

Extract from PAHL OpsCo Board Meeting (49) – Board pack - Wednesday 26th February 2020

4.18 [redacted] outlined the Heathrow Hub requirements, [redacted]. [redacted] has asked for an extension to the ITT deadline and TS has been briefed. [redacted] added that the Preferred Bidder is aware.

HEATHROW LOGISTICS HUB

[redacted] worked with [redacted] to develop the final stage tender. [redacted]

Extract from [redacted] - Company Information Pack - 31 July 2019

Investment Opportunity – Heathrow Logistics Hub

Overview

- Glasgow Prestwick Airport's joint bid to become Scotland's Heathrow Logistics Hub has secured a place on the shortlist of nationwide potential sites.
- The Airport's bid was on a long list of 65 potential applicants from which Heathrow has confirmed a final shortlist of 18 bids, with four in Scotland. This followed a visit by Heathrow Airport representatives in June 2018 and the completion of a detailed prequalification questionnaire (PQQ) in early 2019.
- A partnership between Glasgow Prestwick Airport, ABP Ports and South Ayrshire Council, the Ayrshire region's proposition – the Ayrshire Logistics Hub – is in contention to become one of four UK-wide off-site construction centres which will be announced early next year, ahead of work commencing in 2021.
- A Scottish hub is guaranteed as a key commitment in Heathrow's plan to enhance jobs and growth in Scotland as a consequence of its overall expansion project – with the eventual site playing a major supply chain role in the overall construction process. The hubs will work by pre-assembling components offsite before transporting them in consolidated loads to Heathrow as required – the first major infrastructure project in the UK to pioneer the largescale use of this method.
- The winning location will pioneer off-site manufacturing, kicking off the creation of up to 16,000 new jobs and up to £17 billion in economic growth that the Heathrow expansion is predicted to bring Scotland.
- Heathrow's additional flight capacity could also potentially lead to new domestic services operating from Scottish airports – boosting the country's tourism and trade.
- The Ayrshire Logistics Hub's bid is reinforced by an extensive construction and engineering supply chain of more than 1000 businesses, engaged through an innovative procurement model.

- Its overall offering is distinct due to its location – containing an abundance of land and infrastructure while benefiting from 100% business rates relief, excellent transport links to Scotland, the North of England and Northern Ireland alongside a hugely competitive labour market.

Financial Impact on GPA

- There are a number of ways in which the Logistics Hub could bring significant financial benefits to the owner of GPA:
- **Operating Position** – A logistics hub could deliver a positive impact to the airport's current operations. This could include, but is not limited to, increased property rentals and land utilisation, increased air freight volumes, new domestic passenger routes, and a larger footfall through the airport.

Extract from Proposed sale of shareholding in Prestwick Aviation Holdings Limited - Invitation to Submit Offers - 31 July 2019

2.2 Investment Opportunity

2.2.7 GPA has recently been shortlisted to become Scotland's Heathrow Logistics Hub. Working in partnership with ABP Ports and South Ayrshire Council, the Ayrshire region's proposition – the Ayrshire Logistics Hub – is in contention to become one of four UK-wide off-site construction centres which will be announced in 2020, ahead of work commencing in 2021. Further details on the project can be found here: <https://www.heathrowexpansion.com/uk-growthopportunities/supply-chain-hubs/>

2.3 Requirements for the Proposed Transaction

2.3.1 There are four main requirements for the Proposed Transaction. These requirements have been established with the aims of (i) securing the best possible price for the Scottish Government, and (ii) the long-term continuance of GPA as an airport and a Scottish infrastructure asset. The four main requirements are as follows:

4. Ability to Develop Aviation Services

Bidders should have proven experience of attracting new business in respect of aviation services (including but not limited to the development of freight and passenger routes), or other initiatives similar to PAHL's plans for Spaceport Development and the opportunity to be Scotland's Heathrow Logistics Hub.

Extracts from Proposed sale of shareholding in Prestwick Aviation Holdings Limited - Eligibility Questionnaire – 13 June 2019

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Extract from EQ Response Template – 13 June 2019

4.4 Ability to Develop Aviation Services

4.4.1 Please provide your experience in the last 10 years of attracting new business in respect of aviation services (including but not limited to the development of freight and passenger routes), or other initiatives similar to PAHL plans for Spaceport Development and opportunity to be Scotland's Heathrow Logistics Hub

Bidder's response:
[Maximum 1500 words]

Extract from Strategic Plan 2017 – 2022

The Scottish Government signed a Memorandum of Understanding with Heathrow in September 2016. It outlined that the Scottish Government would offer its support for the expansion of Heathrow and Heathrow would commit to the use of Scottish engineering, manufacturing and construction, creating extra connectivity between Scottish airports and Heathrow and exploring options for the establishment of a logistics hub at Glasgow Prestwick Airport.

The UK Government announced its support for the expansion of Heathrow in October 2016. Soon after this announcement, the Heathrow team visited Glasgow Prestwick Airport to commence discussions as to what would be required from this logistics hub.

The hub would be used for the consolidation and movement of goods and prefabricated parts from across Scotland, the north of England and Northern Ireland.

The team at Glasgow Prestwick Airport will be working over the course of 2017/18 to build a partnership with Heathrow.