



Cheshire Science Corridor Enterprise Zone Board

Date: Thursday 16 May 2019
Time: 13:00-15:00
Location: Vauxhall Suite, Ellesmere Port Civic Hall

Agenda

We will be hosting a tour of the Enterprise Zone sites in Ellesmere Port for any EZ board members wishing to attend departing from Ellesmere Port Civic Hall at 12:00 noon (transport provided)

- (1) Attendees and apologies
- (2) Declarations of interest
- (3) Previous minutes from the EZ Board of 21 March 2019
- (4) Ellesmere Port Update
- (5) Governance
 - (a) EZ Board membership
- (6) EZ investment programme
 - (a) EZ investment programme update
 - (b) EZ investment cases
- (7) Operational update
 - (a) Growth Director's update
 - (b) Business Rate Discount applications
- (8) Marketing and communications
 - (a) Marketing and promotion update
- (9) Finance
 - (a) Borrowing facility update
- (10) AOB

PLEASE NOTE: If members of the public wish to attend the Enterprise Zone Board to observe then please email at least 5 days prior to the meeting.

Item 1 – Attendees and Apologies

EZ Board Members:

Robert Mee, Chair of EZ Board and LEP Board Member
Cllr Russ Bowden, Warrington Borough Council
Tony Bochenski, Independent Member
Chris Farrow, Independent Member
Christine White, Astra Zeneca

In Attendance:

John Adlen, Cheshire & Warrington LEP
Chris Capes, Cheshire West & Chester Council
Philip Cox, Cheshire & Warrington LEP
Stephen Fitzsimons, Warrington & Co.
Jane Gaston, Peel Environmental
Lisa Harris, Cheshire West & Chester Council
Philip Kerr, Skills & Growth Company
Joel Tagg, Cities & Growth Unit
Stephen Wade, Legat Owen

Apologies:

Julian Cobley, Skills & Growth Company

Item 2 – Previous Minutes

Meeting Title	Cheshire Science Corridor Enterprise Zone Board	
Date	21 March 2019	
Time	13:00-15:00	
Location	Birchwood Park	
Agenda Item		Action/Decision
1.	<p>Attendees and apologies</p> <p>EZ Board Members: Robert Mee, Chair of EZ Board Cllr Paul Bates, Cheshire East Council Tony Bochenski, Independent Board Member Cllr Rus Bowden, Warrington Borough Council Chris Farrow, Independent Board Member Christine White, Astra Zeneca</p> <p>In Attendance: John Adlen, Cheshire and Warrington LEP Chris Capes, Cheshire West & Chester Council Julian Cobley, Skills & Growth Company Philip Cox, Cheshire and Warrington LEP</p> <p>Apologies: Cllr Brian Clarke, Cheshire West & Chester Council Stephen Fitzsimons, Warrington & Co. Lisa Harris, Cheshire West & Chester Council Joel Tagg, Cities & Growth Unit</p>	
2.	<p>Previous EZ Board minutes</p> <p>All matters arising from the previous EZ Board held on 24 January 2019 have either been actioned or will be covered in this board.</p>	Minutes agreed and signed off
3.	<p>Declarations of interest</p> <p>(a) Cllr Paul Bates declared an interest on behalf of Cheshire East Council in Alderley Park</p> <p>(b) Cllr Russ Bowden declared an interest in Birchwood Park on behalf of Warrington Borough Council</p> <p>(c) Chris Farrow declared an interest in sites in Ellesmere Port as Chair of the Ellesmere Port Development Board</p>	
4.	<p>Birchwood Park Update</p> <p>Martin O’Rourke from Patrizia gave a presentation updating the EZ Board on progress to date at Birchwood Park.</p>	
5.	<p>Governance</p> <p>a) Updated Terms of Reference</p> <p>John Adlen presented an updated Terms of Reference for the EZ Board, explaining that changes were necessary to reflect the new delegated authority that the EZ Board received and the subsequent changes in the appointment of private sector non-executive board members.</p>	New Terms of Reference Approved

	<p>b) Appointment of independent EZ Board members Philip Cox reminded EZ Board members that in light of the new delegated authority given to the EZ Board, the private sector board members would now need to be appointed through an open and transparent process and to this end the LEP was advertising a number of non-executive roles, including appointments to the EZ Board. The closing date for applications was 31 March 2019.</p> <p>c) Officer support from Cheshire East Robert Mee noted that John Willis had now left the Skills & Growth Company to take up a new role with Manchester Metropolitan University and that Julian Cobley from the Skills & Growth Company would attend EZ Board meetings to provide officer support for Cheshire East Council. Robert expressed his thanks to John for all of his support over the last three years of the Enterprise Zone and wished him the best of luck in his new role.</p>	
6.	<p>EZ investment cases</p> <p>a) Quadrant Phase 2 John Adlen reported that a legal agreement for the investment in Quadrant Phase 2 at Birchwood Park had been drafted and presented the Investment Term Sheet. He reported that the LEP's Performance and Investment Committee had ratified the decision of the EZ Board to approve the investment, subject to two clauses being added into the legal agreement to incentivise the applicant in terms of lettings and to ensure value for money in terms of the electricity infrastructure.</p>	Final terms approved subject to the recommendations from the P&I Committee
7.	<p>Operational update</p> <p>a) Growth Director's update The EZ Board considered and noted the Growth Director's report on key development activities undertaken during the last period. Tony Bochenski requested that a regular report setting out the current and pipeline investments in the EZ be presented to the EZ Board.</p> <p>b) Business Rate Discount applications The EZ Board ratified the following Business Rate Discount applications:</p> <ul style="list-style-type: none"> ▪ Grundfos Pumps ▪ 7i Group ▪ Cellcentric 	<p>Agreed that the Growth Director will provide a regular report to the Board on EZ investments</p> <p>Approved</p>
8.	<p>Marketing and communications</p> <p>a) Marketing and promotion activities John Adlen reported the appointment of a new LEP Director of Marketing & Communications, Catherine Walker, and it was agreed to invite Catherine to a future EZ Board to discuss the marketing of the Enterprise Zone going forward.</p>	Agreed to invite Catherine Walker to a future EZ Board meeting

	<p>b) MIPIM 2019</p> <p>John Adlen reported on the LEP’s recent delegation to MIPIM to promote the sub-region. A number of events were held to promote the Science Corridor including:</p> <ul style="list-style-type: none"> ▪ <i>Cheshire and Warrington: How Clean Energy is Adding Value in Real Estate</i> in association with Addleshaw Goddard, Peel and the Cheshire Energy Hub ▪ <i>Invest West: Regeneration in Historic Maritime Communities</i> in association with Lancashire LEP, Brock Carmichael Architects, Peel and Cheshire West & Chester Council ▪ <i>Science & Knowledge: how Liverpool and Cheshire are Building a World Class Cluster</i> ▪ The Growth Director sat on a panel on the <i>Power of R&D Partnerships</i> on the Invest Newcastle stand with Newcastle Council, Colliers International and the British Property Federation <p>In addition, the Growth Director held 15 separate meetings with developers and intermediaries to promote investment and development opportunities within the Science Corridor.</p> <p>Philip Cox reported that a meeting had taken place at MIPIM between Christine Gaskell (Chair of C&WLEP), Steve Rotherham (Mayor of Liverpool City Region) and Eamonn Boylan (Chief Executive of the Greater Manchester Combined Authority) to discuss closer collaboration in the promotion of the region as a global science and technology investment location.</p>	
<p>9.</p>	<p>Finance update</p> <p>a) Retained Business Rates</p> <p>John Adlen reported that the NNDR1 forecasts for 2019/20 had been received from the three local authorities, which indicated retained business rates for the EZ of £1.76m.</p> <p>b) Borrowing facility update</p> <p>John Adlen and Philip Cox updated members on progress with the three local authority partners to establish a £30m borrowing facility for investments in the EZ, reporting that the LEP had received letters of intent from all three local authorities agreeing in-principle their agreement to establish such a facility and that discussions between the LEP and the three S151 Officers were underway to agree the structure and mechanics of the facility.</p>	
<p>10.</p>	<p>AOB</p> <p>Chris Farrow reported a significant increase in the number of planning applications for commercial development in Ellesmere Port, which signalled strong continued market demand. There being no other business, the Chair thanked everyone for their attendance and closed the meeting. At the close of the meeting Robert Mee signed the legal agreements on the Helix Phase 2 and the Rhino Newport investments.</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 – Ellesmere Port update

Chris Capes (CWAC), Stephen Wade (Legat Owen) and Jane Gaston (Peel Environmental) will be in attendance to provide an update to the EZ Board on progress on the EZ sites in Ellesmere Port.

Item 5 – Governance

Item 5a – EZ Board membership

Councillor Brian Clarke (CWAC) and Councillor Paul Bates have stepped down from the EZ Board and we are awaiting new nominations from Cheshire West and Chester Council and Cheshire East Council.

Item 6 – EZ investment programme

Item 6a) EZ investment programme update

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

Project	Total Investment Committed (£)	Investment Drawn Down to Date (£)	Remainder to be Drawn Down (£)
Glasshouse	3,872,876	519,675	3,353,201
Aviator	1,701,418	-	1,701,418
Helix Phase 2	659,347	-	659,347
Newport Rhino	792,670	-	792,670
New Bridge Road Substation	612,400	-	612,400
Total	7,638,711	519,675	7,119,036

The EZ Board has committed £7.6m to date in approved investments. Only the Glasshouse has drawn down any funding to date, £519k of its £3.8m. Glasshouse is expected to make a further claim this month and the other EZ investments have been issued with claim forms and are expected to start drawing down their funding this month.

Item 6b) EZ Investment cases

An investment case has been received from Alderley Park for two projects (Block 22 and Blocks 23 & 24) seeking a total investment of £6m. We have appointed Cushman & Wakefield to undertake an appraisal of the project and we have appointed DWF to provide some early State Aid advice, as both projects include an element of multi-storey car parking. We anticipate the investment case, appraisal and draft legal agreement to come to the July EZ Board for consideration.

Item 7 – Operational update

Item 7a) Growth Director's update

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

- Working with Bruntwood on the development of their EZ investment case for Blocks 22 and 23 & 24
- Development of proposals for the EZ borrowing facility 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.
- Completion of the Aviator (Hooton Park) investment agreement
- Development of the business case for the Crewe HS2 hub EZ.
- Assessing Muse's application 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, Life Sciences and Innovation.

Item 7b) Business Rate Discount applications

No new Business Rate Discount applications have been received during this period.

Item 8 – Marketing and communications

Item 8a) Marketing and promotion update

Item 8a) Marketing and promotion update

The EZ sponsored the annual Warrington Property Market review event and Robert Mee hosted a Land & Property dinner with key landowners, developers and property professionals, in addition to the regular social media posts on Twitter, LinkedIn, etc.

Item 8b) Upcoming events

The Growth Director has been invited to speak at Place North West's Cheshire Development Update on 06 June in Chester.

Item 9 – Finance update

Item 9a) Borrowing facility update

The LEP executive team and finance officers from the three local authorities have met to explore a range of options for the creation of the EZ borrowing facility, including the creation of a single sub-regional facility and individual facilities with each local authority. The proposal which appears most acceptable to all three local authorities would be to create a facility that would comprise the following:

- Each local authority provides the funds to enable the LEP to finance EZ investment projects in their own areas.
- In the event that a local authority is unwilling or unable to finance an EZ project in their area, the investment opportunity would be made available to the other two local authorities.

- A single interest rate (set at an agreed percentage above the PWLB base rate) and standard terms and conditions (including arrangement fees) are applied across the three local authorities.
- Borrowing is drawn down against individual investments as and when required in order to minimise the level of interest paid by the LEP.
- Approval of investments is 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.
- A credit committee made up of finance representatives from the three local authorities is established to provide assurance to the EZ lenders (local authorities) about the security of their lending.
- The local authorities would be provided with first charge on the retained business rates from the EZ investments and the LEP would be willing to discuss providing additional security through holding back some of the existing retained business rate income if required.

A paper has been drafted on the basis of this proposal and circulated to the local authority finance teams for comment. Once agreed, this paper will be shared with the three local authority chief executives for approval and a formal approval and legal documentation worked up for formal approval by the LEP and three local authorities by the early summer.

Item 10 – AOB

Members are invited to table any other items of business.