

<b>AGENDA</b>			
<b>Title:</b>		C&IoS LEP EZ Board	
<b>Time/Date:</b>		Tuesday 27 April 2021, 09:30 – 12:30	
<b>Venue:</b>		Microsoft Teams	
<b>Membership</b>	<b>Represented by</b>	<b>Attendees</b>	<b>Organisation</b>
C&IoS LEP	Steve Jermy (SJ) - Chair Mark Duddridge (MD)	Melissa Thorpe (MT) Matt Hodson (MH) Mike King (MK) Nicola Lloyd (NL) Gail Eastaugh (GE)	Spaceport CDC CDC CDC CDC
Cornwall Council	Glenn Caplin-Grey (GCG)	Matthew Vowels (MV) Iain Mackelworth (IM) Jordan Whaley (JW)	CDC CC CC
Goonhilly Earth Station Limited	Ian Jones (IJ)	Josie Gough	BEIS, Cities & Local Growth
A&P	Drystan Jones (DJ)	Piran Trezise (PT) Mike Spicer (MS) Stacey Sleeman (SS) Clare Connaughton (minute taker) John Vickers (JV)	GES A&P Clos LEP CC Blue Abyss

<b>AGENDA</b>		<b>Lead</b>	<b>Time Slot</b>
1.	<b>Welcomes and Introductions</b>	SJ	09:30 – 09:35
2.	<b>Apologies for Absence</b>	SJ	09:35 - 09:40

3.	<b>Housekeeping</b> <ul style="list-style-type: none"> <li>a) Conflict of Interest declarations</li> <li>b) Approval of Minutes of last meeting</li> <li>c) Action Summary</li> </ul>	SJ SJ SJ	09:40 – 09:45 09:45 – 09:50 09:50 – 09:55
4.	<b>South Side CAN Infrastructure Update</b>	MV	09:55 – 10:05
5.	<b>Spaceport Update</b>	MT	10:05 -10:15
6.	<b>EZ Investment Plan</b>	IM	10:15 – 10:25
7.	<b>Blue Abyss Presentation</b>	JV	10:25 – 10:50
8.	<b>Greenports</b>	MD	10:50 – 11:10
9.	<b>Aerospace EZ Site Updates</b> <ul style="list-style-type: none"> <li>a) Aerohub</li> <li>b) Goonhilly</li> </ul>	MK PT	11:10 – 11:15 11:15 – 11:20
10.	<b>Marine EZ Site Updates</b> <ul style="list-style-type: none"> <li>a) Context:               <ul style="list-style-type: none"> <li>i. Wave Hub Sale</li> <li>ii. South West Floating Offshore Wind Accelerator</li> </ul> </li> <li>b) Falmouth Docks</li> <li>c) Hayle</li> <li>d) Tolvaddon</li> </ul>	SJ  DJ MH MH	11:20 – 11:30  11:30 – 11:35 11:35 – 11:40 11:40 – 11:45
11.	<b>Rate Relief and EZ Growth Fund</b> <ul style="list-style-type: none"> <li>a) Rate Relief Renewals &amp; Rate Relief Approvals</li> <li>b) EZ Growth Fund update and applications               <ul style="list-style-type: none"> <li>• Growth Fund remaining balance (paper)</li> </ul> </li> </ul>	JW JW JW	11:45 – 11:55 11:55 – 12:00 12:00 – 12:05
12.	<b>Performance Data</b> <ul style="list-style-type: none"> <li>a) Ministry of Housing, Communities &amp; Local Government (MHCLG) Data Report Q3 2020</li> </ul>	JW	12:05 – 12:10

13.	<b>Investment Pipeline and Opportunities</b> a) Pipeline Opportunities b) Marketing Update	MK MK	12:10 – 12:15 12:15 – 12:20
14.	<b>Risk Register and Report</b>	SJ	12:20 – 12:25
15.	<b>Any other business</b> - EZ Carbon Neutral Sub-Board Proposition (paper)	SJ	12:25 – 12:30
16.	<b>Next Meeting</b> Thursday 17 June 2021 @ 14:00, Teams.	SJ	

<b>MINUTES</b>			
<b>Title:</b>	Cornwall and Isles of Scilly Local Enterprise Partnership Enterprise Zone (EZ) Board		
<b>Date:</b>	Thursday 11 February 2021		
<b>Time:</b>	14:00 – 17:00		
<b>Venue:</b>	Microsoft Teams		
<b>Membership</b>	<b>Represented by</b>	<b>Attendees</b>	<b>Organisation</b>
C&IoS LEP	Steve Jermy (SJ) Chair Mark Duddridge (MD)	Melissa Thorpe (MT) Matt Hodson (MH) Mike King (MK) Gail Eastaugh (GE) Matthew Vowels (MV) Nicola Lloyd (NL) David Krohn (DK)  Iain Mackelworth (IM) Jordan Whaley (JW) Piran Trezise (PT) Mike Spicer (MS) Stacey Sleeman (SS)	Spaceport CDC CDC CDC CDC CDC BEIS, Area Lead CloS CC CC GES A&P CloS LEP
Cornwall Council	Glenn Caplin-Grey (GC-G)	Clare Connaughton (minute taker)	CC
Goonhilly Earth Station Limited	Ian Jones (IJ)		
A&P	Drystan Jones (DJ)		

<b>AGENDA ITEM &amp; NOTES</b>		<b>ACTION</b>
<b>1.</b>	<b>Welcomes and Introductions</b>	
1.1	Introductions were made.	

<b>2.</b> 2.1	<b>Apologies for Absence</b> Stacey Sleeman (SS), Mandy Cosgrove (MC), Glenn Caplin-Grey (GC-G), Matthew Vowels (MV) and Ian Jones (IJ).	
<b>3.</b> <b>3a</b> 3a.1  <b>3b</b> 3b.1  <b>3c</b> 3c.1	<b>Housekeeping</b> <b>a) Conflict of Interest declaration</b> PT left the call when the rates relief application for Goonhilly was discussed, then re-joined the meeting.  <b>b) Approval of Minutes from the last meeting</b> The previous minutes were agreed as a true and accurate record.  <b>c) Action Summary</b> The action summary was reviewed and updated (as below).	
<b>4.</b> 4.1  4.2  4.3	<b>South Side Cornwall Airport Newquay (CAN) Infrastructure Update</b>  The ATC tower has been demolished, and the infrastructure works are due to commence in approximately 2 weeks. The infrastructure works are the first stage in preparation to support the Spaceport programme.  The Aviation Centre contract has been signed with Corserv, and the design is expected to conclude within the next 2 weeks. Construction on the Aviation Centre is due to start mid-April 2021.  An application has been submitted by the Spaceport team for further funding which has become available through the CloS LEP Getting Building Fund. A decision on the funding allocation is expected shortly.	
<b>5.</b> 5.1	<b>Spaceport Update (MT)</b>  Good progress has been made within the last few weeks; the Spaceport team submitted an ERDF bid for R&D activity at Cornwall Airport Newquay (CAN). The University of Exeter will work alongside	

5.2	<p>Virgin Orbit (VO) at the research facility on satellite research and other Space-related projects.</p> <p>VO had a successful launch in USA which is a positive boost to the planned launch at Newquay in Spring 2022.</p>	
5.3	<p>The team are planning activities at CAN during the G7 event and to promote the Space programme and are linking in with local schools to educate students on the Spaceport programme.</p>	
<b>6.</b>	<b>EZ Investment Plan</b>	
6.1	<p>The paper is being reviewed by CC Legal and CC Finance respectively and when it has been passed by Finance, it will go to the Leader of the Council to ratify. IM is currently feeling confident the plan will be supported.</p>	
<b>7.</b>	<b>Freeports</b>	
7.1	<p>CC members were not supportive of submitting a Freeport bid, at this point in time. However, it will be important to track and re-assess the potential of Freeport status to support the floating offshore wind, space and mining/lithium sectors, as these opportunities develop.</p>	
	<b>Greenports</b>	
7.2	<p>The Clean Growth initiative will be highlighted at the G7 Summit this June 2021 and members are keen use this opportunity to promote FLOW sector and renewable energy sectors within Cornwall. It is also an opportunity to attract internal investment in Cornwall, from businesses within the UK and overseas.</p>	
7.3	<p>The deadline to submit requests to be part of the G7 Summit platform is next week, so it is unlikely attendance will be possible. However, members discussed running events during the G7 event to</p>	

7.4	<p>showcase Cornish industries and how they link with the overall Government legacy aspirations.</p> <p>EZ Board members will develop a Business Case / Strategy for Greenports.</p>	
<p><b>8.</b></p> <p><b>8a</b></p> <p>8a.1</p> <p><b>8b</b></p> <p>8b.1</p> <p>8b.2</p>	<p><b>Aerospace EZ Site Updates</b></p> <p><b>a) Aerohub</b></p> <p>Lettings are going well; Sector 2 is almost full. Providing the EZ Investment Plan is approved, discussions to develop Sector 3 can start. Plot 11 sold to Swis Distribution, plot 14 - a local business has exclusivity agreement, plot 10 – interest from a local business who are expanding, plot 6 and 7 – prospective Aerospace training facility.</p> <p><b>b) Goonhilly</b></p> <p>There are positive results from GH 6 antenna, ongoing outputs with GH 3 antenna. GES liaising in a research programme with University of Oxford on a Cryogenic receiver for deep space purposes.</p> <p>Due to Covid-19, the location of tenants has been managed in order to maintain social distancing. When Covid-19 restrictions are lifted, future and current lettings will be revisited.</p>	
<p><b>9.</b></p> <p><b>9a</b></p> <p>9a.1</p> <p><b>9b</b></p> <p>9b.1</p>	<p><b>Marine EZ Site Updates</b></p> <p><b>a) Context</b></p> <p>i. <b>Wave Hub sale</b> – The sale is expected to conclude by March 2021.</p> <p>ii. <b>Floating Offshore Wind RD&amp;I Support Bids</b> – Strength in Places bid response expected by April 2021.</p> <p><b>b) Falmouth Docks</b></p>	

<p><b>9c</b></p> <p>9c.1</p> <p><b>9d</b></p> <p>9d.1</p>	<p>The Engagement Plan is in place and an Advisory group has been set up to deliver the plan. A request for funding will be brought to the next EZ Board meeting for the above development plan.</p> <p><b>c) Hayle MRBP &amp; Phase 2</b></p> <p>Phase 1 is mostly let; there is 1 industrial unit left, which has had some interest. Phase 2 is underway; awaiting return of the tender bids and the contractor will be awarded by mid-March 2021. Construction to commence early May 2021.</p> <p><b>d) Tolvaddon</b></p> <p>Heads of Terms (HoTs) have been agreed for the EV Service Station; the zero-carbon laundry has expressed an interest in Zone 4. It was agreed that <b>MV</b> will do a marketing push to promote the site.</p>	<p><b>MV</b></p>
<p><b>10.</b></p> <p><b>10a</b></p> <p>10a.1</p> <p><b>10b</b></p> <p>10b.1</p>	<p><b>Rate Relief and EZ Growth Fund</b></p> <p><b>a) Rate Relief Renewals and Rate Relief Approvals</b></p> <p><i>PT left the call whilst his rate relief application was discussed and re-joined the meeting later.</i></p> <p>The 4 recommendations on page 1 were approved by Board members. Goonhilly rate relief application, <b>Recommendation</b> – application is accepted with the conditions stated in the report.</p> <p><b>b) EZ Growth Fund update &amp; applications</b></p> <p>The Growth Fund pot consists of £54k which was returned by Goonhilly, and an additional £100k from the Covid emergency grants. An application is expected from PH Media.</p>	
<p><b>11.</b></p> <p><b>11a</b></p> <p>11a.1</p>	<p><b>Performance Data</b></p> <p><b>a) Ministry of Housing, Communities &amp; Local Government (MHCLG) Data Report Q3 2020</b></p> <p>The deadline for Q3 Data Report is 26<sup>th</sup> of February 2021.</p>	
<p><b>12.</b></p>	<p><b>Investment Pipeline and Opportunities</b></p>	



<b>12a</b>	<b>a) Pipeline Opportunities</b>	
12a.1	A report was circulated prior to the meeting; the e-health sector is performing well and there is a good pipeline of potential investors. Focus will be to convert the leads into sales.	
<b>12b</b>	<b>b) Marketing Update</b>	
12b.1	CDC continue to promote CC assets on the Choose Cornwall website; the lettings have gone well, as mentioned above. EGS has secured funding to appoint an additional member of staff to deal with Cornwall Trade and Investment (CT&I ) UK-based investors.	
12b.2	It was noted there are units available at ESAM, coming up, marketing for Chi Tevyans can commence when the building has been completed. Some Innovation Centres still have office space available.	
12b.3	Future opportunities within the FLOW supply chain will be available and EZs will be promoted to capture letting spaces.	
<b>13.</b>	<b>Risk Register and Report</b>	
13.1	The risk register and risk report were noted.	
<b>14.</b>	<b>Any Other Business</b>	<b>CC</b>
14.1	Agenda Item for April's meeting to include Growth Fund application from A & P.	
14.2	The meeting concluded at 15.37.	
<b>15.</b>	<b>Date of next EZ Board Meeting:</b>	
15.1	Thursday 08 April 2021 @ 14:00, Teams.	

## Appendix 1: Action Tracker

## C & IoS LEP EZ Board

### Action Tracker 11/02/2021

Ref & Date	Action	Owner	Status			Notes
			Complete	Ongoing	Not Complete	
11/2 9d.1	MV – Push on marketing for Tolvaddon lettings					
11/2 14.1	Add A & P Growth Fund application to April's agenda	CC			X	
10/12 7.3	Freeport – JW to compose letter of support on behalf of the LEP for Freeport bid	JW	X			Discuss 11/2/21
10/12 10b.1	Visit to Falmouth Docks to review renovation plan	IM & SJ	X			
10/12 10c.1	Discuss Wave Hub presence at Hayle MRBP	MV & SJ		X		
10/12 13a.2	Investment Opportunities - IM and SJ to discuss support services for SMEs offline next year, including WRAP, the Skills Programme and will include within the Cabinet report for February 2021.	IM & SJ			X	
10/12 14.1	Risk Register – Ezs – no competition if Freeport bid is not submitted.	JW	X			
22/10 8b.1	Strength in Places Funding – to discuss offline APPLICATION IN, A response is expected Easter 2021,		X			
22/10 9b.1	Amend date on Greenwall GF application and re-circulate for Extraordinary meeting	JW	X			
22/10 11b.1	MK to send CDC marketing cost to JW	MK	X			
11/6 12b.c	Arrange meeting to discuss possibility of CDC managing Wave Hub to the new buyer, when sold	MK	X			Overtaken by events. Closed
27/3 5.1	EZ Business Plan – IM to bring back the completed plan to the next EZ Board meeting in June	IM		X		Skills review needs doing, Employment Skills Board to be established. Liaise with this Board. On agenda.



27/3 6.3	PT to speak to SJ and MH on connecting FLOW with GES C/F 4 PROJECTS UNDERWAY – AFTER EASTER MEET	SJ		X		Have met, need 2 <sup>nd</sup> one, include Catapult Have one in NY
9/12 14.3	Universities EZs – Possible Internships within EZs’ sectors. Glenn to propose with Uni of Falmouth C/F	GC		X		Carry forward, overtaken by events but ongoing

Most recent at top

DRAFT



Date of Board Meeting: **27 April 2021**

Report Title: **Rate Relief**

Author: **Jordan Whaley**

Contact: **Jordan.whaley@cornwall.gov.uk**

Decision Required by the Board: **Yes**

For Information Only: **No**

### **Recommendation(s)**

1. That the rate relief renewal contained within this report is approved by the EZ Board.

### **Executive Summary**

This report seeks a decision from the Board for one rate relief renewal.

There are two Enterprise Zones in Cornwall made up of five individual sites. Businesses on the EZ can apply to the EZ Board for Government funded rate relief. New applications for rate relief are only permitted for Marine Hub following the expiring at the Aerohub+ although renewals are valid as long as the application was approved prior to the deadline.

All business rates generated over and above the agreed baselines are retained by the CIO S LEP for 25 years and held in the EZ Growth Fund. It is a requirement of the CIO S LEP to review and approve new rate relief applications from businesses located within the Enterprise Zones as well as consider rate relief renewals annually.

### **Progress/Update/Impact/Outcomes/Issues**

Businesses occupying the Marine Hub EZ can apply for 100% rate relief for up to five years. Rate relief is supported by Government for up to five years for businesses occupying the zones prior to the end of the rate relief period which is set out below.

Site	Date
Cornwall Airport Newquay (expired)	31 <sup>st</sup> March 2018
Goonhilly Earth Station	31 <sup>st</sup> March 2021
Hayle Marine Renewables Business Park	31 <sup>st</sup> March 2022
Tolvaddon	31 <sup>st</sup> March 2022
Falmouth Docks	31 <sup>st</sup> March 2022

Businesses occupying the Aerohub EZ at Cornwall Newquay Airport prior to 31 March 2018 can receive 100% rate relief for up to five years, however, businesses taking up occupation after 31 March 2018 can apply to the EZ Growth Fund for a grant towards business rates which would be provided on a sliding scale:

Year	EZ Growth fund Grant to Cover Rates Due
1	100%
2	100%
3	75%
4	50%

Until the end of 2020, awards of rates relief were granted as de minimis aid under the State Aid Regulations. From 1<sup>st</sup> January 2021, such awards are made under the UK Subsidy Control regime. The new regime is not yet fully developed although it does state that where total amount of support is under 325,000 Special Drawing Rights (approx.£345,000) over a 3-year period the UK-EU Trade and Cooperation Agreement (TCA) principles do not apply. In the absence of further details, we have been advised by Cornwall Council Legal to follow the same process as we did for awarding de minimis aid and seek declarations of aid received.

Once granted the rate relief award needs to be renewed annually. This provides a mechanism for the business to confirm that they are able to receive further aid and for the LEP to confirm that the business is continuing to meet the conditions of the rate relief award, for example, monitoring and reporting.

The value of rate relief is calculated using the conversion rates from Special Drawing Rights to Sterling on 1 April 2021, to ensure any award is under the UK-EU TCA subsidy threshold. At the time of writing this report, the conversion rate to Special Drawing Rights was not published.

The value of rates due is also calculated using the Non-Domestic Rates Multiplier (NDRM). The NDRM is confirmed as unchanged from 2020/21:

- non-domestic rate multiplier 51.2p (0.512)
- small business non-domestic rate multiplier 49.9p (0.499)

The following rate relief renewals and application have been received:

**Table 1 – Rate Relief Renewals 2021/22**

Company Name	Zone	Location	First date of Award	Period Remaining Including Application for 2021/22	Estimated Rates Relief
FB Heliservices Ltd Trading as Draken Europe	Aerohub	Hangar 402 Complex, Cornwall Airport, Newquay	1 <sup>st</sup> April 2017	1 year	£82,944

This decision of the EZ Board only relates to the award of rate relief.

FB Heliservices (t/a Draken Europe) is up to date with EZ data reporting.

### Financial Implications

FB Heliservices (t/a Draken Europe) qualifies for government funded rate relief as a consequence of moving to Cornwall Airport Newquay within the Aerohub+ EZ prior to the 31 March 2018.

### Appendices

None

### ***Section 151 (Finance) Officer commentary and sign off***

Name:	Ellie Willcocks
Date:	20 April 2021
Comments: This is the last year the Government back rates relief can be claimed.	



Date of Board Meeting:	<b>27 April 2021</b>
Report Title:	<b>EZ Growth Fund Applications</b> SMART and GREEN – Falmouth Docks Marine Hub EZ Development
Author:	<b>Jordan Whaley</b>
Contact:	<a href="mailto:Jordan.whaley@cornwall.gov.uk">Jordan.whaley@cornwall.gov.uk</a>

Decision Required by the Board **Y/N**: Y

For Information Only **Y/N**: N

### **Recommendation(s)**

1. That the EZ Growth Fund application for the project “SMART and GREEN – Falmouth Docks Marine Hub EZ Development” is approved with conditions as identified within this report.

### **Executive Summary**

This report seeks a decision from the Board for an application to the EZ Growth Fund from Falmouth Docks and Engineering Company Ltd highlights any key issues that the Board needs to be aware of regarding the EZ Growth Fund.

There are two Enterprise Zones in Cornwall made up of five individual sites. All business rates generated over and above the agreed baselines are retained by the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) for 25 years.

The rates funding from all zones is aggregated into a single pot (EZ Growth Fund) and awarded in accordance with the “EZ Growth Fund – Investment Policy” approved by the LEP EZ Board in December 2019.

### **Progress/Update/Impact/Outcomes/Issues**

Approving investments from the EZ Growth Fund is a key responsibility of the EZ Board. Prior to the decision of the EZ Board, applications are appraised by Cornwall

Council Economic Growth Programmes Team and endorsement sought from the EZ Operational Board, if time permits.

An application has been received from Falmouth Docks and Engineering Company Ltd for consideration at the this EZ Board, however, it has not been discussed at the EZ Operational Board.

### EZ Growth Fund Applications

Applicant	Falmouth Docks and Engineering Company Ltd
Project name	SMART and GREEN – Falmouth Docks Marine Hub EZ Development
Description	<p>Falmouth Docks and Engineering Company Ltd have applied for an EZ Growth Fund grant to support additional capacity to implement the Falmouth Docks Development Project.</p> <p>The grant will fund, along side private match funding, a Development Manager and working budget for three years.</p> <p>The grant will facilitate the delivery of over 40ksqm of workspace and over 2,000 new ftes.</p>
Amount of Grant	£192,500
Project Cost	£385,000
Date of Officer Appraisal	8 March 2021
Date of EZ Operational Board	Not applicable
Recommendation	<p>Approve with conditions:</p> <ul style="list-style-type: none"> <li>• Payment will be made on receipt of satisfactory evidence of expenditure and defrayal</li> <li>• Subsidy Control; Applicant to provide declaration of aid received</li> <li>• Evidence of the creation of outputs to be provided in accordance with schedule in the Application</li> <li>• Applicant to provide quarterly monitoring reports and any other information at the request of CloS LEP</li> <li>• CloS LEP representation on Advisory Board</li> </ul>



The application adheres to the guidance provided in the Rate Relief Policy and the EZ Growth Fund Policy.

### Financial Implications

Approval of the application will result in a reduction of £192,500 from the EZ Growth Fund over a three year period.

	2021/22	2022/23	2023/24	TOTAL
Grant claimed	£61,000	£64,000	£67,500	<b>£192,500</b>

The applicant is located in Marine Hub EZ however the award of funding will not directly contribute to rates growth.

In May 2020 the EZ Board, via written procedures, approved the redeployment of £337,957 EZ Growth Fund to support other “LEP priorities” during the COVID-19 pandemic. £102,957 remains unspent and will be returned to the EZ Growth Fund.

£53,556 of EZ Growth Fund awarded to Goonhilly Earth Station Ltd for the project ‘Goonhilly Master Plan Phase 1&2’ is no longer required and will be returned to the EZ Growth Fund.

In February, it was confirmed that the project ‘Cobhams Hangar’ has been withdrawn due to the volume of work required to gather backdated information and redact the information in line with GDPR requirements to support the claim evidence, however they do hope to apply for funding in the future.

Based on the changes reported above and on the assumption that the application from Falmouth Docks and Engineering Company Ltd is approved the current year budget for the EZ Growth Fund is as follows:

Balance as at 1 April 2020	£1,479,018
In year claims and defrayal	£365,803
Commitments	£788,781 (including application above)
Remaining Unallocated	£324,433

Of the total commitments, approximately £551,281 expenditure is associated with grants for business rate relief which has been committed up to 2024/25.

### **Appendices**

None

### ***Section 151 (Finance) Officer commentary and sign off***

Name:	Ellie Willcocks
Date:	20 April 2021
Comments: There are currently sufficient funds available to cover this application and approved commitments from the EZ Growth Fund Reserve.	

**CORNWALL ENTERPRISE ZONES  
STRATEGIC RISK REGISTER**

Last Update	Mar-21
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REF	RISK CATEGORY	SITE	RISK DESCRIPTION	IMPACT (Score 1-5)	LIKELIHOOD (Score 1-5)	PREVIOUS RISK RATING MAY 20	CURRENT RISK RATING MAR 21	CURRENT MITIGATION IN PLACE	ADDITIONAL MITIGATION REQUIRED	RISK OWNER
R10	Commercial	All	<b>Cash Flow</b> - There is a time lag between investment in zones and retained rates income. In the absence of a facility to borrow against future retained rates income the scale of investment will be limited to funding immediately available within the EZ Growth Fund pot.	4	4	16	16	Review of options by CC to consider investment up front borrowed against future business rates income. 31Ten appointed and completed rates modelling. Proposal presented to EZ Board October identified a preferred model for forward funding projects.	Business Plan is being developed to seek approval from CC and LEP for forward funding for the rates income into the EZ Growth Fund to accelerate the delivery of the EZs. .	Iain Mackelworth
R9	Commercial	All	<b>Market Failure</b> in the Commercial Property Market restricts and limits the pace and scale of development impacting on retained rates income into the EZ Growth Fund, in some instances withdrawal of interest.	4	3	12	12	More substantial support to businesses to encourage interest and location to EZs. Accelerate the use of EZ Growth Fund to bridge investment gap and CC to develop Workspace Development Programme (WDP) to plug the gap on commercial investment. CC secured Cabinet support to make capital available for Aerohub Plot 3 and MRBP Phase 2. Positive decision for PA3 (Growth Programme) with three projects invited to Full Application.	Meeting to be held with A&P and GES to consider potential projects. Secure CC approval to use EZ Growth Fund to support capital development. ERDF Full Application submitted in December 2019 awaiting decision.	All Partners
R12	Reputational	All	<b>Impact</b> - EZ initiative fails to deliver significant economic benefits leading to adverse publicity.	3	3	12	12	Monitor impact of EZ initiatives and take appropriate action when required. Process in place to monitor growth of EZs. Data reporting to MHCLG on a quarterly basis. Programme Evaluation of EZ has been completed.	Review of targets as part of the Business Plan to ensure they are SMART.	Iain Mackelworth
R16	Operational	All	<b>COVID-19</b> - impact on the delivery of the EZ through falling enquiries and disruption to project development and delivery.	4	3	12	12	Review and implement advice from Cornwall Council and Public Health England. Introduce remote working and reduce the need for physical attendance at meetings.	Continue to manage enquiries to mitigate impact reacting quicker.	Iain Mackelworth
R15	Strategic	Marine Hub	<b>Energy Policy</b> - Government policy does not support development of next generation of marine renewables technology which is undermining development of the sector and the EZ.	3	3	9	9	CC/LEP and CDC working with regional partners and stakeholders to put together the case for government support. Strong support in the Industrial Strategy. LEP wrote to Energy Minister May 2018 regarding lack of revenue for next generation technologies. Public/Private sector partnership established. Meetings held with Energy Minister in July with LEP, CC and Wave Hub - feedback positive. Ministerial submissions submitted in October setting out the case for floating wind - recommendations accepted by Minister.	Marine Hub working with LEP Energy Team on further lobbying. Follow up response to Ministerial submission.	Matt Hodson
R5	Strategic	All	<b>Brexit</b> - Uncertainty regarding access to European market and to European funding streams undermines investor confidence in Cornwall - potentially stalling EZ development and delivery of outputs. Risks include, (a) challenges to the market by lack of investment and (b) licensing or regulatory issues (c) availability of skills and labour	3	3	9	9	Plan for post EU Exit legacy being developed by LEP/CC including New Frontiers. Work with People and Prosperity Team on availability of skills. Work with Cornwall Council to manage impact of Brexit on Cornwall. Partners to contribute to the Local Industrial Strategy consultations.		Emily Kent
R6	Strategic	All	<b>Competition from other regions</b> - Lack of visibility of Aerohub+ by potential investors and relocating companies / competition from other regions with larger resources and funding offers - opportunities to attract businesses to the EZ sites are missed / businesses attracted to locate elsewhere.	3	3	9	9	Competitor analysis undertaken for Aerohub. Marketing and branding proposition developed based upon Cornwall's unique offer. Collaboration with other regions through WEAF and UKSA where appropriate. Marketing budget approved to revisit marketing activity. choose cornwall website live.		Mike King
R14	Governance	All	<b>Resourcing</b> - insufficient or continuity of resourcing impacts on ability to handle enquiries and manage deal flow leading to loss of investment	4	2	8	8	CC have appointed agents Vickery Holman to handle Aerohub business park enquiries. CC have completed recruitment to provide additional capacity to support Programme Management including EZ. EZ Growth Fund application for marketing approved. EZ Growth Fund application for Aerohub Development Manager approved at October's EZ Board. CDC have appointed a Letting Manager which will include EZ property. Appointment of EZ Development Manager completed.	EZ Business Plan to be created to request forward funding against future rates income which will include a budget allocation for the continued activity of the EZ.	Iain Mackelworth
R8	Commercial	All	<b>Demand</b> - Lack of demand for space resulting in slow pace of development.	4	2	8	8	Marketing by CDC and partners generating investment leads. Strong pipeline in certain sectors. Conversion is the main challenge (see Risk 9)		All Partners
R2	Governance	All	<b>MOU</b> - EZ delivery and management does not meet requirements of the MOU leads to loss of EZ status.	5	1	5	5	Implementation Plan submitted in line with requirements of MOU. Governance structure in place. CC collecting and reporting data on Aerohub & Marinehub EZ. GES have provided monitoring data.	None required.	Iain Mackelworth
R1	Governance	All	<b>EZ Governance</b> - lack of clarity over roles & responsibilities impedes decision making resulting in loss of potential investment.	4	1	4	4	Implementation Plan Agreed. Rates relief process and policy agreed. EZ Growth Fund investment policy agreed and application process and award process established. Terms of Reference approved by EZ Board in October and published on EZ website. National Local Assurance Framework received from MHCLG. Local Assurance Framework approved by LEP Board and published, March 2019.	EZ Board Terms of Reference to be updated in light of new LEP Assurance Framework.	Iain Mackelworth
R3	Reputational	All	<b>EZ Growth Fund</b> - Inappropriate investment from EZ Growth Fund does not deliver growth leading to adverse publicity.	3	1	3	3	Growth Fund investment policy approved by EZ Board. Application and decision process established. Applications are appraised prior to decision by EZ Board. Board papers are signed off by S151 Officer.	Review and approval of EZ Growth Fund policy at EZ Board to reflect changes to LEP Assurance Framework.	Jordan Whaley
R13	Reputational	All	<b>Displacement</b> - Use of rate relief to displace investment for existing premises or other sites leads to complaints and adverse publicity	3	1	3	3	EZ Board to approve all applications for rate relief. Rate Relief policy approved by EZ Board. Evidence of growth required for businesses relocating within Cornwall.		Iain Mackelworth



Date of Board Meeting: **27<sup>th</sup> April 2021**

Report Title: **Carbon Neutral EZ Sub-board**

Author: **Caroline Carroll, Innovation and Clean Growth  
Manager**

Contact: [caroline.carroll@cornwall.gov.uk](mailto:caroline.carroll@cornwall.gov.uk)

Decision Required by the Board Y/N: **Y**

For Information Only Y/N: **N**

### **Recommendation(s)**

1. Establish a Carbon Neutral EZ sub-board to develop a vision, strategy and high-level work programme
2. Give delegated authority to the Chair of the EZ Board to approve the sub-board Terms of Reference.

### **Executive Summary**

This report seeks permission from the Board to establish a sub-board to develop a Carbon Neutral vision for the EZ's, a strategy and high-level work programme.

### **Progress/Update/Impact/Outcomes/Issues**

Promoting growth within the EZ's will inevitably cause an increase in CO<sub>2</sub> emissions. Specific activity, such as data centres, space and air travel, and marine vessels will have a greater impact, or perceived greater impact. These sectors are facing increased pressure to decarbonise but aligned to this are a growing number of opportunities to fund innovative solutions.

The CloS Local Industrial Strategy vision is for a carbon neutral economy by 2030, and Cornwall Council declared a climate emergency with a target for a Carbon Neutral Cornwall by 2030- only 8 ½ years away.

The EZ's present an opportunity for them to be used as a test bed, to demonstrate and show case how we can balance industrial development and economic development objectives with Carbon Neutral Objectives. It provides an opportunity for them to lead the way; taking a whole energy systems approach to reducing demand, generating zero carbon heat, power and transport fuels, and using flexibilities services and demand management to decarbonise energy use. It offers existing EZ occupants a chance to be part of the journey and solution, and to also improve their environmental credentials. It will provide the EZ's with a unique, first mover, offer to promote and attract innovative and sustainable businesses.

To support the development of a carbon neutral vision, strategy and high-level work programme, providing progress reports to the Board, permission is being sought to set up a Carbon Neutral EZ sub-board

### **Financial Implications**

The Innovation and Clean Growth team have secured revenue funding for an additional officer from the Carbon Neutral Cornwall revenue budget, taking them up to four. This allows capacity to expand the work programme and use this additional resource to focus on decarbonising the EZs.

There are no anticipated revenue or capital expenditure implications for this piece of work.

### **Appendices**

None

### ***Section 151 (Finance) Officer commentary and sign off***

Name:	Ellie Willcocks
Date:	20 April 2021
Comments: The funding for the additional resource is not from the LEP budget, however if there are any additional costs associated with any meetings of the sub-board, this will need to be managed within the overall LEP budget.	