



## Cornwall & Isles of Scilly LEP Enterprise Zones Board

<b>Date:</b>	Thursday 9 December 2021	
<b>Time:</b>	17:00 – 17:30	
<b>Location:</b>	Goonhilly Earth Station	
<b>Chaired by:</b>	Steve Jermy (SJ)	
<b>Secretariat:</b>	Clare Connaughton (CC)	
<b>Membership:</b>	<b>C&amp;IoS LEP</b> - Steve Jermy (SJ) <b>Cornwall Council</b> – Cllr Stephen Rushworth (SR) <b>Goonhilly Earth Station</b> - Ian Jones (IJ) <b>A&amp;P</b> - Drystan Jones (DJ)	
<b>Attendees:</b>	<b>C&amp;IoS LEP</b> - Mark Duddridge (MD) <b>Spaceport</b> – Melissa Thorpe (MT) <b>CDC</b> – Mike King (MK), Nicola Lloyd (NL), Matthew Vowels (MV) <b>Cornwall Council</b> – Iain Mackelworth (IM), Glenn Caplin-Grey (GC-G), Jordan Whaley (JW), Stacey Sleeman (SS) <b>BEIS Cities &amp; Local Growth</b> – Josie Gough (JG) <b>GES</b> – Piran Trezise (PT) <b>A&amp;P</b> – Mike Spicer (MS)	
<b>Agenda</b>		
	<b>Lead</b>	<b>Time Slot</b>
<b>1. Apologies</b>	SJ	17:00 – 17:05
<b>2. Minutes from the last meeting &amp; action tracker</b>	SJ	17:05 – 17:15
<b>3. EZ Growth Fund</b>	JW	17:15 – 17:30
a) EZ Growth Fund update and applications		

<b>4. Any other business</b>	SJ	17:30 – 17:35
<b>5. Date of next meeting</b> Thursday 10 February 2022 @ 14:00, Teams.	SJ	



<b>Title:</b>	<b>Cornwall and Isles of Scilly Local Enterprise Partnership Enterprise Zone (EZ) Board</b>
<b>Date:</b>	Thursday 21 October 2021
<b>Time:</b>	10:30 – 12:30
<b>Venue:</b>	Microsoft Teams
<b>Chair:</b>	Steve Jermy (SJ)
<b>Secretariat:</b>	Clare Connaughton (CC)
<b>Membership:</b>	<b>C&amp;IoS LEP:</b> Steve Jermy (SJ), Mark Duddridge (MD) <b>Cornwall Council:</b> Glenn Caplin-Grey (GC-G) <b>Goonhilly Earth Station Limited:</b> Ian Jones (IJ) <b>A&amp;P:</b> Drystan Jones (DJ)
<b>Attendees:</b>	<b>CC:</b> Jordan Whaley (JW) Iain Mackelworth (IM), - (first hour) <b>CDC:</b> Mike King (MK), Gail Eastaugh (GE), Matthew Vowels (MV) <b>GES:</b> Piran Trezise (PT) <b>A&amp;P:</b> Mike Spicer (MS) <b>Spaceport:</b> Melissa Thorpe (MT) <b>BEIS, Cities &amp; Local Growth:</b>  <b>Other attendees:</b> Eloise Travis (ET) John Allen (JA), Cllr Rushworth (Cllr R) Emma Miller (EM)

<b>Minutes</b>		<b>ACTION</b>
<b>1</b>	<b>Welcomes and Introductions</b>	
1.1	Introductions were made.	
<b>2</b>	<b>Apologies for Absence</b>	
2.1	Nicola Lloyd (NL), Stacey Sleeman (SS), Glenn Caplin-Grey (GC-G), Josie Gough (JG), Ian Jones (IJ)	
<b>3</b>	<b>Housekeeping</b>	
<b>3a</b>	<b>a) Conflict of Interest declaration</b>	
3a.1	Cllr R to absent himself whilst Rate Relief applications relating to CC are discussed.	
<b>3b</b>	<b>b) Approval of Minutes from the last meeting</b>	

3b.1	The previous minutes were agreed as a true and accurate record.	
<b>3c</b>	<b>c) Action Summary</b>	
3c.1	The action summary was reviewed and updated (as below).	
<b>4</b>	<b>Decarbonising Enterprise Zones (ET)</b>	
4.1	ET presented slides and asked consideration to form an EZ Carbon Neutral sub-group which would feed into the LEP EZ Board. The remit of the sub-group would be to implement carbon emissions reductions within EZs, and to extend to the whole County eventually.	
4.2	The EZ Board declared support for a Carbon Neutral sub-group; a rate relief application to fund a baseline study of carbon emissions was submitted and will be discussed on this agenda.	
4.3	<b>SJ</b> offered to share his contacts with ET, including recommended specialist consultants.	<b>SJ</b>
<b>5</b>	<b>EZ Board Review</b>	
5.1	It was agreed to take a fresh look at the remit of the EZ Board, as things have changed since the EZs were created. The Marine sector rate relief programme closes in March 2022 and it seemed a good time to review EZs and seek to align with current government policies and priorities including Freeports and clean energy initiatives.	
5.2	The terms of reference and EZ Growth Fund Investment criteria will be reviewed and proposals brought back to the Board updated to reflect changes, and other opportunities including lithium mining and developing skills for the mining, marine and space sectors along with proposals for how the EZ funds can be redirected more effectively and outside the zones.	
5.3	It was agreed to hold a workshop with reps from Mining, Space and Offshore & Marine sectors, to carry out a gap analysis and look at logistics, power and transport support infrastructures. The ToR can also be reviewed and updated by attendees.	

5.4	Consideration will be given to developing a sector which extends to the wider County.	
5.5	PT offered Goonhilly conference room for either face to face or remote working, subject to Covid-19 guidelines. <b>CC</b> to look at possible dates for the workshop and send out a meeting request.  <i>IM left the meeting at 11:30.</i>	<b>CC</b>
<b>6</b>	<b>Green Industrial Revolution</b>	
6.1	A PowerPoint presentation was circulated with the papers. Following the G7 event, Cornwall will endeavour to lead in the Space, FLOW and Geo-thermal sectors, attract external investors and to extend the benefit to the whole of the country.	
6.2	Skills to support the sectors will be delivered and hopefully talent can remain in Cornwall and even attract skilled staff to relocate.	
6.3	MK and MD recently attended a Mining Conference organised by Cornish Lithium Ltd. Cornwall lithium companies can lead in the supply chain for clean energy and perhaps offer equity in return to investors. This in turn could benefit UK car building by using a domestically produced component in batteries.	
<b>7</b>	<b>Marketing and Pipeline Opportunities</b>	
7.1	From the inward investment pipeline chart, there are overseas' countries interested in investing within Cornwall. There is a shortage of office / industrial accommodation; further expansion is underway with Hayle phase 2 and Chi Tevyans is ready for tenants.	
7.2	Cornwall Airport Newquay (CAN) is attracting several enquiries from investors who wish to move to Cornwall or to existing businesses wishing to expand their premises, in time for the Virgin launch next year.	
7.3	It is important to progress Aerohub Business Park Sector 3 to meet the demand. In turn, this will generate more income as well as promoting businesses.	

<p><b>8</b> 8.1</p>	<p><b>South Side Infrastructure (SSIF)</b></p> <ul style="list-style-type: none"> <li>• Dracken is leaving CAN in March 2022 as the company is undergoing a restructure,</li> <li>• STS Aviation Group are still in negotiations for a hanger lease,</li> <li>• Aviation Centre will be completed in 2 months,</li> <li>• MOD will be vacating CAN shortly.</li> </ul>	
<p><b>9</b> 9.1</p>	<p><b>Spaceport Update</b></p> <ul style="list-style-type: none"> <li>• Licence application submitted ready for Virgin launch in July 2022. Local events company would like to mark the launch and coincide with the Royal Jubilee by arranging a music festival,</li> <li>• Aviation Centre – Kier is doing fit-out work, clean room construction underway,</li> <li>• Trying to secure a HAS for rocket testing facilities,</li> <li>• Working with JA on site sustainability and bio-diversity etc.</li> </ul>	
<p><b>10</b> 10.1</p>	<p><b>EZ Investment Plan</b></p> <p>The EZ Investment Plan will no longer be brought to Cornwall Council Cabinet, as the process will be carried out on a case by case, if required.</p>	
<p><b>11</b> <b>11a</b> 11a.1  <b>11b</b> 11b.1</p>	<p><b>Aerospace EZ Site Updates</b></p> <p><b>a) Aerohub</b></p> <p>This has already been covered on previous agenda items.</p> <p><b>b) Goonhilly</b></p> <ul style="list-style-type: none"> <li>• Supporting UK Space Agency projects.</li> <li>• Scoping second site for GES.</li> <li>• In talks with Virgin Orbit and will link GES 60<sup>th</sup> anniversary celebrations with the Virgin Spaceport launch event.</li> </ul>	
<p><b>12</b> <b>12a</b> 12a.1</p>	<p><b>Marine EZ Site Updates</b></p> <p><b>a) Wave Hub Sale</b></p> <p>The Wave Hub sale has finally concluded, with the purchasers, Hexicon, who are planning installation of 2 FLOW turbines.</p>	

<b>12b</b>	<b>b) Celtic Sea Floating Offshore Wind Industrialisation</b>	
12b.1	<p>Celtic Sea Power is, now leading two ERDF funded projects, undertaking R&amp;D work that will help accelerate the industrialisation of FLOW in the Celtic Sea:</p> <ul style="list-style-type: none"> <li>• Cornwall FLOW Accelerator – a £6.0M Cornish ERDF project, led by Celtic Sea Power, with Universities of Exeter and Plymouth, and the Offshore Renewable Energy Catapult as partners;</li> <li>• Pembrokeshire Demonstration Zone – a £4.0M Welsh ERDF project, led by Celtic Sea Power.</li> </ul>	
<b>12c</b>	<b>c) Falmouth Docks</b>	
12c.1	The cruise season has been busy; A&P in talks with CC to maximise impact of City of Culture 2025 nomination. Links with Cornwall Association of Tourist Attractions (CATA) to promote cruises who dock in Falmouth.	
12c.2	The cargo sector has been busy too with incoming and outgoing heavy materials. A&P have been in talks with Network Rail regarding onward journeys of this kind of cargo.	
12c.3	Scoping the development of growing FLOW with Celtic Sea Power following the sale of the Wave Hub. Also looking at moving towards converting vessels to Liquefied Natural Gas (LNG).	
<b>12d</b>	<b>d) Hayle MRBP</b>	
12d.1	Hayle MRBP is now fully occupied.	
<b>12e</b>	<b>e) Tolvaddon</b>	
12e.1	<ul style="list-style-type: none"> <li>• EV station contract is expected to conclude next month</li> <li>• Discussions continue for interest on other plots.</li> </ul>	
<b>13</b>	<b>Rate Relief and EZ Growth Fund</b>	
<b>13a</b>	<b>a) Rate Relief Renewals and Rate Relief Approvals</b>	
13a.1	Cllr R absented himself from CC related applications.	

13a.2	<ul style="list-style-type: none"> <li>• A rate relief renewal has been submitted by Triskel Marine Ltd. Despite chasing a number of time, no reporting has been received from Triskel Marine since Q2 2020. Decision of Board: Approval is conditional based on satisfactory receipt of reports as required by LEP or MHCLG.</li> <li>• Foxbee BB Ltd t/a Little Goat Gruff rate relief application has been submitted. Decision of Board: Approved.</li> </ul>	
13b	<b>b) EZ Growth Fund update &amp; applications</b>	
13b.1	<ul style="list-style-type: none"> <li>• FaBTest Marine Technology Demonstration Site 2021-2023. FHC have applied for an EZ Growth Fund grant to secure the facility for another three years until 31 March 2024. Decision of Board: Decision postponed and further assessment is required,</li> <li>• Enterprise Zones Carbon Inventory. The project will ascertain the existing (baseline) carbon emissions relating to business operations within Cornwall's EZs and identify and implement measures to reduce carbon emissions. Decision of Board: Approved with conditions stated in report with the addition of; <ul style="list-style-type: none"> <li>○ Local suppliers to be considered favourably when procuring,</li> <li>○ Any financial advantage identified or facilitated through this study to be assessed for possible revolving fund,</li> </ul> </li> <li>• Business Rate Relief to Scoble Ltd. Scoble Ltd have applied for an EZ Growth Fund grant to pay towards their business rates at Unit 2 at Sector 2 Aerohub Business Park. Decision of Board: Approved with conditions. JW explained that the costs are indicative and subject to change through variations of Special Drawing Rights and Non-Domestic Rates Multiplier,</li> <li>• EZ Business Plan 2020-2023. A Project Change Request has been submitted to repurpose the £15,000 towards EZ Programme Management. Decision of the Board: Approved.</li> </ul>	



13b.2	Remaining unallocated balance after the above, would be £670,810, which will be uplifted in April 2022. The forward plan with upcoming applications was noted.	
13b.3	EM will provide support on EZ and will help with the review of templates and policy, and improve the reporting to the EZ Board with the inclusion of programme dashboard.	
<b>14</b>	<b>Performance Data</b>	
<b>14a</b>	<b>a) Ministry of Housing, Communities &amp; Local Government (MHCLG) Data Report Q2 2021</b>	
14a.1	Q2 2021 data report is due to be submitted on 26 November 2021.	
<b>15</b>	<b>Risk Register and Report</b>	
15.1	The Risk Register was circulated with the papers; there were no new risks identified.	
<b>16</b>	<b>Any Other Business</b>	
16.1	<p>GE provided an updated on a project at Pedannack Airfield. GE requested the Board to consider an EZ Growth Fund application by written procedure as there is a deadline to secure 3<sup>rd</sup> party investment. JW explained that in accordance with the EZ Growth Fund policy requests over £250k require a Business Case and external appraisal, and there is a limitation of £75k for written procedure.</p> <p>The meeting concluded at 12:45.</p>	
<b>17</b>	<b>Date of next EZ Board Meeting:</b>	
17.1	Thursday 09 December 2021, 14:00, Teams.	

## Appendix 1: Action Tracker

### C & IoS LEP EZ Board

#### Action Tracker 21/10/2021

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Ref & Date	Action	Owner	Status			Notes
			Complete	Ongoing	Not Complete	
21/10 4.3	Carbon emission specialist consultant – Send contacts to ET	<b>SJ</b>				
21/10 5.7	EZ Board Review Workshop Arrange date, venue is Goonhilly Conference room	<b>CC</b>				
25/6 4a.3	The Government Minister for Trade and Investment is keen to make a return visit to promote the work at Goonhilly and Spaceport. MK will inform group members of dates.	<b>MK</b>		X		Lord Grimstone letter sent, now waiting response regarding a 2 <sup>nd</sup> visit.
25/6 13.1	GE proposition circulated with the agenda pack for reference. The request is for circa £250-300k for this proposal, which falls outside EZ sites. In principle there were no objections and GE will proceed with a EZ Growth Fund application for the next Board meeting.	<b>GE</b>	X			Has slides under AOB  Agreed to do application by written procedures
27/4 7.2	Spoil creation at Sector 2 – Blue Abyss pool. Discuss further with Glenn in relation to G7 and prolongation of EZs Due diligence with Govt – proceed with caution. Costs share with Govt / ensure no duplication of process.  BA has external backing investment which may be useful generally as green energy Visit on 02 November – meet stakeholders and Yonder, investment – may interest GES  Exclusivity on land given	<b>IM</b>		X		Due diligence taking place, negotiations continue with Blue Abyss regarding funding partners & deliverables
27/4 7.2	Blue Abyss spoil to be included within Planning application as condition Do on agenda under Sec 2 AHub  Secure funding – keep monitoring	<b>MV</b>		X		Due diligence taking place
27/4 8.2	Arrange Greenports task & finish group for early Summer 2021. Carry forward.  Plymouth link and impact. IM invited to Plymouth Stakeholder group 25 June, possible	<b>MD</b>		X		Greenports are still an option in Cornwall

	extension to Cornwall.					
27/4 10.2	<p>Tolvaddon land - MV will write a paper with this proposal for consideration of the EZ Board, and connect with Camborne's Town Deal proposals.</p> <p>Overtaken by events – 1<sup>st</sup> relocation did not happen so land no longer required on this site. MV will do paper for the next meeting Gridserve EV, Deep Geothermal at Zone 2, exclusivity agreement with green laundry on z4</p>	<b>MV</b>		X		
27/4 11b.3	<p>Revenue reinvestment priorities will be clarified by IM and considered when assessing future funding Growth Fund applications.</p> <p>Not to award on a first come first served criteria as may miss other, more beneficial opportunities.</p> <p>Pick up on agenda today under review</p>	<b>IM</b>		X		
27/3 6.3	PT to speak to SJ and MH on connecting FLOW with GES	<b>SJ</b>		X		Deferred to Autumn 2021
9/12 14.3	<p>Universities EZs – Possible Internships within EZs' sectors. Glenn to propose with Uni of Falmouth</p> <p>GC-G sent apologies so will be reminded of action.</p>	<b>GC</b>		X		

Most recent at top



Date of Board Meeting: **9 December 2021**

Report Title: **EZ Growth Fund**

Author: **Jordan Whaley**

Contact: [Jordan.whaley@cornwall.gov.uk](mailto:Jordan.whaley@cornwall.gov.uk)

Decision Required by the Board **Y/N**: Y

For Information Only **Y/N**: N

### **Recommendation(s)**

1. That the EZ Board delegate to the LEP CEO the authority to award EZ Growth Fund business rates grant to **'BWF Construction Services Ltd T/as Building with Frames'** on an annual basis subject to receipt of satisfactory information provided by the recipient.

### **Executive Summary**

This report seeks a decision from the Board for an application to the EZ Growth Fund from BWF Construction Services Ltd T/as Building with Frames, and also highlights any key issues that the Board needs to be aware of regarding the EZ Growth Fund.

There are two Enterprise Zones in Cornwall made up of five individual sites. All business rates generated over and above the agreed baselines are retained by the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) for 25 years.

The rates funding from all zones is aggregated into a single pot (EZ Growth Fund) and awarded in accordance with the 'EZ Growth Fund – Investment Policy' approved by the LEP EZ Board in December 2019. Both the policy and forms (Application and Appraisal) require a review and update which will be completed before the next EZ Board.

### **Progress/Update/Impact/Outcomes/Issues**

Approving investments from the EZ Growth Fund is a key responsibility of the EZ Board. Prior to the decision of the EZ Board, applications are appraised by Cornwall Council Economic Growth Programmes Team and endorsement sought from the EZ Operational Board, if time permits.

The EZ Growth Fund applications received have been discussed at the EZ Operational Board and EZ Board previously.

### **EZ Growth Fund Application**

<b>Applicant</b>	BWF Construction Services Ltd T/as Building with Frames
<b>Project name</b>	EZ Growth Fund – Business Rate Relief
<b>Description</b>	BWF Construction Services Ltd T/as Building with Frames have applied for an EZ Growth Fund grant to pay towards their business rates whilst they temporarily occupied HAS Unit 7 at Cornwall Airport Newquay.
<b>Amount of Grant</b>	£9,715
<b>Project Cost</b>	£9,715
<b>Date of Officer Appraisal</b>	6 October 2021
<b>Date of EZ Operational Board</b>	9 September 2021
<b>Recommendation</b>	Approve

The application adheres to the guidance provided in the Rate Relief Policy and the EZ Growth Fund Policy.

The rate relief period at Aerohub at Cornwall Airport Newquay expired in 2018 meaning that Government no longer reimburse the costs incurred by Cornwall Council to provide rate relief. An alternative locally funded approach was adopted which offers businesses the opportunity to apply for an EZ Growth Fund grant to pay for their business rates for four years on a tapering basis, as set out below:

#### **Year Rate Relief**

1	100%
2	100%
3	75%
4	50%

### **Financial Implications**

Approval of the BWF Construction Services Ltd T/as Building with Frames application will result in a one-off payment from the EZ Growth Fund of £9,715 as the company has now left the site.

Based on the assumption that the application received is approved the current year budget for the EZ Growth Fund is as follows:

Balance as at 1 April 2021	£1,545,701
In year claims and defrayal	£120,661
Commitments	£727,779 (including applications above)
Remaining Unallocated	£697,261

Of the total commitments, approximately £558,141 expenditure is associated with grants for business rate relief which has been committed up to 2025/26.

In August 2020, a loan of £35,000 was provided to Cornwall Marine Network Ltd as part of the EZ Covid response. The final repayment date is 31 October 2023. The daily interest on the loan is fixed at 4.5%, payable either upon repayment of the loan or later upon the final repayment date.

### **EZ Growth Fund Forward Plan**

The following applications have been received and are either being appraised, or further details requested.

Applicant	Project	Ask	Target Sector
Cornwall Heritage Aviation Centre	Rates Grant	£46,750	Tertiary
Cornwall Council	Programme Management (3 yr)	£150,000	Not applicable
Cornwall Council	Launch Event Marketing and Inward Investment Campaign.	£100,000	Primary
Cornwall Airport Limited	STS Hangar	£75,000	Primary
Cornwall Council	Freeport Feasibility	£75,000	Primary

### **Appendices (EZ Board voting members only)**

1. Application and Appraisal BWF Construction Services Ltd T/as Building with Frames

***Section 151 (Finance) Officer commentary and sign off***

Name:	Tracy Stepney
Date:	02/12/2021
Comments:	