

Carlisle Kingmoor Park Enterprise Zone

Business Rates Relief Eligibility Guidance

Introduction to the BRR incentive

Carlisle City Council is able to provide Business Rate Relief (BRR) to eligible occupiers within defined areas (see appended map) of Carlisle Kingmoor Park Enterprise Zone (EZ) in accordance with approved Department of Communities and Local Government (DCLG) financial incentives.

The BRR incentive enables eligible businesses that occupy property within the BRR designated areas of Carlisle Kingmoor Park EZ to 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 Eligibility Guidance Paper. To be eligible, businesses must occupy premises before 31st March 2021 and can then benefit from the discount (subject to the EU State Aid De Minimis threshold) to 31st March 2026.

Further information on the De Minimis EU State Aid regulation is available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443742/IS-15-148-state-aid-manual.pdf

New business locating to the defined Enhanced Capital Allowance (ECA) areas of Kingmoor Park (see appended map) can qualify for 100% ECA for plant and machinery assets up to a capped limit of €125 million. Where ECA applies, the premises are outside of the BRR incentive and relief cannot be granted.

In order to qualify for the BRR incentive in the EZ, businesses must align with one of the EZs **target sectors** and if necessary also satisfy a **growth test**. Businesses which do not accord with these requirements may not be excluded from locating on the EZ, subject to conforming to planning requirements, but will not automatically benefit from the BRR incentive.

The purpose of this guidance is to establish a degree of certainty as to when BRR will apply or not. Ultimately however the decision to award BRR is discretionary and will be on a case by case basis which affords some flexibility.

Sector criteria

The basis upon which the EZ designation was granted was in recognition of the sites ability to support Cumbria's target growth sectors as follows:

- Nuclear engineering and energy;
- Advanced Manufacturing; and
- Storage, distribution and logistics.

To qualify for BRR businesses must be able to demonstrate direct alignment with one of these key sectors, or demonstrate how they will indirectly support growth in these sectors i.e. through playing a key role in the supply chain. The onus will be on the applicants to demonstrate alignment through the application process, including evidencing assertions. In assessing alignment regard will be had to Standard Industrial Classification codes. From a planning perspective the above uses would ordinarily fall within Use Class B1(a), B1 (b), B1(c), B2 and B8.

Growth Test

Businesses already located in the District of Carlisle, and which satisfy the sector criteria test, must also satisfy a 'growth test' to be eligible for BRR. If the business is wholly new to the District of Carlisle then it will be exempt from the below 'growth test'.

The growth test is intended to ensure that the focus of the EZ and its incentives remain on supporting additional inward investment and net economic growth, which is the clear intention of Government EZ policy. It therefore acts to deter displacement and to determine if relocation is in the best interests of the local area, to prevent any detrimental impacts.

As a minimum, businesses are expected to be able to demonstrate their ability to achieve and sustain at least one of the following criteria over a 5 year period to meet the objectives of the 'growth test':

- To occupy larger business premises where it can be demonstrated that these are required to accommodate a planned expansion of the business and where the new premises represent a 30% increase in size (sqm) compared to the existing premises; OR
- To increase permanent employment by 30% FTE in comparison to the existing number of FTE employees; OR
- The need for the premises relates to the introduction of a business operation not currently present in the District of Carlisle and therefore a diversification of an existing business' interests e.g. a new logistics centre in an example where a

business already has a presence in the area but this is confined to a head office function; OR

- It can be genuinely demonstrated that in the absence of relocation the business and its benefits would be lost to a location outwith the District of Carlisle.

Application process

Businesses seeking BRR within the approved Kingmoor Park Enterprise Zone must complete and submit the Carlisle Kingmoor Park Enterprise Zone Business Rate Relief Application Form.

Applications will be assessed by Carlisle City Council and the applicant will be notified of the outcome in writing. We will endeavour to respond within 21 working days of receipt of a fully completed application submission.

The decision to award a BRR is discretionary on a case by case basis. Requests for appeal should be made in writing to Carlisle City Council no later than one month after the date of the determination. Appeals will be considered by Carlisle City Council in consultation with the EZ Board. The decision will be final with no right of further appeal.

The award of BRR will be made on an annual basis and the businesses will be required to confirm continued eligibility each year. The business premises must be occupied in accordance with section 43 of the Local Government Finance Act 1988.

Further Information

Enquiries on eligibility for relief can be directed towards Garry Legg, Investment and Policy Manager, Carlisle City Council via Garry.Legg@carlisle.gov.uk or 01228 817160.

Appendix One:

