

AGENDA			
Title:	C&IoS LEP EZ Board		
Time/Date:	Friday 27 March 2020, 14:00 – 17:00		
Venue:	Skype		
Membership	Represented by	Attendees	Organisation
C&IoS LEP	Steve Jermy (SJ) - Chair Mark Duddridge (MD)	Miles Carden (MC) Mandy Cosgrove (MCo) Matt Hodson (MH) Mike King (MK) Nicola Lloyd (NL)	Spaceport Spaceport CDC CDC CDC
Cornwall Council	Glenn Caplin (GC)	Gail Eastaugh (GE) Matthew Vowels (MV) Iain Mackelworth (IM)	CDC CDC CC
Goonhilly Earth Station Limited	Ian Jones (IJ)	Jordan Whaley (JW) David Krohn (DK) Piran Trezise (PT)	CC BEIS GES
A&P	Drystan Jones (DJ)	Mike Spicer (MS) Stacey Sleeman (SS) Clare Connaughton (minute taker)	A&P Clos LEP CC

AGENDA		Lead	Time Slot
1.	Welcomes and Introductions	SJ	14:00 - 14:05
2.	Apologies for Absence	SJ	14:05 - 14:10
3.	Housekeeping		
	a) Conflict of Interest declarations	SJ	14:10 - 14:15
	b) Approval of Minutes of last meeting	SJ	14:15 - 14:25
	c) Action Summary	SJ	14:25 - 14:30
4.	Freeport Consultation Update	NC	14:30 - 14:45
	• Update from NC		

5.	Skills	ALL	14:45 – 14:55
6.	GES – Satellite Receiver Factory – Project Update	PT	14:55 – 15:00
7.	Spaceport	GC	15:00 -15:15
8.	Business Plan	IM	15:15 - 15:35
9.	Site Updates a) Aerohub b) Goonhilly c) Falmouth Docks d) Hayle and Tolvaddon	MK PT DJ MH	15:35 - 15:40 15:40 - 15:45 15:45 - 15:50 15:50 – 15:55
10.	Rate Relief and EZ Growth Fund a) Rate Relief Renewals & Rate Relief Approvals b) EZ Growth Fund update and applications c) Commercial Support Fund (Marine Hub)	JW JW JW	15:55 - 16:05
11.	Centre for Cities Report <ul style="list-style-type: none"> Headlines 	JW	16:05 – 16:15
12.	Performance Data a) Ministry of Housing, Communities & Local Government (MHCLG) Data Report Q4	JW	16:25 - 16:30
13.	Investment Pipeline and Opportunities a) Pipeline Opportunities b) Marketing Update c) Managing Investment Process	MK MK IM	16:30 - 16:45
14.	Risk Register and Report	SJ	16:45 - 16:50
15.	Any other business	SJ	16:50- 17:00
16.	Next Meeting Thursday 11 June 2020, 14:00, Western Aviation, Cornwall Airport Newquay, Business Aviation Centre, Aerohub 1, Newquay, TR8 4HP.	SJ	

MINUTES			
Title:	Cornwall and Isles of Scilly Local Enterprise Partnership Enterprise Zone (EZ) Board		
Date:	Monday 09 December 2019		
Time:	14:00 – 17:00		
Venue:	A&P, Falmouth Docks		
Membership	Represented by	Attendees	Organisation
C&IoS LEP	Steve Jermy (SJ) Chair	Matt Hodson (MH) Mike King (MK) Gail Eastaugh (GE) Matthew Vowels (MV) Mike Spicer (MS) Iain Mackelworth (IM) Jordan Whaley (JW) Stacey Sleeman (SS) Piran Trezise (PT)	CDC CDC CDC CDC A&P CC CC CIOS LEP GES
Cornwall Council	Glenn Caplin (GC)	Clare Connaughton (CC) – Minute Taker	CC
Goonhilly Earth Station Limited	Ian Jones (IJ) By phone		
A&P	Drystan Jones (DJ)		

AGENDA ITEM & NOTES		ACTION
1.	Welcomes and Introductions	
1.1	SJ welcomed members and introductions were made. PT and IJ joined the meeting by phone.	

2.	Apologies for Absence	
2.1	Mark Duddridge (MD).	
3.	Housekeeping	
3a	a) Conflict of Interest declaration	
3a.1	Growth Fund applications – IM and GC declared an interest and absented themselves when they were discussed later in the meeting.	
3b	b) Approval of Minutes from the last meeting	
3b.1	The previous minutes were agreed to be a true and accurate record.	
3c	c) Action Summary	
3c.1	To update as appropriate from the last meeting.	
4	Skills Review	
4.1	SS gave a presentation on Skills with particular focus on the Space, Energy and Marine sectors. The presentation summarised the role and activity of the Team.	
4.2	A Skills Innovation Fund is in development which will use LEP funding for digital skills in employment. The Space Delivery Plan has been developed to embed skills within the project; in addition, funding is available for support with Spaceport outreach programme.	
4.3	Ben Bolton is leading on Digital Skills Partnership developing skills and innovation through an advisory board. There is a Zero Carbon Construction Group (a sub-group of the strategic construction group) which will embed zero carbon programme in every project.	
4.4	The Zero Carbon initiative includes projects' inputs as well as outputs and will be a cross-cutting theme within all future projects. Action: Inga Geach, Inclusion Officer, EGS to meet with SJ to discuss how to ensure zero carbon is a permanent feature in projects.	SJ

4.5	<p>This Board is eager to encourage more bespoke professional qualifications in the Aerospace and Marine sectors. The current PA4 bid application includes a professional development framework.</p> <p>Action: It was agreed to have a meeting to progress this; to include SJ, members of SS' team, MH and DJ.</p>	SJ
<p>5 5a</p> <p>5a.1</p> <p>5a.2</p> <p>5b 5b.1</p> <p>5c 5c.1</p> <p>5c.2</p> <p>5c.3</p>	<p>Strategic Review</p> <p>Local Industrial Strategy (LIS) – Caroline Carroll (CCa) attended for this item.</p> <p>CCa gave a briefing regarding the draft LIS. It is still a draft and after further consultation with key stakeholders, will be approved by both the LEP Board and Cornwall Council (CC). The next stage is Government approval, followed by publication in March 2020.</p> <p>The LIS recognises the uniqueness of Cornwall and the development of the County's natural assets and skills. It is aligned to the Climate Change Emergency.</p> <p>Brexit</p> <p>Due to delays around Brexit, there were no notable updates for the meeting.</p> <p>Spaceport – Update provided by GC.</p> <p>Funding for Spaceport was approved by Full Council, comprising of £10m capital funding and £2m revenue funding. Funding has also been secured from Virgin Orbit, UKSA and CIoS LEP Growth Deal Funding.</p> <p>Part of the funding will be used for skills outreach programme, as previously mentioned. Virgin Orbit has scheduled a visit to Cornwall shortly. The programme can transition to delivery stage now.</p> <p>The link between space and digital skills mentioned in SS' presentation is an ongoing collaboration for the LEP and EZs.</p>	

<p>5d 5d.1</p> <p>5d.2</p>	<p>Enterprise Zones Programme – This item was presented by IM. IM provided an update on the latest status of the proposal to refocus the delivery of the EZ Growth Fund. To do this a cash flow request will need to be made to CC. This would accelerate financial return into the Growth Fund. IM explained that the proposal will be presented to this Board and then on to LEP Board and Cornwall Council.</p> <p>Action: IM to write a proposal for the next Board meeting. Report to include input from GES and A&P.</p>	<p>IM</p>
<p>6 6a 6a.1</p> <p>6a.2</p> <p>6a.3</p> <p>6a.4</p> <p>6b 6b.1</p>	<p>Sites Updates</p> <p>a) Aerohub Business Park sector 2</p> <p>Lettings at Sector 2 are going well; there is only 1 industrial unit available and 3 office suites left. The success of Sector 2 reinforces the need for high quality business units and office space. Sector 3 will provide industrial units and there is already a positive pipeline for this workspace.</p> <p>MV noted the flexibility around the workspace layout depending on the business’ needs has contributed to the success of lettings. Sector 14 is currently under negotiation and Sector 11 will shortly be occupied.</p> <p>Sector 1 which has had interest from a hotel, is undergoing demand studies at the moment to assess all viable possibilities for the plot. MV continues to manage this process.</p> <p>As a matter of interest CDC reports lettings for Sector 2, ESAM, Hayle and Tolvaddon are mainly from indigenous businesses wishing to expand.</p> <p>b) Goonhilly</p> <p>PT and IJ gave an update on recent activity including meetings with potential investors, hosting meetings in the new refurbished</p>	

6b.2	<p>conference centre, the Goonhilly 6 project which is on target, and preparing a bid for PA3 workspace funding application.</p>	
6b.3	<p>PT and IJ went on a fact-finding mission to visit a business partner, the Australian Space Agency.</p>	
6c	<p>Goonhilly continues working with the Spaceport team, consolidating links between EZ and Spaceport and looking into the possibility of expanding data connectivity to Cornwall Airport Newquay.</p>	
6c.1	<p>c) Falmouth Docks Ongoing engagement to develop SW marine cluster and offshore wind energy cluster. A&P continues to look at reducing carbon emissions from shipping traffic and it was agreed for DJ to take part in FLOW.</p>	
6c.2	<p>A&P has been awarded ‘fit for nuclear status’ recognition which will be useful for future projects.</p>	
6c.3	<p>Strength in Places bid currently underway for offshore wind project potentially worth £64m.</p>	
6d		
6d.1	<p>d) Hayle Marine Renewable Business Park 100% occupancy achieved as unit 6 lease finalised to a hydrographic supplies business. Some businesses such as Triskel Marine have received industry awards which reinforces the success of EZs.</p>	
6d.2	<p>Cornwall Planning Group has moved into an office suite.</p>	
6d.3	<p>Then end of Marine I was marked with a legacy event which was covered in the Press. Marine I 2 is still waiting for confirmation.</p>	
6d.4	<p>Hayle Phases 2 and 3 funding were recently approved by Cabinet.</p>	
6e		
6e.1	<p>e) Tolvaddon Zone 4 – potential tenant has secured a financial partner and will proceed with their lease in mid-January 2020.</p>	

7	Rate Relief and EZ Growth Fund	
7a	a) EZ Growth Fund and Rate Relief Policies Update	
7a.1	Both policies were reviewed and agreed by members. The policies have been refreshed in line with LEP Assurance Framework. The application form has also been simplified. JW added that a statement in reporting will be added to the policy. Action: The policies will be available on the LEP Website.	JW
7b	b) Rate Relief Renewals / Rate Relief Approvals	
7b.1	There are no rate relief approvals or renewals for this reporting period. JW reminded members the deadline for applications is 20 January 2020 to be considered at February's EZ Board.	
7c	c) EZ Growth Fund Update & Applications	
7c.1	IM & GC left the room at 15:52 whilst the Growth Fund applications were discussed for West Tek and Watergate Bay Hotel at Aerohub. Both applications have been appraised and were discussed at the EZ Operational Board where they were supported in principal, pending final approval.	
7c.2	West Tek – Members were encouraged to see this business grow and there is potential to expand into Sector 3. Recommendation: That the EZ Growth Fund application for the project “West Tek Expansion Project” is approved with conditions as identified within this report. This was approved by the Board.	
7c.3	Watergate Bay Hotel – Application is for Sector 15 at Aerohub which will serve as an HQ for the hotel. The predicted number of jobs (FTE) is promising and there will be a good return for CC in future rates. Recommendation: That the EZ Growth Fund application for the project “EZ rates relief application for Watergate Bay on Sector 15 Aerohub” is approved with conditions as identified within this report. Members approved this application.	

7c.4	<p>The Board also approved the following recommendation: That the EZ Board delegate to the LEP CEO the authority to award EZ Growth Fund for the two approved projects on an annual basis subject to receipt of satisfactory information provided by the recipient.</p> <p><i>IM and GC returned to the meeting at 16:01.</i></p>	
7d	<p>d) Commercial Support Fund (Marine Hub)</p>	
7d.1	<p>The Fund is fully committed. There is one final payment to make for Hayle Phases 2 & 3 design.</p>	
8	<p>Performance Data - Ministry of Housing, Communities & Local Government (MHCLG) Data Report Q2.</p>	
8.1	<p>Q2 data has been submitted to MHCLG. The report provided to the Board will be reviewed for future meetings to align with the data captured from the EZ.</p>	
8.2	<p>It was noted 6 businesses have not replied yet so JW's team has drafted a letter explaining it is a condition of the grant to provide data.</p>	
9.1	<p>Investment Pipeline and Marketing Strategy</p> <p>Following the success of lettings at CC assets, there is a clear indication for demand in workspace and a concern we will be unable to keep up with this demand. However Sector 3 at Aerohub and Hayle Phases 2 & 3 will mitigate this concern and satisfy the demand.</p>	
9.2	<p>The success of 'Choose Cornwall' website is evident and Goonhilly and A & P can both market their assets to increase the revenue for EZs. MK offered to meet PT offline to discuss possibility of marketing workspace at Goonhilly on the website.</p>	
10	<p>Risk Register and Report</p>	
10.1		

	<p>The Risk Register has been reviewed at the Operational Board. The resource risk has reduced with MV's dedicated role as EZ Development Manager. Market failure risk has reduced as a result of the PA3 call. The risk register will be reviewed at the next EZ Op Board.</p>	
<p>14</p> <p>14.1</p> <p>14.2</p> <p>14.3</p> <p>14.4</p> <p>14.5</p> <p>14.6</p>	<p>Any Other Business</p> <p>Conference facilities in Cornwall - SJ raised awareness to the lack of a suitable conference centre in Cornwall to hold events such as the FLOW conference. There are venues which are suitable but they are in Devon.</p> <p>Freeports – Although Falmouth Docks is too small to qualify as a Freeport, A&P would be able to supply services to this function.</p> <p>MD asked SJ to raise awareness of University's EZs and how to engage graduates more with job creation within EZs, by providing internships for them. Action: GC to have a conversation with Falmouth University.</p> <p>GE provided an update on Aerospace Programme. The R & D grants have assisted 50 businesses over a 2 year period. The Programme has attracted aerospace-based businesses to Cornwall, leading to global opportunities.</p> <p>There is a healthy pipeline of investors to the Aerospace industry which will create jobs and revenue for Cornwall, as well as educating students to gain skills to work in this sector.</p> <p>GE offered CDC's services with EZ marketing as there is budget allowance left.</p> <p>The meeting concluded at 16:46.</p>	<p>GC</p>
<p>12</p>	<p>Date of next EZ Board Meeting:</p> <p>Thursday 13 February 2020 (venue tbc)</p>	



Appendix 1: Action Tracker

C & IoS LEP EZ Board

Action Tracker 10/10/2019

Ref & Date	Action	Owner	Status			Notes
			Complete	Ongoing	Not Complete	
9/12 4.4	Zero Carbon – SJ speak to Inga Geach to ensure this item is integral in all projects	SJ			X	
9/12 4.5	Bespoke qualifications – Meeting to discuss progression – to include SJ, SS, MH & DJ	SJ			X	
9/12 5d.2	Proposal for larger projects – IM to write paper to present to next LEP meeting for approval then progress to CC for ratification	IM			X	
9/12 7a.1	Growth Fund & Rate Relief Policy – upload on LEP website	JW			X	
9/12 14.3	Universities EZs – Possible Internships within EZs' sectors. Glenn to propose with Uni of Falmouth	GC			X	
10/10 4.3	Freeports - Government consultation paper – JG to inform members when this is published	JG		X		
10/10 5.3	Workshop feedback – prepare paper to present to Cabinet with proposal for LEP to borrow funding to invest then pay back from increased business rates	IM		X		
10/10 5.3	LIS Strategy Collaboration – SR to contact Caroline Carroll to ensure LIS compliance	SR		X		
10/10 6.2	A&P – DJ to provide a summary of opportunities for Falmouth Docks after Arcadis submit findings	DJ		X		
10/10 13.2	Risk Register – Update from today and again at EZ Ops Board	JW	X			
3.4	Energy strategy – consult with Cornwall Manufacturing Group to see if their model can be applied to energy sectors	SJ	X			
7b.2	GES Growth Fund Application –MD contact PT on MoU	MD			X	
12.1	Basalt mini-bars – bring paper to next meeting with proposal from ReForcotech to relocate to Aerohub Business Park	MK			X	



4	4b.4 Strategy Update Suggest to Maf Smith of Renewable UK, that Cornwall hosts the Renewable UK Flow Conference 2020.	SJ	X			Capacity to hold in question
	4b.6 – DIT rep re mining (see PP sent by MK)	SJ			X	

Most recent at top



Date of Board Meeting:	27 March 2020
Report Title:	<p>Rate Relief Renewals:</p> <p>CIS (UK) Ltd</p> <p>FB Heliservices Ltd, trading as Cobham Helicopter Services</p> <p>Plymouth Flying School t/a Flynqy Pilot Training</p> <p>Holt Lloyd International</p> <p>Weston</p> <p>Swathe Services</p> <p>Triskel Marine Ltd</p> <p>Airblade Dynamics</p> <p>Ultrabeam</p> <p>Goonhilly Earth Station Ltd</p>
Author:	Jordan Whaley, Programmes Team Lead
Contact:	<p>Telephone: 01872 323301</p> <p>E-mail: Jordan.whaley@cornwall.gov.uk</p>

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

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

Recommendation(s)

1. That the Rate Relief Renewals identified within this report are approved





1. Executive Summary

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 (CioSLEP) for 25 years.

It is a requirement of the CioSLEP to review and approve new rate relief applications from businesses located within the Enterprise Zones as well as consider rate relief renewals annually.

2. Progress/Update/Impact/Outcomes/Issues

Businesses occupying the Marine Hub EZ and Goonhilly (at Aerohub+ EZ) can apply for 100% rate relief for up to five years. Where premises are not included in the baseline for each EZ, Rate Relief is supported by Central 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 Newquay Airport	31 st March 2018
Goonhilly Earth Station	31 st March 2022
Hayle	31 st March 2022
Tolvaddon	31 st March 2022
Falmouth Docks	31 st 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 in occupation after 31 March 2018 will need to apply to the EZ Growth Fund for rate relief which would be provided on a sliding scale:

Year	Rate Relief
1	100%
2	100%
3	75%
4	50%





The award of rate relief is granted as De Minimis aid under the State Aid Regulations.

Once granted the rate relief award needs to be renewed annually. This provides a mechanism for the businesses to confirm that they are able to receive a further tranche of de-minimis 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 of EZ outputs.

The value of rate relief is calculated using the conversion rates from Euro to sterling on 1st April 2020, to ensure any award is within the De Minimis limit. The value of rates due is also calculated using the Non-Domestic Rates Multiplier (NDRM). At the time of writing this report, the conversion rate was not published, and neither was the 2020/21 NDMR; the 2019 rates have therefore been published as a guide.

The following applications for rate relief and rate relief renewal have been received.

Table 1 – Rate Relief Renewals 2020/21

Company Name	Zone	Location	First Date of Award	Years remaining including application for 2019/20	Estimated Rate Relief
CIS (UK) Ltd	Aerohub+	Plot 12, Cornwall Airport Newquay	29 th March 2018	3 years	£3,387.90
Plymouth Flying School t/a Flyngy Pilot Training	Aerohub+	North Side Offices, Cornwall Airport Newquay	1 st April 2016	1 year	£1,865.80



Company Name	Zone	Location	First Date of Award	Years remaining including application for 2019/20	Estimated Rate Relief
Holt Lloyd International	Aerohub+	Hangar 404, Cornwall Airport Newquay	25 th November 2016	1 year 8 months	£57,036.03
Weston	Aerohub+	Building 663, Cornwall Airport Newquay	18 th December 2015	1 year 9 months	£10,188.25
FB Heliservices Ltd, trading as Cobham Helicopter Services	Aerohub+	Hangar 402, Cornwall Airport Newquay	1 st April 2017	2 years	£57,036.03
Goonhilly Earth Station Ltd	Aerohub+	Goonhilly Visitor Centre	19 th May 2016	1 year 10 months	£37,800.00
Airblade Dynamics	Aerohub+	HAS 1, Cornwall Airport Newquay	29 th March 2018	3 years	£17,676.00
Ultrabeam	Marine Hub	Unit 3, Hayle Marine Renewables Business Park	28 th July 2019	4 years	£6,260.25
Swathe Services	Marine Hub	Unit 7, Hayle Marine Renewables Business Park	1 st November 2017	2 years 7 months	£7,610.50
Triskel Marine Ltd	Marine Hub	Unit 1, Hayle Marine Renewables Business Park	1 st July 2017	2 years 3 months	£7,610.50

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





All of the companies that have submitted Rate Relief renewal have submitted the Quarter 3 2020/21 EZ data report.

3. Financial Implications

CIS (UK) Ltd
Plymouth Flying School t/a Flynqy Pilot Training
FB Heliservices trading as Cobham Helicopter Services

Holt Lloyd International
Weston
Airblade Dynamics

The companies listed above qualify for government funded rate relief as a consequence of moving into the Cornwall Airport Newquay within the Aerohub+ EZ prior to the 31 March 2018. The estimated value of the business rates relief on these premises is £147,190.

Goonhilly Earth Station
Swathe Services

Ultrabeam
Triskel Marine Ltd

The companies listed above occupy premises which are included in the baseline, which means that it was operational at the point at which the EZ was created. Therefore, although eligible for EZ Rate Relief for up to five years, they will not generate government reimbursement to the EZ Growth Fund. The estimated value of the business rates relief on these premises is £59,281.25.

The EZ Board awarded rate relief to Goonhilly Earth Station for the Visitor Centre for 2017/18, 2018/19 and 2019/20 on the condition that a report for each year was submitted to the EZ Board, outlining the ways in which the money saved by Goonhilly Earth Station Ltd had been used. The 2017/18 and 2018/19 report have been submitted and we await submission of the 2019/20 report.

4. Appendices

None





Section 151 (finance) Officer Commentary and sign off

Name:	Clare Williams
Date	19 th March 2020
Comments: There is sufficient balance within the fund to accommodate the applications within this report.	





Date of Board Meeting: **27 March 2020**

Report Title: **EZ Growth Fund Applications**
SWIS Distribution Ltd
Cornwall Council

Author: **Jordan Whaley**

Contact: Jordan.whaley@cornwall.gov.uk
01872 32 33 01

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

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

Recommendation(s)

1. That the EZ Board delegate to the LEP CEO the authority to award EZ Growth Fund for the SWIS Distribution Ltd project on an annual basis subject to receipt of satisfactory information provided by the recipient.
2. That the EZ Growth Fund application for the project “EZ Business Plan 2020-2023 Copywriting and Production” is approved with conditions as identified within this report.

Executive Summary

This report seeks a decision from the Board for two applications to the EZ Growth Fund from SWIS Distribution Ltd and Cornwall Council and also 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.

Two applications have been received for consideration at the March 2020 EZ Board. The SWIS Distribution Ltd proposal was appraised, then discussed at the EZ Operational Board on 28 January 2020. The Cornwall Council proposal was received after the Operational Board met, but the application has been appraised by the Programmes Team.

EZ Growth Fund Applications

Applicant	SWIS Distribution Ltd
Project name	Sector 11 warehouse expansion project
Description	<p>SWIS Distribution have applied for an EZ Growth Fund grant to cover rates due over the next four years, according to the four-year rates scheme as approved by EZ Board. Savings will be used to move to sector 11 where they will erect a 1,000m² steel portal frame warehouse unit to store materials used for the business to provide a sustainably sourced spray insulation.</p> <p>SWIS Distribution will move from its existing leasehold unit of 160m² in Roche and surrounding temporary storage space and consolidate its operations in one unit.</p> <p>The new site and the rates relief will enable the business to invest in a new stock management system and increase staff.</p>
Amount	£113,748

	<i>(The sum awarded is provisional and may vary depending on the European Commission Reference Rate and the Non-Domestic Rates Multiplier)</i>
Date of Officer Approval	20 January 2020
Date of EZ Operational Board Recommendation	28 January 2020
	<p>Approve with conditions:</p> <ul style="list-style-type: none"> • Applicant to provide de minimis declaration on an annual basis • Evidence of the creation of 30 new jobs to be provided in accordance with schedule in the Application • Applicant to complete the signing of the lease for Sector 11, Aerohub Business Park • Applicant to provide quarterly monitoring reports and any other information at the request of CloS LEP

Applicant	Cornwall Council
Project name	EZ Business Plan 2020-2023 Copywriting and Production
Description	Following the initial drafting of the EZ Business Plan 2020-2023 by Cornwall Council, this application seeks funding for the procurement of copywriting and production services to enable a quality/professional looking EZ Business Plan to be created.
Amount	£15,000
Date of Officer Approval	5 March 2020
Date of EZ Operational Board Recommendation	N/A – application received after EZ Operational Board
	<p>Approve with the following conditions:</p> <ul style="list-style-type: none"> • Applicant to provide evidence of procurement • Payment will be made on receipt of satisfactory evidence of expenditure and defrayal

- Applicant to present the final report to EZ Board

Both applications adhere to the guidance provided in the Rate Relief Policy and the EZ Growth Fund Policy.

The rate relief period at Aerohub at Cornwall Airport Newquay expired in 2018 meaning that Government no longer reimburse the costs incurred by Cornwall Council to provide rate relief. An alternative locally funded approach was adopted which offers businesses the opportunity to apply for an EZ Growth Fund grant to pay for their business rates for four years on a tapering basis, as set out below:

Year Rate Relief

1	100%
2	100%
3	75%
4	50%

Financial Implications

Approval of the SWIS Distribution Ltd application will result in a reduction of up to £114,000 from the EZ Growth Fund over a four-year period, defrayed as follows*:

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
Grant claimed	£11,666	£35,000	£32,083	£23,333	£11,666	£113,748

*Actual amounts based on exchange rate on the day the applicant is informed of their award and the non-domestic rates multiplier for the year in question (as published on 1st April)

The SWIS Distribution Ltd project concerns a new build and is therefore included within the rates growth grant received by CloS LEP and held in the EZ Growth Fund (expected to be in the region of £35,000 per year). The rates growth income in respect of the new premises to be occupied by this tenant will be £630k over the next 18 years.

Approval of the Cornwall Council application will result in a reduction of £15,000 from the EZ Growth Fund. Whilst there is no direct rates growth expected from this project, there is an expectation that the investment leads indirectly to rate growth through the creation of a Business Plan for the EZ.

If both projects are approved the current year budget for the EZ Growth Fund

is as follows:

- Budget as at 1 April 2019 £1,156,545
- In year spend £30,653
- 2020/21 commitments £303,751
- Remaining £822,141

With approximately a further £508,008 expenditure committed up to 2024/25 for grants for rate relief.

Appendices

None

Section 151 (Finance) Officer commentary and sign off

Name:	Clare Williams
Date:	19 th March 2020
Comments: There is sufficient funds to cover these applications if approved.	

**CORNWALL ENTERPRISE ZONES
STRATEGIC RISK REGISTER**

Last Update	Mar-20
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REF	RISK CATEGORY	SITE	RISK DESCRIPTION	IMPACT (Score 1-5)	LIKELIHOOD (Score 1-5)	PREVIOUS RISK RATING JAN 20	CURRENT RISK RATING MAR 20	CURRENT MITIGATION IN PLACE	ADDITIONAL MITIGATION REQUIRED	RISK OWNER
R1	Governance	All	EZ Governance - 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
R2	Governance	All	MOU - 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
R14	Governance	All	Resourcing - insufficient or continuity of resourcing impacts on ability to handle enquiries and manage deal flow leading to loss of investment	4	2	12	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 Octobers 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
R3	Reputational	All	EZ Growth Fund - 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
R4	Strategic	Aerohub & GES	Spaceport Policy - Bid unsuccessful or commercial partner is not secured resulting in loss of spaceport status for Cornwall Airport Newquay with the loss of significant high value investment.	3	2	6	6	Funding commitment from UKSA of £7.8m. MoU signed with Operator, Virgin Orbit. Political lobbying underway. £0.5m approved in principle from CloS LEP Growth Deal.	Decision on £12m funding from Cornwall Council expected in November.	Miles Carden
R15	Strategic	Marine Hub	Energy Policy - 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	Brexit - 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	Competition from other regions - 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 WEAFA and UKSA where appropriate. Marketing budget approved to revisit marketing activity. choose cornwall website live.		Mike King
R8	Commercial	All	Demand - 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
R9	Commercial	All	Market Failure 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
R10	Commercial	All	Cash Flow - 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	12	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
R12	Reputational	All	Impact - 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
R13	Reputational	All	Displacement - 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
R15	Operational	All	COVID-19 - impact on the delivery of the EZ	3	4	N/A	12	Review and implement advice from Cornwall Council and Public Health England. Introduce remote working and reduce the need for physical attendance at meetings.		Iain Mackelworth

Cornwall Enterprise Zones – Strategic Risk Register

1 Introduction

The Cornwall Enterprise Zone Strategic Risk Register captures the risks that are common to both Aerohub+ and Marine Hub and are of strategic importance. The register is reviewed on a regular basis at the Enterprise Zone Operational Board. This paper summarises the key risks that are scored at 12 or above.

2 Key Risks (High to Low)

Risk Ref 9:	Market Failure 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.	Current Risk Rating: 12
Mitigation:	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.	
EZ Board Action:	No action required at EZ Board.	
Risk Ref 10:	Cash Flow - 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.	Current Risk Rating: 16
Mitigation:	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.	
EZ Board Action:	Agenda Item 8.	

Risk Ref 12:	Impact - EZ initiative fails to deliver significant economic benefits leading to adverse publicity.	Current Risk Rating: 12
Mitigation:	Monitor impact of EZ initiatives and take appropriate action when required. Process in place to monitor growth of EZ's. 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.	
EZ Board Action:	Agenda Item 8.	

Risk Ref 15:	COVID-19 - impact on the delivery of the EZ	Current Risk Rating: 12
Mitigation:	Review and implement advice from Cornwall Council and Public Health England. Introduce remote working and reduce the need for physical attendance at meetings.	
EZ Board Action:	No action for EZ Board.	