



Charnwood Borough Council
Charnwood Enterprise Zone
Business Rates Relief Policy

Charnwood Enterprise Zone Business Rate Relief Policy

Introduction

The Leicestershire Enterprise Zones encompass four sites within the Leicester and Leicestershire Enterprise Partnership (LLEP) area:

-) MIRA Technology Park;
-) Leicester Waterside and Space Park;
-) Loughborough University Science and Enterprise Park (LUSEP); and,
-) Charnwood Campus

MIRA Technology Park near Hinckley was granted Enterprise Zone status in August 2011.

The remaining three sites were granted Enterprise Zone status in April 2017 and together comprise the Loughborough and Leicester Science and Innovation Enterprise Zone.

LUSEP and Charnwood Campus are located within the Borough of Charnwood.

This policy identifies the circumstances in which Charnwood Borough Council will grant business rate relief to occupiers of non-domestic properties located within LUSEP and Charnwood Campus.

Businesses that occupy property in the Enterprise Zone may be eligible for a discretionary relief of up to 100% of the business rates payable, up to a limit of £55,000 per year, and a maximum of £275,000 in any 5 year period subject to meeting the criteria set out within this policy. This will be subject to State Aid limits.

In applying for the relief, businesses will need to demonstrate how their business supports the Enterprise Zone aims;

-) **LUSEP** has been designated with the aim of specializing in advanced engineering and manufacturing, high value research and development, energy and low carbon industries.
-) **Charnwood Campus**, the country's first Life Sciences Enterprise Zone, will provide specialist high quality laboratory accommodation and serviced office facilities supporting bio-medical and pharmaceutical industries

Businesses will need to demonstrate their involvement in the sectors targeted by the relevant Enterprise Zone site and provide appropriate evidence.

Applications for business rate relief will be assessed following the completion and submission of the Charnwood Enterprise Zone Business Rate Relief Application Form. The business rate relief will be awarded where the business demonstrates that it will meet the policy criteria.

Applications will be assessed by The Enterprise Zone Team and applications will normally be determined within one month of receipt. The outcome of the assessment will be notified to the applicant in writing.

Enterprise Zone Business Rate Relief Scheme Criteria

To qualify for relief:

- a) The whole or part of the property must be situated within the defined boundary of the LUSEP or Charnwood Campus Enterprise Zone as shown on the maps at Appendix A.
- b) The business occupying the property must satisfy the sector test defined in Appendix B.
- c) The business premises must be occupied in accordance with section 43 of the Local Government Finance Act 1988. State Aid de minimus limits must not be exceeded (See Appendix C for details of what classes as State Aid and the limits);
- d) If a business relocating into the LUSEP or Charnwood Campus Enterprise Zone after 1 April 2017 is an existing business located within the Leicester and Leicestershire Enterprise Partnership area (as defined in Appendix D) it will need to satisfy the growth test as defined in Appendix E.
- e) Businesses that were already located within the LUSEP or Charnwood Campus Enterprise Zone prior to 1 April 2017 that can satisfy the sector test (Appendix B) will need to demonstrate that they satisfy the growth test (Appendix E) to qualify for a discount.

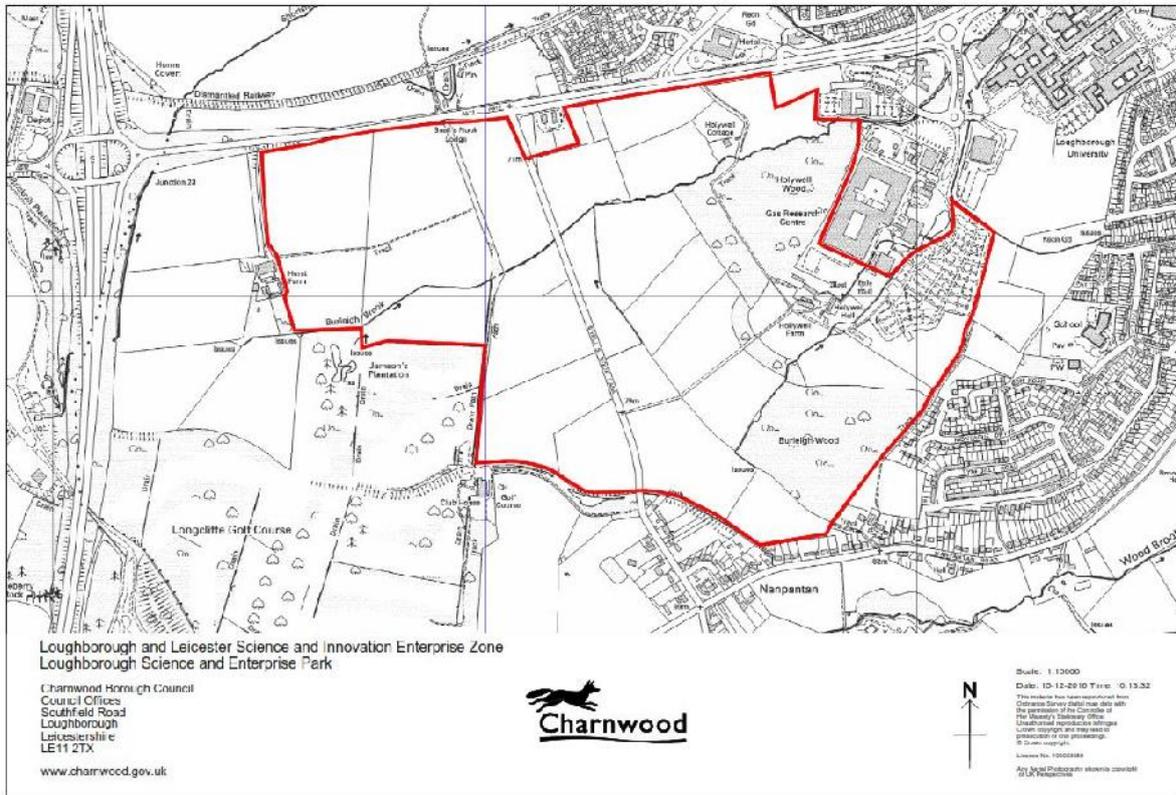
The Borough Council retains the right to exercise discretion on a case by case basis.

Appeals

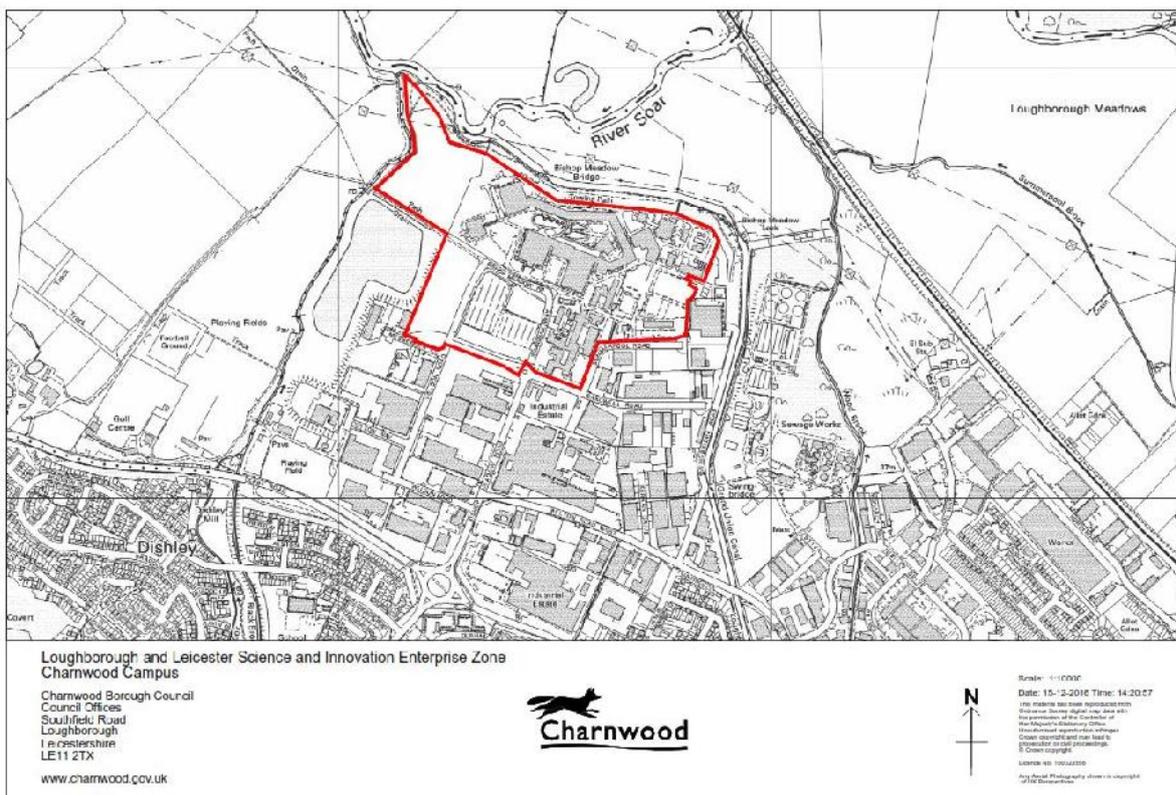
In circumstances where an application for business rate relief has been declined, the applicant may appeal for the decision to be reconsidered. A request for appeal should be made in writing to the Strategic Director of Corporate Services, no later than one month after the date of the determination. Appeals will be considered by the Strategic Director in consultation with the Head of Finance and Property Services and the decision will be final.

Appendix A

Loughborough and Leicester Enterprise Zone (LUSEP) Site Boundaries



Loughborough and Leicester Enterprise Zone (Charnwood Campus) Site Boundaries



Appendix B

Enterprise Zone Sector Test

In order to qualify for the Charnwood Enterprise Zone Business Rate Relief all businesses must demonstrate that the primary focus of the business operating within the Enterprise Zone fits within the target sectors. Each site within the Enterprise Zone is targeted primarily towards a distinctive commercial sector or sectors.

In all cases it will be expected that at least 50% of the turnover of the business that is located, or proposed to be located, within the Enterprise Zone should be achieved from activities related to the target sector(s).

Details of the Enterprise Zones within Charnwood are set out below so as to emphasize the discrete specialist role expected of each site. However, both sites are considered suitable for the identified priority sectors of:

-) Advanced Manufacturing
-) ICT, and
-) Life Sciences

LUSEP

LUSEP aims to accommodate the expansion of Loughborough University while capturing opportunities for commercialization and collaboration arising from the site's close association with the university, allied to its excellent locational advantages.

More details of the objectives of LUSEP can be found in the Charnwood Local Plan Core Strategy (November 2015) under policy CS23.

Within the "family" of Leicestershire Enterprise Zones LUSEP is expected to specialize in providing for advanced engineering and manufacturing, high value research and development, energy and low carbon industries.

Taking into consideration the objectives of the Local Plan and the Enterprise Zone LUSEP is expected to attract businesses primarily through the following target sectors:

-) High and Medium Technology (Advanced) Manufacturing incorporating Research and Development, and,
-) Information and Communications Technology (ICT)

Charnwood Campus Enterprise Zone

Charnwood Campus offers a legacy range of high quality laboratories, offices and pharmaceutical production facilities, as well as land for the development of purpose built accommodation to meet specific client requirements. Those assets offer an unrivalled opportunity within the Midlands for the provision of readily available

facilities to accommodate businesses within a high quality campus setting earning the site particular recognition as the country's first Life Sciences Enterprise Zone. Accordingly the priority sector for Charnwood Campus is:

-) Life Sciences

Advanced Manufacturing Sector

Advanced Manufacturing refers to businesses that use innovative technology to improve products or processes and are likely to use a high level of design or scientific skills in this process.

Evidence will be required to demonstrate that the Advanced Manufacturing businesses proposed meets some or all of the following criteria:

-) is intensive in the use of capital and knowledge;
-) requires long term investment decisions to develop processes and buy equipment (that can take more than a year to manufacture);
-) uses high levels of technology and R&D and intangible investments(training, improvements to business process) to support innovation;
-) requires a flexible workforce with strong specialist skills in the areas of science, technology, engineering and mathematics and design;

Advanced Manufacturing businesses are likely to have a SIC code that falls within the 10*** to 33*** and 72*** groupings.

Examples of manufacturing businesses that are likely to fall with the Advanced Manufacturing sector include the following:

-) chemicals/gases
-) fuels/petroleum products
-) electrical products including plastic / printed electronics
-) machinery
-) pharmaceutical products
-) industrial biotechnology
-) composites
-) nanotechnology
-) metal products
-) aerospace products
-) ICT products

ICT Sector

Information and Communication and Technologies (ICT) generally refers to technologies that focus on communication technologies, such as the internet, wireless, networks, cell phones and other communication media. In 1998, OECD member countries agreed to define the ICT sector as a combination of manufacturing and services industries that capture, transmit and display data and information electronically.

The ICT sector refers to both business that are involved in manufacturing ICT products or delivering ICT services as well as where the employees of a business primary job focus is connected with the operation of ICT systems no matter what sector they are employed in.

ICT businesses are likely to have one of the SIC codes highlighted in the table below.

SIC Code	Description
58210	Publishing of computer games
58290	Other software publishing
61100	Wired telecommunications activities
61200	Wireless telecommunications activities
61300	Satellite telecommunications activities
61900	Other telecommunications activities
62011	Ready-made interactive leisure and entertainment software development
62012	Business and domestic software development
62020	Information technology consultancy activities
62030	Computer facilities management activities
62090	Other information technology service activities
63110	Data processing, hosting and related activities
63120	Web portal

Life Science Sector

The Life Science sector includes both the manufacturing and research and development (R&D) activities often linked with pharmaceutical and Medical devices industries. It includes the following:

-) **Life Science Manufacturing** – includes a range of manufacturing activities relating to life sciences including the manufacture of basic pharmaceutical products, the manufacture of pharmaceutical preparations, the manufacture of irradiation, electro-medical and electrotherapeutic equipment, the manufacture of optical precision instruments and the manufacture of medical and dental instruments and supplies.
-) **Life Sciences R&D** – includes research and development activities relating to life sciences

It is likely that Life Science businesses will have a SIC code from the following:

SIC Code	Description
21100	Manufacture of basic pharmaceutical products
21200	Manufacture of pharmaceutical preparations
26600	Manufacture of irradiation, electromedical and electrotherapeutic equipment
26701	Manufacture of optical precision instruments
26702	Manufacture of photographic and cinematographic equipment

SIC Code	Description
26800	Manufacture of magnetic and optical media
32500	Manufacture of medical and dental instruments and supplies
72110	Research and experimental development on biotechnology
72190	Other research and experimental development on natural sciences and engineering
72200	Research and experimental development on social sciences and humanities

Other Acceptable Uses

The following uses will also qualify for Charnwood Enterprise Zone Business Rate Relief as they are viewed as supporting the growth of the target sectors of the Enterprise Zone. To qualify for relief under these uses the business must clearly demonstrate that they support the target sectors or have a clear business plan to actively develop their business plans to move into supporting the target sectors.

-) Companies providing products or services in the direct Supply Chain of companies within the Enterprise Zone target sectors,
-) Companies whose primary purpose is to provide service sector support activities to businesses within the Enterprise Zone target sectors. This can include accommodation and food services, retail trades, financial and insurance services, legal, accountancy, management and consultancy activities, and,
-) Education, training, research and development facilities where the primary purpose is to support learning, innovation, knowledge transfer and growth across the Enterprise Zone target sectors.

Evidence supporting applications will be closely scrutinized to inform negotiations of the appropriate level of business rate relief granted.

Appendix C

State Aid

Business rate relief under this policy is classed as “state aid.” The European Union regulates state support to businesses with the aim of ensuring fair competition and proper functioning of the single market. There is as yet no indication of how the UK’s withdrawal from the European Union will affect state aid rules.

Relief is made available under the “de minimus” provisions, which enable governmental bodies such as the Council to provide support which does not exceed €200,000 over a three year period.

The relief applies not only to business rate relief granted on a particular property but to **all** support granted by any governmental body to the entire business enterprise. It does not apply to support provided under an EU provision other than the de minimus rules (such as regional investment aid).

Some types of business are excluded from benefitting from the de minimus rules. These exclusions are unlikely to apply to businesses relocating or expanding within the Enterprise Zone sites but will nonetheless be taken into account by the Council when assessing eligibility to rate relief.

The rules regarding ineligible sectors can be found at:

http://ec.europa.eu/competition/state_aid/legislation/de_minimus_regulation_en.pdf.

With the application form is a state aid declaration. This asks for information on other awards of aid provided by (any body) under these provisions in the current and previous two financial years. The Council will require a declaration from the business that receiving rate relief will not lead them to exceed the €200,000 threshold. Where state aid has previously been provided under de minimus provisions a letter to this effect will usually have been provided by the body which provided the support.

The Council will not grant rates relief unless it is satisfied that the business will not exceed the de minimus limit.

If it transpires that relief provided did, in fact, cause the business to exceed the limit, the Council will be responsible for recovering the money from the business concerned (with compound interest).

Appendix D

Leicester and Leicestershire Enterprise Partnership - Boundaries



Appendix E

Growth Test

Businesses that have demonstrated that they belong to one of the Enterprise Zone target sectors, but are already located within the LLEP area, will need to demonstrate how they intend to grow over the next five years. In particular it is important for businesses to demonstrate they intend to meet one or more of the following criteria:

-) 20% increase in employment over 5 years, or
-) 20% increase in turnover over 5 years, or
-) 20% increase in gross internal floor area.