

## AGENDA

**Title:** C&IoS LEP EZ Board

**Time/Date** 11 April 2019, 14:00 – 17:00

**Venue** Grenville Room, County Hall, Treyew Road, Truro, TR1 3AY

Membership	Represented by	Attendees	Organisation
C&IoS LEP	Steve Jermy (SJ) - Chair Mark Duddridge (MD)	Miles Carden (MC) Matt Hodson (MH) Mike King (MK) Nicola Lloyd (NL) Gail Eastaugh (GE) Iain Mackelworth (IM) Jordan Whaley (JW)	CDC CDC CDC CDC CDC CC CC
Cornwall Council	Glenn Caplin (GC)	Josie Gough (JG) Tim Bagshaw (TB) Piran Trezise (PT) Clare Harris (CH) Mike Spicer (MS)	MHCLG Clos LEP GES CC A&P
Goonhilly Earth Station Limited	Ian Jones (IJ)	Clare Connaughton (CC) (minute taker)	CC
A&P	Drystan Jones (DJ)		

AGENDA		Lead	Time Slot
1.	<b>Welcomes and Introductions</b>	SJ	14:00-14:05
2.	<b>Apologies for Absence</b>	SJ	14:05-14:10
3.	<b>Housekeeping</b>		
	a) Conflict of Interest declarations	SJ	14:10-14:15
	b) Approval of Minutes of last meeting	SJ	14:15-14:20
	c) Action Summary	SJ	14:20-14:25

4.	<b>Strategy Update</b> a) Debrief by SJ & IM on Cheshire & Warrington LEP EZ b) Open-ended strategy discussion on CIOS LEP EZ	SJ-IM SJ	14:25-15:00
5.	<b>Performance Data</b> a) Ministry of Housing, Communities & Local Government (MHCLG) Data Report Q3 b) EZ Performance Dashboard Template	JW JW	15:00–15:10 15:10–15:15
6.	<b>Rate Relief and EZ Growth Fund</b> a) Rate Relief Renewals / Rate Relief Approvals b) EZ Growth Fund Update & Applications c) Commercial Support Fund (Marine Hub)	JW JW JW	15:15-15:30
7.	<b>Investment Pipeline and Marketing Strategy</b> a) Pipeline b) EZ Growth Fund Marketing Update	MK MK	15:30-15:40 15:40-15:45
8.	<b>Site Updates</b> a) Aerohub b) Falmouth Docks c) Hayle and Tolvaddon	MK DJ MH	15:45-15:55 15:55-16:05 16:05-16:10
9.	<b>Skills</b>	TB	16:10-16:30
10.	<b>Risk Register and Report</b>	SJ	16:30–16:45
11.	<b>Any other business</b>	SJ	16:45-17:00
12.	<b>Next Meeting</b>  Thursday 13 June 2019 Hayle MRBP	SJ	

## MINUTES

**Title:** C&IoS LEP EZ Board

**Date:** Wednesday 06 February 2019

**Time:** 10:00 – 13:00

**Venue:** Trelawny Room, New County Hall, Truro

Membership	Represented by	Attendees	Organisation
C&IoS LEP	Steve Jermy (SJ) Chair Mark Duddridge (MD)	Matt Hodson (MH) Mike King (MK) Gail Eastaugh (GE) Iain Mackelworth (IM) Jordan Whaley (JW) Tim Bagshaw (TB) Piran Trezise (PT)	CDC CDC CDC CC CC CloS LEP GES
Cornwall Council	John Betty (JB) Iain Mackelworth (IM) representing Glenn Caplin (GC)		
Goonhilly Earth Station Limited	Piran Trezise (PT) representing Ian Jones (IJ)	Clare Connaughton (CC) (minute taker)	CC
A&P	Drystan Jones (DJ)		

AGENDA ITEM & NOTES		ACTION
<b>1.</b>	<b>Welcomes and Introductions</b>	
1.1	SJ welcomed members and introductions were made. JB joined the meeting at 10:49.	
<b>2.</b>	<b>Apologies for Absence</b>	
2.1	Nicola Lloyd (NL) - CDC, Glenn Caplin (GC)- Cornwall Council, Mike Spicer (MS) – A&P, Sally Edgington (SE) – MHCLG	
<b>3.</b>	<b>Housekeeping</b>	
	<b>a) Conflict of Interest declaration</b>	
3a.1	IM, on behalf of CC declared an interest regarding an EZ Growth Fund	

<p>3b.1</p> <p>3c.1</p> <p>3d.1</p>	<p>Application for ASDOT services at Cornwall Airport, Newquay.</p> <p><b>b) Approval of Minutes of last meeting</b></p> <p>The previous minutes were agreed to be true and accurate record.</p> <p><b>c) Action Summary</b></p> <p><b>Governance;</b> Register of Interest form for IJ – PT to action ASAP.</p> <p><b>Energy Innovation Zones</b> - Application to BEIS to be submitted within the next 2 weeks. This is on today’s agenda too.</p> <p><b>EZ Incentives and Investment Rates Modelling</b> – A visit to Cheshire and Warrington LEP has been arranged for later in February.</p> <p><b>Review of Enquiries Pipeline;</b> PT anticipating Masterplan will be available next week. Status to remain as ‘ongoing’.</p> <p><b>EZ Website draft structure;</b> on today’s agenda.</p> <p><b>d) Risk Register &amp; Report</b></p> <p>The risk register was noted and this agenda item to be moved to the end of the agenda going forward.</p>	<p><b>PT</b></p>
<p>4.</p> <p>4a.1</p> <p>4b.1</p> <p>4b.2</p> <p>4b.3</p>	<p><b>4. Strategy Update</b></p> <p><b>a) Energy Innovation Zones</b></p> <p>The relationship between Energy Innovation Zones, EZ University Zones and Agri-Zones is recognised as each zone complements the other. There were no further updates to note.</p> <p><b>b) Renewable UK Flow 2019 Conference</b></p> <p>MH proposed to hold the Renewable UK Flow 2019 Conference in Cornwall. Historically Scotland has taken the lead on renewable energy events but it would be a great accolade to hold the conference in Cornwall / SW.</p> <p>A business case to install 4 floating offshore wind turbines in Cornwall is being developed and will be submitted to BEIS for funding.</p> <p>It was noted a prestigious sponsor is needed to fund the conference and</p>	

	consideration given for a suitable venue to accommodate exhibitors and space for the delegates for other activities. A discussion took place around a suitable venue. Amongst the options suggested were Goonhilly (although alterations may not be ready in time), Eden Project or Delabole which has an adjacent wind farm.	
4b.4	Following conversations with Maf Smith of Renewable UK, SJ to contact Maf to propose that Cornwall hosts the conference and to suggest Equanought as a mainline sponsor with Claire Perry as keynote speaker.	<b>SJ</b>
4b.5	Other potential investors suggested for the conference are A&P and James-Fisher. If the conference does take place in Cornwall, we will liaise / align with our Scottish colleagues.  <i>Gail Eastaugh joined the meeting at 10:22.</i>	
4b.6	MK shared a presentation to the Department for International Trade (DIT) outlining a business case for Cornish Mining which did receive government funding. The DIT could potentially be a good business partner to have to fund the renewable energy projects or future mining projects in Cornwall. SJ to discuss this with DIT representative. <b>Action:</b> MK to send the presentation to members.	<b>SJ MK</b>
<b>5.</b>	<b>Rate Relief and EZ Growth Fund</b>	
	<b>a) Rate Relief Renewals / Rate Relief Approvals</b>	
5a.1	There were no renewals or approval applications. The renewals for 2019/20 will be considered at the next meeting of the Board.	
	<b>b) EZ Growth Fund Applications</b>	
5b.1	One application to be discussed under Part 2 of the agenda which is Commercial in Confidence.	
<b>6.</b>	<b>Investment Pipeline and Marketing Strategy</b>	
	<b>a) Pipeline</b>	
6a.1	Aerohub – There have been several lines of enquiry. Vickery Holman managing 2 inward investors. There are 6 active, ‘live’ leads. The interest is for both office and industrial space.	
6a.2	Some of the leads have proposed further expansion on Plot 2 once they have	

<p>6a.3</p> <p>6b.1</p>	<p>taken occupancy.</p> <p>Tolvaddon – There have been several enquiries which are being followed up. Converting the enquiries into sales is the major task.</p> <p><b>b) EZ Growth Fund Marketing Update</b></p> <p>MK presented a draft copy of the EZ website structure which will go out to tender shortly. This is part of a bigger project for cornwall.com website. There will be quick links to partner websites and it is anticipated to launch the EZ part of the website by 01 April 2019.</p>	
<p>7.</p> <p>7a.1</p> <p>7b.1</p> <p>7c.1</p> <p>7d.1</p> <p>7d.2</p> <p>7d.3</p> <p>7d.4</p> <p>7d.5</p>	<p><b>7. Site Updates</b></p> <p><b>a) Aerohub</b></p> <p>MK provided an update above.</p> <p><b>b) Goonhilly</b></p> <p>PT provided an update. Developing a conference wing.</p> <p><b>c) Falmouth Docks</b></p> <p>DJ provided an update. EZ development on-going – Feasibility Study on Port development underway and a report for this will be available in April.</p> <p><b>d) Hayle &amp; Tolvaddon</b></p> <p><b>Hayle</b> – Unit 3 lease almost finalised. The remaining unit left after the previous tenant moved to Tremough has a potential tenant (at HoT stage). There is interest in the one remaining office space.</p> <p>The heating system should be fully operational now following repairs as this had escalated into an H&amp;S risk as the whole heating system was out of action for 2.5 months.</p> <p>A bid will be submitted for the PA3 call for Phase 2 of Hayle MRBP.</p> <p>It was noted that Marine-I is fully committed with the remaining applications due for submission next week.</p> <p><b>Tolvaddon</b> – This was previously covered. It was noted there are several lines of enquiries from Marine-related businesses.</p>	

<b>8.</b>	<b>Skills</b>	
8.1	CH to provide an update at the next board meeting. PT to submit a bid for funding for Spaceport Skills project and do a paper on EZ STEM.	
<b>9.</b>	<b>EZ Growth Fund – Commercial in Confidence</b>	
9.1	JB and IM left the room whilst the application from Cornwall Council was discussed. After deliberation members approved the EZ Growth Fund application with one condition.	
9.2	JB and IM returned at 11:12.	
9.3	The budget is likely to increase to £1.2m next year which will be confirmed at the end of this f/y. There is currently £410k remaining with circa £330k expected to be added from 18/19.	
<b>10.</b>	<b>Any Other Business</b>	
10.1	GE tabled an investment opportunity for EZ Growth Fund from a company producing Basalt <sup>1</sup> fibre mini bars. ReForcetechn Associates Ltd has a patent on the Basalt mini bars.	
10.2	The company (with business partner A&P) would manufacture the material to use in floating barges / property, construction and the Aerospace and Automotive industries. It would also potentially be seeking to mine the basalt and have a base to manufacture the mini bars.	
10.3	ReForcetechn would therefore be looking at space at Aerohub Plot 2 to manufacture the product. This proposal comes with a risk but it is a good illustration of promoting EZs and creating jobs.	
10.4	The business could be promoted on cornwall.com and ultimately attract further investment to the region.	
10.5	A discussion ensued about providing business support to these kinds of companies by linking them to existing business contacts (CDC can assist in this).	
10.6	It was noted the LEP and CDC perform the function of business support to	

<sup>1</sup> An igneous rock located in Cornwall which is made into fibres as a suitable alternative to carbon fibre

<p>10.7</p>	<p>some extent but further support can be provided by partners and also the Corporate Leadership Board.</p> <p><b>Next Steps;</b></p> <ul style="list-style-type: none"> <li>• Escalate this proposal to Leadership Board and LEP Board</li> <li>• Consult with LEP Construction Strategy Steering group on how to support this proposal and any future business support</li> <li>• SJ, TB, MD and MK to meet outside the meeting as a focus group to decide a way forward to support the expansion of existing businesses as well as new investors. An update will be provided at the next Board meeting in April</li> <li>• Develop an integrated offer to businesses by combining partner resources</li> <li>• Keep in touch with ReForcetech.</li> </ul> <p>Meeting concluded at 12:01.</p>	
<p>11.</p>	<p><b>Date of next EZ Board Meeting:</b></p> <p>Thursday 11 April 2019 @ 14:00, Grenville Room, New County Hall, Truro, TR1 3AY.</p>	



Appendix 1: Action Tracker

C & IoS LEP EZ Board

Action Tracker 06/02/2019

Ref	Action	Owner	Status			Notes
			Complete	Ongoing	Not Complete	
4	<b>Governance</b> A Register of Interests per Board member has to be completed. LEP Executive team to provide forms for completion by EZ Board members.	PT			X	PT to follow up with IJ ASAP
4	<b>4b.4 Strategy Update</b> Suggest to Maf Smith of Renewable UK, that Cornwall hosts the Renewable UK Flow Conference 2019. <b>4b.6</b> – Circulate DIT PP on mining to members with view of asking DIT to be a business partner in future renewable energy / mining projects. Also SJ to make contact with DIT rep on this matter.	SJ MK SJ			X X X	
6	<b>Review of Enquiries Pipeline and Key Events</b> Single sheet, common understanding of enquiries in progress to be provided to CDC for coordination.	MK,NL,MH, PT,MC,DJ		X		
6	<b>Review of Enquiries Pipeline and Key Events</b> Further update on progress of the CRM system to be provided at the next Board.	MK		X		
8	<b>Skills</b> CH to provide an update at the next Board meeting	CH			X	



Privately owned land:		
Q14 What commercial floorspace was constructed on the zone in this quarter [sqm]?	0	sqm
Completed and occupied:		
Completed but unoccupied:		
Uncompleted:		
Q15 What commercial floorspace was refurbished on the zone this quarter [sqm]?	0	sqm
Completed and occupied:		
Completed but unoccupied:		
Uncompleted:		

**Commercial rental values**

Q16 What was the average market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?	<b>£ per sqm</b>	
A1 - Shops and retail outlets		
A2 - Financial and professional services		
A3 - Food and drink		
B1 - Business	161.49	
B2 - General industrial	109.06	
B8 - Storage and distribution		
C1 - Hotels		
C2 - Residential institutions		
C3 - Dwelling houses		
D1 - Non-residential institutions		
D2 - Assembly and leisure Exclamation		

**Commercial rental values**

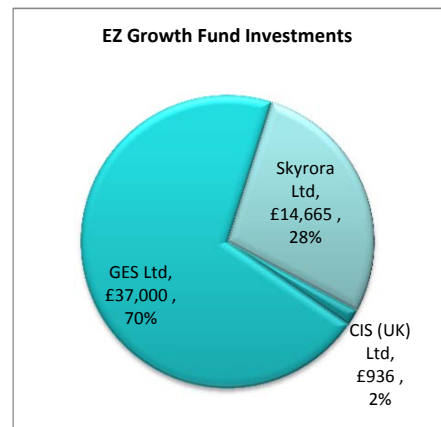
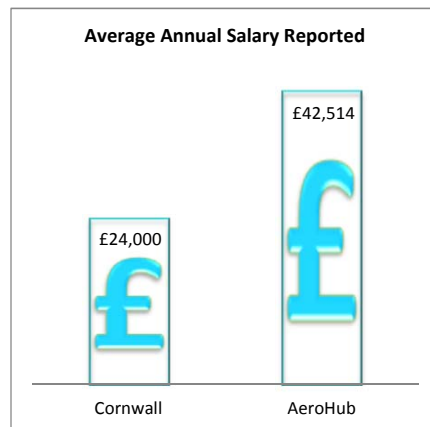
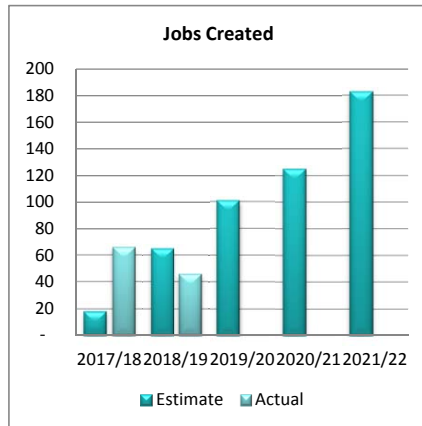
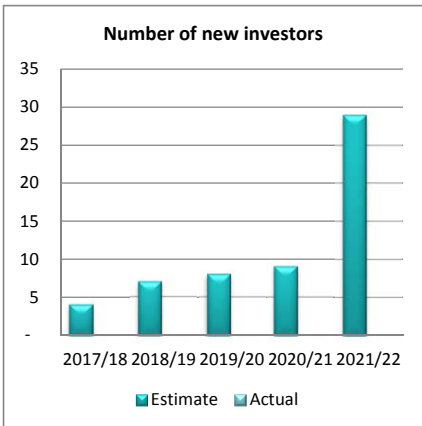
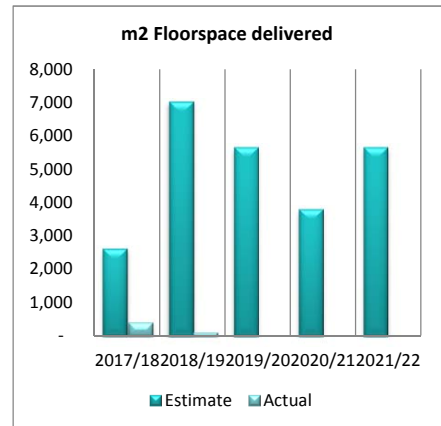
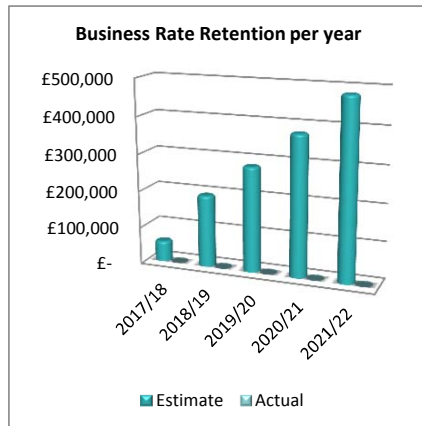
Q17 What land sales were there on the zone this quarter?	none
--	------

**Comments/additional information about your answers**

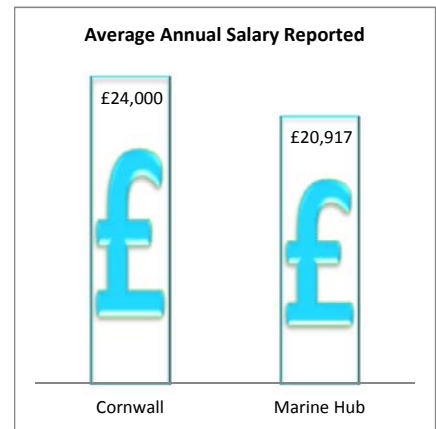
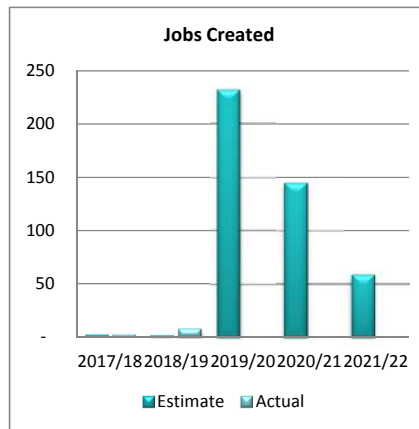
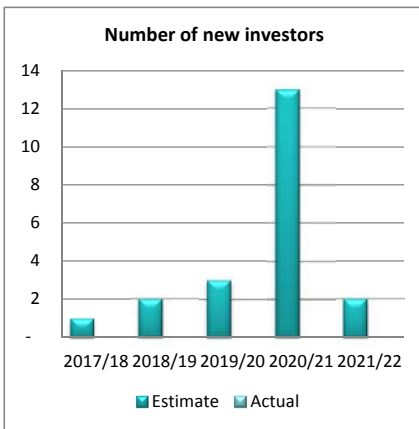
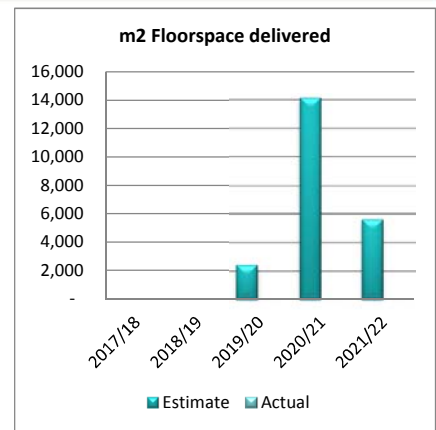
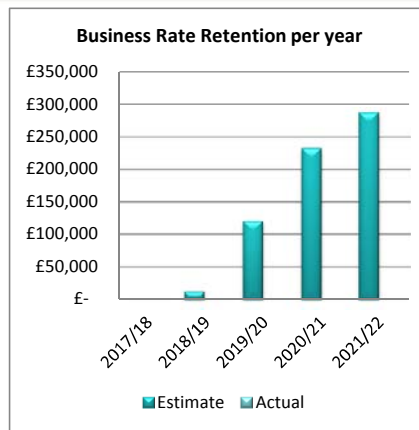
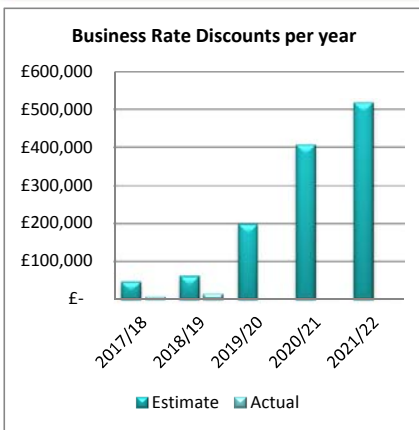
Please enter any additional information that you would like us to know about your answers



Summary Narrative



Summary Narrative



Date of Board Meeting:	11 <sup>th</sup> April 2019
Report Title:	<b>Rate Relief Renewals:</b> Cornwall Aviation Heritage Centre Goonhilly Earth Station Ltd CIS (UK) Ltd Plymouth Flying School t/a Flyngy Pilot Training Holt Lloyd International Weston FB Heliservices Ltd, trading as Cobham Helicopter Services Goonhilly Earth Station Ltd Apple Aviation 4C Architecture Limited Swathe Services Triskel Marine Ltd
Author:	Traci Parker, Performance and Compliance Specialist
Contact:	Telephone: 01872 32 43 84 E-mail: <a href="mailto:traci.parker@cornwall.gov.uk">traci.parker@cornwall.gov.uk</a>

Decision Required by the Board Y/N:	<b>Y</b>
For Information Only Y/N:	<b>N</b>

**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 (CloSLEP) for 25 years.

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

## 2. 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 <sup>st</sup> March 2018
Goonhilly Earth Station	31 <sup>st</sup> March 2022
Hayle	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 in occupation after 31 March 2018 will need to follow the new rate relief policy which is funded locally through the EZ Growth Fund 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 following applications for rate relief and rate relief renewal have been received.

**Table 1 – Rate Relief Renewals 2019/20**

<b>Company Name</b>	<b>Zone</b>	<b>Location</b>	<b>First Date of Award</b>	<b>Years remaining including application for 2019/20</b>	<b>Estimated Rate Relief</b>
Cornwall Aviation Heritage Centre	Aerohub+	HAS 3, Cornwall Airport Newquay	1 <sup>st</sup> July 2015	1 year 3 months	£13,870.75
CIS (UK) Ltd	Aerohub+	Hangar 661, Cornwall Airport Newquay	1 <sup>st</sup> April 2017	3 years	£25,704.00
CIS (UK) Ltd	Aerohub+	Plot 12, Cornwall Airport Newquay	29 <sup>th</sup> March 2018	4 years	£3,387.90
Plymouth Flying School t/a Flyngy Pilot Training	Aerohub+	North Side Offices, Cornwall Airport Newquay	1 <sup>st</sup> April 2016	2 years	£1,865.80
Holt Lloyd International	Aerohub+	Hangar 404, Cornwall Airport Newquay	25 <sup>th</sup> November 2016	2 years 8 months	£58,402.75*
Weston	Aerohub+	Building 663, Cornwall Airport Newquay	18 <sup>th</sup> December 2015	1 year 9 months	£9,930.64

Company Name	Zone	Location	First Date of Award	Years remaining including application for 2019/20	Estimated Rate Relief
FB Heliservices Ltd, trading as Cobham Helicopter Services	Aerohub+	Hangar 402, Cornwall Airport Newquay	1 <sup>st</sup> April 2017	3 years	£58,402.75*
Goonhilly Earth Station Ltd	Aerohub+	Goonhilly Visitor Centre	19 <sup>th</sup> May 2016	2 years 10 months	£37,800.00
Apple Aviation	Aerohub+	WS1, Cornwall Airport Newquay	1st September 2014	153 days	£9,930.64
Apple Aviation	Aerohub+	St Mawgan House, Cornwall Airport Newquay	1st July 2015	1 year 3 months	£2,602.30
4C Architecture Limited	Marine Hub	Unit 4, Hayle Marine Renewables Business Park	6 <sup>th</sup> September 2018	4 years 5 months	£6,260.25
4C Architecture Limited	Marine Hub	Unit 5, Hayle Marine Renewables Business Park	6 <sup>th</sup> September 2018	4 years 5 months	£6,260.25
Swathe Services	Marine Hub	Unit 7, Hayle Marine Renewables Business Park	1 <sup>st</sup> November 2017	3 years 7 months	£7,610.50
Triskel Marine Ltd	Marine Hub	Unit 1, Hayle Marine Renewables Business Park	1 <sup>st</sup> July 2017	3 years 3 months	£7,610.50

*\*The value of rate relief is calculated using the conversion rates from Euro to sterling on 1<sup>st</sup> April 2019, to ensure any award is within the De Minimis limit. At the time of going to press, this conversion rate was not published, and the 2018 rate has therefore been published as a guide.*

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

### 3. Financial Implications

**Cornwall Aviation Heritage Centre**  
**Plymouth Flying School t/a Flynqy Pilot Training**  
**FB Heliservices trading as Cobham Helicopter Services**  
**Apple Aviation**

**CIS (UK) Ltd**  
**Holt Lloyd International**  
**Weston**

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 £210,181.64.

**Goonhilly Earth Station**  
**Swathe Services**

**4C Architecture Limited**  
**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 £65,541.50.

The EZ Board awarded rate relief to Goonhilly Earth Station for the Visitor Centre for 2017/18 and 2018/19 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 report was submitted to the EZ Board in January 2018 and the 2018/19 report was submitted in December 2018.

### 4. Appendices

None

**Section 151 (finance) Officer Commentary and sign off**

Name: Clare Williams	Interim Head of Financial Planning & Business Intelligence
Date 3 April 2019	
Comments: There are no direct financial implications for LEP, as the rates reliefs are provided direct from Government.	

**CORNWALL ENTERPRISE ZONES  
STRATEGIC RISK REGISTER**

Last Update	Mar-19
-------------	--------

REF	RISK CATEGORY	SITE	RISK DESCRIPTION	IMPACT (Score 1-5)	LIKELIHOOD (Score 1-5)	CURRENT RISK RATING MAR 19	PREVIOUS RISK RATING JAN 19	CURRENT MITIGATION IN PLACE	ADDITIONAL MITIGATION REQUIRED	RISK OWNER
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 drafted and awaiting LEP Board sign off in March 2019.	Iain Mackelworth
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. CDC collecting and reporting data on Aerohub & Marinehub EZ. GES have provided monitoring data. LDO Feasibility & Options has been commissioned.	None required.	Iain Mackelworth
R14	Governance	All	<b>Resourcing</b> - insufficient resourcing impacts on ability to handle enquiries and manage deal flow leading to loss of investment	4	4	16	12	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.	CC have asked CDC to bring forward proposal to mitigate impact on EZ delivery of resourcing the spaceport bid. CC/CDC to complete appointment of Aerohub Development Manager. Review development and delivery capacity at other sites.	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 Deal 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.		Jordan Whaley
R4	Strategic	Aerohub & GES	<b>Spaceport Policy</b> - 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	Bid made and resubmitted on November 2018 to HM Government for decision. Loss of opportunity significant. MoU signed with Operator, Virgin Orbit. Political lobbying underway.		Miles Carden
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	4	3	12	12	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.		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.	MK to develop and report on the marketing proposal for EZ Board.	Mike King
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)	MK to develop and report on the marketing proposal for EZ Board.	All Partners
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	4	16	20	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.	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. PA3 (Growth Programme) and CC Investment Programme applications underway.	All Partners
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	3	12	12	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.	IM to follow up with CC Finance and prepare a scoping paper to consider options. Secure CC approval to use EZ Growth Fund to support capital development.	Iain Mackelworth
R11	Commercial	Aerohub	<b>Business Park</b> - legacy issues associated with the construction phase lead to adverse publicity and impact on marketing and disposals and retained rates income	3	2	6	6	Work with CC Property and Capital Projects to resolve any construction issues in the EZ's.		Iain Mackelworth
R12	Reputational	All	<b>Impact</b> - EZ initiative fails to deliver significant economic benefits leading to adverse publicity.	3	4	12	12	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 commissioned.	Iain Mackelworth
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

# 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 MarineHub 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:	<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.	Current Risk Rating: 16
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. 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. PA3 (Growth Programme) and CC Investment Programme applications underway.	
EZ Board Action:	No action required at EZ Board.	
Risk Ref 14:	<b>Resourcing</b> - insufficient resourcing impacts on ability to handle enquires and managed deal flow leading to loss of investment	Current Risk Rating: 16
Mitigation:	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. CC have asked CDC to bring forward proposal to mitigate impact on EZ delivery of resourcing the spaceport bid. CC/CDC to complete appointment of Aerohub Development Manager. Review development and delivery capacity at other sites.	
EZ Board Action:	No action required at EZ Board.	

Risk Ref 5:	<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	Current Risk Rating: 12
Mitigation:	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.	
EZ Board Action:	No action required at EZ Board.	

Risk Ref 10:	<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.	Current Risk Rating: 12
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. IM to follow up with CC Finance and prepare a scoping paper to consider options. Secure CC approval to use EZ Growth Fund to support capital development.	
EZ Board Action:	No action required at EZ Board.	

Risk Ref 12:	<b>Impact</b> - 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 commissioned.	
EZ Board Action:	To note EZ Board Agenda Item 5.	