.
- 1.3 Agreeing to form a consortium partnership at this early stage of the bidding process will send a strong signal to the UK Government Department of Transport and the Scottish Government that Argyll and Bute wishes to take full advantage of this significant economic opportunity for Kintyre and indeed wider Argyll and Bute.

1.3 RECOMMENDATIONS

That Members note and approve the contents of the attached consortium letter to the Machrihanish Airbase Community Company (MACC) and also approve the council being a consortium partner with MACC and HIE Argyll and the Isles.

**AGREEMENT WITH MACC TO FORM A CONSORTIUM TO BID FOR MACHRIHANISH
TO BE A UK SPACEPORT**

2.0 SUMMARY

- 2.1 Representatives of Argyll and Bute Council have been working closely with Machrihanish Airbase Community Company (MACC) for a number of years to help the base reach its optimum economic potential to benefit the people of Kintyre and beyond. A significant opportunity presented itself to the MACC base in 2014 with the announcement by the UK Government, Department of Transport, to identify an UK Spaceport that would have the potential to generate up to 5,000 jobs and billions of pounds of infrastructure investment. The UK Government at that stage identified eight potential UK sites including Machrihanish.
- 2.2 In response to this enormous economic opportunity for Argyll and Bute the council, MACC and HIE (Argyll and the Isles) jointly prepared a bid that was ultimately successful in allowing Machrihanish to pass through to the next stage with 6 sites (1 suitable for temporary use) now identified as being shortlisted. MACC has subsequently written asking Argyll and Bute Council to become consortium partners in order to present the best possible bid for the next stage of the process. MACC has also written to HIE to provide support to the Machrihanish bid and their support for a future bid has been confirmed to MACC by separate letter.
- 2.3 The consortium letter of agreement (see Appendix 1) is proposed to be signed by the Leader of the Council, the Chief Executive of the Council, the Chair of MACC Board and the Manager of MACC. Given the lack of clear published criteria for the second round of the bidding process the level of resources being committed by the council to assist with the bid process will be subject to a further report to council. Agreeing to form a consortium partnership at this early stage of the bidding process will send a strong signal to the UK Government Department of Transport and the Scottish Government that Argyll and Bute wishes to take full advantage of this significant economic opportunity for Kintyre and indeed wider Argyll and Bute.

3.0 RECOMMENDATIONS

- 3.1 That Members note and approve the contents of the attached consortium letter to the Machrihanish Airbase Community Company (MACC) and also approve the council being a consortium partner with MACC and HIE Argyll and the Isles.

4.0 DETAILS

4.1 Background

4.1.1 The Council has been working with MACC on a number of initiatives over recent years in an effort to realise economic opportunities on the former MOD base now in community ownership. The area of the base has been included within the current Argyll and Bute Development Plan as an Area for Action and is included in the Local Development Plan as a Strategic Business Allocation with a recently approved masterplan covering the whole base area.

4.1.2 A further opportunity presented itself in 2014 where 8 shortlisted sites were announced by the UK Government Department of Transport as potential sites for the UK's first spaceport. Machrihanish was one of the identified sites and this led to a bid being jointly prepared by the council, MACC and HIE (Argyll and the Isles). This bid met with success with Machrihanish now included in a shortlist of 6 sites one of which only offers a temporary solution. Machrihanish is considered to have a number of distinct advantages over the other sites that have been shortlisted.

- It is the only candidate site with a 3km runway in place;
- Polar and equatorial type launches are possible, a major benefit to spaceplane operators;
- Machrihanish is remote from major centres of population with flights over the sea rather than land which is the most critical safety element to any potential spaceport;
- There are existing direct flights to Glasgow international airport to allow quick access to the site;
- The airspace above Machrihanish is uncongested;
- Machrihanish is privately (community) owned with no other shortlisted site in private ownership;
- There is on site fuel storage infrastructure in place linked to an underground pipeline from the Oil and Pipelines Agency storage depot in Campbeltown Harbour; ideal for transporting large quantities of fuel safely;
- high voltage, water and sewage infrastructure designed to handle the activities and demands of a population of 4,000 personnel.

3.1.3 Creating a UK spaceport at MACC offers huge potential for both the base and indeed wider Argyll and Bute with a potential for up to 5,000 jobs and a multi-billion pound investment in vital infrastructure with potential transformation benefits for the Argyll and Bute economy and population.

3.1.4 It is considered that by submitting the bid for a UK spaceport this will considerably help raise the profile of Kintyre as a place to do business in given the wide range of potential economic assets that we have together with the high quality of life the area can offer as rural community. The consortium letter is intended to be signed by the

Leader of the Council, the Chief Executive of the Council, the Chair of the MACC Board and the Manager of MACC. Given the criteria for the second round bid has yet to be agreed the consortium letter does not commit the council to a specified level of resource other than officer time. If additional resources are required a further report will be submitted to council for approval.

5.0 CONCLUSION

5.1 This report proposes that a consortium be formed with MACC with additional support from HIE (Argyll and the isles). This partnership agreement will send a strong signal to the UK Government that the Machrihanish has a strong and compelling bid to be the UK's first Spaceport that has the potential to deliver a transformational positive impact on the Kintyre and wider Argyll and Bute economy.

6.0 IMPLICATIONS

6.1	Policy	MACC base is identified as a strategic business site in the Local Development Plan and is covered by a fully approved masterplan
6.2	Financial	None directly arising from this report
6.3	Legal	None
6.4	HR	None
6.5	Equalities	None
6.6	Risk	None
6.7	Customer Services	None

Executive Director of Development and Infrastructure Pippa Milne
Policy Lead Councillor Aileen Morton
2 June 2015

For further information contact: Fergus Murray, Head of Economic Development and Strategic Transportation 01546 604293

Appendix 1 – Letter of Intent to Establish a Consortium Agreement