



Agenda

Subject: Cheshire Science Corridor Enterprise Zone Board Meeting
Time: 13:00-16:00 Tuesday 28th November 2017
Location: Walnut Suite, The Centre, Birchwood Park

PART 1: EZ Board Members Only (13:00-14:00)

- 1) EZ Investment Business Case Appraisals (presentation by Cushman & Wakefield)

PART 2: EZ Board and Attendees (14:00-16:00)

- 1) Attendees and apologies
- 2) Minutes and matters arising from EZ Board of 21st September
- 3) Declaration of conflicts of interests
- 4) Governance
 - a) Changes in membership/representation
 - b) Compliance with Local Assurance Framework
 - c) Updated Terms of Reference
 - d) Conflicts of interest policy
 - e) 2018 meeting dates
- 5) Operational update
 - a) Growth Director's update
 - b) EZ site updates (landowners)
 - c) Development and Investment Strategy update (Cushman & Wakefield)
 - d) Business Rate Discount applications (JA)
- 6) Marketing and communications
 - a) Marketing and promotion update (JA)
 - b) Upcoming events (JA/KM)
 - c) Value proposition commission (JA)
 - d) DIT Key Account Management post (JA)
- 7) Finance
 - a) Finance update (JA)
- 8) AOB

Item 1 – Attendees and Apologies

EZ Board Members:

Robert Mee, Chair of EZ Board
Cllr Paul Bates, Cheshire East Council
Cllr Russ Bowden, Warrington Council
David Slater, CNS

In Attendance:

John Adlen, Cheshire & Warrington LEP
Chris Capes, Cheshire West & Chester Council
Chris Doherty, MSP
Stephen Fitzsimmons, Warrington & Co.
Jane Gaston, Peel Environmental
Katrina Michel, Marketing Cheshire
Martin O'Rourke, Patrizia
Heather Standidge, Cushman & Wakefield
Joel Tagg, BEIS
Paul Vernon, Thornton Science Park
John Willis, Skills & Growth Company
Andrew Round, Cheshire East Council

Tentative:

Cllr Brian Clarke, Cheshire West & Chester Council
Chris Farrow, Ellesmere Port Development Board
Steve Richmond, Astra Zeneca

Apologies:

Caroline Baker, Cushman & Wakefield
Philip Cox, Chief Executive of Cheshire & Warrington LEP
Steve Park, Warrington & Co.
Gary Steen, Cheshire & Warrington LEP Board Member

Item 2 – Previous Minutes

CHESHIRE SCIENCE CORRIDOR ENTERPRISE ZONE BOARD

Minutes

Thursday 21st September 2017, Thornton Science Park

1. Attendees and Apologies

EZ Board Members Present:

Robert Mee (Chair)

Cllr Russ Bowden, Warrington Council

Cllr Brian Clarke, Cheshire West & Chester Council

In Attendance:

John Adlen, Cheshire & Warrington LEP

Caroline Baker, Cushman & Wakefield

Chris Doherty, MSP

Chris Farrow, Ellesmere Port Development Board

Jane Gaston, Protos

Katrina Michel, Marketing Cheshire

Steve Park, Warrington & Co.

Andrew Round, Cheshire East Council

Heather Standidge, Cushman & Wakefield

Joel Tagg, BEIS

Paul Vernon, Thornton Science Park

Jonathan Walsh, Birchwood Park

Apologies:

Cllr Paul Bates, Cheshire East Council

Steve Richmond, Astra Zeneca

David Slater, CNS

Tony Clark, Cheshire West & Chester Council

Philip Cox, Cheshire & Warrington LEP

John Willis, Skills & Growth Company

2. Previous EZ Board Minutes

All matters arising from the previous EZ Board held on 19th July have been actioned or will be covered in this Board.

Jane Gaston's attendance at the last Board meeting had not been recorded, which was noted and the minutes to be amended.

Minutes were agreed for sign off.

3. Declarations of Interest

Cushman & Wakefield declared an interest in item 6c) Value Proposition Brief.

4. Governance

Councillor Paul Bates has been nominated by Cheshire East Council as their representative on the EZ Board, replacing Councillor Peter Groves.

5. Operational Overview

5a) Growth Director's update

John Adlen provided an update on the key development activities that had taken place during the period since the last EZ Board, which included:

- Negotiations with Peel Land & Property and the development of a business case for investment in a new 10 MVA primary sub-station at New Bridge Road to unlock the EZ sites in Ellesmere Port.
- Negotiations with Redsun Developments regarding supporting the viability of speculative development of c. 120,000 sq ft (2x 60,000 sq ft units) of new industrial floorspace on Hooton Park.
- Development of EZ Investment Programme with Cushman & Wakefield
- Development of MIPIM business case for LEP Board
- Further development of the value proposition consultancy brief
- Development of finance systems and processes relating to the administration of business rate discount applications and retained business rates
- Negotiations with DIT regarding funding for an account management post

5b) EZ site updates

Alderley Park

Chris Doherty reported that Alderley Park had just passed the landmark of having 1,000 staff on site from new companies. CRUK have continued to relocate staff to the site from Manchester, which could eventually be between 400-600 staff. Two new companies have located on Alderley Park, Evotech and Concept Life Sciences. The contract with BioCity to provide incubation support on site has been extended for a further 8 years. Astra Zeneca are

withdrawing from the site slower than originally planned and are now expected to be on site until 2020, which means that MSP need to bring forward the conversion of non-lab space earlier than anticipated.

Birchwood Park

Jonathan Walsh reported that the acquisition of Birchwood Park by Warrington Council had been completed and Patrizia appointed as the managing agent. 713 Cavendish Avenue is in legals and will be taken by BiSN, a leading provider of metal to metal downhole sealing solutions to the oil and gas industry. Cavendish Nuclear's fitout and occupation has slipped and will now take place in early 2018.

Ellesmere Port

Chris Farrow reported that the sale of Hooton Park from the HCA to Redsun was in legals. Cloister Way (Andrews) is now fully let and CWAC are in discussions with a developer to purchase 2 acres on Newport Business Park. There is also a high level of interest in units at Helix Business Park.

Protos

Jane Gaston reported that Peel Environmental is in discussions with potential energy generators on two sites at Protos. Peel are currently exploring the option of investing £12m in new grid connections for the site and would like to hold early stage discussions with the Growth Director about speculative development on Phase 1.

Thornton Science Park

Paul Vernon reported that Building 49, the only existing floorspace in the EZ at Thornton, was almost full and that they are in discussions with a potential occupier for the remaining space on the top floor, which if completed would bring 50 new jobs onto the EZ. TSP are still in discussions with a potential occupier interested in demolishing buildings 25 and 27 to build a new facility, who may take some existing lab space on site initially.

5a) Investment Programme

Cushman & Wakefield presented the emerging outline Investment Programme and business rate retention estimates. They explained that these will be 'live' spreadsheets that will evolve in partnership with the LEP and each of the landowners and local authority partners the business cases for each individual investment project is developed.

At this stage, none of the stakeholders are in any way committed to the projects in the investment programme and the figures are estimates based on discussions with landowners and will be subject to change as more detailed business cases are developed.

Cushman & Wakefield reported that the outline Investment Programme shows a broad mix of project types and requests (i.e. grants, loans, guarantees, enabling works) with a broad geographical spread across all of the EZ sites. The outline Investment Programme is currently showing total project costs of £40.5m against an 'ask' of EZ support from retained business

rates of £17.5m, which would deliver 41,720 sq m (450,000 sq ft) of new floorspace and could generate £2.1m in rate retention per annum or in excess of £29m over lifetime of EZ.

Cushman & Wakefield presented a revised estimate for EZ Business Rate Retention based on projects already committed and those identified within the investment programme over the next 25 years. The revised estimates show that new floorspace delivered to date is generating c.£340k p.a. equating to £8.3m over remaining EZ period, that the delivery of new build floorspace at Cavendish Avenue (714-720) and Hooton Park could add a further £644k p.a. equating to £18.5m to 2040/41 and that combined, the rate retention pot could total c.£5m by year 6.

A question was raised about the finance mechanisms for funding of Investment Programme projects and it was explained that it was expected that there would be a range of funding mechanisms employed which could include forward funding by individual landowners, local authorities utilising their prudential borrowing capabilities and LEP funding through Growing Places Fund loans.

John Adlen explained that the next steps would be to bring the individual businesses cases for the investment projects to the EZ Board with the intention of having the final Investment Programme signed off by January 2018.

5d) BRD Applications

The Board approved the following Business Rate Discount applications:

- Alderley Analytical
- HematoGenix Laboratory Services Ltd
- Medicines Discovery Catapult Ltd

6. Marketing and Communication

6a) Marketing and Promotion Update

John Adlen reported that the following marketing and promotional activities had been undertaken over the last period:

- Hosted ministerial visit to the Science Corridor by Jake Berry MP, Minister for the Northern Powerhouse, who visited Thornton Science Park, Birchwood and Alderley Park
- Meeting with Marketing Cheshire and Knights regarding MIPIM 2018 sponsorship and the hosting of three pre-MIPIM events
- Meeting with the King's School Chester regarding their Science & Engineering Expo and fundraising dinner aimed at engaging pupils across Chester in STEM subjects
- Growth Director sat as a panel member at the Insider 'Cheshire: The Ripple Effect' business breakfast at Alderley Park

6b) Upcoming Events

John Adlen reported on the following upcoming events

- 25th September – Growth Director to make a presentation to the DIT Advanced Manufacturing DSK event in Manchester, which brings together the DIT national and key overseas advanced manufacturing sector specialists.
- The Science Corridor has taken a Cheshire Science Corridor table at the Kings School Science & Technology Dinner – Friday 10th November 2017
- 22nd February 2018 - regional conference on the development of science and technology clusters across the North West. We have engaged Place NW to support the LEP in organising this regional conference, which seeks to bring together the Cheshire Science Corridor, Liverpool Knowledge Quarter and the Oxford Rd Corridor in Manchester to explore how the North's West science and technology clusters can work together to put the North West on the global science and technology map.

Robert Mee suggested engaging with North Wales as a potential partner/sponsor for the regional conference in February.

6c) MIPIM 2018

Katrina Michel reported that the business case for the LEP's presence at MIPIM 2018 has been signed off by the LEP Board. She outlined the plans for MIPIM which included taking a substantially bigger stand in a more prominent location. Marketing Cheshire will be managing the organisation of the Cheshire & Warrington delegation and in the coming months the focus will be on generating corporate sponsorship, securing venues, stand design and development of the MIPIM programme, including on and off stand events.

The Science Corridor will once again be one of the region's key investment propositions and will host an off-stand Science Corridor event, with a launch of the EZ's Investment programme, new value proposition, marketing collateral and new website.

6d) Value Proposition Consultancy

John Adlen presented the brief for the Science Corridor value proposition and sector value propositions and explained that the original Science Corridor brief had been combined with the LEP's Quality of Place consultancy brief to form a single consultancy brief. This work would now seek to develop an overarching Cheshire & Warrington investment value proposition in addition to the Science Corridor value proposition. The new brief extended the sector value propositions to cover the four Science Corridor sectors plus the two additional sectors identified in the SEP - finance and professional services and logistics.

7. Finance

7a) Finance update

John Adlen explained that the EZ Finance Working had met to develop the requisite finance systems and processes for the administration of business rate discount applications and the transfer of retained business rates and that as a result he had produced two Guidance Notes for local authority finance and ratings teams.

7b) DIT funding

John Adlen reported that following negotiations with DIT, the LEP had secured funding of £114k to fund an account management post, based in the LEP to support the co-ordination

of inward investment activity at the sub-regional level and to provide account management for foreign-owned companies across Cheshire & Warrington, but with a particular focus on the Science Corridor. The offer letter from DIT had been received and John was in the processing of drawing up the job description with a view to appointing recruitment consultants.

8. Any Other Business

None to report.

Item 4 – Governance

4a) Changes in membership/attendance

- Chris Capes is the new Cheshire West & Chester Council officer representative, replacing Tony Clark
- Martin O'Rourke will attend the EZ Board meetings as the representative for Birchwood Park replacing Jonathan Walsh.
- Stephen Fitzsimmons will attend the EZ Board meetings as the representative from Warrington & Co replacing Steve Park.

4b) Compliance with Local Assurance Framework

As part of the National and Local Assurance Framework for LEPs and, as reiterated in the recently published Mary Ney Review of LEP Governance, the LEP Board has agreed that all LEP committee meetings will be open to the public with effect from 1st January 2018. To this end, the EZ Board will need to:

- 1) Publish an annual calendar of meeting dates on the LEP website
- 2) Publish the Terms of Reference for the EZ Board
- 3) Publish all papers on the LEP website at least one week in advance of meetings, including:
 - a. Agendas
 - b. Minutes of meetings (suitable redacted)
 - c. Business cases (suitable redacted)
 - d. Appraisals (suitably redacted)
- 4) Hold meetings in rooms large enough to accommodate members of the public

If members of the public wish to attend an EZ Board meeting they must notify the LEP seven days prior to the meeting.

4c) Updated Terms of Reference

An updated Terms of Reference for the EZ Board is attached at Appendix A.

4d) Reminder of Conflicts of Interest Declarations

As part of the LEPs compliance with the Local Assurance Framework, we have been asked to remind members of the LEP's policy on declarations of interest, which is as follows:

Where a member of a committee has a personal or professional interest in an agenda item they are asked to declare that interest at the start of the meeting. The person can remain in the meeting while the item is discussed but they are only allowed to answer direct questions about that item and should refrain from promoting the item in any way. In this way, it is hoped that the committee can benefit from that members knowledge without being unduly influenced by the interest.

4e) 2018 Meeting Dates

Please note the EZ Board meeting dates and locations for 2018:

- Thursday 25th January (Alderley Park)
- Thursday 22nd March (Thornton Science Park)
- Thursday 17th May (Birchwood Park)
- Thursday 19th July (Alderley Park)
- Thursday 20th September (Thornton Science Park)
- Thursday 22nd November (Birchwood Park)

Item 5 – Operational update

5a) Quarterly monitoring return

5b) Growth Director's update (JA)

In the last period, John Adlen has undertaken the following key development activities:

- Procurement of legal advisers to support the LEP in the negotiating and drafting of a legal agreement for the purchase of a proportion of a sub-station at New Bridge Road, Ellesmere Port.
- Ongoing negotiations with Redsun Developments regarding the creation of a 'Put Option' to support the speculative development of new industrial floorspace on Hooton Park.
- Appointment of consultants to develop a value proposition for Cheshire and Warrington and the Science Corridor (see item 6d)
- Procurement of search consultants to support the appointment of the DIT funded Key Account Management post (see item 6e)

5c) EZ site updates (Landowners)

A verbal update to be provided by landowners on each EZ site.

5d) Development and Investment Strategy (Cushman & Wakefield)

Cushman & Wakefield will present the outline Investment Programme for the EZ along with an updated retained business rates forecast cashflow. Papers to follow.

5e) Business Rate Discount applications (JA)

The following Business Rate Discount applications have been approved by the EZ Steering Group and are recommended for ratification by the Board:

- **Cook Compression** (Helix Business Park) - currently operating out of three different industrial premises in Ellesmere Port and is to a single unit on Helix Business Park. The company designs and manufactures compressor components, primarily for use in the oil and gas industry

worldwide. The company satisfies the 'sector test' and the 'growth test' with plans to grow its turnover and expand its workforce over the next 5 years.

- **BiSN Oil Tools Ltd** (Birchwood Park) – designs and manufacturers sealing solutions for the oil and gas industry, utilising their groundbreaking modified thermite heater. The company clearly meets the 'sector' test. The company is taking 21,619 sq ft of floorspace at Birchwood Park, comprising warehousing, office and lab space. The company is currently based in Runcorn and as it is relocating from outside the LEP area is not required to meet the 'growth' test.

Item 6 - Marketing and Communication

6a) Marketing and promotion update (JA)

The following marketing activities have been undertaken over the last period:

- 19th September – Growth Director will be a panel member at the Insider Cheshire – Ripple Effect business breakfast at Alderley Park
- Presentation at the launch of the Cheshire and Warrington MIPIM programme on key investment opportunities in the sub-region
- 25th September – Growth Director to make a presentation to the DIT Advanced Manufacturing DSK event in Manchester, which brings together the DIT national and key overseas advanced manufacturing sector specialists.
- Hosted Cheshire Science Corridor table at the Kings School Science & Technology Dinner – Friday 10th November 2017
- Attended DIT event in Manchester with Baltic/Nordic Fintech companies seeking to invest in the NPH
- Attended the launch of the Anti-Microbial Resistance Centre at Alderley Park

6b) Upcoming Events (JA)

- 22nd February 2018 - regional conference on the development of science and technology clusters across the North West. We have engaged Place NW to support the LEP in organising this regional conference, which seeks to bring together the Cheshire Science Corridor, Liverpool Knowledge Quarter and the Oxford Rd Corridor in Manchester to explore how the North's West science and technology clusters can work together to put the North West on the global science and technology map.

6c) MIPIM 2018 (KM/JA)

Preparation for MIPIM 2018 is underway and the Science Corridor will once again be one of the region's key investment propositions to be presented in Cannes. Following on from last year's successful delegation, this year the region is taking a substantially bigger stand in a more prominent location. Marketing Cheshire are managing the organisation of the Cheshire & Warrington delegation and in the coming months the focus will be on generating corporate sponsorship, securing venues, stand design and development of the MIPIM programme, including on and off stand events. We are proposing to once again host an off-stand Science Corridor event, with a launch of the EZ's Investment programme, new value proposition, marketing collateral and new website.

6d) Value Proposition Consultancy (JA)

The brief for the Science Corridor value proposition and sector value propositions has been combined with the LEP's Quality of Place consultancy brief to form a single consultancy brief (copy attached at Appendix A). This work will now seek to develop an

overarching Cheshire & Warrington investment value proposition in addition to the Science Corridor value proposition. The new brief has extended the sector value propositions to cover the four Science Corridor sectors plus the two additional sectors identified in the SEP - finance and professional services and logistics.

Item 7 – Finance

7a) Finance update

A meeting was held of the EZ Finance Working - a task and finish group set up to develop and implement the requisite finance systems and processes for the administration of business rate discount applications and the transfer of retained business rates. As a result, two Guidance Notes for local authority finance and ratings teams have been developed which are attached at Appendix C.

7a) DIT funding

Following negotiations with DIT, the LEP has secured funding of £114k to fund an account management post, based in the LEP to support the co-ordination of inward investment activity at the sub-regional level and to provide account management for foreign-owned companies across Cheshire & Warrington, but with a particular focus on the Science Corridor.