

AGENDA

Title: C&IoS LEP EZ Board

Time/Date 11.00 – 13.30 / 06 June 2018

Venue Weston Aviation, South Side, Cornwall Airport
Newquay

Membership	Represented by	Attendees	Organisation
C&IoS LEP	Gavin Poole (GP) Chair Mark Duddridge (MD) Adam Wilkinson (AW)	Miles Carden (MC) Mandy Cosgrove (MCe) Matt Hodson (MH) Mike King (MK) Melissa Thorpe (MT) Nicola Lloyd (NL) Iain Mackelworth (IM) Jordan Whaley (JW) Al Titterington (AT) Jonathan Eddy (JE)	CDC CDC CDC CDC CDC CDC CC CC CAN MHCLG
Cornwall Council	John Betty (JB)		
Goonhilly Earth Station Limited	Ian Jones (IJ)		
A&P	Drystan Jones (DJ)		

AGENDA		Lead
1.	Welcomes and Introductions	
2.	Apologies for Absence	
3.	Housekeeping a) Conflict of Interest declarations b) Approval of Minutes of last meeting c) Action Summary d) Risk Register and Report	GP GP GP GP
4.	Governance a) EZ Board Terms of Reference b) Operational Board 15 May 2018	IM IM
5.	Rate Relief and EZ Growth Fund a) EZ Growth Fund b) Rate Relief Renewals (to follow) c) Rate Relief Approvals d) EZ Growth Fund Applications	IM IM IM IM
6.	Investment Pipeline and Marketing Strategy a) Review of EZ Marketing Offer b) Pipeline	MK & IM MK

7.	Site Updates a) Aerohub b) Goonhilly c) Falmouth Docks d) Hayle and Tolvaddon	MC IJ DJ MH
8.	Budget	IM
9.	Skills	CH
10.	Any other business	
11.	Next Meeting Thursday 30 August 2018	

MINUTES

Title: C&IoS LEP EZ Board

Time/Date: 14.00, Monday 23 April 2018

Venue: Chi Gallos, Hayle Marine Renewables
Business Park, North Quay, Hayle

Membership	Represented by	Attendees	Organisation
C&IoS LEP	Gavin Poole (GP) Chair Mark Duddridge (MD) Simon Caklais (observer)	Miles Carden (MC) <i>absent</i> Al Titterington (AT) <i>absent</i> Tim Bagshaw Iain Mackelworth (IM) Jordan Whaley <i>absent</i> Matt Hodson (MH) Mike King (MK) Jonathan Eddy (JE) <i>Absent</i> Melissa Thorpe <i>Absent</i> Nicola Lloyd <i>Absent</i> Piran Trezise	CDC CAN C&IoS LEP CC C&IoS LEP CDC CDC DCLG CDC CDC GES
Cornwall Council	John Betty (JB) <i>absent</i> Adam Wilkinson (AW)		
Goonhilly Earth Station Limited	Piran Tresize (PT)		
A&P	Drystan Jones (DJ)		

AGENDA ITEM & NOTES		ACTION
1.	<p>Welcomes and Introductions</p> <p>This would be the Chair's penultimate meeting as his term of office is due to expire in June 2018. The Chair welcomed Simon Caklais, new LEP board director, attending this meeting as observer.</p> <p>Matt Saich, Director of 31ten Consulting was introduced.</p>	
2.	<p>Apologies for Absence</p> <p>John Betty, Ian Jones, Miles Carden, Al Titterington, Jonathan Eddy, Melissa Thorpe, Nicola Lloyd, Jordan Whaley and Clare Harris</p>	
3.	<p>Housekeeping</p> <p>a) Conflict of Interest declaration</p> <ul style="list-style-type: none"> - None Declared. <p>b) Approval of Minutes of last meeting</p> <ul style="list-style-type: none"> - Approved. <p>c) Action Summary</p> <ul style="list-style-type: none"> - All actions completed (should have been green in the paper); - In pursuit of a joint recording and awareness approach to potential inward investment enquiries a template for providing input had been provided to A&P and GES and now awaited input from them. 	DJ / PT

	<p>d) Risk register – IM provided a summary of actions against key risks sheet</p> <ul style="list-style-type: none"> - Rate Relief – a paper covering rate relief options at Aerohub is on the agenda. - Market Failure - It was proposed that a presentation be brought to the next EZ Board on the Workspace Development Programme proposals being developed by Cornwall Council as part of their Investment Programme. PT asked to what extent these proposals sector focused or about providing more generic workspace. IM confirmed that the proposals were about meeting general workspace demand across Cornwall but this would include supporting development of the EZ sites. - Resourcing – Vickery Holman are supporting the management of enquiries on the Aerohub Business Park and work continues with CDC to backfill the gap created by the current Aerohub teams focus on Spaceport. - EZ Governance – the Terms of Reference were now with the LEP for consideration. IM was asked to recirculate the document to the EZ Board members for consideration. - Cash Flow – IM confirmed that this risk related to forward funding investment on the basis of future income into the EZ growth fund from retained rates. A presentation on forecasting rates income to follow on the agenda. 	<p>IM</p> <p>IM/All</p>
<p>4.</p>	<p>Governance</p> <p>IM provided an update on the LEP Assurance Framework:</p> <ul style="list-style-type: none"> - Following the Mary Ney review of all LEPs a series of new measures have been implemented to increase transparency in LEP delivery and decision making. - Papers need to be posted on the LEP website 5 working days before the EZ Board meets and minutes 10 working days after the meeting. - The Council acts as accountable body for the LEP and the Section 151 officer for the Council will need to sign off all decisions for the LEP Board and LEP sub-boards which includes the EZ Board. - As a result the EZ Operational Board will need to review all papers for the EZ Board (this includes applications for rate relief and EZ Growth funds) to ensure that they are complete before they are sent to the Section 151 Officer and subsequently issued to the EZ Board via the website. - A register of interests per Board Member will need to be completed. The LEP Executive team to provide the forms for completion by EZ Board members. - In light of this IM agreed to check and confirm the sequence of dates for the EZ Operational Board and EZ Board for the coming year. - To the extent not already covered, any update from the operational board would be a standing item on the "Governance" part of the agenda. 	<p>JW / TB</p> <p>JW / IM</p> <p>IM</p>

<p>5.</p>	<p>EZ Incentives & Investment</p> <p>a) Rates Modelling</p> <ul style="list-style-type: none"> - A presentation was provided by 31Ten on the bespoke rates model developed for the Cornwall Enterprise Zones. - The model provides a means of forecasting the rates income from development in the EZ sites and can be used to support the business case for borrowing to fund investment. - IM to undertake research to understand how other LEPs have borrowed against future rates income and to consult with CC finance colleagues and report back to a future EZ Board meeting. - The slides and spreadsheets from the presentation will be circulated to EZ Board members. <p>b) Rates reliefs & ECA approvals</p> <ul style="list-style-type: none"> - There were none <p>c) Aerohub Rates Relief Options</p> <ul style="list-style-type: none"> - IM presented a paper recommending the use of the EZ Growth Fund (retained rates) to fund an extension of the rate relief offer at the Aerohub <u>or</u> to cease offering rate relief and amend the marketing materials accordingly. - Following a debate about the costs and benefits of continuing to offer rate relief, the Board agreed to approve the recommendation to use the EZ Growth Fund (retained rates) to fund an extension of the rate relief offer at the Aerohub on a tapering basis. In order to give a steer to those marketing the Aerohub site, the taper to offer to the market would be as follows: <p style="margin-left: 40px;">Year 1 - 100% Year 2 - 100% Year 3 - 75% Year 4 - 50%</p> <p style="margin-left: 40px;">The taper could be flexed on a case by case basis as appropriate.</p> <p>d) EZ Growth Fund</p> <ul style="list-style-type: none"> - £905,000 in the pot - £45,000 committed - £860,000 available - There were no new applications to the EZ Growth Fund. 	<p>IM</p> <p>TB</p>
<p>6.</p>	<p>Review of Enquiries Pipeline and Key Events</p> <ul style="list-style-type: none"> - A series of commercial in confidence enquiries were reviewed and discussed by the Board. In particular there has been significant progress with regard to a key investor in the space sector. - MH report that Marine Hub’s attendance of the Oceanology 	

	<p>conference had generated a good level of interest in the Marine EZ offer – enquiries now being collated and progressed through the CDC.</p> <ul style="list-style-type: none"> - The Marine Hub Cornwall team are involved in the process of updating the Marine Renewables Roadmap and revising web pages to be more compliant with the LEP’s 10 Opportunities. - PT reported a good level of enquiries for Goonhilly following GES’s participation in Colorado space event. This will be fed into the pipeline reporting for the next meeting. - The Board emphasised importance of single sheet, common understanding of enquiries in progress – to be provided to CDC to coordinate. - MK informed the Board that CDC is in the final stages of setting up a CRM system which will improve the management and reporting on the enquiries pipeline. A further update on progress on the CRM system will be provided at the next Board. - A&P are in the process of developing CGI imagery to show how a fully realised EZ development might be realised – including a new 350 metres long Renewables Wharf. 	<p>PT</p> <p>MK, NL, MH, PT, MC, DJ</p> <p>MK</p>
7.	<p>Budget</p> <ul style="list-style-type: none"> - MK briefly described the development of the 18/19 EZ budget, in addition to specific Marine and Aerospace projects – budget submissions to be made to both Council and EZ Rates Fund. Update at the next EZ Board. 	<p>MK</p>
8.	<p>Any other business</p> <p>There was no skills or projects update as key individuals had given their apologies for this meeting.</p> <p>There was no other business.</p>	
9.	<p>Date of next EZ Board Meetings</p> <p>11am Wednesday 6th June, Trelawny Room, NCH, Truro</p>	

CIoS LEP EZ Board Action Tracker

Ref	Action	Owner	Status			Notes
			Complete	Ongoing	Not Complete	
3c	Housekeeping Action Summary In pursuit of a joint recording and awareness approach to potential inward investment enquiries a template for providing input has been provided to A&P and GES and now awaited input from them.	DJ/PT			X	
3d	Housekeeping Risk Register - Market Failure A presentation to be brought to the next EZ Board on the Workspace Development Programme proposals being developed by Cornwall Council as part of their Investment Programme.	IM	X			
3d	Housekeeping Risk Register - EZ Governance. IM to recirculate the Terms of Reference for consideration by Board members.	IM/All	X			
4	Governance A Register of Interests per Board member has to be completed. LEP Executive team to provide forms for completion by EZ Board members.	JW/TB			X	
4	Governance IM to check and confirm the sequence of dates for the EZ Operational Board and EZ Board for the coming year.	JW/IM	X			
4	Governance To the extent not already covered, any update from the operational board would be a standing item on the "Governance" part of the agenda.	IM	X			Added as standing item under Governance
5a	EZ Incentives and Investment Rates Modelling IM to undertake research to understand how other LEPs have borrowed against future rates income and to consult with CC finance colleagues and report back to a future EZ Board meeting.	IM		X		
5a	EZ Incentives and Investment Rates Modelling The slides and spreadsheets from the presentation will be circulated to EZ Board members.	TB			X	
6	Review of Enquiries Pipeline and Key Events Goonhilly enquiries to be fed into pipeline reporting for the next meeting.	PT		X		
6	Review of Enquiries Pipeline and Key Events Single sheet, common understanding of enquiries in progress to be provided to CDC for coordination.	MK,NL,MH,PT,MC,DJ			X	
6	Review of Enquiries Pipeline and Key Events Further update on progress of the CRM system to be provided at the next Board.	MK		X		
7	Budget Budget submissions to be made to both Council and EZ Rates Fund. Update at the next EZ Board.	MK			X	

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:	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: 20
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 Commercial Workspace Programme (CWP) to plug the gap on commercial investment. CC continue to develop CWP. Meeting to be held with A&P and GES to consider potential projects.	
EZ Board Action:	EZ Board Agenda Item 6	
Risk Ref 14:	Resourcing - insufficient resourcing impacts on ability to handle enquires and managed deal flow leading to loss of investment	Current Risk Rating: 12
Mitigation:	CC are to appoint agents Vickery Holman to handle business park enquiries. CC have completed recruitment to provide additional capacity to support Programme Management including EZ. CC have asked CDC to bring forward proposal to mitigate impact on EZ delivery of resourcing the spaceport bid. Consider funding additional resource from EZ Growth Fund.	
EZ Board Action:	To note future EZ Growth Fund Application to be submitted by CDC.	

Risk Ref 1:	EZ Governance - lack of clarity over roles & responsibilities impedes decision making resulting in loss of potential investment.	Current Risk Rating: 12
Mitigation:	Implementation Plan Agreed. Rates relief process and policy agreed. EZ Growth Fund investment policy agreed and application process and award process established. Draft Terms of Reference published on EZ website. Finalise and approve Terms of Reference in consideration of the recommendations of the Mary Ney LEP Review at June EZ Board meeting.	
EZ Board Action:	EZ Board Agenda Item 4.	

Risk Ref 5:	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.	Current Risk Rating: 12
Mitigation:	Plan for post EU Exit legacy being developed by LEP/CC.	
EZ Board Action:	No action required.	

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: 12
Mitigation:	Review of options by CC to consider investment up front borrowed against future business rates income. 31Ten appointed and completed rates modelling. IM to follow up with CC Finance.	
EZ Board Action:	No action required.	

**CORNWALL ENTERPRISE ZONES
STRATEGIC RISK REGISTER**

Last Update	15-Apr-18
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REF	RISK CATEGORY	SITE	RISK DESCRIPTION	IMPACT (Score 1-5)	LIKELIHOOD (Score 1-5)	CURRENT RISK RATING JUNE 18	PREVIOUS RISK RATING APR 18	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	3	12	12	Implementation Plan Agreed. Rates relief process and policy agreed. EZ Growth Fund investment policy agreed and application process and award process established. Draft Terms of Reference published on EZ website.	Finalise and approve Terms of Reference in consideration of the recommendations of the Mary Ney LEP Review at June EZ Board meeting.	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. CDC collecting and reporting data on Aerohub & Marinehub EZ. GES have provided monitoring data. LDO Feasibility & Options has been commissioned.		Iain Mackelworth
R14	Governance	All	Resourcing - insufficient resourcing impacts on ability to handle enquiries and managed deal flow leading to loss of investment	4	3	12	12	CC are to appoint agents Vickery Holman to handle business park enquiries. CC have completed recruitment to provide additional capacity to support Programme Management including EZ.	CC have asked CDC to bring forward proposal to mitigate impact on EZ delivery of resourcing the spaceport bid. Consider funding additional resource from EZ Growth Fund.	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	9	Investment policy approved by EZ Board. Application process established. Decision making by EZ Board and sign off by S151 Officer.		Jordan Whaley
R4	Strategic	Aerohub & GES	Spaceport Policy - Bid unsuccessful or commercial partner is not secured resulting in loss of spaceport status for Newquay Airport with the loss of significant high value investment.	3	3	9	9	Bid made and submitted; now with HM Government for decision. Loss of opportunity significant.		Mile 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.	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.	4	3	12	12	Plan for post EU Exit legacy being developed by LEP/CC.		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 WEAFF and UKSA where appropriate.	Completed review of package of local incentives available to support inward investment and growth. Identified areas to improve i.e. skills. Improve presentation of offer.	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)	Stimulate demands through targeted campaign. MarineHub pipeline needs further work and refocus. Website review of Marine Hub and Aerohub. Marketing messages continually refreshed.	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	5	20	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 Commercial Workspace Programme (CWP) to plug the gap on commercial investment.	CC continue to develop CWP. Meeting to be held with A&P and GES to consider potential projects.	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	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.	IM to follow up with CC Finance.	Iain Mackelworth
R11	Commercial	Aerohub	Business Park - legacy issues associated with the construction phase lead to adverse publicity and impact on marketing and disposals and retained rates income	3	3	9	12	Work with CC Property and Capital Projects to resolve any construction issues in the EZs. CC Property are represented on the EZ Operational Board. Legacy issues re storm water and SW water. Result of percolation tests received and consultants to revisit drainage strategy with latest findings.	Results of further attenuation tests to be provided.	Iain Mackelworth
R12	Reputational	All	Impact - EZ initiative fails to deliver significant economic benefits leading to adverse publicity.	3	1	3	3	Monitor impact of EZ initiatives and take appropriate action when required. Process in place to monitor growth of EZs.	Measures required to assess and monitor wider sector impact. PR strategy to be implemented.	Jordan Whaley
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

TERMS OF REFERENCE FOR THE CORNWALL AND THE ISLES OF SCILLY ENTERPRISE ZONES BOARD (EZ BOARD)

BACKGROUND

- (A) The Cornwall and Isles of Scilly Enterprise Zones Board (**EZ Board**) was constituted as a board by the Cornwall and Isles of Scilly Local Enterprise Company (**C & IOS LEP Co**) at a full meeting of the board held on [DATE].
- (B) In 2011, 2016 and 2017 successful bids were made by the C & IOS LEP for Enterprise Zones in Cornwall; the Aerohub+ Enterprise Zone (incorporating Cornwall Airport Newquay and Goonhilly Earth Station) and the Marine Hub Cornwall Enterprise Zone (“the **Cornwall Enterprise Zones**” or “**CEZ’s**”).
- (C) The purpose of the Cornwall Enterprise Zones is to drive local economies, by unlocking key development sites, consolidating infrastructure, attracting business, creating jobs and to assess and agree applications for business rate relief and how retained business rates should be reinvested (“the **CEZ Objectives**”).
- (D) All business rates growth generated by the CEZ’s shall be kept by the C & IOS LEP and the Council (as the accountable body) for 25 years (from establishment of the CEZ) to enable it to reinvest in the development of the CEZ’s.
- (E) The C & IOS LEP Co was established to undertake the strategy and decision making responsibilities on behalf of the C & IOS LEP.
- (F) The C & IOS LEP Co has established a sub board (the EZ Board). The EZ Board shall assist the C & IOS LEP and the C & IOS LEP Co to deliver the CEZ Objectives.
- (G) The EZ Board has the delegated authority of the C & IOS LEP Co in respect of the functions and powers set out in these terms of reference.
- (H) The EZ Board may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-boards which are to report back to the EZ Board.

INTERPRETATION

- 1.1 The definitions in this clause apply to these Terms of Reference.
- 1.2 **Accountable Body:** shall mean the Council who have been authorised by statute as the billing authority for Business Rates within the CEZ's.
- 1.3 **Accountability Criteria:** means the criteria set out at Schedule 1 that needs to be satisfied by the EZ Board before approving an application.
- 1.4 **Actual Figure:** shall mean the Business Rates paid to the Council from time to time and calculated as a daily rate and then annualised (less annualised Baseline Figure).
- 1.5 **Application:** means an application for the reinvestment of retained rates, an application for enhanced capital allowance and/or an application for rate relief as set out in clause 5.
- 1.6 **Baseline Figure:** means the agreed non-domestic rating income for the CEZ on the date of the CEZ's creation for each financial year (and annualised) as calculated under the EZ Regulations.
- 1.7 **Board Member:** means a member appointed by the C & IOS LEP Co to sit on the EZ Board.
- 1.8 **Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
- 1.9 **Business Rates:** means all non-domestic rates collected within the CEZ (as delineated by the rates retention plans attached) and shall include:
- (a) any reliefs refunded by DCLG or any other person in respect of businesses occupying the CEZ on or after 1st April 2012 or 2016 in respect of the Areohub+ Enterprise Zone and 1 April 2017 in respect of the Marine Hub Cornwall Enterprise Zone
 - (b) any refunds of enhanced capital allowances
- 1.10 **Business Rates Reliefs:** Discretionary rates relief granted by the EZ Board within areas as shown in attached rates reliefs plans.
- 1.11 **Business Rates Growth:** means the difference between the annualised Baseline Figure and the Actual Figure.

- 1.12 **Business Rates Growth Fund:** means an account in which the Business Rates are held.
- 1.13 **Communications Protocol:** means the protocol which sets out the Parties obligations in relation to publicity, news releases and media enquiries as agreed by the Parties.
- 1.14 **Dispute Resolution Criteria:** means the procedure set out in clause 15.
- 1.15 **Cornwall Enterprise Zones or CEZ:** mean the Aerohub+ Enterprise Zone (which includes Cornwall Airport Newquay (and adjacent Business Park) and Goonhilly Earth Station) and the Marine Hub Cornwall Enterprise Zone as shown in the plans attached at Schedule 2.
- 1.16 **EZ Enhanced Capital allowances (ECAs):** Awarded in accordance with the HM Treasury MoU and as granted by the EZ Board within areas as shown in attached ECA plans.
- 1.17 **EZ Board:** means a sub board of the C & IOS LEP Co which has been established to achieve the CEZ Objectives and perform the CEZ Functions.
- 1.18 **CEZ Functions:** mean the functions to be undertaken by the EZ Board as set out in clause 5.
- 1.19 **CEZ Objectives:** to drive the local economy, by unlocking key development sites, consolidating infrastructure, attracting business and creating jobs and to assess and agree applications for business rate relief, ECAs and how retained business rates should be reinvested in accordance with the C & IOS LEP's EZ Implementation Plans.
- 1.20 **EZ Implementation Plans:** means the implementation plans that has been prepared by the C & IOS LEP and approved by the Department for Communities and Local Government (the "DCLG").
- 1.21 **EZ Regulations:** means the Non-Domestic Rating (Designated Areas) Regulations 2013 (Statutory Instrument number 2013/107) and the Non-Domestic Rating (Designated Areas etc.) Regulations 2017/318.
- 1.22 **National Government Policy:** shall mean a policy issued by a Relevant Authority relating to the imposition of Business Rates in the Enterprise Zone (whether alone or with other property).

- 1.23 **Payee:** means the proposed recipient of monies from the Business Rates Growth Fund.
- 1.24 **Policies:** mean the C & IOS LEP'S EZ Growth Fund – Investment Policy and the Cornwall Enterprise Zones - Rate Relief Policy.
- 1.25 **Recommendation:** means a recommendation from the EZ Board or the C & IOS LEP Co in accordance with clause 5 and/or schedule 1.
- 1.26 **Relevant Authority:** shall mean the Department of Communities and Local Government, the Department of Business Energy and Industrial Strategy and HM Revenue & Customs and any of their successor bodies or other such bodies as may be named by them from time to time.
- 1.27 **S151 Officer:** shall mean the Council's Responsible Financial Officer appointed under Section 151 of the Local Government Act 1972.
- 1.28 **Schedules:** mean any appendices or schedules attached to these Terms and Conditions.
- 1.29 **State Aid:** means an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities.
- 1.30 **State Aid Law:** means the law embodied in Articles 107 -109 of Section 2, Title VII, of the Common Rules on Competition, Taxation and Approximation of Laws- Consolidated Versions of the Treaty on European Union and the Treaty on the Functioning of the European Union' (2008/C 115/01).

2. **ROLE**

- 2.1 The EZ Board shall represent the interests of all stakeholders in the Cornwall Enterprise Zones and help to facilitate and enable collaboration between the local authorities, landowners and developers on economic development, strategic planning and growth of the CEZs.
- 2.2 The EZ Board shall lead the operational delivery of the CEZs and shall monitor progress, on a regular basis, in respect of each of the Enterprise Zones in respect of their business, financial and marketing plans. The EZ Board shall make regular reports to the C & IOS LEP Co.
- 2.3 The EZ Board shall oversee and guide the effective implementation of the Enterprise Zone Implementation Plan as well as the allocation of funding generated from the

uplift in business rates receipts through the retention of business rates and the granting of Enterprise Zone incentives.

3. COMMITMENTS OF THE BOARD

3.1 The EZ Board will:

- (a) commit to providing the agreed resources within any agreed timescales and as determined by the EZ Board in accordance with these Terms of Reference;
- (b) comply with these Terms of Reference and use reasonable endeavours to develop and maintain effective joint processes to ensure that the CEZ Objectives are achieved and the CEZ Functions delivered;
- (c) involve and inform the other board members of developments they are pursuing elsewhere and share the learning and benefits;
- (d) comply with all applicable laws in delivery of the CEZ Objectives and CEZ Functions including but not limited to;
 - (i) the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1992 and all other statutory and regulatory requirements;
 - (ii) the Equality Act 2010 and all other relevant related statutory and regulatory requirements and policies and shall not treat any person or group of people less favourably than another on the grounds of race, colour, religion, belief, ethnicity, gender, age, disability, nationality, marital status or sexual orientation;
 - (iii) the Human Rights Act 1998; and
 - (iv) the Bribery Act 2010;
- (e) not be in any way restricted from engaging in any activities undertaken by it in the normal course of its day to day activities.

4. GOVERNING PRINCIPLES AND OBJECTIVES

4.1 The EZ Board agree that the following obligations shall govern their approach to the delivery of the CEZ Objectives and CEZ Functions. In particular:

- (a) to act diligently and in good faith with transparency, openness and honesty in all their dealings with each other;

(b) to ensure that their respective officers involved in the CEZ Objectives and CEZ Functions shall at all times act in the best interests of the EZ Board without prejudice to their own interests;

(c) to share data and knowledge relevant to the CEZ Objectives and CEZ Functions where appropriate and in accordance with their duties under data protection legislation;

(d) to make information, data, knowledge and analysis available to each other to support the CEZ Objectives and CEZ Functions, discuss and develop ideas openly and contribute fully to all aspects of the successful achievement of the CEZ Objectives and delivery of the CEZ Functions;

(e) to pay the utmost regard to the standing and reputation of the other and shall not do (by act or omission) anything which may bring the standing or reputation of the C & IOS LEP into disrepute or attract adverse publicity to the other Board Members; and

(f) to agree that all decisions made in relation to the EZ Objectives and the EZ Functions shall be made by the EZ Board Members acting reasonably.

5 DUTIES

The EZ Board shall carry out the

following duties for the C & IOS LEP Co:

5.1 EZ Board Operational Duties

The EZ Board shall be responsible for the following CEZ Functions in accordance with the procedure set out in Schedule 1:

- (a) Deliver the CEZs in accordance with the procedures agreed within the Ministry of Housing, Communities and Local Government (MHCLG) MoUs.
- (b) assess and make Recommendations to the Council on behalf of the C & IOS LEP as to how rate reliefs shall be awarded to occupiers of the Enterprise Zones (“Application for Rate Relief”).
- (c) establish a protocol for re-investment of retained rates and to ensure any funds raised from business rate retention are used effectively and appropriately to drive the development of the agreed sectors;
- (d) approve and make Recommendations to the Council on behalf of the C & IOS LEP as to how the Business Rates Growth Fund shall be invested (“Application for Reinvestment of Retained Rates”);

- (e) make Recommendations to the Council on behalf of the C & IOS LEP for the award of Enhanced Capital Allowances in accordance with the procedures agreed with the Department of Communities and Local Government (DCLG)the HM Treasury MoU (“Application for Enhanced Capital Allowances”);
- (f) initiate and lead strategy development;
- (g) manage and mitigate risk;
- (h) represent the interests of all stakeholders in the CEZs;
- (i) monitor both performance and risk regarding the delivery of the CEZs against agreed benchmarks and targets; and
- (j) oversee the effective implementation of the Cornwall Enterprise Zone Implementation Plans.

5.2 Council Duties

In addition to the operational duties set out in clause 5.1 above, the Cornwall Council as Accountable Body for the C & IOS LEP shall comply with the additional provisions set out in Schedule 1 in relation to the Business Rates Growth Fund.

5.3 Reporting

The Chair of the EZ Board shall make regular written and oral progress reports to the C & IOS LEP Co and the Council on behalf of the C & IOS LEP

5.4 Appointments to the EZ Board

- (a) Each voting member and non-voting member shall decide who should represent them on the EZ Board; such appointments are subject to the chairman’s approval.
- (b) The EZ Board may subject to the Chairman’s approval co-opt voting members and non-voting members from time to time as necessary.

5.5 Induction and Training

The EZ Board shall:

- (a) ensure that all new board members undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Cornwall Enterprise Zones and the markets in which they operate as well as their duties and responsibilities as a board member; and

- (b) provide training to all new members on the C & IOS LEP's Code of Conduct for members and any other policies of the C & IOS LEP included within the C & IOS LEP's Assurance Framework.

5.6 Conflicts of Interest

The EZ Board shall comply with the C & IOS LEP's Conflict of Interest Policy (contained in the C & IOS LEP's Assurance Framework) and shall:

- i. before the appointment of a member, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- ii. ensure that any declaration of interest made at a meeting is included in the minutes of that meeting;
- iii. ensure that any new declaration of interest is included on the relevant members register of interest.
- iv. consider and, if appropriate, authorise situational conflicts of interest of board members and potential board members;
- v. if the board is unable to resolve to authorise any situational conflict (referred to in section 5.6 (iv)), the board shall pass the matter to the C & IOS LEP Co for determination in line with the C & IOS LEP Co's agreed procedures; and
- vi. keep under review at least annually potential conflicts of interests of Board Members disclosed to the EZ Board and develop appropriate processes for managing such conflicts if the EZ Board and/or the C & IOS LEP Co considers this to be necessary.

6. MEMBERSHIP

6.1 At all times the EZ Board shall comprise the following members:

6.1.1 Members with Voting Rights

(a) Cornwall Council

(b) A & P Group

(c) Goonhilly Earth Station Ltd (GESL)

(d) C & IOS LEP Co (Chair)

6.1.2 Non-Voting Members:

(a) C & IOS LEP

(b) Cornwall Airport Limited (CAL)

(c) Cornwall Development Company (CDC)

(d) Cornwall Council Economic Growth Service (CEGS) – Client

(e) DCLG

6.2 The C & IOS LEP Co shall keep membership of the EZ Board under review. The C & IOS LEP Co has the right to appoint additional Board Members as it considers appropriate.

6.3 A voting member of the EZ Board shall cease to be a Board Member if they dispose of their interest in all of their land forming part of an Enterprise Zone.

6.4 The EZ Board shall have no right to remove a voting-member, but may make a recommendation to the C & IOS LEP Co for the removal of a voting-member if any of the following occur:

(i) a voting-member has failed to attend more than three [3] meetings of the EZ Board within a twelve [12] month period;

(ii) a voting member has brought the C & IOS LEP Co, the C & IOS LEP and/or the respective parties into disrepute;

(iii) a voting-member has failed to adhere to these Terms of Reference; or

(iv) a voting member wishes to resign from the EZ Board

6.5 The C & IOS LEP Co shall consider a recommendation made pursuant to clause 6.4 above. If the C & IOS LEP Co agree with the EZ Board's recommendation, the C & IOS LEP shall remove the voting-member from the EZ Board. The C & IOS LEP Co shall decide on the consequences of the removal of any voting-member. Notwithstanding the provisions of this clause 6.5 the C & IOS LEP Co shall have the

ability to remove any voting-member from the EZ Board at any time with or without cause.

- 6.6 The C & IOS LEP Co representative shall be the chairman. If the chairman is unable to attend a board meeting for any reason, the C & IOS LEP Co shall appoint a deputy to chair the EZ Board in his absence.
- 6.7 The EZ Board shall appoint a secretary of the EZ Board who will provide all necessary support to the EZ Board including the recording of the EZ Board minutes.
- 6.8 The EZ Board shall regularly review the composition (including the skills, experience, independence, knowledge and diversity) of the non-voting members. The EZ Board shall have the power to remove non-voting members in accordance with clause 9 (Quorum);
- 6.9 The EZ Board shall ensure that all members keep up to date and fully informed about strategic issues, technology developments and commercial changes affecting the Cornwall Enterprise Zones, the C & IOS LEP/CC economic strategy and the market in which it operates.

7. ATTENDANCE AT MEETINGS

- 7.1 The EZ Board shall meet at least quarterly.
- 7.2 Only voting members and non-voting members of the EZ Board have the right to attend EZ Board meetings. However, other individuals or organisations may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the EZ Board chairman.
- 7.3 Subject to 5.4 (a) if a voting member is unable to attend a board meeting, that voting member shall notify the chairman of the EZ Board in advance (at least three working days) that he is unable to attend and provide a substitute to attend the meeting in his absence. Any substitution shall be subject to the chairs prior approval.
- 7.4 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

8. NOTICE OF MEETINGS

- 8.1 Meetings of the EZ Board shall be called by the secretary of the EZ Board at the request of the EZ Board chairman or any member of the EZ Board.

8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each voting and non-voting member of the EZ Board and any other person required to attend, no later than five [5] working days before the date of the meeting. Supporting papers shall be sent to the EZ Board members and to other attendees as appropriate, at the same time.

9. QUORUM

9.1 The quorum necessary for the transaction of business at an EZ Board meeting shall be three voting members one of whom shall be the chairman save for the following Reserved Matter when the quorum shall be four voting members:

(a) Removal of non-voting members (the “Reserved Matter”)

9.2 Save for the Reserved Matter non-voting board members who are not members of the EZ Board may be co-opted as members for individual meetings in the event of difficulty in relation to achievement of a quorum.

10. VOTING ARRANGEMENTS

10.1 Each voting member of the EZ Board shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the EZ Board (whether in person or by audio or video conference).

10.2 Subject to clause 10.3 if a matter concerns a particular Enterprise Zone location, the representative voting member for that Enterprise Zone location must be agreement.

10.3 A voting member must not participate in any vote related to their own application for the reinvestment of retained business rates. The Chairman reserves the right to ask the voting member who has made such an application to leave a meeting to allow for further discussions relating to that board members application.

10.4 Decisions of the EZ Board shall be taken by a simple majority. The chairman shall have a casting vote.

10.5 If the chairman is not in agreement with a decision taken by the majority of the EZ board to make a formal recommendation to the Council on behalf of the C & IOS LEP in respect of:

- vii. The reinvestment of business rate relief; or
- viii. Enhanced Capital Allowances.

- 10.6 the chairman shall refer the matter to the C & IOS LEP Co for further consideration
The C & COP LEP Co may then make a formal recommendation to the Council on behalf of the C & IOS LEP to action or reject the recommendation.

11. MINUTES OF MEETINGS

- 11.1 The secretary (or his or her nominee) shall minute the proceedings and resolutions of all EZ Board meetings, including the names of those present and in attendance.
- 11.2 Draft minutes of EZ Board meetings shall be circulated promptly to all EZ Board members for approval and published on the C & IOS LEP website within ten [10] clear working days. If the EZ Board are unable to approve the minutes within this time period, the EZ Board shall publish them online on the C & IOS LEP website in draft form with final minutes being published within ten [10] clear working days of them being approved.
- 11.3 A resolution in writing and signed by all EZ Board members will be as effective as a resolution passed at a Board meeting. Any written resolution shall be tabled and noted at the next meeting of the Board.

12. REPORTING RESPONSIBILITIES

- 12.1 The chairman shall report formally to the C & IOS LEP Co after each meeting on all matters within its duties and responsibilities and provide the minutes of all EZ Board meetings.
- 12.2 The C & IOS LEP Co may make whatever recommendations to the EZ Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The EZ Board shall make available its terms of reference on the C & IOS LEP's website.

13. GENERAL MATTERS

- 13.1 The EZ Board shall have access to sufficient resources to carry out its duties, including access to a secretary for assistance as required.
- 13.2 The EZ Board shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. Such training to include but shall not be limited to, training on the C & IOS LEP's Code of Conduct for members (included within the C & IOS LEP's Assurance Framework).

- 13.3 In carrying out its duties, the EZ Board shall give due consideration to all relevant laws and regulations.
- 13.4 In carrying out its duties, the EZ Board shall comply with the C & IOS LEP's Complaint Policy (included within the C & IOS LEP's Assurance Framework).
- 13.5 In carrying out its duties, the EZ Board shall comply at all times with the C & IOS LEP's Whistleblowing Policy (included within the C & IOS LEP's Assurance Framework).
- 13.6 The C & IOS LEP shall arrange for periodic reviews of the EZ Board's performance and, at least annually, review the EZ Board's constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary.
- 13.7 The EZ Board Members be responsible for its own costs incurred in connection with the CEZ Objectives and the delivery of the CEZ Functions.
- 13.8 The EZ Board shall comply at all times where possible with the Communications Protocol.

14. NON PREFERENTIAL TREATMENT

The EZ Board Members acknowledge and accept that if any individual EZ Board Member makes an Application to be considered by the EZ Board in accordance with these Terms of Reference, then any such Application shall be considered by the EZ Board in accordance with the procedures set out in these Terms of Reference. For the avoidance of doubt no Application submitted by a Board Member shall be treated any differently than an Application made by a third party applicant.

15. DISPUTE RESOLUTION

- 15.1 Any disputes arising between the EZ Board Members which are not possible to resolve through the decision making processes of the EZ Board shall within 20 working days of a dispute arising be referred to the Chief Executive of Cornwall Council, the Chair of the LEP Co and the Chief Executive of the Council of the Isles of Scilly for determination.
- 15.2 In the absence of resolution in accordance with Clause 15.1 above the dispute may be referred by agreement of all Board Members to a single mediator to be appointed in accordance with the mediation procedures of the Centre for Effective Dispute Resolution (CEDR) Model Mediation procedure 2001 or such later edition as may be

in force from time to time or such other organisation which provides mediation services. The mediator shall be agreed upon by the Board Members.

15.3 All costs of mediation shall be borne equally by the Board Members unless otherwise directed by the mediator.

16. AUTHORITY

16.1 The C & IOS LEP authorises the EZ Board to carry out the duties set out in these Terms of Reference.

16.2 The C & IOS LEP authorises the EZ Board to seek any information it requires from any employee or member of the C & IOS LEP, and all such employees or board members will be directed to co-operate with any request made by the EZ Board.

16.3 A duly convened meeting of the EZ Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the EZ Board.

Adopted by the C & IOS LEP Co on [DATE].

SCHEDULE 1

PROCEDURE FOR ASSESSING AN APPLICATION

1. When evaluating an Application the EZ Board shall comply with the EZ Terms of Reference, the Policies and ensure that the following Accountability Criteria are met:
 - 1.1 An application or if appropriate a business case has been prepared which sets out the detail and the purpose of the request for investment;
 - 1.2 a risk analysis has been undertaken in line with the Investment Policy;
 - 1.3 there is a clear alignment to the economic priorities of the C & IOS LEP;
 - 1.4 it satisfies the Council's obligations as an Accountable Body; and
 - 1.5 it is State Aid compliant.
2. The EZ Board may add any additional conditions to the funding as the EZ Board consider appropriate.
3. If the EZ Board is satisfied that an Application satisfies the Accountability Criteria, the EZ Board may submit a Drawdown Notice make a Recommendation to the Council in accordance with clause 4 (Recommendation).
4. Recommendation
 - 4.1 Provided the EZ Board is satisfied that an Application meets the Accountability Criteria and subject to clause 4.2 the EZ Board shall make a Recommendation to the Council.
 - 4.2. If the Chair of the EZ Board is not in agreement with the decision made by the EZ Board, the EZ Board shall refer the matter to the C & IOS LEP Co for consideration. The C & IOS LEP Co shall then have the power to:
 - 4.2.1 agree with the decision of the EZ Board and make a formal Recommendation to the Council on behalf of the C & IOS LEP; or
 - 4.2.2 reject the EZ Board's suggested recommendation.
 - 4.3 Once a Recommendation has been made to the Council (either directly by the EZ Board or by the C & IOS LEP Co in accordance with 4.2.1) the Council shall pay such sums from the Business Rates Growth Fund (all or any of it) as the EZ Board shall request to either the EZ Board or to any nominee of the EZ Board as set out in the Recommendation within five working days of receiving such a request

- 4.4 The EZ Board accept that any Recommendation made to the Council pursuant to this clause 4 shall be subject to the approval of the Council's Section 151 Officer in accordance with clause 6 of this Schedule 1.

5. STATE AID COMPLIANCE

- 5.1 The EZ Board shall ensure that any successful applicants (including any Applications submitted by an EZ Board Member) (the "Receiving Party") undertakes its own independent assessment of the compatibility of the Application with State Aid Law.

- 5.2 If the Receiving Party is an EZ Board Member they will:

5.2.1 maintain appropriate records of compliance with State Aid Law and take all reasonable steps to assist the EZ Board to respond to any investigation(s) instigated by the European Commission relating to the Application; and

5.2.2 acknowledge that a finding of State Aid non-compliance in respect of their Application by the European Commission or a Court of competent jurisdiction may lead to them being ordered to repay any monies received with interest in accordance with the European Commission's reference rates.

6. BUSINESS RATES GROWTH FUND

- 6.1 The Parties agree that until a Recommendation has been made by the EZ Board or the C & IOS LEP Co, the Council will retain the Business Rates Growth in the Business Rates Growth Fund.

- 6.2 The Council shall, if the Business Rates Growth be a positive figure, place the Business Rates Growth in the Business Rates Growth Fund.

- 6.3 The Council agrees that it shall hold the Business Rates Growth Fund on trust for the C & IOS LEP until it is transferred to the C & IOS LEP Co or its nominee in accordance with the provisions of this Schedule 1.

- 6.4 The Council shall allow inspection by the C & IOS LEP Co or its nominee on reasonable notice of all books, records, accounts and any other materials relating to the calculation of the growth in Business Rates. The Council will provide to the C & IOS LEP Co annually in arrears before the end of the 1st quarter in the financial year following (30th June), a detailed annual statement of monies received on each CEZ.

- 6.5 The EZ Board acknowledges that the Council as the Accountable Body for the C & IOS LEP shall:

6.5.1 conduct a review of the amount of Business Rates received annually and advise the C & IOS LEP every year of the amounts received in Business Rates and the amounts the Council considers to be Business Rates Growth;

6.5.2 administer the Business Rates Growth Fund which includes ensuring all money classed as Business Rates Growth is paid into the Business Rates Fund, ensure interest is paid on the monies in the Business Rates Growth Fund every year and provide the C & IOS LEP annually with written statements on the balance within the Business Rates Growth Fund;

6.5.3 be responsible for all reporting, audit and accounting arrangements relating to the Business Rates Growth Fund;

6.5.4 subject to S151 Officer approval make payments on behalf of the C & IOS LEP to those bodies to whom the EZ Board shall refer to in the Recommendation in accordance with clause 4 (Recommendation);

6.5.5 retain the Business Rates Growth in the Business Rates Growth Fund in accordance with clause 6 (Holding of Monies)

7. The Council shall not (outside the ordinary course of National Government Policy) discount, offer reliefs or concessions, impose tariffs or levies or otherwise reduce the requirement for the payment of any Business Rates within the CEZ's without the prior written consent of the EZ Board or the C & IOS LEP Co which should not be unreasonably withheld.

SCHEDULE 2

PLANS OF THE CORNWALL ENTERPRISE ZONES

DRAFT