



Cheshire Science Corridor Enterprise Zone Board

Date:	Thursday 20 March 2019
Time:	13:00-15:00
Location:	The Oak Suite, The Centre, Chadwick Place Birchwood Park, Birchwood, Warrington, WA3 6YN

Agenda

- (1) Attendees and apologies
- (2) Declarations of interest
- (3) Previous minutes from the EZ Board of 24 January 2019
- (4) Alderley Park Update
- (5) Governance
- (6) EZ investment business cases
 - (a) Quadrant Phase 2, Birchwood Park
 - (b) Update on business cases and investment pipeline
- (7) Operational update
 - (a) Growth Director's update
 - (b) Business Rate Discount applications
- (8) Marketing and communications
 - (a) Marketing and promotion update
- (9) Finance
 - (a) Finance update
- (10) AOB

PLEASE NOTE: If members of the public wish to attend the Enterprise Zone Board to observe then please email: john.adlen@871candwep.co.uk at least 5 days prior to the meeting.

Item 1 – Attendees and Apologies

EZ Board Members:

Robert Mee, Chair of EZ Board and LEP Board Member
Cllr Paul Bates, Cheshire East Council
Tony Bochenski, Independent Member
Cllr Russ Bowden, Warrington Borough Council
Cllr Brian Clarke, Cheshire West & Chester Council
Chris Farrow, Independent Member
Christine White, Astra Zeneca

In Attendance:

John Adlen, Cheshire & Warrington LEP
Chris Capes, Cheshire West & Chester Council
Philip Cox, Cheshire & Warrington LEP
Sean Davies, Bruntwood
Stephen Fitzsimons, Warrington & Co.
Debra Foxley-Smith, Skills & Growth Company
Lisa Harris, Cheshire West & Chester Council

Apologies:

Joel Tagg, BEIS

Item 2 – Previous Minutes

Meeting Title	Cheshire Science Corridor Enterprise Zone Board	
Date	24 January 2019	
Time	13:00-15:00	
Location	Alderley Park	
Agenda Item		Action/Decision
1.	<p>Attendees and apologies</p> <p>EZ Board Members: Robert Mee, Chair of EZ Board Cllr Paul Bates, Cheshire East Council Tony Bochenski, Independent Board Member Cllr Russ Bowden, Warrington Borough Council Cllr Brian Clarke, Cheshire West & Chester Council Chris Farrow, Independent Board Member</p> <p>In Attendance: John Adlen, Cheshire and Warrington LEP Chris Capes, Cheshire West & Chester Council Philip Cox, Cheshire & Warrington LEP Sean Davies, Bruntwood Chris Doherty, Alderley Park Stephen Fitzsimons, Warrington & Co. Joel Tagg, Cities & Growth Unit John Willis, Skills & Growth Company</p> <p>Apologies: Lisa Harris, Cheshire West & Chester Council Christine White, Astra Zeneca</p>	
2.	<p>Previous EZ Board minutes</p> <p>All matters arising from the previous EZ Board held on 22 November 2018 have been actioned or will be covered in this board.</p>	Minutes agreed and signed off
3.	<p>Declarations of interest</p> <p>(a) Cllr Paul Bates declared an interest on behalf of Cheshire East Council in Alderley Park (b) Stephen Fitzsimons declared an interest on behalf of Warrington Borough Council in Birchwood Park (c) Cllr Brian Clarke declared an interest on behalf of Cheshire West & Chester Council in sites in Ellesmere Port (d) Chris Farrow declared an interest in sites in Ellesmere Port as Chair of the Ellesmere Port Development Board</p>	
4.	<p>Alderley Park Update</p> <p>Sean Davies and Chris Doherty gave a presentation updating the EZ Board on progress to date at Alderley Park.</p>	
5.	<p>Governance</p> <p>Philip Cox confirmed that the LEP would be opening a formal appointment process for independent EZ board members as a result of the EZ being given delegated authority up to £2.5m.</p>	

<p>6.</p>	<p>EZ investment cases</p> <p>a) Quadrant Phase 2 (Birchwood Park)</p> <p>John Adlen presented a paper updating Board members on the Quadrant Phase 2 investment. He reported that further discussions had taken place with Patrizia, Birchwood Park’s asset manager and an agreement had been reached to reduce the void costs and interest cover from a maximum of 5 years down to 3 years. This reduces the maximum potential investment by the EZ from £4.9m to £3.6m with a payback of 8.3 years, providing a more finite investment envelope for the EZ and produces a more reasonable payback period within the investment parameters of the EZ’s investment criteria. On this basis WBC Birchwood Park Trustee Limited have submitted a revised business case, which has been appraised by Cushman & Wakefield who reported that the Quadrant Phase 2 scheme represents a good case for EZ investment, although they did flag up some minor areas that would require further clarification or additional supporting evidence, but these could be dealt with during the drafting of the legal agreement. The investment was recommended for approval subject to the drafting of the appropriate legal agreements.</p>	<p>Approved subject to clarifications and draft legal agreement</p>
<p>7.</p>	<p>Operational update</p> <p>a) Growth Director’s update</p> <p>The EZ Board considered and noted the Growth Director’s report on key development activities undertaken during the last period.</p> <p>b) Business Rate Discount applications</p> <p>No Business Rate Discount applications were approved during this period.</p>	
<p>8.</p>	<p>Marketing and communications</p> <p>The EZ Board considered and noted the Growth Director’s report on marketing and promotional activities undertaken during the last period</p>	
<p>9.</p>	<p>Finance update</p> <p>The EZ Board noted the Growth Director’s update on EZ finances.</p>	
<p>10.</p>	<p>AOB</p> <p>There being no other business, the Chair thanked everyone for their attendance and closed the meeting.</p>	

Item 3 – Declarations of interest

EZ Board members and attendees to declare any personal or professional interests in an agenda item in line with the Cheshire and Warrington Local Enterprise Partnership's Local Assurance Framework.

Any Board member or attendee declaring an interest can remain in the meeting while the item is discussed but are only allowed to answer direct questions about that item and should refrain from promoting the item in any way.

Item 4 – Alderley Park update

Sean Davies to provide an update to the EZ Board on progress at Alderley Park.

Item 5 – Governance

Nothing to report.

Item 6 – EZ investment business cases

Please note that commercially sensitive elements of this item have been restricted to EZ Board members only.

Item 6a) Quadrant Phase 2

This paper presents an update on the Quadrant Phase 2 proposal from WBC Birchwood Park Trustee Limited to develop five industrial units totalling 15,773 sq m (169,785 sq ft) at Birchwood Park, Warrington. The Board will recall that it approved the investment, in principle, subject to further clarifications and the submission of a revised business case and instructed the Growth Director to agree a finite investment envelope, reducing the potential liability to the LEP in terms of the void and interest guarantees.

Recommendations

That the EZ Board approves the investment, subject to the following three final points of clarification and instructs the executive team to draw up the necessary legal agreements to be brought back to the EZ Board for approval:

- (a) A satisfactory State Aid opinion;
- (b) A legal opinion on the applicant's exclusion from public procurement regulations; and
- (c) Further evidence from the Applicant that the assumptions in their financial appraisal represent the minimum cost in terms of the public sector investment required.

Item 7 – Operational update

Item 7a) Growth Director's update

The following key development activities were undertaken during the last period:

- Overseeing the final drafting of legal agreements for EZ investments in Helix Business Park, Rhino Newport and Hooton Park and for the New Bridge Road substation
- Ongoing discussions with our three local authority partners regarding the creation of a £30m borrowing facility to fund EZ investment
- Supporting the Cheshire Energy Hub in the development of the Energy Innovation District project with Innovate UK

- Ongoing support to Thornton Science Park in the preparations of a prospectus for a JV partner
- Supporting Cheshire & Warrington's preparations for MIPIM 2019
- Meeting with Pure Commercial developments

Item 7b) Business Rate Discount applications

No Business Rate Discount applications have been received since the last Board meeting.

Item 8 – Marketing and communications

Item 8a) Marketing and promotion update

The following marketing and promotional activities were undertaken during the last period:

- Presentation to the RICS Planning & Development Board on land value capture and the use of tax increment financing in the EZ (10 December)
- Attendance at the MIPIM Business Breakfast held at Knights plc offices in Chester (10 January)
- Meetings/discussions with WSP, Patrizia and Bruntwood regarding potential sponsorship of MIPIM 2019
- Presentation to the Cheshire & Warrington MIPIM 2019 Steering Group (16 January)
- Development of the Cheshire & Warrington MIPIM 2019 programme

Item 9 – Finance update

Discussions are ongoing with our three local authority partners regarding the creation of a £30m borrowing facility to fund EZ investments.

Item 10 – AOB

Members are invited to table any other items of business.