



Agenda

Subject: Cheshire Science Corridor Enterprise Zone Board Meeting

Time: 14:00-16:00 Thursday 21st September 2017

Location: Thornton Science Park

Open Meeting

Agenda Topic

- 1) Attendees and apologies
- 2) Matters arising from EZ Board 19 July 2017
- 3) Declaration of conflicts of interests
- 4) Governance
 - a) Changes in Board membership
- 5) Operational Overview
 - a) Growth Director's update
 - b) EZ site updates (landowners)
 - c) Development and Investment Strategy update (Cushman & Wakefield)
 - d) BRD applications (JA)
- 6) Marketing and Communication
 - a) Marketing and promotion update (JA)
 - b) Upcoming events (JA/KM)
 - c) Value proposition brief
- 7) Finance
 - a) Finance update (JA)
- 8) AOB

Item 1 – Attendees and Apologies

Attendees:

Invited EZ Board members:

Robert Mee, Chair of EZ Board
Russ Bowden, Warrington Council
Brian Clarke, Cheshire West & Chester Council
Steve Richmond, Astra Zeneca
David Slater, CNS
Gary Steen, Cheshire & Warrington LEP Board Member

Invited attendees:

John Adlen, Cheshire & Warrington LEP
Tony Clark, Cheshire West & Chester Council
Philip Cox, Chief Executive of Cheshire & Warrington LEP
Chris Doherty, MSP
Katrina Michel, Marketing Cheshire
Steve Park, Warrington & Co.
Heather Standidge, Cushman & Wakefield
Joel Tagg, BEIS
Paul Vernon, Thornton Science Park
Jonathan Walsh, Patrizia
John Willis, Cheshire East
Andy Allan, MSP
Chris Farrow, Ellesmere Port Development Board
Caroline Baker, Cushman & Wakefield
Peter Groves, Cheshire East Council
Andrew Round, Cheshire East

Tentative:

Apologies:

Item 2 – Previous Minutes

Wednesday 19th July 2017, Birchwood Park

1. Attendees and Apologies

Present:

Robert Mee (Chair)
Cllr Russ Bowden, Warrington Council
Cllr Brian Clarke, Cheshire West & Chester Council
Steve Richmond, Astra Zeneca
David Slater, CNS

In attendance:

John Adlen, Cheshire & Warrington LEP
Andy Allan, MSP
Tony Clark, Cheshire West & Chester Council
Julian Cobley, Skills & Growth Company
Philip Cox, Cheshire & Warrington LEP
Chris Doherty, MSP
Chris Farrow, Ellesmere Port Development Board
Katrina Michel, Marketing Cheshire
Steve Park, Warrington & Co.
Heather Standidge, Cushman & Wakefield
Joel Tagg, BEIS
Paul Vernon, Thornton Science Park
Jonathan Walsh, Patrizia
John Willis, Skills & Growth Company

Apologies:

Caroline Baker, Cushman & Wakefield
Cllr Peter Groves, Cheshire East Council
Alison Knight, Cheshire West & Chester Council
Andrew Round, Cheshire East Council

2. Previous EZ Board Minutes

All matters arising from the previous EZ Board held on 18th May have been actioned or will be covered in this Board.

Paul Vernon clarified a point under section 5a Landowner's Update – the minutes should read that Thornton Science Park overall is 80% occupied rather than just the commercial elements.

All agreed minutes for sign off.

3. Declarations of Interest

No member of the Board member declared any pecuniary interests.

4. Governance

Councillor Peter Groves tendered his resignation from the EZ Board, as his portfolio responsibilities at Cheshire East Council has changed. Cheshire East Council will inform the LEP of Councillor Groves replacement. The Chair expressed the thanks of the Board to Councillor Groves for his service to the Board.

The Chair also expressed his thanks for their support to the EZ Board, especially in the formation of the Enterprise Zone, to Tony Clark (Cheshire West & Cheshire Council) and Andy Allan (MSP) who are both moving onto new jobs.

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:

- Supporting the Cheshire Energy Hub in the development of their Energy Sector Deal and proposal for the creation of an Energy Innovation District stretching from Capenhurst, across Ellesmere Port to Protos, which was presented to Greg Clark on 9th June
- Meetings with a number of developers (commercially confidential) regarding Enterprise Zone sites in Ellesmere Port, including site visits and early stage discussions.
- Advanced negotiations in association with CWAC and the HCA with a developer on Hooton Park.
- Actively dealt with enquires from a German food manufacturer looking for industrial premises around Chester (unfortunately, not interested in the EZ sites) and an advanced engineering firm interested in Birchwood.
- Significant time spent negotiating with a German advanced manufacturing company on a large-scale investment in Ellesmere Port.

Although this investment would not land on an EZ site, it is a significant investment in the Science Corridor and could attract a number of supply chain companies.

5b) EZ site updates

Alderley Park

Andy Allan and Chris Doherty report that a number of staff have now started to move in from CRUK, the Anti-Microbial Research Centre will take lab facilities that MSP are recommissioning and the Medicine Discovery Catapult is expanding. MSP are in discussions with potential occupiers of the Parklands Building and the first phase of refurbishment of the Glass House is complete. MSP are preparing business cases for EZ retained business rate funding for the refurbishment of Blocks 19 and 22.

Birchwood Park

Jonathan Walsh reported that voids are currently under 5% at Birchwood and Patrizia has completed a number of new deals during the quarter including the letting of 47,149 sq ft to Cavendish Nuclear, which will bring c.550 jobs into the Enterprise Zone. Steve Park informed the EZ Board of current negotiations between Warrington Council and Oaktree Capital Management for the purchase of Birchwood Park.

Ellesmere Port sites

Helix Business Park is under construction, completion expected in early 2018. Discussions have taken place with a number of developers interested in the Ellesmere Port sites and in particular Newport Business Park. Advanced negotiations are underway with a developer for the purchase of Hooton Park.

Protos

Peel Environmental are in discussions with a number of potential occupiers with a view to making the first signings before the end of the year. Peel are also progressing conversations with Scottish Power about investment in the electricity grid in the area.

Thornton Science Park

Enquires from prospective tenants continue to be strong, particularly for Building 49 within the Enterprise Zone and TSP are currently in discussions with a company to take half a floor. The refurbishment of the conference centre is complete in Building 49. TSP are continuing discussions with a potential occupier looking for 100,000 sq ft of R&D and manufacturing space, which would most likely consist of a c.25,000 sq ft R&D facility in the first instance with a possible expansion of c.75,000 sq ft for a prototype manufacturing plant.

5c) Development and Investment Strategy

Heather Standidge provided an update on the Investment Programme and a draft business case template and guidance for retained business rate investment projects. Heather explained that the aim is to produce an outline Investment Programme for the September Board with individual business cases coming forward over the Autumn/Winter.

Actions:

- Members to provide any feedback on the Business Case template to Heather by 28th July

5d) Q1 monitoring

John Adlen presented the Q1 monitoring data for the EZ, which showed:

- 60 new jobs created taking the total number of new jobs in the EZ to 428
- 2 new businesses locating in the EZ, taking the total of new business to 28
- 6,215 sq m (67,059 sq ft) of new floorspace completed and occupied
- £3.37m of new private sector investment

5e) BRD Application Update

No new Business Rate Discount applications were received during this period.

5e) Broadband update

Julian Cobley gave a presentation on Broadband across the EZ which highlighted the variance of broadband speeds across the EZ sites and an outline proposal for a 'Digital Science Corridor' to develop the broadband infrastructure and an open innovation platform that would facilitate and encourage businesses across the Science Corridor to collaborate and innovate.

Actions:

- John Adlen and Julian Cobley to further develop the proposal for the Digital Science Corridor, including meeting with the Hartree Centre at Daresbury and meeting with Mark Livesey and Gary Steen from the LEP.

6. Marketing and Communication

6a) Marketing and promotion update

The following marketing and promotional events and activities have been undertaken during this period:

- Sponsored Mersey-Dee Alliance networking business breakfast at Thornton Science Park - 21 June (220 attendees)
- National DIT Chemicals Sector Team Presentation in Manchester - 8 May (35 attendees)
- Meeting with DIT Infrastructure Investment team - 15 May
- Attended the Industry 4.0 (Digitisation of Industry) Taskforce workshop
- Presentation to CWAC Growth Advocates - 29 June (40 attendees)
- Presentation to Hill Dickinson Developer Conference - 6 July (150 delegates)
- Interview with NW Business Insider - July edition

6b) Upcoming events

We are currently in discussions with Place NW to host two key events this year:

- October 2017 – launch of the EZ Investment Programme, showcasing new investment taking place in the EZ, reflection/celebration of first 18 months of operation and reiterating the development and investment opportunities.
- February 2018 – early stage concept discussions to hold a regional conference together with Liverpool Knowledge Quarter and Corridor Manchester on the concept of science and technology clusters and the prospect of creating a new ‘golden triangle’ in the north west.

6c) Sector propositions

John Adlen reported that he has prepared a brief for external to develop a series of sector propositions to support the development of marketing collateral for the Science Corridor and EZ.

6d) Other marketing activity/information

Katrina Michel reported that Marketing Cheshire has secured £250k on behalf of a consortium of sub-regions to promote science tourism, which fits well with the Science Corridor.

Katrina confirmed that plans were being developed for Cheshire & Warrington’s presence at MIPIM 2018.

Julian Cobley raised the Business of Science conference as an opportunity to promote the Science Corridor.

Actions:

- Julian Cobley to send John Adlen contact details for the Business of Science conference

7. Finance

7a) Finance working group

John Adlen reported that he has established a finance working group consisting of Mark Livesey (LEP Deputy Chief Executive) and the three local authority finance teams to establish appropriate systems and processes for the processing of Business Rate Discount applications and the collection and holding of retained Business Rates and to establish the final outturn for retained Business Rates from the EZ for 2016/17.

7b) DIT account management bid

John Willis enquired about the status of the DIT account management bid. John Adlen informed the Board that the funding process had been put on hold during the general election and that post-election DIT had made a suggestion about

the four NW LEP's working together collaboratively and that this was now being explored further.

8. Any Other Business

None to report.

**Next EZ Board – 2pm Thursday 21st September 2017 at
Thornton Science Park**

Item 4 – Governance

4a) Changes in Board membership

The new Cheshire East Council representative on the EZ Board is Councillor Paul Bates, the new portfolio holder for 'Finance and Communities' who replaces Councillor Peter Groves.

Item 5 – Operational Overview

5a) Growth Director's update (JA)

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

- 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 (see Item 5c)
- Development of MIPIM business case for LEP Board (see Item 6c)
- Further development of the value proposition consultancy brief (see item 6d)
- Development of finance systems and processes relating to the administration of business rate discount applications and retained business rates (see item 7a)
- Negotiations with DIT regarding funding for an account management post (see Item 7b)

5b) EZ site updates (Landowners)

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

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

Cushman & Wakefield will present the outline Investment Programme for the EZ and remodelled retained business rate income cashflows. Papers to follow.

5e) BRD applications (JA)

Alderley Analytical – based at the Biohub at Alderley Park and provides bioanalytical services to support the development of small and large molecule therapeutics, generics and biomarkers in all stages of the drug development process. They meet both the sector and growth tests. They are an existing tenant of the Biohub but are expanding into more space (taking 80% more floorspace from 1,647 sq ft to 2,989 sq ft) with plans to grow from 4 to 6 staff within the next 5-years. Recommend 100% Business Rate Discount.

HematoGenix Laboratory Services Ltd – based at Alderley Park providing research and clinical trials services for the pharmaceutical industry. They meet both the sector and growth tests. They are currently based at Alderley Park but are expanding their existing space by 191% from 2,098 sq ft to 6,126 sq ft. and with plans to grow their workforce from 14 to 80 within the next 5 years. (I have attached the BRD application, although it has not been signed – I have asked for a signed version to be sent through before we can send to the local authority for ratings team processing). Recommend 100% Business Rate Discount.

Medicines Discovery Catapult Ltd – based at Alderley Park and providing research and development for the discovery of new medicines, including validating new technologies. The company satisfies the sector test and as it is new to Cheshire & Warrington and the Enterprise Zone does not need to meet the growth test, although it does have plans to create c.70 new jobs. Recommend 100% Business Rate Discount

Item 6 - Marketing and Communication

6a) Marketing and promotion update (JA)

The following marketing activities have 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

6b) Upcoming Events (JA)

- 19th September – Growth Director will be a panel member at the Insider Cheshire – Ripple Effect business breakfast at Alderley Park
- 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.
- Have taken a Cheshire Science Corridor table at the Kings School Science & Technology Fundraising 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.

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 B.

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.

