



Agenda

Subject: Cheshire Science Corridor Enterprise Zone Board Meeting
Time: 13:00-16:00 Thursday 25th January 2018
Location: Helix 2, Alderley Park Conference Centre

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

- 1) Declarations of conflicts of interest
- 2) EZ Investment Process
- 3) Consideration of EZ Investment Business Cases

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

- 1) Attendees and apologies
- 2) Minutes and matters arising from EZ Board of 28 November 2017
- 3) Declarations of conflicts of interests
- 4) Governance
 - a) Changes in membership/representation
- 5) Operational update
 - a) Growth Director's update
 - b) EZ site updates (landowners)
 - c) Business Rate Discount applications
- 6) Marketing and communications
 - a) Marketing and promotion update
 - b) Upcoming events
 - c) Value proposition commission
 - d) DIT Key Account Management post
- 7) Finance
 - a) Finance update
- 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
Gary Steen, Cheshire & Warrington LEP Board Member
Steve Richmond, Astra Zeneca
David Slater, CNS

In Attendance:

John Adlen, Cheshire & Warrington LEP
Chris Capes, Cheshire West & Chester Council
Chris Farrow, Ellesmere Port Development Board
Jane Gaston, Peel Environmental
Katrina Michel, Marketing Cheshire
Martin O'Rourke, Patrizia
Heather Standidge, Cushman & Wakefield
Joel Tagg, BEIS
Paul Vernon, Thornton Science Park

Tentative:

Cllr Brian Clarke, Cheshire West & Chester Council
John Willis, Skills & Growth Company

Apologies:

Cllr Russ Bowden, Warrington Council
Philip Cox, Chief Executive of Cheshire & Warrington LEP
Chris Doherty, MSP
Stephen Fitzsimmons, Warrington & Co.

Item 2 – Previous Minutes

CHESHIRE SCIENCE CORRIDOR ENTERPRISE ZONE BOARD MINUTES OF MEETING HELD THURSDAY 28 NOVEMBER 2017, BIRCHWOOD PARK

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

Cllr Brian Clarke, Cheshire West & Chester Council

Sean Davies, MSP

Stephen Fitzsimmons, Warrington & Co.

Chris Farrow, Ellesmere Port Development Board

Jane Gaston, Peel Environmental

Katrina Michel, Marketing Cheshire

Martin O'Rourke, Patrizia

Heather Standidge, Cushman & Wakefield

Joel Tagg, BEIS

John Willis, Skills & Growth Company

Andrew Round, Cheshire East Council

Apologies:

Caroline Baker, Cushman & Wakefield

Philip Cox, Chief Executive of Cheshire & Warrington LEP

Steve Park, Warrington & Co.

Steve Richmond, Astra Zeneca

Gary Steen, Cheshire & Warrington LEP Board Member

Paul Vernon, Thornton Science Park

2. Previous EZ Board Minutes

All matters arising from the previous EZ Board held on 21st September have been actioned or will be covered in this Board.

Corrections to previous minutes:

- The representative from Cheshire East Council is Councillor Paul Bates not Peter Bates as stated.
- Patrizia are Asset Mangers for Birchwood Park not Managing Agents.

Minutes were agreed for sign off.

3. Declarations of Interest

Cheshire East Council declared an interest in Part 1, Item 1, Alderley Park Business Cases.

4. Governance

4a) Changes in membership/attendance

The following changes in membership/attendance were noted and agreed:

- 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

The Board agreed the changes to Board proceedings as required by the National and Local Assurance Framework for LEPs.

4c) Updated Terms of Reference

The Board agreed the updated Terms of Reference

4d) Reminder of Conflicts of Interest Declaration

The Board noted the reminder of the LEP's policy on declarations of interest

4e) 2018 Meeting Dates

The Board agreed the following 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)

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:

- 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. Cushman & Wakefield have been appointed to advise the LEP.
- Berwick's have been appointed as search consultants to support the appointment of the DIT funded Key Account Management post. Twelve applications have been received so far.

5b) EZ site updates

Alderley Park

Sean Davies reported that MSP had recently produced a revised strategic plan for the site, which will see a total of £90m investment. The refurbishment of the Glasshouse, including significant extension, will be completed in 2019. Cancer Research UK had now started moving staff on site, following the fire at Christie's. Royal London have agreed to relocate onto Alderley Park. MSP are developing their 'science services' offer for tenants at AP.

Birchwood Park

Martin O'Rourke reported that BISN, a US based oil company manufacturing 'plugs' for oil wells, had completed the lease on 713 Cavendish Avenue This is the last of the new units to be occupied. Plans are progressing for the next phase of development, which is likely to be further industrial speculative units. Two offices in Newton House both of c.3,000sq,ft have been let to an IT company and training company each employing c.40 people. There has been a delay in the fit out of new office space for Cavendish Nuclear and they are now expected to locate onto the site sometime in 2018.

Ellesmere Port

Chris Farrow reported that the ground breaking for the Prowell facility on the Cabot Carbon site had taken place and that long-term they have plans for a customer park on site. Discussions ongoing with Redsun regarding supporting speculative development at Hooton Park.

Protos

Jane Gaston reported that Peel Environmental is currently in continuing to share information with potential occupiers of phase 1 who are in the process of securing funding. They are working with SPEN to deliver significant grid reinforcement project to Protos circa £12M investment in the distribution network opening up significant addition import and export capacity. Peel are currently reviewing potential of speculative build supported by the LEP. Jane raised an issue about the status of the expansion land for Protos in the new Cheshire West & Chester Local Plan, which could hamper future development opportunities.

Thornton Science Park

In Paul Vernon's absence, John Adlen reported that Thornton Science Park are in discussions with a German manufacturing regarding the potential to create a c. 80,000 sq ft composites R&D facility on the site.

5a) Investment Programme

Heather Standidge presented an updated forecast of the retained business rates based on the first year of operations of the EZ and the indicative investment set out in the Development and Investment Strategy. The Development and Investment Strategy and Site Development Plans were now largely complete, apart from some minor additions and the final versions will be circulated in the New Year. It was noted that this concluded Cushman & Wakefield's existing commission.

5d) BRD Applications

The Board approved the following Business Rate Discount applications:

- Cook Compression
- BISN Oil Tools 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:

- 19th September – Growth Director was 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 made 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

John Adlen reported that plans were progressing with Place NW to host a regional conference on the development of science and technology clusters across the North West to be held at the Manchester Museum of Science & Technology on 22nd February.

6c) MIPIM 2018

Katrina Michel reported that preparation for MIPIM 2018 is well 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. A Science Corridor event is being planned focused on the Energy Innovation District proposals.

6d) Value Proposition Consultancy

John Adlen reported that Regeneris Consulting and Breeze Inward Investment have been appointed to develop a series of value propositions for Cheshire and Warrington, the Science Corridor plus five sector propositions.

7. Finance

7a) Finance update

John Adlen reported that there was significant fluctuation in the forecast business rates going forward and that work was underway with the local authority finance and ratings teams to determine the causes of this fluctuation. He stated that one potential reason impacting on the level of retained business rates was the 2017 Rating revaluation, which had seen a reduction in rateable values against the EZ baseline that was submitted to CLG, which was based on the 2010 Ratings list, which in turn had been based on an April 2008 valuation, i.e. immediately before the financial crisis.

6. Any Other Business

None to report.

Item 3 – Declarations of Interest

Any declarations from members or attendees.

Item 4 – Governance

4a) Changes in membership/attendance

We have requested a new representative from Cheshire East Council to replace Andrew Round who has left the Council.

Item 5 – Operational update

5a) Growth Director's update (JA)

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

- **New Bridge Road Substation** - meeting held between the LEP, Peel Land & Property and legal advisers for both parties to discuss Heads of Terms. This will require a complex three way energy capacity access agreement between the LEP, Peel Land & Property (landowner) and Leep Electricity Networks Ltd (Independent Network Operator).
- **Hooton Park** – the LEP has appointed Cushman & Wakefield to negotiate the terms of a Put Option with Redsun Developments for the development of new speculative development of new industrial floorspace on Hooton Park.
- **Alderley Park** – meeting held before Christmas with MSP to feedback on the three business cases for the development of new lab and office space.
- **Thornton Science Park** – meeting held with Paul Vernon and Martin Morlidge re: development of an investment business case
- **Value Propositions** - Development of value propositions for Cheshire and Warrington and the Science Corridor (see item 6d)
- **DIT Senior Account Manager** - shortlisting and interviews for the DIT funded Key Account Management post (see item 6e)
- **Evergreen II** - provided CBRE with potential EZ investments for ex-ante appraisal of an Evergreen II fund for Cheshire and Warrington.
- **Inward Investment** -
- **Medicines Discovery Catapult** – meeting held with Chris Molloy to explore how the LEP/Science Corridor can work with the Medicines Discovery Catapult.

5b) EZ site updates (Landowners)

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

5c) 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:

- **Concept Life Sciences** (Alderley Park) – offers a comprehensive range of integrated discovery and development services to the pharmaceutical, biotechnology, agrochemical, chemical and consumer industries, with expertise in method development, API characterisation, screening, stability studies and pre-clinical formulation. The company currently has offices in Manchester, Derbyshire, Sandwich and Dundee and currently has some space at Alderley Park, but is taking an additional 1,222 sq m of office and lab space (split across 3 units). The additional space and facilities at Alderley Park will allow the business to manage increasing growth demands. Significant investment will be made in new scientific kit that will offer new methods of science to their clients and increase efficiency and capacity which will accelerate the growth of the company. With this expansion the company has increased its floorspace by over 20% and intends to increase its turnover and staff by over 20% over the next 5 years. The company currently employs 25 staff at Alderley Park and plans to grow its staff numbers to 30 within the next 12 months and 50+ within the next 5-years. As such the company passes both the sector and growth tests.
- **Litmos Heroes** (Birchwood Park) - is a provider of online e-learning content, providing businesses with access to hundreds of courses covering everything from soft skills to health and safety and compliance. Current customers include: AstraZeneca, Alzheimer's Society, Rockwool Intl., Atomic Weapons Establishment, Dyson, Nuvia Group and Serco. The company is currently located on Birchwood Park, but outside the EZ. The company has experienced strong growth since the start of the year increasing from 10 staff to 22 staff in just over 6 months. They have now reached the capacity in their existing office spaces and are expanding from an 1,856 sq ft unit to a 4,252 sq ft unit in Darwin House (4,252 sq ft). Their plan is to double their staff numbers to 48 employees and their turnover from £1.4m to £2m in the next 12 months.
- **Thyson Technology** (Helix Business Park) – provides a full bespoke design, construction, installation and service of electrical and analytical instrument systems to the power, water, oil and gas, pharmaceutical and renewable energy industries. The company invests heavily in R&D and has an in-house design and testing lab. The company occupies 26,500 sq ft on the Thornton Industrial Estate, Ellesmere Port and is proposing to take 32,000 sq ft on Helix Business Park (a 20.7% increase). The company has provided extracts from its business plan and financial forecasts which indicate plans to grow staff numbers from 93 to 128 over the next 5 years (an increase of 37%) and to grow income from £11.9m to £19.5m (an increase of 63%) over the next 5 years. As such the company passes both the sector and growth tests.

Item 6 - Marketing and Communication

6a) Marketing and promotion update

The following marketing and promotional activity was undertaken during the last period:

- Meeting held with Australian Trade Commissioner in London to explore opportunities for trade and investment in Cheshire and Warrington, including the potential development of a joint UK/Australian Innovation hub in either energy or agri-tech.
- Attended the opening of MHI Vestas new offices at Birchwood Park
- Presentation at the third MIPIM breakfast meeting hosted by Knights 1789 in their Chester Office
- Have commissioned Regeneris and Marketing Cheshire to develop 10 case studies for the Science Corridor. These will be in written format and video.
- Attendance at DIT site visit for potential overseas inward investor to Protos.

6b) Upcoming Events (JA)

The Science Corridor has sponsored a Place NW event called: Science & Technology: developing the region's world-class offer at the Manchester Science & Technology Museum on 22 February. Details of the event can be found on the Place NW website below.

<https://www.placenorthwest.co.uk/events/science-technology-developing-the-regions-world-class-offer>

6c) MIPIM 2018

Katrina Michel will provide a verbal update on the plans for MIPIM 2018.

Item 7 – Finance

7a) Finance update

The LEP has appointed Cushman & Wakefield to provide an analysis of income from retained business rates in order to better understand and forecast future retained business rate income.