



## Cheshire Science Corridor Enterprise Zone Board

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**Date:** Thursday 23 January 2020  
**Time:** 13:00-15:00  
**Location:** The Alderley Park Conference Centre, Alderley Park

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### Agenda

- (1) Attendees and apologies
- (2) Declarations of interest
- (3) Previous minutes from the EZ Board of 16 May 2019
- (4) Alderley Park Update
- (5) Governance
- (6) EZ investment programme update
- (7) EZ investment cases
  - (a) Aviator Phase 2 (Hooton Park)
  - (b) Advanced Sustainable Developments (Protos)
- (8) Operational update
  - (a) Quarterly Monitoring
  - (b) Growth Director's update
  - (c) Business Rate Discount applications
- (9) Marketing and communications
- (10) Finance
  - (a) Borrowing facility update
- (11) AOB

**PLEASE NOTE:** If members of the public wish to attend the Enterprise Zone Board to observe then please email [john.adlen@871candwep.co.uk](mailto:john.adlen@871candwep.co.uk) at least 5 days prior to the meeting.

## **Item 1 – Attendees and Apologies**

### **EZ Board Members:**

Peter Broxton, LEP Board Member and Vice Chair of the EZ Board  
Tony Bochenski, Independent Member  
Chris Farrow, Independent Member  
Annette McDonald, Independent Member

### **In Attendance:**

John Adlen, Cheshire & Warrington LEP  
Philip Cox, Cheshire & Warrington LEP  
Stephen Fitzsimons, Warrington & Co.  
Philip Kerr, Cheshire East Council  
Stephanie Ramsden, Cheshire West & Chester Council  
Joel Tagg, Cities & Growth Unit

### **Apologies:**

Robert Mee, Chair of EZ Board and LEP Board Member  
Cllr Russ Bowden, Warrington Borough Council  
Cllr Richard Beacham, Cheshire West & Chester Council  
Cllr Amanda Stott, Cheshire East Council

## Item 2 – Previous Minutes

<b>Meeting Title</b>	Cheshire Science Corridor Enterprise Zone Board	
<b>Date</b>	12 September 2019	
<b>Time</b>	13:00-15:00	
<b>Location</b>	Birchwood Park	
<b>Agenda Item</b>		<b>Action/Decision</b>
<b>1.</b>	<p><b>Attendees and apologies</b></p> <p><b>EZ Board Members:</b>            Robert Mee, Chair of EZ Board and LEP Board Member            Peter Broxton, LEP Board Member and Vice Chair of the EZ Board            Cllr Richard Beacham, Cheshire West &amp; Chester Council            Tony Bochenski, Independent Member            Chris Farrow, Independent Member            Annette McDonald, Independent Member            Cllr Amanda Stott, Cheshire East Council</p> <p><b>In Attendance:</b>            John Adlen, Cheshire &amp; Warrington LEP            Julian Cobley, Cheshire East Council            Philip Cox, Cheshire &amp; Warrington LEP            Stephen Fitzsimons, Warrington &amp; Co.            Andy Hulme, Cheshire &amp; Warrington LEP            Steph Ramsden, Cheshire West &amp; Chester Council            Catherine Walker, Cheshire &amp; Warrington LEP</p> <p><b>Apologies:</b>            Cllr Rus Bowden, Warrington Borough Council</p>	
<b>2.</b>	<p><b>Previous EZ Board minutes</b></p> <p>All matters arising from the previous EZ Board held on 21 March 2019 have either been actioned or will be covered in this board.</p>	Minutes agreed and signed off
<b>3.</b>	<p><b>Declarations of interest</b></p> <p>a) Cllr Amanda Stott and Julian Cobley declared an interest on behalf of Cheshire East Council in Alderley Park</p> <p>b) Stephen Fitzsimons declared an interest on behalf of Warrington Borough Council in Birchwood Park</p> <p>c) Cllr Richard Beecham and Steph Ramsden declared an interest on behalf of Cheshire West &amp; Chester Council in sites in Ellesmere Port</p> <p>d) Chris Farrow declared an interest in sites in Ellesmere Port as Chair of the Ellesmere Port Development Board</p>	
<b>4.</b>	<p><b>Birchwood Park Update</b></p> <p>Due to the level of business to be conducted by the Board, it was agreed to forego the Birchwood Park update on this occasion.</p>	

<p><b>5.</b></p>	<p><b>Governance</b></p> <p>Philip Cox reported that the following new members have joined the EZ Board:</p> <ul style="list-style-type: none"> <li>▪ Peter Broxton, joins as a LEP Board member and Vice-Chair of the EZ Board</li> <li>▪ Cllr Richard Beacham, joins as the new representative from Cheshire West &amp; Chester Council</li> <li>▪ Annette McDonald, Deputy Managing Director Tatton Group, joins as an independent member</li> <li>▪ Cllr Amanda Stott, joins as the new representative from Cheshire East Council</li> </ul> <p>The following members have been reconfirmed in their positions on the EZ Board:</p> <ul style="list-style-type: none"> <li>▪ Tony Bochenski, independent member</li> <li>▪ Chris Farrow, independent member</li> </ul>	
<p><b>6.</b></p>	<p><b>EZ investment programme</b></p> <p><b>a) EZ investment programme update</b></p> <p>John Adlen updated the EZ Board on progress of the investment programme:</p> <ul style="list-style-type: none"> <li>▪ <b>Glasshouse</b> – progressing well, due to complete by end November 2019</li> <li>▪ <b>Aviator</b> – Steels have been erected and is cladding currently going on</li> <li>▪ <b>Helix Phase 2</b> – completes in October 2019, official opening on 4<sup>th</sup> October. Applicant agreed to drawdown grant on Practical Completion</li> <li>▪ <b>Newport Rhino</b> – due to complete in November 2019</li> <li>▪ <b>New Bridge Road Substation</b> – substation completed and up and running, finalising the legal agreement, had to negotiate a separate deed of access across Peel’s land. Should complete legals in September, grant will be made in a single payment</li> <li>▪ <b>Quadrant Phase 2</b> – although approved as an investment, we will not sign the legal agreement until the EZ Borrowing Facility is in place, applicant is proceeding at own risk. Steels have been erected and cladding is going on.</li> </ul>	
	<p><b>b) EZ investment cases</b></p> <p>The EZ Board considered an investment case from Alderley Park Limited (APL) for a total of £4m investment in respect of two projects to refurbish Block 22 and the basement of Blocks 23/24 at Alderley Park that will provide a total of 9,011 sqm (c.97,000 sq ft) of refurbished laboratory space. The EZ Board was supportive of the investment in principle but raised concerns around how the development of the multi-storey carpark fits with the wider sustainability strategy for the site, especially in terms of green travel. The EZ Board instructed the Growth Director to seek further clarification before representing the business case to the Board.</p>	<p>Further clarifications sought</p>

7.	<p><b>Operational update</b></p> <p><b>a) Growth Director's update</b> The EZ Board considered and noted the Growth Director's report on key development activities undertaken during the last period.</p> <p><b>b) Business Rate Discount applications</b> The Board ratified the following Business Rate Discount applications:</p> <ul style="list-style-type: none"> <li>▪ Carrick Therapeutics</li> <li>▪ Cerberus Nuclear</li> <li>▪ Big Style Fashions</li> <li>▪ SLCE</li> <li>▪ Ebeni Ltd</li> </ul>	
8.	<p><b>Marketing and communications</b></p> <p><b>a) Marketing and promotion activities</b> The EZ Board considered and noted the Growth Director's report on key marketing and promotional activities undertaken during the last period.</p> <p><b>b) Future strategy for the Science Corridor</b> Future strategy for the Science Corridor The EZ Board considered the discussion paper tabled by the Growth Director and agreed to consider its implications at the next EZ Board meeting in November.</p>	
9.	<p><b>Finance update</b></p> <p><b>a) Retained Business Rates</b> The EZ Board noted the Growth Director's update on EZ finances and the creation of a £30m borrowing facility from the three local authorities.</p>	
10.	<p><b>AOB</b> There being no other business, the Chair thanked everyone for their attendance and closed the meeting.</p>	

### Item 3 – Declarations of interest

EZ Board members and attendees to declare any personal or professional interests in an agenda item in line with the Cheshire and Warrington Local Enterprise Partnership's Local Assurance Framework.

Any Board member or attendee declaring an interest can remain in the meeting while the item is discussed but are only allowed to answer direct questions about that item and should refrain from promoting the item in any way.

### Item 4 – Alderley Park update

Sean Davies from Bruntwood will be in attendance for the first part of the meeting to provide an update to the EZ Board on progress on the site and we will have a tour of the new Glasshouse scheme.

### Item 5 – Governance

No items

### Item 6 – EZ investment programme

The table below provides the latest position on the approved EZ investments.

Project	Total Project Cost (£)	Total Investment Committed (£)	Investment Drawn Down to Date (£)	Remainder to be Drawn Down (£)
Glasshouse	27,800,000	3,872,876	2,726,498	1,146,378
Aviator	10,786,918	1,701,418	1,142,679	558,739
Helix Phase 2	3,728,223	659,347	557,828	111,519
Newport Rhino	6,187,228	792,670	396,059	396,611
New Bridge Road Substation	1,698,180	590,857	590,857	-
<b>Total</b>	<b>50,200,549</b>	<b>7,617,168</b>	<b>5,413,921</b>	<b>2,213,247</b>

- **Glasshouse** – will be officially launched on 13 February
- **Aviator** – internal fit out, including offices currently underway, due to complete February/March 2020
- **Helix Phase 2** – completed in October 2019 and is now fully let
- **Newport Rhino** – completed in November 2019 and occupier has moved in, final claim now due
- **New Bridge Road Substation** – substation completed and up and running, legal agreement has been finalised and the investment has been drawn down.
- **Quadrant Phase 2** – due to complete in March 2020.

### Item 7 – EZ investment cases

Please note that due to the commercially sensitive nature of EZ investment cases, the papers relating to this item are contained in the Appendices for the EZ Board only. A summary of the business cases and recommendations is provided below.

#### Item 7a) Aviator Phase 2 (Hooton Park)

Redsun Developments Ltd has submitted a business case seeking a total of £1.024m investment to develop Phase 2 of the Aviator scheme at Hooton Park, which will comprise a 7,784 sqm (83,787 sq ft) industrial unit. The project could generate c.£143,500 per annum in retained business rates, generating up to £2.87m in retained business rates over the remaining lifetime of the EZ. On this basis the

investment would pay back in 7.1 years (excluding any interest payments on borrowing). The applicant is seeking grant funding for the project on the basis of a gap in the overall financial viability of the scheme.

It is recommended that the EZ Board approves the investment, subject to the following conditions:

- (a) No legal agreement is entered into until the LEP has the funds in place via the EZ borrowing facility
- (b) Confirmation of Redsun's financial standing and ability to fund/cashflow the scheme
- (c) Confirmation that the appointment of a contractor complies with public procurement rules where applicable
- (d) An updated State Aid opinion.

This would enable the applicant to proceed with the preliminaries of the projects at risk and allow the LEP and Redsun Developments Ltd to work up the necessary legal agreements, whilst the EZ borrowing facility is finalised.

### **Item 7b) Advanced Sustainable Developments (Protos)**

Advanced Sustainable Developments (ASD) has submitted a business case seeking an investment of £1m to deliver a £22m project to develop a 7,930 sq m (85,360 sq ft) specialist Polyethylene terephthalate (PET) recycling facility at Protos, Ellesmere Port.

It is recommended that the EZ Board notes its support in principle for the project and instructs the Executive Team to carry out the following actions before bringing the project back to the EZ for further consideration:

- (a) Undertake further due diligence in respect of the financial aspects of the project to determine the justification for public sector investment
- (b) Explore the potential with ASD for a loan rather than a grant to the project
- (c) Agree draft heads of terms with ASD for a potential EZ investment .

## **Item 8 – Operational update**

### **Item 8a) Growth Director's update**

The following key development activities have been undertaken during the last period:

- Working with the following applicants on the development of EZ investment business cases:
  - Patrizia on the development of plot 722 and a MSCP at Birchwood Park
  - ASD on the development of a plastics recycling plant at Protos
  - Waste2Tricity on the development of a waste to energy plant at Protos
  - Redsun Developments on the development of phase 2 of the Aviator scheme (80,000 sq ft unit) at Hooton Park
- Negotiation of the EZ borrowing facility heads of terms and draft legal agreement with the three Cheshire and Warrington local authorities.
- Continued support of the Thornton Science Park Taskforce to undertake due diligence and produce a prospectus for a joint venture partner.

- Development of the business case for a Crewe HS2 Growth Corridor.
- Negotiations with Muse's for a Growing Places Fund loan for the development of City Place 2, Chester
- Supporting the development of the Local Industrial Strategy workstreams for Place and Ideas and Innovation.

#### **Item 8b) Business Rate Discount applications**

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

- **BePlas** (Helix Business Park) – is a leading supplier of interior surface solutions for hygienic applications and offers the UK's most extensive range of internal wall and ceiling lining systems and ancillary products. They offer complete hygienic environments for the healthcare, education and food and drink manufacturing, hospitality and retail industries. The company meets the sector and growth tests for the EZ.

### **Item 9 – Marketing and communications**

No items

### **Item 10 – Finance update**

#### **Item 10a) Borrowing facility update**

Good progress has been made in the negotiations for the creation of an EZ Borrowing Facility with the LEP's three local authority partners. Heads of Terms have been agreed and a standard draft legal agreement has been drawn up between the parties and their legal representatives.

The draft legal agreement(s) contains the following key elements:

- (a) The LEP will enter into three separate legal agreements, one with each individual local authority
- (b) Each local authority will make £10m available to LEP for EZ investments in their area
- (c) Local authorities will only have recourse to the retained business rates generated by the EZ
- (d) A single interest rate of 2.02% above the PWLB base rate and standard terms and conditions (including arrangement fees) will be applied across all three loan facilities.
- (e) In the event that a local authority is unwilling or unable to finance an EZ project in their area, the investment opportunity can be made available to the other two local authorities.
- (f) Approval of investments would be made through the LEP's existing EZ investment approval process, which includes EZ Board approval, P&I Committee approval and LEP Board approval for investments over £2.5m.
- (g) A credit committee made up of finance representatives from the three local authorities will be established to provide assurance to the EZ lenders (local authorities) about the security of their lending.
- (h) If EZ investments meet a set of agreed Conditions Precedent, loans would be agreed by the Credit Committee



The EZ Borrowing Facility and draft legal agreement will be considered by the LEP Board at its February meeting.

**Item 11 – AOB**

Members are invited to table any other items of business.