

Question 1: Question from Cllr Vince Maple, Leader of the Medway Labour Group and Councillor for Chatham Central, to Cllr Paul Carter

For some time I, along with my Labour colleagues at Medway Council, have questioned whether the £4.4m LGF investment in the Rochester Airport project is best use of public money for growth in Medway. As mentioned in the minutes of the last meeting (page 4, Item 8), there was some 'confusion and ambiguity' regarding the Rochester Airport Project. The Medway Local Democracy Reporter reported that, 'Cllr Paul Carter (Con) raised concerns about why public money was being used to support a private business (Rochester Airport Ltd),' and 'Cllr Carter also said there was not enough information linking phases one and two to make a decision. Concerns were also raised about how the outcomes of phase one could be the same.'

Therefore the Board resolved that any decisions made about the project being deferred to today's meeting. Now that the Board has had the opportunity to consider further details of the project, can Cllr Carter confirm whether his fears have been allayed, or like me does he remain unconvinced that this is best use of public money for growth in Medway, particularly in light of the proposed changes for the project?

Question 1 response (Response as provided by Cllr Mark Dance, Kent County Council)

"Unfortunately, I am unable to attend the meeting today however I have asked Mark Dance, KCC's Cabinet Member for Economic Development, to sub for me and to provide this response.

"Following the last Accountability Board meeting, I have met with the Leader and senior officers of Medway Council regarding the Rochester Airport project and I have had sight of the detailed report and presentation the board will receive today. I can confirm that my earlier concerns have now been resolved.

"Consequently, I am now happy to support the proposed LGF investment in the Rochester Airport Project".

Question 2: Fred Montague

As a regular contributor to the Kent Surrey and Sussex Air Ambulance Service, (KSSAAS) when I heard the charity was considering a move back to Medway I wrote to the CEO about the planning issues in respect of the proposed changes to Rochester airport.

In his reply he confirms:

"The Trust has been offered no incentives to come to Rochester and no guarantees or indemnities about its future operation. Those considerations would be irrelevant anyway for the office building we wish to erect. The synergy between our office activities and the use of Rochester as a forward operational base is of value to us, but it is not a prerequisite of our application; it just represents a logical and sensible

strategy for us to adopt and one that enables us to maintain our existing excellent Marden management, administration and fund raising teams.”

He also stated:

“We currently operate perfectly satisfactorily and safely at Rochester with both runways in existence; that would not change if only one runway was to remain, or indeed no runways at all.”

From the CEO’s reply it is clear that:

- The closure of Rochester Airport would not impact the operational aspects of the KSSAAS
- Their move was not predicated on the Rochester Airport enterprise zone status
- The HQ move is predominately a transfer of jobs from the KCC area to Medway.
- Any new jobs are specific to the KSSAAS success not through a move to Rochester alone.

Why does Medway Council in its revised SELEP business case attempt to leverage and claim the success in attracting the KSSAAS charity to Rochester airport due to the enterprise zone status and future upgrade when the CEO himself refutes the claim?

Question 2 response

In response to this Public Question, Medway Council has confirmed the following:

“Medway Council has in no way attempted to claim that the achievement of Enterprise Zone status attracted the Kent, Surrey and Sussex Air Ambulance to the site.

“It is clear from the comments made by the CEO of the Air Ambulance that locating their administrative headquarters at Rochester Airport, which is already used as a forward operational base, is a logical and sensible strategy to adopt, with the synergy between the administrative activities and the use of the site as a forward operational base proving valuable. The proposed project outputs safeguard the future of Rochester Airport which in turn maintains the use of the site as a forward operational base by the Air Ambulance which has been highlighted as adding value to their activities.

“It is acknowledged that the Air Ambulance jobs being transferred to the new administrative headquarters at Rochester Airport are already in existence in the SELEP area, and therefore these jobs are not being offset against the total of 37 new jobs that will be created as a result of the airport infrastructure improvements. Furthermore, it is not being claimed that any new jobs created by the Air Ambulance following their move to Rochester, are directly linked to their move”.

Question 3: Anthony Finbow

Why has the option to close Rochester Airport and redevelop the entire site been omitted from the revised Rochester Airport Technology Park business case given that it is important to ensure Value for Money is delivered and that:-

- The airport operator is unable or unwilling to pay for the entire overrun of costs for the agreed airport works;
- The 25 year airport lease contains a deed of revocation which permits the airport operator to walk away from the contract with no penalty;
- The adopted Medway Local Plan and saved policies do not safeguard the airport or continuation of flying at the Rochester airport site;
- The adopted Medway Local Plan and saved policies permit the airport land to be used for a Technology Park without limitation on the scope or size of development;
- The airport has no national heritage or official historic status;
- Rochester airport is one of two general aviation sites in Medway so leisure and sports flying will be retained in the area if Rochester airport is closed;
- Greater social, economic and environment value for money could be achieved by the full use of the site without an airport; AND THAT
- The closure of the cross runway and the continuation of flying at Rochester airport has been expertly proven to increase noise impact to local residents;
- The mitigation of risk and environmental impact attributed by Medway Council and Rochester Airport Limited to a paved runway is no longer applicable;
- There is no business model for the revised airport investment which evidences financial viability of the site as a long term operational airport with or without out a paved runway.

Question 3 response

Medway Council has provided the following response:

“Medway Council has a long-held commitment to safeguard the future of Rochester Airport. For this reason closure of the airport and redevelopment of the entire site is not considered to be an option in itself.

“Within the Do Nothing scenario included within the Business Case the closure of Rochester Airport was considered to be the consequence of receiving no LGF funding. However, in this scenario very limited development would be forthcoming due to the failure to secure the requested LGF funding.

“The revised Business Case considers the impact of the proposed change in project outputs on the benefits offered by the project. Whilst alternative options were assessed following receipt of the Quantity Surveyor cost review, it was considered that the only viable option was to progress with the preferred option - implementation of masterplan immediately – as detailed in the Business Case, albeit with a change to project outputs and therefore no further options have been added to the revised Business Case”.

Question 4: Wendy Montague

The SELEP Accountability board is funding a £4.4 million payment to a limited liability private company with share holders which is interest free, non repayable without security or matching contribution.

Why is there no Rochester Airport Limited equal and matching private financing towards the airport works when the airport lease makes clear the payment of £4.4 million is only a contribution to the infrastructure improvements?

There is no mention of equal and matching funding in the revised RATP business case.

Response to question 4

Medway Council has provided the following response:

“The SELEP Accountability Board is funding a £4.4m payment to Medway Council, not to Rochester Airport Ltd. It is Medway Council that is the Accountable Body for this project, not the airport operator. The airport site and all its’ assets are within Medway Council ownership. Following the cessation of the lease all assets on the site will return to Medway Council control, meaning that Medway Council is the long-term beneficiary of the project.

“There is no requirement for Rochester Airport Ltd., under the original tender documentation, the lease or the conditions of the Local Growth Fund, to make an equal match contribution towards the airport works”.

Question 5: Laurence Lucas

Medway Council in their revised business case for RATP phase 1 lists the refurbishment of hangars 3 and 4 as an expenditure of the LGF £4.4 million grant. Yet there is no disclosure in the revised or original business case that Rochester Airport Limited the current lease holder has been contractually responsible for all maintenance and repairs to the buildings since 2000.

The period for which Rochester Airport Limited has had use of the hangars (18 years) equates to over 20% of the airports life.

Why did Medway Council not disclose the Rochester Airport Limited building maintenance and repair liability or include a matching contribution towards their refurbishment by the lease holder in the SELEP business case?

Response to question 5

Medway Council has confirmed that, “There is no requirement for Medway Council to disclose the terms of the lease agreement with Rochester Airport Ltd. within the project Business Case as this does not form part of SELEP’s considerations. It is important to note that the lease is a publicly available document which can be reviewed by any interested parties.

“The requirement for Rochester Airport Ltd. to maintain the buildings on the airport site, in accordance with the agreed schedule of condition, has been referred to within the project update report on more than one occasion.

“There is no requirement for Rochester Airport Ltd., under either the original tender documentation or the lease, to make a contribution towards the hangar refurbishment works.”

Question 6: Rita Mew (question to be read by Mr McLennan)

Medway Council’s Rochester Airport Technology Park business case contains a letter of assurance by the Section 151 Officer that Rochester Airport Limited (the current airfield leaseholder) will be responsible for all cost overruns for the airport material works approved by the SELEP Accountability Board, June 2016.

Why is Medway Council attempting to renege on its Chief Financial Officer’s binding commitment by citing cost overrun as an excuse to reduce the agreed works, when less than a year ago (May 2017) Medway confirmed in writing to SELEP the airport phase was financially viable? There have been no unforeseen issues or delays preventing Medway from starting the project since.

Response to question 6

Medway Council has stated that, “Medway Council are not attempting to renege on the commitment made by the Chief Finance Officer in the original Business Case. Since the Business Case was developed further work has been undertaken to develop a more detailed understanding of the scheme requirements and specification. This work has highlighted, particularly through the Quantity Surveyor review which was carried out in March 2018, that the scheme in its entirety cannot be delivered within the agreed LGF allocation.

“Due to the scale of the current cost over-run, making Rochester Airport Ltd. cover the additional costs is not considered conducive to safeguarding the future of the airport, which is a key overall objective of the project. However, moving forward Rochester Airport Ltd. will be required to cover any reasonable cost over-run which arises during the construction period.

“Medway Council is the Accountable Body in relation to this project, not Rochester Airport Ltd. and therefore the Council is ultimately responsible for the project”.