

AGENDA			
Title:	C&IoS LEP EZ Board		
Time/Date:	Thursday 11 February 2021, 14:00 – 17:00		
Venue:	Microsoft Teams		
Membership	Represented by	Attendees	Organisation
C&IoS LEP	Steve Jermy (SJ) - Chair Mark Duddridge (MD)	Melissa Thorpe (MT) Matt Hodson (MH) Mike King (MK) Nicola Lloyd (NL) Gail Eastaugh (GE)	Spaceport CDC CDC CDC CDC
Cornwall Council	Glenn Caplin-Grey (GCG)	Matthew Vowels (MV) Iain Mackelworth (IM) Jordan Whaley (JW)	CDC CC CC
Goonhilly Earth Station Limited	Ian Jones (IJ)	Josie Gough Piran Trezise (PT)	BEIS, Cities & Local Growth GES
A&P	Drystan Jones (DJ)	Mike Spicer (MS) Stacey Sleeman (SS) Clare Connaughton (minute taker)	A&P Clos LEP CC

AGENDA		Lead	Time Slot
1.	Welcomes and Introductions	SJ	14:00 - 14:05
2.	Apologies for Absence Stacey Sleeman (SS), Mandy Cosgrove (MC),	SJ	14:05 - 14:10

3.	Housekeeping <ul style="list-style-type: none"> a) Conflict of Interest declarations b) Approval of Minutes of last meeting c) Action Summary 	SJ SJ SJ	14:10 - 14:15 14:15 - 14:25 14:25 - 14:30
4.	South Side CAN Infrastructure Update	MV	14:30 – 14:40
5.	Spaceport Update	MT	14:40 -14:50
6.	EZ Investment Plan	IM	14:50 - 15:00
7.	Freeports <ul style="list-style-type: none"> • Freeports CloS LEP Consultancy Report (as commissioned by the LEP) • Greenports 	MD	15:00 – 15:20
8.	Aerospace EZ Site Updates <ul style="list-style-type: none"> a) Aerohub b) Goonhilly 	MK PT	15:20 – 15:30 15:30 – 15:40
9.	Marine EZ Site Updates <ul style="list-style-type: none"> a) Context: <ul style="list-style-type: none"> i. Wave Hub Sale ii. South West Floating Offshore Wind Accelerator b) Falmouth Docks c) Hayle d) Tolvaddon 	SJ DJ MH MH	15.40 – 15:50 15:50 – 16:00 16:00 – 16:10 16:10 – 16:15
10.	Rate Relief and EZ Growth Fund <ul style="list-style-type: none"> a) Rate Relief Renewals & Rate Relief Approvals b) EZ Growth Fund update and applications c) EZ Covid-19 Sub Board 	JW JW JW	16:15 – 16:20 16:20 – 16:25 16:25 – 16:30
11.	Performance Data <ul style="list-style-type: none"> a) Ministry of Housing, Communities & Local Government (MHCLG) Data Report Q3 2020 	JW	16:30 – 16:35

12.	Investment Pipeline and Opportunities a) Pipeline Opportunities b) Marketing Update	MK MK	16:35– 16:40 16:40 - 16:45
13.	Risk Register and Report	SJ	16:45 - 16:50
14.	Any other business	SJ	16:50 – 17:00
15.	Next Meeting Thursday 08 April 2021 @ 14:00, Teams.	SJ	

MINUTES			
Title:	Cornwall and Isles of Scilly Local Enterprise Partnership Enterprise Zone (EZ) Board		
Date:	Thursday 10 December 2020		
Time:	14:00 – 17:00		
Venue:	Microsoft Teams		
Membership	Represented by	Attendees	Organisation
C&IoS LEP	Steve Jermy (SJ) Chair Mark Duddridge (MD)	Miles Carden (MC) Gail Eastaugh (GE) Matthew Vowels (MV) Nicola Lloyd (NL) Iain Mackelworth (IM) Jordan Whaley (JW) Josie Gough (JG) Piran Trezise (PT) Mike Spicer (MS) Clare Connaughton (minute taker)	Spaceport CDC CDC CDC CC CC BEIS, Cities & Local Growth GES A&P CC
Cornwall Council	Glenn Caplin-Grey (GC-G)		
Goonhilly Earth Station Limited	Ian Jones (IJ)		
A&P	Drystan Jones (DJ)		

AGENDA ITEM & NOTES		ACTION
1.	Welcomes and Introductions	
1.1	Introductions were made.	

2. 2.1	Apologies for Absence Glenn Caplin-Grey, Mike King, Stacey Sleeman, Matt Hodson, and Ian Jones.	
3. 3a 3a.1 3b 3b.1 3c 3c.1	Housekeeping a) Conflict of Interest declaration No conflict of interest was declared at this meeting. b) Approval of Minutes from the last meeting The previous minutes were agreed as a true and accurate record. c) Action Summary The action summary was reviewed and updated (as below).	
4. 4.1 4.2 4.3	South Side Cornwall Airport Newquay (CAN) Infrastructure Update The demolition of the ATC tower is underway and due for completion at the end of January 2021. Cormac is due to start work on the Spaceport infrastructure in January 2021. The final costs will be confirmed shortly. Despite the temporary closure of CAN, project work is still moving along. Confirmation of funding for the Aviation Centre is expected before Christmas 2020, then the design phase will commence. GE is presenting project proposals, today, for LEP funding call, which would benefit the Airport.	
5. 5.1	Spaceport Update It was noted this is the last update from Miles as he is moving to a new job role. Virgin Orbit to issue communication regarding a US launch on 20 December 2020. A Spaceport Operational Manager to be appointed. <i>PT joined the meeting at 14:15.</i>	

<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>Business Plan & Rates Model</p> <p>The Business Plan report will be presented to Cabinet on 10 February 2021. A request will be made for £6.5 million to facilitate a £10 million investment programme.</p> <p>This is the last Cabinet for this financial year, as Purdah lasts 6 weeks prior to the Elections. In reality, post-Elections, the next opportunity to request funding via the Cabinet will be Summer 2021.</p>	
<p>7.</p> <p>7.1</p> <p>7.2</p> <p>7.3</p>	<p>Freeports</p> <p>IM reported that he had briefed key Council members and senior officers on the Freeport Bidding Prospectus. Questions had been raised as to whether Cornwall Airport Newquay and Falmouth Docks, which were identified as the best sites within the LEP's Scoping and Feasibility Report, had the volume of trade and the right type of trade for a Cornwall bid to be competitive. IM had been asked to consult with key industry partners to understand how they would use and benefit from Freeport status.</p> <p>The EZ Board members noted that the UK Freeport model incorporates EZ style incentives and other tax benefits and were in agreement that Freeport status would be beneficial to Cornwall and would help to attract businesses to the EZ sites. It was also agreed that an EZ bid which emphasised innovation stood a reasonable chance of success.</p> <p>Action – The LEP will write to the Council in support of a Cornwall Freeport bid. JW will compose the letter of support which MD and SJ will review before sending.</p>	<p>JW</p>
<p>8.</p> <p>8.1</p>	<p>Assembly, Integration & Testing (AIT)</p> <p>Newland- Hardwick Ltd (NHL) has carried out a Market Research Study to scope the feasibility for an Assembly, Integration and Test (AIT) facility at CAN. The proposal includes establishing a Composites Technology Cluster across sectors, including aerospace,</p>	

<p>8.2</p> <p>8.3</p>	<p>marine and wind, and build a Composites Technology Centre. The purpose is to benefit SMEs to grow, develop skills and create jobs.</p> <p>A full report has been circulated with these minutes for reference and GE will submit an application and a Business Case for EZ Growth Fund to be considered at the next EZ Board on 11 February 2021. The request is for £300k match-funding. GE is submitting an Expression of Interest (EoI) for the LEP call to fund a £2.3 million facility.</p> <p>Andy Williams from NHL joined the meeting to provide further clarity on the report. The economic benefits of having an AIT facility ideally located at CAN are numerous and complement existing programmes such as Spaceport, Aerospace, Freeports and EZs.</p>	
<p>9.</p> <p>9a</p> <p>9a.1</p> <p>9b</p> <p>9b.1</p>	<p>Aerospace EZ Site Updates</p> <p>a) Aerohub</p> <p>Sector 2 – Gulmay has concluded their lease for 6 industrial units and 2 office suites, PH Media has moved into their office. Sector 11 is in occupation, Sector 15 has building work, and Sector 14 is under offer.</p> <p>b) Goonhilly</p> <p>GHY-3 antenna refurbishment is underway, ESA mission testing at GHY- 6, a couple of potential letting enquiries, post-Covid planning is underway to attract more investors to the site.</p>	
<p>10.</p> <p>10a</p> <p>10a.1</p>	<p>Marine EZ Site Updates</p> <p>a) Context</p> <p>I. Wave Hub sale – The sale is expected to conclude at the end of January 2021. It is anticipated Wave Hub Ltd will provide opportunities for the local supply chain.</p> <p>II. Floating Offshore Wind RD&I Support Bids – Currently developing market offshore pipeline, focus is on front loading</p>	

<p>10b 10b.1</p>	<p>supply chain, integrated skills, R&D, and investments and exports. A response to the Strength in Places bid is expected Easter 2021.</p> <p>b) Falmouth Docks Development of infrastructures within the Dock's zones, SIP bid submitted to support FLOW programme, EoI submitted for BEIS funding in relation to offshore wind programme. Also EoI for LEP call for funding towards the development plan. IM and SJ to visit Docks to review the Plan.</p>	<p>IM/SJ</p>
<p>10c 10c.1</p>	<p>c) Hayle Phase 2 work underway, tender for the main contractor will be released shortly, with construction commencing April 2021. Hayle MRBP – Unit 5 is the only vacant unit. Action - MV – SJ to discuss Wave Hub office at MRBP offline.</p>	<p>MV & SJ</p>
<p>10d 10d.1</p>	<p>d) Tolvaddon Zone 1 lease is progressing and is waiting for information from tenant before final sign-off.</p>	
<p>11. 11a 11a.1</p>	<p>Rate Relief and EZ Growth Fund</p> <p>a) Rate Relief Renewals and Rate Relief Approvals There are no applications for either category for this period. Reminder, the deadline for applications is 22 January 2021, for February's EZ Board.</p>	
<p>11b 11b.1</p>	<p>b) EZ Growth Fund update & applications An application from Greenwall was approved via written procedures.</p>	
<p>11c 11c.1</p>	<p>c) EZ Covid-19 sub board There is approximately £100k remaining in the pot and it was agreed to retain this until 1 April 2021. Following this date, the funds will be transferred back to the EZ Growth Fund pot,</p>	

	which will also have a financial uplift for the new financial year.	
12. 12a	Performance Data a) Ministry of Housing, Communities & Local Government (MHCLG) Data Report Q2 2020	
12a.1	Q2 data report was submitted on 20 November 2020. Q3 report submission is due on 26 February 2021.	
13. 13a	Investment Pipeline and Opportunities – Report provided. a) Pipeline Opportunities	
13a.1	Data shows the Innovation Centres are performing well and are still valuable assets for CC. TIC, in particular has good occupancy levels. There are tenants in the Healthcare sector, which is doing really well. On the downside, PIC has experienced lower occupancy, which will hopefully pick up.	
13a.2	Skills investment will be included within the Cabinet report for February 2021. IM and SJ to discuss support services for SMEs offline next year, including WRAP, the Skills Programme and will include within the Cabinet report for February 2021.	IM/SJ
13b 13b.1	b) Marketing Update This is covered within the report which was circulated with the papers.	
14. 14.1	Risk Register and Report JW to add a risk relating to loss of competitive advantage if a Freeport submission isn't made.	JW
15. 15.1	Any Other Business There were no other business items raised and the meeting concluded at 15:52.	

16.	Date of next EZ Board Meeting:	
16.1	Thursday 11 February 2021 @ 14:00, Teams.	

Appendix 1: Action Tracker

C & IoS LEP EZ Board

Action Tracker 10/12/2020

Ref & Date	Action	Owner	Status			Notes
			Complete	Ongoing	Not Complete	
10/12 7.3	Freeport – JW to compose letter of support on behalf of the LEP for Freeport bid	JW				
10/12 10b.1	Visit to Falmouth Docks to review renovation plan	IM & SJ				
10/12 10c.1	Discuss Wave Hub presence at Hayle MRBP	MV & SJ				
10/12 13a.2	Investment Opportunities - IM and SJ to discuss support services for SMEs offline next year, including WRAP, the Skills Programme and will include within the Cabinet report for February 2021.	IM & SJ				
10/12 14.1	Risk Register – Ezs – no competition if Freeport bid is not submitted.	JW				
22/10 8b.1	Strength in Places Funding – to discuss offline APPLICATION IN, AWAIT DEC EASTER 2021, SUMMER 2021 TO COMMENCE	PT/DJ	X			
22/10 9b.1	Amend date on Greenwall GF application and re-circulate for Extraordinary meeting	JW	X			
22/10 11b.1	MK to send CDC marketing cost to JW	MK	X			
11/6 12b.c	Arrange meeting to discuss possibility of CDC managing Wave Hub to the new buyer, when sold	MK				Overtaken by events. Closed
27/3 5.1	EZ Business Plan – IM to bring back the completed plan to the next EZ Board meeting in June	IM		X		Skills review needs doing, Employment Skills



						Board to be established. Liaise with this Board. On agenda.
27/3 6.3	PT to speak to SJ and MH on connecting FLOW with GES C/F	SJ		X		Have met, need 2 nd one, include Catapult Have one in NY
9/12 14.3	Universities EZs – Possible Internships within EZs’ sectors. Glenn to propose with Uni of Falmouth C/F	GC		X		Carry forward, overtaken by events but ongoing

Most recent at top

DRAFT



Date of Board Meeting: **11th February 2021**

Report Title: **Rate Relief / EZ Growth Fund (Rates Grant)**

Author: **Jordan Whaley**

Contact: **Jordan.whaley@cornwall.gov.uk**

Decision Required by the Board: **Yes**

For Information Only: **No**

Recommendation(s)

1. That the rate relief renewals and applications contained within this report are approved by the EZ Board.
2. That the EZ Board notes the award of EZ Growth Fund for business rates for 2021/22.
3. The EZ Board approve an annual cap of £60,000 on existing EZ Growth Fund grants for business rates where the rates payable exceeds this value.
4. That EZ Board approves changes to the EZ Rates Relief and EZ Growth Fund policy to bring these into line with the new UK subsidy control regime.

Executive Summary

This report seeks a decision from the Board for rate relief renewals and for one new application for rate relief. The report provides an update on the delegated decision made by the Cornwall and Isles of Scilly Local Enterprise Partnership (CioSLEP) Chief Executive Officer in respect of EZ Growth Fund grants made to cover business rates. The report also updates on the changes to state aid following the UK's withdrawal from the EU.

There are two Enterprise Zones in Cornwall made up of five individual sites. Businesses on the EZ can apply to the EZ Board for government funded rate relief unless it has expired (i.e Cornwall Airport Newquay). All business rates generated over and above the agreed baselines are retained by the CloSLEP for 25 years and held in the EZ Growth Fund. 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.

Progress/Update/Impact/Outcomes/Issues

Businesses occupying the Marine Hub EZ and Goonhilly (at Aerohub+ EZ) can apply for 100% rate relief for up to five years. Rate Relief is supported by 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 Airport Newquay (expired)	31 st March 2018
Goonhilly Earth Station	31 st March 2021
Hayle Marine Renewables Business Park	31 st March 2022
Tolvaddon	31 st March 2022
Falmouth Docks	31 st March 2022

Businesses occupying the Aerohub EZ at Cornwall Newquay Airport prior to 31 March 2018 can receive 100% rate relief for up to five years, however, businesses taking up occupation after 31 March 2018 can apply to the EZ Growth Fund for a grant towards business rates which would be provided on a sliding scale:

Year	EZ Growth fund Grant to Cover Rates Due
1	100%
2	100%
3	75%
4	50%

Until the end of 2020, awards of rates relief were granted as de minimis aid under the State Aid Regulations. From 1st January 2021, such awards are made under the UK Subsidy Control regime. The new regime is not yet fully developed although it does state that where total amount of support is under 325,000 Special Drawing Rights (approx.£345,000) over a 3-year period the UK-EU TCA principles do not apply. In the absence of further details, we have been advised by Cornwall Council Legal to follow the same process as we did for awarding de minimis aid and seek declarations of aid.

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 further 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.

The value of rate relief is calculated using the conversion rates from Special Drawing Rights to Sterling on 1st April 2021, to ensure any award is under the UK-EU TCA subsidy threshold. The value of rates due is also calculated using the Non-Domestic Rates Multiplier (NDRM). At the time of writing this report, the conversion rate was not published, and neither was the 2021/22 NDRM; the 2020/21 NDRM has therefore been used. The following rate relief renewals and application have been received:

Table 1 – Rate Relief Renewals 2021/22

Company Name	Zone	Location	First date of Award	Period Remaining Including Application for 2021/22	Estimated Rates Relief
Holt Lloyd International	Aerohub	Hangar 404, Cornwall Airport Newquay	25 th November 2016	238 days	£40,285.73
Swathe	Marine Hub	Unit 7, Hayle Marine Renewables Business Park	1 st November 2017	214 days	£4,461.90
Airblade Dynamics	Aerohub	HAS 1, Cornwall Airport Newquay	29 th March 2018	2 years	£17,676.00
Ultrabeam	Marine Hub	Unit 3, Hayle Marine Renewables Business Park	28 th July 2019	3 years	£6,260.25

Table 1 – Rate Relief Application 2021/22

Goonhilly Earth Station Ltd	Aerohub+	Goonhilly Earth Station	First application for whole site	5 years	Rated at £615,000 in October 2020. Limited under UK Subsidy Control, likely to be £115,000 per year
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This decision of the EZ Board only relates to the award of rate relief.

All of the companies that have submitted a Rate Relief Renewal Application are up to date with EZ data reporting.

In addition to the applications listed above, applications for rates relief were expected from CIS(UK) Ltd and FB Heliservices Ltd, both sited at Aerohub+ and also Triskel, sited at Marine Hub, however, they have not been received at the time of writing.

Financial Implications

- Holt Lloyd International

The company listed above qualifies for government funded rate relief as a consequence of moving to Cornwall Airport Newquay within the Aerohub+ EZ prior to the 31 March 2018.

- Goonhilly Earth Station

The company listed above was located at Goonhilly prior to 31 March 2021 and will therefore be eligible for government funded rate relief. Although Goonhilly received rates relief up to 31st March 2021, this related to the Visitor Centre only, whereas the above application relates to a revaluation of the site. The site has been rated at £615,000 and publicised on the Government website, rates payable will be £309,960 based on the NDRM for 2020/21. It is still to be determined whether the revaluation of the Goonhilly site will result in rates growth paid to the EZ Growth Fund.

- Swathe
- Airblade Dynamics
- Ultrabeam

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 government funded EZ Rate Relief for up to five years, they will not generate rates growth paid into the EZ Growth Fund.

EZ Growth Fund (Business Rates Grant)

The EZ Board awarded the following tenants EZ Growth Fund grants to help towards the cost of their business rates and the Board delegated final approval to the LEP CEO.

Given that these awards are paid in the year in which the rates are due based on NDRM (at 1 April) and that some tenants have not yet moved into their premises, or premises are under construction, or premises are not yet rated, the figures below are indicative only.

The de minimis threshold for last year was £59,266 based on the €/\$ exchange rate which is an average over 3 years (£200,000 over three years). Now that the state aid regime has changed it is proposed to cap the grant at a maximum of £60,000 per annum for grants towards business rates that are already approved and their rates exceed £60,000 per annum. The approved grant awards were based on value for money and affordability at that time. Any future application for grant towards the cost of business rates will be assessed by the information supplied within the application and will be under the new Subsidy Control regime.

Tenant	Estimated 2021/22 award	Status
Bennamann Ltd	£11,601	Aerohub Sector 2 Unit 1. On site.
SWIS Distribution Ltd	£35,000	Aerohub Sector 11. Construction underway on site.
Watergate Bay Hotel	£60,000	Aerohub Sector 15. Project completed not yet rated.
Gulmay Limited	£60,000	Aerohub Sector 2 Units 3-8 and Offices 7-9. Under offer.

Appendices

None

Section 151 (Finance) Officer commentary and sign off

Name:	Ellie Willcocks
Date:	03/02/21
Comments: The Enterprise Zone Growth Fund Reserve forecasts have taken all of these requests for relief into account when considering available funds and future commitments.	

**CORNWALL ENTERPRISE ZONES
STRATEGIC RISK REGISTER**

Last Update	May-20
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REF	RISK CATEGORY	SITE	RISK DESCRIPTION	IMPACT (Score 1-5)	LIKELIHOOD (Score 1-5)	PREVIOUS RISK RATING MAR 20	CURRENT RISK RATING MAY 20	CURRENT MITIGATION IN PLACE	ADDITIONAL MITIGATION REQUIRED	RISK OWNER
R10	Commercial	All	Cash Flow - There is a time lag between investment in zones and retained rates income. In the absence of a facility to borrow against future retained rates income the scale of investment will be limited to funding immediately available within the EZ Growth Fund pot.	4	4	16	16	Review of options by CC to consider investment up front borrowed against future business rates income. 31Ten appointed and completed rates modelling. Proposal presented to EZ Board October identified a preferred model for forward funding projects.	Business Plan is being developed to seek approval from CC and LEP for forward funding for the rates income into the EZ Growth Fund to accelerate the delivery of the EZs.	Iain Mackelworth
R9	Commercial	All	Market Failure in the Commercial Property Market restricts and limits the pace and scale of development impacting on retained rates income into the EZ Growth Fund, in some instances withdrawal of interest.	4	3	12	12	More substantial support to businesses to encourage interest and location to EZs. Accelerate the use of EZ Growth Fund to bridge investment gap and CC to develop Workspace Development Programme (WDP) to plug the gap on commercial investment. CC secured Cabinet support to make capital available for Aerohub Plot 3 and MRBP Phase 2. Positive decision for PA3 (Growth Programme) with three projects invited to Full Application.	Meeting to be held with A&P and GES to consider potential projects. Secure CC approval to use EZ Growth Fund to support capital development. ERDF Full Application submitted in December 2019 awaiting decision.	All Partners
R12	Reputational	All	Impact - EZ initiative fails to deliver significant economic benefits leading to adverse publicity.	3	3	12	12	Monitor impact of EZ initiatives and take appropriate action when required. Process in place to monitor growth of EZs. Data reporting to MHCLG on a quarterly basis. Programme Evaluation of EZ has been completed.	Review of targets as part of the Business Plan to ensure they are SMART.	Iain Mackelworth
R15	Operational	All	COVID-19 - impact on the delivery of the EZ through falling enquiries and disruption to project development and delivery.	4	3	12	12	Review and implement advice from Cornwall Council and Public Health England. Introduce remote working and reduce the need for physical attendance at meetings.	Continue to manage enquiries to mitigate impact reacting quicker.	Iain Mackelworth
R15	Strategic	Marine Hub	Energy Policy - Government policy does not support development of next generation of marine renewables technology which is undermining development of the sector and the EZ.	3	3	9	9	CC/LEP and CDC working with regional partners and stakeholders to put together the case for government support. Strong support in the Industrial Strategy. LEP wrote to Energy Minister May 2018 regarding lack of revenue for next generation technologies. Public/Private sector partnership established. Meetings held with Energy Minister in July with LEP, CC and Wave Hub - feedback positive. Ministerial submissions submitted in October setting out the case for floating wind - recommendations accepted by Minister.	Marine Hub working with LEP Energy Team on further lobbying. Follow up response to Ministerial submission.	Matt Hodson
R5	Strategic	All	Brexit - Uncertainty regarding access to European market and to European funding streams undermines investor confidence in Cornwall - potentially stalling EZ development and delivery of outputs. Risks include, (a) challenges to the market by lack of investment and (b) licensing or regulatory issues (c) availability of skills and labour	3	3	9	9	Plan for post EU Exit legacy being developed by LEP/CC including New Frontiers. Work with People and Prosperity Team on availability of skills. Work with Cornwall Council to manage impact of Brexit on Cornwall. Partners to contribute to the Local Industrial Strategy consultations.		Emily Kent
R6	Strategic	All	Competition from other regions - Lack of visibility of Aerohubs 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. choose cornwall website live.		Mike King
R14	Governance	All	Resourcing - insufficient or continuity of resourcing impacts on ability to handle enquiries and manage deal flow leading to loss of investment	4	2	8	8	CC have appointed agents Vickery Holman to handle Aerohub business park enquiries. CC have completed recruitment to provide additional capacity to support Programme Management including EZ. EZ Growth Fund application for marketing approved. EZ Growth Fund application for Aerohub Development Manager approved at Octobers EZ Board. CDC have appointed a Letting Manager which will include EZ property. Appointment of EZ Development Manager completed.	EZ Business Plan to be created to request forward funding against future rates income which will include a budget allocation for the continued activity of the EZ.	Iain Mackelworth
R8	Commercial	All	Demand - Lack of demand for space resulting in slow pace of development.	4	2	8	8	Marketing by CDC and partners generating investment leads. Strong pipeline in certain sectors. Conversion is the main challenge (see Risk 9)		All Partners
R4	Strategic	Aerohub & GES	Spaceport Policy - Bid unsuccessful or commercial partner is not secured resulting in loss of spaceport status for Cornwall Airport Newquay with the loss of significant high value investment.	3	2	6	6	Funding commitment from UKSA of £7.8m. MoU signed with Operator, Virgin Orbit. Political lobbying underway £0.5m approved in principle from CloS LEP Growth Deal.	Decision on £12m funding from Cornwall Council expected in November.	Miles Carden
R2	Governance	All	MOU - EZ delivery and management does not meet requirements of the MOU leads to loss of EZ status.	5	1	5	5	Implementation Plan submitted in line with requirements of MOU. Governance structure in place. CC collecting and reporting data on Aerohub & Marinehub EZ. GES have provided monitoring data.	None required.	Iain Mackelworth
R1	Governance	All	EZ Governance - lack of clarity over roles & responsibilities impedes decision making resulting in loss of potential investment.	4	1	4	4	Implementation Plan Agreed. Rates relief process and policy agreed. EZ Growth Fund investment policy agreed and application process and award process established. Terms of Reference approved by EZ Board in October and published on EZ website. National Local Assurance Framework received from MHCLG. Local Assurance Framework approved by LEP Board and published, March 2019.	EZ Board Terms of Reference to be updated in light of new LEP Assurance Framework.	Iain Mackelworth
R3	Reputational	All	EZ Growth Fund - Inappropriate investment from EZ Growth Fund does not deliver growth leading to adverse publicity.	3	1	3	3	Growth Fund investment policy approved by EZ Board. Application and decision process established. Applications are appraised prior to decision by EZ Board. Board papers are signed off by S151 Officer.	Review and approval of EZ Growth Fund policy at EZ Board to reflect changes to LEP Assurance Framework.	Jordan Whaley
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

Cornwall Enterprise Zones – Strategic Risk Register

1 Introduction

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

2 Key Risks (High to Low)

Risk Ref 9:	Market Failure in the Commercial Property Market restricts and limits the pace and scale of development impacting on retained rates income into the EZ Growth Fund, in some instances withdrawal of interest.	Current Risk Rating: 12
Mitigation:	More substantial support to businesses to encourage interest and location to EZs. Accelerate the use of EZ Growth Fund to bridge investment gap and CC to develop Workspace Development Programme (WDP) to plug the gap on commercial investment. CC secured Cabinet support to make capital available for Aerohub Plot 3 and MRBP Phase 2. Positive decision for PA3 (Growth Programme) with three projects invited to Full Application. Meeting to be held with A&P and GES to consider potential projects. Secure CC approval to use EZ Growth Fund to support capital development. ERDF Full Application submitted in December 2019 awaiting decision.	
EZ Board Action:	No action required at EZ Board.	
Risk Ref 10:	Cash Flow - There is a time lag between investment in zones and retained rates income. In the absence of a facility to borrow against future retained rates income the scale of investment will be limited to funding immediately available within the EZ Growth Fund pot.	Current Risk Rating: 16
Mitigation:	Review of options by CC to consider investment up front borrowed against future business rates income. 31Ten appointed and completed rates modelling. Proposal presented to EZ Board October identified a preferred model for forward funding projects. Business Plan is being developed to seek approval from CC and LEP for forward funding for the rates income into the EZ Growth Fund to accelerate the delivery of the EZs.	
EZ Board Action:	Agenda Item 6.	

Risk Ref 12:	Impact - EZ initiative fails to deliver significant economic benefits leading to adverse publicity.	Current Risk Rating: 12
Mitigation:	Monitor impact of EZ initiatives and take appropriate action when required. Process in place to monitor growth of EZ's. Data reporting to MHCLG on a quarterly basis. Programme Evaluation of EZ has been completed. Review of targets as part of the Business Plan to ensure they are SMART.	
EZ Board Action:	Agenda Item 6 & 11.	
Risk Ref 15:	COVID-19 - impact on the delivery of the EZ through falling enquiries and disruption to project development and delivery.	Current Risk Rating: 12
Mitigation:	Review and implement advice from Cornwall Council and Public Health England. Introduce remote working and reduce the need for physical attendance at meetings. Continue to manage enquiries to mitigate impact reacting quicker.	
EZ Board Action:	No action for EZ Board.	