



Cheshire Science Corridor Enterprise Zone Board

Date: Thursday 22 March 2018

Time: 14:00-16:00

Location: Thornton Science Park

PART 2: EZ Board Members and Attendees

Item 1: Attendees and Apologies

EZ Board Members:

Robert Mee, Chair of EZ Board
Cllr Paul Bates, Cheshire East Council
Cllr Rus Bowden, Warrington Borough Council
Cllr Brian Clarke, Cheshire West & Chester Council
David Slater, CNS

In Attendance:

John Adlen, Cheshire and Warrington LEP
Caroline Baker, Cushman & Wakefield
Chris Capes, Cheshire West & Chester Council
Sean Davies, Manchester Science Partnerships
Lisa Harris, Cheshire West & Chester Council
Martin O'Rourke, Patrizia
Heather Standidge, Cushman & Wakefield
Joel Tagg, BEIS
Paul Vernon, University of Chester
Jane Wilson, Cheshire and Warrington LEP
John Willis, Skills & Growth Company

Tentative:

Philip Cox, Cheshire and Warrington LEP
Chris Farrow, Ellesmere Port Development Board
Jane Gaston, Peel Environmental
Martin Wood, BEIS

Apologies:

Steve Richmond, Astra Zeneca
Gary Steen, Cheshire & Warrington LEP Board Member

Item 2 – Minutes and matters arising from Part 2 Board of 25 January 2018

1. Attendees and Apologies

EZ Board Members Present:

Robert Mee, Chair of the EZ Board
Paul Bates, Cheshire East Council
David Slater, Urenco

In Attendance:

John Adlen, Cheshire & Warrington LEP
Chris Capes, Cheshire West & Chester Council
Sean Davies, Manchester Science Partnerships
Chris Farrow, Ellesmere Port Development Board
Deborah Foxley-Smith, Skills & Growth Company
Jane Gaston, Peel Environmental
Martin O'Rourke, Patrizia
Heather Standidge, Cushman & Wakefield
Paul Vernon, University of Chester
Jane Wilson, Cheshire & Warrington LEP

Apologies:

Cllr Russ Bowden, Warrington Council
Philip Cox, Cheshire & Warrington LEP
Cllr Brian Clarke, Cheshire West & Chester Council
Chris Doherty, Manchester Science Partnerships
Stephen Fitzsimons, Warrington & Co
Katrina Michel, Marketing Cheshire
Steve Richmond, Astra Zeneca
Gary Steen, Cheshire and Warrington LEP Board Member
John Willis, Skills & Growth Company

2. Previous EZ Board Minutes

All matters arising from the previous EZ Board held on November have been actioned or will be covered in this board. The minutes were agreed as accurate and signed off by the Board.

3. Declarations of Interest

Cheshire East Council declared an interest in Alderley Park.

4. Governance

John Adlen reported that he has requested a new representative from Cheshire East Council to replace Andrew Round.

5. Operational Overview

a) Growth Director's update

John Adlen reported on development activity during the last period which included:

- **New Bridge Road Substation** – currently negotiating the legal agreement and a meeting has been held between the LEP, Peel Land & Property and legal advisers for both parties to discuss Heads of Terms.
- **Hooton Park** – negotiations ongoing with Redsun Developments for a 'Put Option' agreement for the development of new speculative development of new industrial floorspace.
- **Alderley Park** – meeting held before Christmas with MSP to feedback on the three business cases for the development of new lab and office space.
- **Thornton Science Park** – meeting held with Paul Vernon and Martin Morlidge regarding the development of an investment business case.
- **Value Propositions** - development of value propositions for Cheshire and Warrington and the Science Corridor (see item 6d)
- **DIT Senior Account Manager** - shortlisting and interviews for the DIT funded Key Account Management post (see item 6e)
- **Evergreen II** - provided CBRE with potential EZ investments for ex-ante appraisal of an Evergreen II fund for Cheshire and Warrington.
- **Medicines Discovery Catapult** – meeting held with Chris Molloy to explore how the LEP/Science Corridor can work with the Medicines Discovery Catapult.
- **Inward investment enquires** - the investment market is picking up with DIT and enquiries are on the increase.

b) EZ site updates

Alderley Park

Sean Davies reported that he had joined the company in October and would be taking over from Andy Allen/Chris Doherty as the EZ representative. Cancer Research UK are in the process of moving across from the Christie. MSP have launched three new in-house scientific services to service Alderley Park tenants. The Greater Manchester and Cheshire Life Sciences Fund is still actively investing in Cheshire and Warrington businesses, with c.28 investments at Alderley Park to date.

Birchwood Park

Martin O'Rourke reported that it has been relatively quiet over the Christmas period. Cavendish Nuclear have submitted their fit-out plans and expect take occupation in August. Patrizia are currently working up a business case for EZ investment for the development of five speculative industrial units at Birchwood and are in early stage discussions with a potential occupier on a 100-200 sq ft new office building. MDA/Sellafield will be issuing four new contracts this year, which could generate more requirements at Birchwood.

Hooton Park

Chris Capes reported that Redsun are working with HCA and CWAC on highways and power supplies into Hooton Park. John Adlen explained that the LEP has engaged Cushman & Wakefield to undertake an options appraisal on Hooton Park, with regard to a potential 'put option' on a 120,000 sq ft industrial unit.

New Bridge Road sites

Chris Farrow reported that the Ellesmere Port Development Board had made representations to Cheshire West & Chester Council in relation to both Protos and Thornton Science Park. The occupier market appears to be strong in Ellesmere Port, with Helix Park phase 1 close to full occupation 6-months post completion and a strong pipeline of enquires coming through. Chris Capes reported that Cheshire West & Chester Council are in discussions with a number of developers/occupiers about opportunities at Newport Business Park and Dutton Green.

Protos

Jane Gaston reported that they had made representations to Cheshire West & Chester Council regarding the allocation of expansion land at Protos in the new Local Plan. She also reported that they are currently engaged with three potential occupiers for Phase 1 (in the EZ). Grid reinforcement works are progressing with Scottish Power. There have been a number of large (c.75 acres) enquires via DIT, including Project Gamma, a confidential technology occupier and ICT, an Italian paper manufacturer.

Thornton Science Park

Paul Vernon reported that the University of Chester has submitted a planning application to Cheshire West & Chester Council for change of use to cover the educational uses on site. Paul also reported that they currently have live three major investment opportunities, including a large German manufacturing company (80,000 sq ft, 100 jobs) seeking to establish a composites facility and a German IT company (c. 400 jobs).

c) Business Rate Discount applications

The EZ Board ratified the following Business Rate Discount applications:

- Concept Life Sciences (Alderley Park)
- Thyson Technologies (Helix Business Park)
- Litmos Heroes (Birchwood Park)

6. Marketing and Communication

a) Marketing and Promotion Update

John Adlen reported that the following marketing and promotional activity has been undertaken during the last period:

- Meeting held with Australian Trade Commissioner in London to explore opportunities for trade and investment in Cheshire and Warrington, including the potential development of a joint UK/Australian Innovation hub in either energy or agri-tech.
- Attended the opening of MHI Vestas new offices at Birchwood Park
- Presentation at the third MIPIM breakfast meeting hosted by Knights 1789 in their Chester Office
- Have commissioned Regeneris and Marketing Cheshire to develop 15 case studies for the Science Corridor. These will be in written format and video.
- Attendance at DIT site visit for potential overseas inward investor to Protos.

b) Upcoming Events

The Science Corridor has sponsored a Place NW event called: Science & Technology: developing the region's world-class offer at the Manchester Museum of Science & Industry on 22 February.

c) MIPIM 2018

John Adlen provided a verbal update on the preparations for this year's MIPIM in Katrina's absence. The LEP has taken a larger stand this year in a more prominent location in the Palais and was aiming to double the size of the public/private partnership this year. A programme of events was currently being planned which included on-stand and off-site events with corporate partners. An 'Energy Cheshire' event was being planned in conjunction with Peel Environmental and Addleshaw Goddard. The last of the partnership events took place at Knights in Chester on January 23rd and went very well. Two events have taken place at Knights offices, the first at Wilmslow and the second in Chester, which had appx. 60 people at each.

7. Finance

The Growth Director provided a verbal update to the Board on the retained business rate income. Forecast and actual retained business rate income from the EZ has been fluctuating significantly since the outset of the EZ in April 2016. The estimation and calculation of retained business rate income from the EZ is complex, with a number of factors impacting on the level of retained business rates. The LEP has engaged Cushman & Wakefield to undertake a detailed analysis of retained business rate income. However, initial analysis suggests that the following factors may be impacting on retained business rate income:

- The creation of new multiple hereditaments split out from Astra Zeneca's single hereditament;
- The 2017 Rating List, which has seen a drop in rateable values against the 2010 Rating List, against which the EZ baseline was set; and
- The deployment of rate mitigation by landlords in the EZ

8. Any Other Business

There being no other business the Chair thanked everyone for their attendance and closed the meeting.

Item 4 – Governance

4a) Changes in membership/attendance

Lisa Harris, the new Director of Places Strategy will support Cllr Brian Clarke from Cheshire West & Chester Council on the EZ Board.

Item 5 – Operational update

5a) EZ investment business cases

At the Part 1 meeting, the EZ Board will be considering a proposal from Alderley Park Limited (APL) for a £3.87m investment in the Glasshouse (Block 15) to create 148,000 sq ft of new office floorspace at Alderley Park. A verbal update on the Board’s deliberations will be made to the Part 2 meeting.

5b) Quarterly monitoring return

Data has been collated and submitted to MHCLG for the Q3 monitoring of the EZ, which are summarised in the table below.

Metric	Q3 2017/18 Output	Cumulative Outputs
Total number of new jobs	50	623
Net change in jobs	+20	+500
Total number of new businesses	4	40
Net change in number of businesses	+1	+30
Total new commercial floorspace (sqm)	0	1,950
Total refurbished floorspace (sqm)	1,687	21,066
Total private sector investment	£7.02m	£23.26m

5c) Growth Director’s update

In the last period, the Growth Director has undertaken the following key development activities:

- Supported Thornton Science Park with their enquiry from a German manufacturer to create a new composites facility
- Preparations for and attendance at MIPIM (see item 6)
- Attended site visit for Protos by ICT, Italian paper manufacturer
- Attended the DIT Northern Powerhouse Taskforce meeting in Leeds
- Attended meetings with Vauxhall
- Attended meetings with Cadent and other partners regarding the development of a Liverpool, Cheshire and Manchester hydrogen network
- Attended a meeting with Red Ninja Studios regarding the sub-region’s participation in a smart logistics pilot with Liverpool, Manchester and the Future Cities Catapult
- Presented at the Place North West Science and Technology conference

5d) EZ site updates

Verbal update to be provided by landowners/stakeholders on the following EZ sites:

- Alderley Park
- Birchwood Park
- Hooton Park
- New Bridge Road sites
- Protos
- Thornton Science Park

5e) Business Rate Discount applications

The following Business Rate Discount applications have been approved by the EZ Steering Group and are recommended for ratification by the EZ Board:

- **Agenda Resource Management** (Alderley Park) - Established in 1996, Agenda Resource Management's Life Sciences division specialises in life science recruitment, contract staffing and research facility management and consultancy services for the life sciences sector. At Alderley Park they will provide research services in the field of bio-medical research, training and development of research associates and managing scientific studies. They satisfy the sector test and are locating from outside the LEP area, so do not need to satisfy the sector test.
- **Anti-Microbial Research Centre** (Alderley Park)- is a research centre focused on working globally with companies and research institutions to support the development of new anti-microbial drugs and diagnostics. The AMRC satisfies the sector test and as a new company locating into the LEP area and EZ does not need to satisfy the growth test.
- **Cavendish Nuclear** (Birchwood Park) - are one of the UK's largest specialist nuclear services organisations operating across three main business streams: new build, nuclear services and decommissioning and with capabilities that span the entire nuclear life cycle. The company is taking 48,000 sq ft of office floorspace at Birchwood Park and they currently have offices Daresbury and Irlam and a small research facility in Chester. They plan to locate c.500 to the new offices in Birchwood and plan to grow staff numbers by an additional 100 within the next 5 years. As such they satisfy both the sector and growth tests.
- **metaLinear** (Alderley Park) – is a biotech company which has developed propriety technology to uncover novel bacterial targets for the development of new antibiotics. They work with pathogenic microbes that are known to be of clinical concern, including Klebsiella, Pseudomonas, Acetivobacte and the E-coli species. They use biochemistry, molecular biology and microbiology techniques to develop new drugs to tackle these bacteria. metaLinear has received £225k in seed capital from the Greater Manchester and Cheshire Life Sciences Fund for proof of concept work. The business satisfies the sector test and is a new start-up that was not previously based in the LEP area. However, they

have provided growth projections for increasing turnover to £2-3m and growing the team by 3 new FTEs.

- **Peak Proteins** (Alderley Park) – are a contract research company specialising in the design/engineering of proteins using bioinformatics and protein structural information in order to make them more amenable to different types of drug discovery approaches. They also work with recombinant proteins and determination of the structures of proteins using X-ray crystallography to enable structure-based drug design. The company satisfies the sector test. The company was already trading at Alderley Park prior to 1st April 2016. The company currently occupies 1,706 sq ft and is taking an additional 567 sq ft (+33%) and, therefore, satisfies the growth test, as they are expanding their floorspace by more than 20%.

Item 6 - Marketing and Communication

6a) Marketing and promotion update (JA)

The following marketing activities have been undertaken over the last period:

- Sponsorship of the Place NW Science and Technology conference, attended by nearly 200 delegates, included a presentation and participation in panel discussion by the Growth Director and presentation from Jane Gaston about Protos (22 February).
- Presentation to the Mersey Dee Alliance AGM on the Cheshire Science Corridor (19 March)
- Attendance at MIPIM - see item below (13-16 March)

6b) MIPIM 2018

Cheshire and Warrington attended MIPIM 2018 in Cannes (13-16 March), taking a 60+ strong delegation of public and private sector partners and hosting a full programme of events on and off-stand. The Growth Director attended MIPIM for the full week and attended the following:

- Stoke and Staffs LEP reception
- Energy Cheshire event – showcasing the proposals to create the UK's first Energy Innovation District in the Science Corridor
- Brock Carmichael Architects lunch – new contacts made with Network Space, Vinci Construction, Graham Construction and Colliers
- Mott MacDonald reception
- GL Hearn dinner – new contacts made with Countryside, GL Hearn and BDP
- Cheshire and Warrington Investor roundtable – new contacts made with Harlex Developments and Kier Developments
- Chester Northgate presentation
- Cheshire and Warrington lunch – discussions held with Pochin, Mott MacDonald, Patrizia and Pozzoni Architects

- Homes England reception – re-established contact with Stephen Kinsella, Executive Land Director
- Cheshire and Warrington Dinner – new contacts with Mott MacDonald, Craigleith and Langtree Developments
- Meeting held with Langtree re: Evergreen
- Attendance at a roundtable discussion with Steve Rotherham (Metro Mayor of Liverpool City Region), Liverpool Knowledge Quarter, Midas, Manchester Science Partnerships regarding co-operation in developing joint marketing collateral for the Liverpool, Manchester and Cheshire science and technology offer to international inward investors.
- Dinner hosted by Eric Wright Construction, Icen Planning and IBI – new contacts made with Eric Wright Construction, IBI and Brabners.

6c) Upcoming Events (JA)

The Cheshire Science Corridor has sponsored the Business of Science conference, which will be held in Liverpool on 17 May 2018. In addition, to the inclusion of our logo on conference materials and our marketing material in conference packs, we will be hosting a Science Corridor stand and the Growth Director will be co-hosting a workshop of ‘Science and Placemaking’ with Liverpool Knowledge Quarter and Arup. Details of the event can be found at <http://businessofscience.co.uk> for anyone wishing to attend.

Item 7 – Finance

As reported at the last EZ Boars, forecast and actual retained business rate income from the EZ has been fluctuating significantly since the outset of the EZ in April 2016. The EZ generated £1.02m in its first year of operation (£999k of this from Alderley Park), however this is forecast to drop to £395k for 2017-18 but rise again to £901k in 2018-19.

The estimation and calculation of retained business rate income from the EZ is complex, with a number of factors impacting on the level of retained business rates, including differing rateable values depending on unit size and date of valuation, the multiplier adopted, void periods and empty rates and assumptions for appeals and bad debt.

The LEP has engaged Cushman & Wakefield to undertake a detailed analysis of retained business rate income. This exercise is complex and will take a further 6-8 weeks complete by which time we will also have the outturn retained business rates for 2017-18. This will provide a much clearer picture of actual versus forecast retained business rates.

We are proposing to adopt a much more active management and monitoring regime of retained business rates in order to significantly improve the forecasting of retained business rate income, which will include closer monitoring of actual and pipeline (floorspace and occupier) activity within the EZ, building a more robust forecasting model with Cushman & Wakefield and closer liaison with landowners and local authority ratings teams.