



Cornwall & Isles of Scilly LEP Enterprise Zones Board

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| Date: | Thursday 17 February 2022 | |
| Time: | 09:00 – 11:00 | |
| Location: | Microsoft Teams | |
| Chaired by: | Steve Jermy (SJ) | |
| Secretariat: | Clare Connaughton (CC) | |
| Membership: | C&IoS LEP - Steve Jermy (SJ) Cornwall Council – Cllr Stephen Rushworth (SR) Goonhilly Earth Station - Ian Jones (IJ) A&P - Drystan Jones (DJ) | |
| Attendees: | C&IoS LEP - Mark Duddridge (MD) Spaceport – Melissa Thorpe (MT) CDC – Nicola Lloyd (NL), Matthew Vowels (MV), Gail Eastaugh (GE) Cornwall Council – Iain Mackelworth (IM), Jordan Whaley (JW), Stacey Sleeman (SS) BEIS Cities & Local Growth – Josie Gough (JG) GES – Piran Trezise (PT) A&P – Mike Spicer (MS) | |
| Agenda | | |
| | Lead | Time Slot |
| 1. Welcome and Introductions | SJ | 09:00-09:05 |
| 2. Apologies for Absence | SJ | 09:05-09:10 |
| 3. Housekeeping | SJ | 09:10-09:20 |
| a) Conflict of Interest Declarations b) Approval of Minutes from the last meeting | | |

| | | |
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| c) Action Summary | | |
| 4. EZ Board Proposal | JW | 09:20-09:40 |
| 5. Marketing and Pipeline Opportunities | ALL | 09:40-09:45 |
| 6. Spaceport update | MT | 09:45-09:55 |
| 7. Aerohub+ Updates a) Aerohub b) Goonhilly | MV PT | 09:55-10:00 10:00-10:05 |
| 8. Marine Hub Updates a) Falmouth Docks b) Hayle c) Tolvaddon | DJ MV MV | 10:05-10:10 10:10-10:15 10:15-10:20 |
| 9. Rate Relief and EZ Growth Fund a) Rate Relief Renewals b) EZ Growth Fund update and applications | JW | 10:20-10:40 |
| 10. Performance Data Levelling up, Housing and Communities Data Report Q3 2021/21 | JW | 10:40-10:45 |
| 11. Any other business | SJ | 10:45-11:00 |
| 12. Date of next meeting Thursday 14 April 2022 @ 14:00, Teams. | SJ | |



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|---------------------|---|
| Title: | Cornwall and Isles of Scilly Local Enterprise Partnership Enterprise Zone (EZ) Board |
| Date: | Thursday 09 December 2021 |
| Time: | 17:00 – 17:30 |
| Venue: | Goonhilly Earth Station |
| Chair: | Steve Jermy (SJ) |
| Secretariat: | Clare Connaughton (CC) |
| Membership: | C&IoS LEP: Steve Jermy (SJ) Cornwall Council: Cllr Rushworth Goonhilly Earth Station Limited: Ian Jones (IJ) A&P: Drystan Jones (DJ) |
| Attendees: | C&IoS LEP: Steve Jermy (SJ), Mark Duddridge (MD) CC: Jordan Whaley (JW) Iain Mackelworth (IM), GES: Piran Trezise (PT) |

| Minutes | | ACTION |
|----------------|--|---------------|
| 1 | Welcomes and Introductions | |
| 1.1 | Introductions were made. | |
| 2 | Apologies for Absence | |
| 2.1 | Nicola Lloyd, Cllr Rushworth, Josie Gough, Mike Spicer, Melissa Thorpe, Gail Eastaugh, Matthew Vowels, Mike King | |
| 3 | Housekeeping | |
| 3a | a) Conflict of Interest declaration | |
| 3a.1 | None declared. | |
| 3b | b) Approval of Minutes from the last meeting | |
| 3b.1 | The previous minutes were agreed as a true and accurate record. | |
| 3c | c) Action Summary | |
| 3c.1 | The action summary was reviewed and updated (as below). | |
| 4 | Rate Relief and EZ Growth Fund | |
| 4a | a) Rate Relief Renewals and Rate Relief Approvals | |

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| 4a.1 | There were no rate relief renewals or approvals at this meeting. | |
| 4b | b) EZ Growth Fund update & applications | |
| 4b.1 | A Growth Fund application from BWF Construction Services Ltd t/a Building with Frames was presented to the Board for consideration. | |
| 4b.2 | BWF is asking for £9,715 to cover business rates for temporary occupation of a HAS, at Cornwall Airport Newquay during G7. Following a discussion and considered deliberation, members agreed to the approval of the grant as it satisfied current criteria of the grant terms. Recommendation: 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. Approved. | |
| 4b.3 | The EZ is under review and the EZ Growth Fund policy will be updated accordingly. The EZ Board agreed to suspend the award of grants for business rates until the new policy is approved. | |
| 5 | Any Other Business | |
| 5.1 | The meeting concluded at 17:30. | |
| 6 | Date of next EZ Board Meeting: | |
| 6.1 | Thursday 17 February 2022, 14:00, Teams. | |

Appendix 1: Action Tracker

C & IoS LEP EZ Board

Action Tracker 09/12/2021

| Ref & Date | Action | Owner | Status | | | Notes |
|-----------------|--|----------|----------|---------|--------------|---|
| | | | Complete | Ongoing | Not Complete | |
| 9/12/21 | Workshop actions: Draft a plan of what G7 legacy will look like in 10 years' time. | SJ | | | X | |
| 9/12/21 | Workshop actions: Arrange a meeting / workshop in Jan 2022 with Space, FLOW and tech metals to draft a plan from the workshop, to take place at Goonhilly Attend FLOW Summit in April 2022 – all 3 sectors, GES 60 th Anniversary June 2022 – festival planned, combine with Virgin Orbit Launch at CAN. Also coordinate with local Universities' events. Use Growth Fund to meet costs. | CC | | | X | |
| 9/12/21 | Workshop actions: JW do paper and send to MD with EZ Growth Fund review proposals, proposals to expand EZs | JW | | | X | |
| 21/10/21 4.3 | Carbon emission specialist consultant – Send contacts to ET | SJ | X | | | |
| 21/10/21 5.7 | EZ Board Review Workshop Arrange date, venue is Goonhilly Conference room | CC | X | | | |
| 25/6/21 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. Team visit planned. | Glenn/MD | | X | | Lord Grimstone letter sent, now waiting response regarding a 2 nd visit. |
| 27/4/21 | Spoil creation at Sector 2 – Blue Abyss pool. | IM | | X | | Due diligence |

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|-----------------|---|-----------|--|---|--|---|
| 7.2 | <p>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.</p> <p>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</p> <p>Exclusivity on land given</p> | | | | | taking place, negotiations continue with Blue Abyss regarding funding partners & deliverables |
| 27/4/21 7.2 | <p>Blue Abyss spoil to be included within Planning application as condition.</p> <p>Secure funding – keep monitoring, Blue Abyss still scoping investment opportunities. Interest has been expressed by Yonder as investor in Blue Abyss which will be kept 'live'. There may also be opportunities for Yonder to invest in other projects which Glenn and MD will progress.</p> | MV | | X | | Due diligence taking place |
| 27/4/21 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 – 1st relocation did not happen so land no longer required on this site.</p> <p>Update: MV will do paper for the next meeting.</p> | MV | | X | | |

Most recent at top



Date of Board Meeting: **17 February 2022**

Report Title: **EZ Growth Fund**

Author: **Jordan Whaley**

Contact: Jordan.whaley@cornwall.gov.uk

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

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

Recommendation(s)

1. That the application from Cornwall Council for the project '**Predannack infrastructure**' is approved with conditions as identified within this report.
2. That the application from Cornwall Airport Ltd for the project '**New hangar feasibility for STS**' is approved with conditions as identified within this report.
3. That the application from Cornwall Council for the project '**Spaceport Cornwall – Maximising benefits of first launch**' is approved with conditions as identified within this report.

Executive Summary

This report seeks a decision from the Board for applications to the EZ Growth Fund from Cornwall Council and from Cornwall Airport Ltd, 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) are under review.

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.

EZ Growth Fund Applications

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|---|---|
| Applicant | Cornwall Council |
| Project name | Predannack infrastructure |
| Description | Application for an EZ Growth Fund grant to fund the build of a small hangar at Predannack Airfield for autonomous flights. |
| Amount of Grant | £249,000 |
| Project Cost | £249,000 |
| Date of Officer Appraisal | 2 February 2022 |
| Date of EZ Operational Board Recommendation | 5 January 2022 |
| | <p>Approve with conditions;</p> <ul style="list-style-type: none"> • Payment will be made on receipt of satisfactory evidence of expenditure and defrayal • Evidence of the creation of economic benefits to be provided in accordance with schedule in the Application • To ensure recognition of the funding provided by the Enterprise Zone and Cornwall and Isles of Scilly Local Enterprise Partnership in all publicity material • Confirmation of agreement with landowner (MoD) • Confirmation in writing from the MoD regarding the permitted development rights • Provide advice received on UK Subsidy Control • Any surpluses will be returned to the EZ Growth Fund either in the form of net |

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| | revenue or a capital receipt if the structure is sold |
| Applicant | Cornwall Airport Ltd |
| Project name | New hangar feasibility for STS |
| Description | Application for an EZ Growth Fund grant to fund a feasibility study to investigate planning as the building exceeds the LDO height limits, develop the design and secure greater cost and programme certainty that works for STS in terms of rent and for the Council in terms of return on investment. |
| Amount of Grant | £74,900 |
| Project Cost | £74,900 |
| Date of Officer Appraisal | 2 February 2022 |
| Date of EZ Operational Board Recommendation | 5 January 2022 |
| | <p>Approve with conditions;</p> <ul style="list-style-type: none"> • Provide a full breakdown of costs for the feasibility study • Milestones for the delivery of the feasibility study to be submitted and agreed • Provide written advice received on UK Subsidy Control • Further details required on the match funding contribution from STS • Payment will be made on receipt of satisfactory evidence of expenditure and defrayal • To ensure recognition of the funding provided by the Enterprise Zone and Cornwall and Isles of Scilly Local Enterprise Partnership in all publicity material |
| Applicant | Cornwall Council |
| Project name | Spaceport Cornwall – Maximising benefits of first launch |
| Description | Application for an EZ Growth Fund grant to fund the resources and activities required to maximise the benefit of the spaceport programme. |

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| Amount of Grant | £202,500 |
| Project Cost | £295,600 |
| Date of Officer Appraisal | 3 February 2022 |
| Date of EZ Operational Board Recommendation | Not applicable |
| | Approve with conditions; <ul style="list-style-type: none"> • Payment will be made on receipt of satisfactory evidence of expenditure and defrayal • Evidence of the creation of benefits to be provided in accordance with schedule in the Application • To ensure recognition of the funding provided by the Enterprise Zone and Cornwall and Isles of Scilly Local Enterprise Partnership in all publicity material |

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

Financial Implications

Approval of both of the Cornwall Council applications will result in a reduction of £451,500 (being £249,000 and £202,500) from the EZ Growth Fund and the application from Cornwall Airport Ltd will result in a reduction of £74,900 from the EZ Growth Fund.

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

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| Balance as at 1 April 2021 | £1,545,701 |
| In year claims and defrayal | £161,242 |
| Commitments | £1,406,460 (including applications above) |
| Remaining Unallocated | -£22,001 |

The award of grants in this application will exceed the unallocated budget, however, of the total commitments, approximately £526,269 expenditure is associated with grants for business rate relief which has been committed up to 2025/26. A contribution to the EZ Growth Fund for 2022/23 is expected in May 2022 which will increase the total funding pot.

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 | Freeport Feasibility | £75,000 | Primary |

Appendices (EZ Board voting members only)

1. Application and Appraisal Predannack infrastructure
2. Application and Appraisal New hangar feasibility for STS
3. Application and Appraisal Spaceport Cornwall – Maximising benefits of first launch

Section 151 (Finance) Officer commentary and sign off

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| Name: | Tracy Stepney |
| Date: | 09/02/2022 |
| <p>Comments: The detail of any net income or capital receipt calculation must be clarified and agreed in advance of any grant defrayal in relation to the Predannack Infrastructure application.s</p> <p>Approval of any further applications to the EZ Growth Fund must take into account the timing of additional rate growth and specific defrayal date. This reserve is not authorised to be in a deficit position at any time.</p> | |



Date of Board Meeting: **17 February 2022**

Report Title: **EZ Business Rate Relief**

Author: **Jordan Whaley**

Contact: jordan.whaley@cornwall.gov.uk

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

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

Recommendation(s)

1. That the business rate relief application from Ultrabeam Ltd is approved for 2022/23 on the condition that reports as requested are received.
2. That the business rate relief application from Goonhilly Earth Station is approved for 2022/23 on the condition that reports as requested are received.

Executive Summary

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 (Clos LEP) for 25 years.

It is a requirement of the Clos LEP 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 located at the Marine Hub EZ can apply for 100% Government funded business rate relief for up to five years but must be approved before the deadline of 31 March 2022. Businesses at Aerohub+ can no longer apply for Government funded rate relief.

| Site | Date |
|------------------------------------|---------------|
| Cornwall Airport Newquay (expired) | 31 March 2018 |
| Goonhilly Earth Station (expired) | 31 March 2021 |

| | |
|---------------------------------------|---------------|
| Hayle Marine Renewables Business Park | 31 March 2022 |
| Tolvaddon | 31 March 2022 |
| Falmouth Docks | 31 March 2022 |

Until the end of 2020, awards of rates relief were granted as de minimis aid under State Aid. From 1 January 2021, such awards are made under UK Subsidy Control.

Once granted the business rate relief award needs to be renewed annually. This provides a mechanism for the businesses to confirm that they are able to receive a further subsidy and to confirm that the business is continuing to meet the conditions of the award, for example, monitoring and reporting of outputs.

The value of business rate relief is calculated using the conversion rates from Special Drawing Rights to Sterling on the date of the offer letter, to ensure any award is within the limit. The value of business rates is also calculated using the Non-Domestic Rates Multiplier (NDRM) which is adjusted each year.

The following applications rate relief renewal have been received:

Table 1 – Rate Relief Renewals 2022/23

| Company Name | Zone | Location | First date of Award | Period Remaining Including Application for 2022/23 | Estimated Rates Relief |
|-------------------------|------------|---------------------------------------|---------------------|--|------------------------|
| Ultrabeam Ltd | Marine Hub | Hayle Marine Renewables Business Park | 29 July 2019 | 21 months | £6,363 |
| Goonhilly Earth Station | Aerohub+ | Goonhilly Downs, Helston | 31 March 2021 | 4 years | £111,420 |

Ultrabeam Ltd is situated at Hayle Marine Renewables Business Park and is eligible for Government funded business rate relief for five years since 29 July 2019. The business has received business rate relief accordingly, with twenty-one months remaining. A rate renewal application for 2022/23 has been received, however, reporting has not been submitted for the past quarter as requested. It is therefore recommended that business rate relief be approved, with the requirement of reporting to be received as a condition of funding. The reporting information is

necessary for reporting to Government and therefore reports are a requirement of approval and must meet the satisfaction of CloS LEP. The rate relief will not be processed until reporting has been received.

Goonhilly Earth Station is eligible for Government funded business rate relief for five years since 31 March 2021. The business has received business rate relief accordingly, with four years remaining. A rate renewal application for 2022/23 has been received, however, reporting has not been submitted for the past quarter as requested. It is therefore recommended that business rate relief be approved, with the requirement of reporting to be received as a condition of funding. The reporting information is necessary for reporting to Government and therefore reports are a requirement of approval and must meet the satisfaction of CloS LEP. The rate relief will not be processed until reporting has been received.

The following applications for rate relief renewal have been requested, but not received:

Table 2 – Rate Relief renewal applications not received 2022/23

| Company Name | Zone | Location | First date of Award | Period Remaining Including Application for 2022/23 | Estimated Rates Relief |
|--------------------------|------------|---------------------------------------|---------------------|--|---|
| Triskel Marine Ltd | Marine Hub | Hayle Marine Renewables Business Park | 01 July 2017 | 3 months | £7,734.50 2021/22 £1,933 2022/23 |
| Little Goat Gruff | Marine Hub | Hayle Marine Renewables Business Park | 7 June 2021 | 4 years | £5,195 |
| Airblade Dynamics | Aerohub | HAS1 Aerohub 2 St Mawgan | 29 March 2018 | 1 year | £17,964 |
| Swathe Services (UK) Ltd | Marine Hub | Unit 7, Marine Renewables | 1 November 2017 | 6 months | £3,867 |

| | | | | | |
|--------------|---|-------------------------------|---|--|--|
| | | Business Park | | | |
| CIS (UK) Ltd | Sector 12 is not yet valued for rating purposes | Plot 12 Aerohub Business Park | Sector 12 is not yet valued for rating purposes | | |

Triskel Marine Ltd have received Government funded business rate relief since 1 July 2017 to 1 July 2021, totalling £30,597, however, despite being notified in last year's award letter, that as a recipient of EZ benefits, their performance will be monitored and considered in connection with the continuation of the EZ benefits, no reporting has been received since Q2 2020, despite repeated requests.

The previous board meeting agreed that the 2021/22 renewal application for business rates relief was approved but payment was conditional, based on the satisfactory receipt of reports as required by the LEP and MHCLG. As no reporting has been received to date, the rate relief has not been awarded for 2021/22.

A 2022/23 rate renewal application request was sent on 14 January 2022, and as no application has been received, business rate relief cannot be approved for 2022/23.

Foxbee BB Ltd Trading as Little Goat Gruff took occupancy at Hayle Marine Renewables Business Park in June 2021 and therefore is eligible for Government funded business rate relief for five years. The business has received Government funded business rate relief since 7 June 2021, totalling £5,194.38.

However, no reporting has been received to date as requested. A rate renewal application request was sent on 14 January 2022, and as no application has been received, business rate relief cannot be approved for 2022/23.

Airblade Dynamics is situated at HAS1 Aerohub 2 and is eligible for Government funded business rate relief for five years since 29 March 2018. The business has received business rate relief accordingly, and this is the final year. No reporting has been received for the past quarter as requested. A rate renewal application request was sent on 14 January 2022, but as no application has been received, business rate relief cannot be approved for 2022/23.

Swathe Services (UK) Ltd is situated at Marine Renewables Business Park North Quay and is eligible for Government funded business rate relief for five years since 1 November 2017. The business has received business rate relief accordingly, with six months remaining. Reporting has been received as requested for the past quarter. A

rate renewal application request was sent on 14 January 2022, but as no application has been received, business rate relief cannot be approved.

CIS (UK) Ltd is located at Aerohub, Sector 12. As this Sector is not yet valued for rating purposes, the business cannot apply for rate relief.

These decisions of the EZ Board only relates to the award of rate relief.

There remains an issue with reporting from businesses at the EZ. A letter was sent to all tenants on 19 November 2021 to request reports and reiterate the importance of this data to the EZ.

Financial Implications

The estimated value of the business rates relief for Ultrabeam Ltd is £6,363, which is included within the Government scheme and is not a direct cost to the LEP.

The estimated value of the business rates relief for Goonhilly Earth Station is £111,420, which is included within the Government scheme and is not a direct cost to the LEP.

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 business rate relief for up to five years, they will not generate rates growth to the EZ Growth Fund.

Appendices

None

Section 151 (Finance) Officer commentary and sign off

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|-----------|---------------|
| Name: | Tracy Stepney |
| Date: | 09/02/2022 |
| Comments: | |