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## **CHESHIRE SCIENCE CORRIDOR ENTERPRISE ZONE BOARD**

### **Minutes**

**Thursday 21<sup>st</sup> September 2017, Thornton Science Park**

#### **1. Attendees and Apologies**

**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 Peter Bates, Cheshire East Council

Steve Richmond, Astra Zeneca

David Slater, CNS

Tony Clark, Cheshire West & Chester Council

Philip Cox, Cheshire & Warrington LEP

Gary Steen, TalkTalk

John Willis, Skills & Growth Company

## **2. Previous EZ Board Minutes**

All matters arising from the previous EZ Board held on 19<sup>th</sup> 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 6c) Value Proposition Brief.

## **4. Governance**

Councillor Peter 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 have held 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.
- 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.

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**

Noe to report.

**Next EZ Board – Tuesday 28<sup>th</sup> November 2017 at 2:00pm at The Walnut Suite, The Centre, Birchwood Park**