

**Environment and Economy  
Overview and Scrutiny  
Panel**

Agenda  
Item:  
**A.3**

Meeting Date: 15<sup>th</sup> June 2017  
Portfolio: Economy, Enterprise and Housing  
Key Decision: No  
Within Policy and Budget Framework: YES  
Public / Private: Public

Title: Kingmoor Park Enterprise Zone – Implementation Update  
Report of: Corporate Director of Economic Development  
Report Number: ED 23/17

**Purpose / Summary:**

To provide the panel with an update on the progress made to date by partners, relating to the operation of Kingmoor Park as an Enterprise Zone.

**Recommendations:**

To note and scrutinise progress on the implementation of Kingmoor Park Enterprise Zone.

**Tracking**

Overview and Scrutiny:	15 <sup>th</sup> June 2017
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## **1. BACKGROUND**

- 1.1 Enterprise Zones are an important part of the Government's programme to devolve responsibility for leadership of local growth and provide a powerful tool for Local Enterprise Partnerships to develop their local economy.
- 1.2 Kingmoor Park Enterprise Zone became operational on 1<sup>st</sup> April 2016 for a period of 25 years. Kingmoor Park has long been identified as a strategic investment site in Carlisle's and Cumbria's economic development strategies. Enterprise Zone status allows Kingmoor Park to continue to develop and indeed accelerate delivery momentum, allowing companies to benefit from Business Rates Relief and others from Enhanced Capital Allowances to help encourage investment.
- 1.3 The established objectives and priorities for Kingmoor Park Enterprise Zone are:
- To deliver approximately 200,000sqm of new employment related floor space, across 73ha, creating an additional 3,000 jobs and representing private sector investment of £190m;
  - Deliver an increase in the balance of B1 and B2 manufacturing spaces versus B8 storage, distribution and logistics uses;
  - Support Cumbria's target growth sectors and the LEP's strategies for advanced manufacturing growth and nuclear and energy excellence, through the combination of available land suitable for B2 uses, existing infrastructure and strategic connections;
  - Provide an important location for incoming and expanding supply chain companies associated with growth in the nuclear and energy, logistics and advanced manufacturing sectors; and
  - Deliver more new build opportunities and offer greater incentives for new private sector investment – particularly enhanced capital allowances.

## **2. PROGRESS TO DATE**

### **DCLG Memorandum of Understanding**

- 2.1 Carlisle City Council, Cumbria County Council and Cumbria LEP are each party to a Memorandum of Understanding with the Department for Communities and Local Government dated 20<sup>th</sup> May 2016. Under the conditions of this agreement, which appended as Appendix One, the local authorities and the LEP agreed to:

- Organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions.
- Enter into Memorandum of Understandings with each other which set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to the DCLG MoU (for example, provisions covering the use of business rates retained by local authorities and how local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data).;
- To use government subsidies provided for the Enterprise Zone (including the subsidy provided under this MoU and the Regulations) for the objectives of the Enterprise Zone and in compliance with relevant laws;
- To design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31<sup>st</sup> March 2017 (subsequently extended to 31<sup>st</sup> May 2017).

2.2 Since the Enterprise Zone became operational last April, much progress has been made to secure the necessary local arrangements in line with the DCLG MoU as follows:

### **Enterprise Zone Board Established**

2.3 The governance group is operational and is known as the EZ Board who meet bi-monthly. The work and recommendations of the EZ Board is reported to the Cumbria LEP Board. The EZ Board is responsible for:

- Overseeing strategic decision making, stewardship and operational delivery of the Enterprise Zone;
- Determining phasing priorities and agreeing where public funding/other resources can be used to support private sector investment to accelerate on site delivery and development;
- Approving business case proposals for investment in the Enterprise Zone prior to submission to the LEP Panel and make recommendations relating to business cases for investment into the Enterprise Zone utilising the retained business rates achieved by the EZ; and
- Reviewing decisions and provide guidance in respect of application of the enterprise Zone policy tools (Business rate relief/enhanced capital allowances)

where required and shall be responsible for determining any appeals relating to the determination of applications for Business Rate Relief.

- 2.4 The Leader of Carlisle City Council and the Corporate Director of Economic Development are on the EZ Board. In addition to the EZ Board, an EZ Delivery Team has been set up to enable officers to work on creating the internal parameters and agreements to allow the Enterprise Zone to function. This team includes officers from the City Council.

### **Enterprise Zone Memorandum of Understanding Agreed**

- 2.5 A Memorandum of Understanding has been developed between the key partners and was agreed by the EZ Board on 31<sup>st</sup> May 2017. It is now in the process of being signed by Carlisle City Council, Cumbria County Council, Cumbria LEP and Kingmoor Park Properties Limited. This MoU confirms that partners are agreeing to work together to support and deliver the Implementation Plan ('the Project') and records the basis on which they will collaborate with each other, clarifying partner roles and responsibilities.

### **Business Rates Policy Agreed by Enterprise Zone Board**

- 2.6 The Kingmoor Park Enterprise Zone MoU clarifies roles and responsibilities in relation to the collection and use of retained business rates within the Enterprise Zone. Carlisle City Council has led on the creation of Business Rate Relief Eligibility Guidance (Appendix Two), which was approved by the EZ Board on 31<sup>st</sup> May 2017. This guidance outlines the sectors that are compatible with the EZ designation and the growth test that must be applied, to safeguard against displacement of existing businesses across the District.
- 2.7 Carlisle City Council will assess all applications for Business Rate Relief, with any appeals being determined by Carlisle City Council in consultation with the EZ Board.

### **Simplified Planning Regime**

- 2.8 The EZ Board agreed on 31<sup>st</sup> May 2017 to implement a simplified planning regime for Kingmoor Park EZ. This is a mechanism or range of measures put in place to speed up development and provide a greater degree of developer and investor certainty to encourage investment, economic growth and development. The key instrument in implementing a simplified planning regime is the use of a Local

Development Orders (LDO) alongside which the use of other measures such as Planning Performance Agreements (PPAs) can be used to speed up decision making on development which falls outside the parameters of LDOs.

- 2.9 LDOs remove the need to apply for planning permission for specific types of development within a defined area. They enable the management of development without the need for individual planning permissions, where proposals meet criteria set out in the LDO. The criteria are usually based on development type/use class, location and design. With an LDO in place the planning process should be simplified, less expensive, less risky and faster. For developers there is no need to prepare a planning application, establish the principle of development, pay fees or wait for a decision (though a prior approval process may remain to sign off necessary conditions).
- 2.10 Carlisle City Council has the responsibility for leading on the final content and production of a Local Development Order at Kingmoor Park Enterprise Zone. However the process involved in drawing up a LDO is based around partnership working and consultation. This process is underway and will formally begin in August 2017 once site masterplanning has completed.

### **Capacity Funding Secured**

- 2.11 Capacity Funding of £50,000 was secured from DCLG in April 2017, with further funding of £30,000 provided by local partners. This funding has assisted with the Implementation Plan and will contribute towards the Marketing Strategy, Infrastructure analysis and masterplan layouts going forward.

### **Submission of Implementation Plan**

- 2.12 As set out in the DCLG MoU, the LEP is required to submit to the Secretary of State a five-year Implementation Plan. This sets out the major steps and responsibilities for the operation and delivery of the Enterprise Zone in accordance with the agreed objectives and priorities. A draft version of the Implementation Plan was submitted to DCLG at the end of September 2016. An updated final version was submitted at the end of May 2017. The Implementation Plan outlines the following:
- An introduction to the Enterprise Zone to cover site details, commercial proposition and/or sectoral target markets, and delivery outputs by 2020/21. This Implementation Plan is covering the period 2017 – 2022;

- The project plan to 2021/22 to cover: investment plan; delivery risks; formal management, governance and delivery arrangements; scope of marketing and communications plan; and delivery monitoring mechanisms;and
- Baseline business rates data – a snapshot of the estimated net rates income on 31 December 2015.

### **Interest to Date**

- 2.13 Kingmoor Park has experienced significant and growing interest since the designation of Enterprise Zone status. There has been considerable and renewed interest in the hub in terms of ancillary retail and leisure facilities to support the location. Current interest has been shown from a national petrol station forecourt operator, prestige marque car dealership and service centre, and national pub chain operator.
- 2.14 Verus Energy Limited secured planning permission in October 2016 to develop land in Zone D for an Energy from Waste Plant. This is an estimated £80m development and would be the first occupier to benefit from Enhanced Capital Allowance benefits on the Enterprise Zone. An application has now been lodged with Government for Contract for Difference with a decision expected later this year. It is considered that securing consent for the Verus EfW plant presents a significant opportunity to target large-scale energy users, ranging from advanced manufacturers to chilled food production/storage and data centres.

## **3. NEXT STEPS**

### **Masterplan**

- 3.1 The EZ Board has recognised that there is a need to undertake further masterplanning for the site to better articulate the vision for the site. This masterplanning/layout and use options work is a key action of the Implementation Plan, and is currently underway, anticipated to be completed by Autumn 2017. Carlisle City Council will play a critical role in informing the Masterplan alongside key partners.

### **Marketing and Communications Strategy**

- 3.2 The Implementation Plan also commits to a strategy to better articulate the commercial proposition and to refine the offer to target sectors and occupiers into a set of unique selling propositions. Building on existing activities it will set out clear

marketing objectives linked to target outcomes, define key messages and benefits to target occupiers and establish the appropriate marketing channels, mechanisms and materials (website, brochures, direct marketing, events etc.) which will be utilised to generate leads and enquiries.

- 3.3 As part of this process the partners will need to determine their specific roles in marketing and communications, particularly the relationship between place marketing at a local authority/LEP level and interaction/engagement with the Department for International Trade and other strategic marketing partners - including retained commercial agents and intermediaries such as sector/employer organisations and potential ambassadors for the EZ.
- 3.4 The marketing and communications plan is expected to include a national launch in late 2017 together with a unified marketing push (with all the agents and partners engaged and driven locally by KPPL), as well as activities such as improved signage and refreshed marketing materials, representation at events etc.

#### **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Carlisle City Council will continue to work with partners to ensure the success of Enterprise Zone status at Kingmoor Park, acknowledging the benefits this will bring to Carlisle District. The key tools that have been put in place will help to move the delivery of the site forward with further momentum being generated as masterplanning; the LDO and full marketing strategy come on board.

#### **5 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1 The implementation of Enterprise Zone status at Kingmoor Park contributes directly towards achieving the Vision of the Carlisle Plan 2015-2018 – ‘To improve the...economic prosperity of the people of Carlisle’, and ‘further establish our position as the regional centre and focus for investment’. It also contributes towards its Priority ‘Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle’.

**Contact Officer:** Angela McDougall **Ext:** 01228 817172  
Economy & Enterprise Officer

**Appendices**  
**attached to report:** **Appendix 1: DCLG Memorandum of Understanding**  
**Appendix 2: Business Rate Relief Eligibility Guidance**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- Non

**CORPORATE IMPLICATIONS/RISKS:**

**N/A**

## Enterprise Zone Memorandum of Understanding

THIS AGREEMENT is dated 20<sup>th</sup> May 2016

### PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**);
2. Each of the local authorities for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 1 (together the **Relevant Local Authorities**)
3. The Local Enterprise Partnership for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 2 (where a local enterprise partnership does not have corporate status then the Accountable Body who acts as the representative is listed) (together with the **Local Enterprise Partnership**)

### BACKGROUND

- A The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arise from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.
- C. A local enterprise partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the establishment and operation of Enterprise Zones. As some local enterprise partnerships are not corporate bodies, a local authority may act as an accountable body on their behalf.
- D. In agreement with the Local Enterprise Partnership local authorities responsible for all or part or all of an Enterprise Zone use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and neighbouring areas.
- E. Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State with the agreement of the Chancellor of the Exchequer offers the Local Enterprise Partnership and Relevant Accountable Bodies the right to set up and establish arrangements for the operation of the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this Memorandum of Understanding. To allow all parties to review their interests, in the first instance this Memorandum of Understanding extends to 2020.

## IT IS AGREED THAT:

### 1 DEFINITIONS

In this Memorandum of Understanding the following words and phrases shall have the following meanings:

**“Accountable Body”** means a local authority organisation(s) responsible for one or more aspects of the operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.

**“Application”** means the application for enterprise zone status submitted to the Secretary of State by the Local Enterprise Partnership on 18<sup>th</sup> September 2015 (which may be amended from time to time after the date of this Memorandum of Understanding) and includes each of the representations at Schedule 3 of this Memorandum of Understanding (in the event of conflicting statements, Schedule 3 and then the latest validly made variation shall take priority).

**“Enterprise Zone”** means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

**“Regulations”** means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.

**“Relevant local authorities”** means a local authority on which all or part of an Enterprise Zone is situated and as a consequence collects business rates from businesses in operation on that site.

**“Term”** means the earlier of 31 March 2020 or the date of the Secretary of State, each of the Local Enterprise Partnership or each of the Relevant Local Authorities giving written notice to the other parties to this Memorandum of Understanding of its intention to terminate the Enterprise Zone status under clause 5.

### 2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE

Having relied upon the representations made by the Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership and the Relevant Local Authorities the right to set up and operate the Enterprise Zone for the Term, subject to the terms of this Memorandum of Understanding, including the right to benefit from the following business incentives:

- Permitting the Relevant Local Authorities to retain 100% of any business rate increase which accrues for a period of 25 years from the commencement date (this being 1<sup>st</sup> April 2016) of the Enterprise Zone, providing that such sums are directed towards the development of the Enterprise Zones and thereafter towards the Local Enterprise Partnership's other identified growth priorities;
- Central government will reimburse the cost incurred by Relevant Local Authorities in providing a 100% business rates discount for a period of up to five years, to any business which sets up operations within the Enterprise Zone site before 31 March

2022, and is able to receive the support within the State Aid De Minimis threshold (or other limitation applicable by law);

- As an alternative to the reimbursement of business rates, and up until 31<sup>st</sup> March 2020, Central Government will reimburse the Relevant Local Authorities the cost of allowing businesses occupying an Enterprise Zone sites within an Assisted Area to count 100% up to €125 million of their first years' expenditure on qualifying plant and machinery assets against taxable income as an Enhanced Capital Allowance (**ECAs**)
- The Local Enterprise Partnership and Relevant Local Authorities can together agree to other local authorities benefitting from the benefits of the Enterprise Zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the regulations. In this situation, notice shall be given to the Secretary of State of the arrangement.

### **3. TERMS AND CONDITIONS**

**3.1** The Relevant Local Authorities and the Local Enterprise Partnership agree, having undertaken due investigation, that at the date of this Memorandum of Understanding:

- (a) The statements within the Application are accurate;
- (b) they are not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership and the Relevant Local Authorities to deliver the Enterprise Zone in accordance with the Application and achieve the outputs; and
- (c) they are not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the Enterprise Zone in accordance with the Application or achieving the outputs.

**3.2** The Relevant Local Authorities and Local Enterprise Partnership confirm, having undertaken due investigation, that:

- (a) they have obtained or shall use all reasonable endeavours to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;
- (b) they have or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) they will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid, planning law and all rules relating to the collection and distribution of business rates, discount, and use of business rates for investment); and

- (d) they will deliver the relevant incentives at Schedule 4 for the period set out in the Application and this Memorandum of Understanding.

### 3.3 The Relevant Local Authorities and the Local Enterprise Partnership agree to:

- (a) organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly ("**Governance Group**"); and
- (b) enter into Memorandum of Understandings with each other which set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Memorandum of Understanding (for example, provisions covering the use of business rates retained by local authorities and how local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships and local authorities involved in the Enterprise Zone changes, the Secretary of State requires that the Local Enterprise Partnership uses all reasonable endeavours to enter into new Memorandum of Understandings under this clause. Copies of these Memorandum of Understandings should be sent to the Secretary of State within 50 days of execution.
- (c) to use government subsidies provided for the Enterprise Zone (including the subsidy provided under this Memorandum of Understanding and the Regulations) for the objectives of the Enterprise Zone and in compliance with relevant laws.

### 3.4 Implementation Plan

The Local Enterprise Partnership in consultation with the Relevant Local Authorities shall design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31st March 2017.

### 3.5 The Cities and Local Growth Unit shall support:

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is Ian Hanley E-mail: [ian.hanley@bis.gsi.gov.uk](mailto:ian.hanley@bis.gsi.gov.uk) Telephone: 07768855594 who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and Relevant Local Authorities shall be informed if there is a change in the Cities and Local Growth Unit team contact.

- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, Twitter account and other media; and
- (c) Collaboration, by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed or subject to alteration after that date.

### 3.6 The Relevant Local Authorities and Local Enterprise Partnership shall:

- (a) send the Cities and Local Growth Unit contact the details of the primary point of contact ("**Local Enterprise Zone Contact**", a named representative agreed with the Local Enterprise Partnership) for the Enterprise Zone within 20 Working Days of entering into this Memorandum of Understanding. The Cities and Local Growth Unit contact shall be informed if there is a change in the Local Enterprise contact.
- (b) authorise the Local Enterprise Contact to discuss progress of the Enterprise Zone with the Cities and Local Growth Unit contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the Cities and Local Growth Unit team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The Cities and Local Growth Unit team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

### 3.7 Marketing

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to

- (a) promote the Enterprise Zone;
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Memorandum of Understanding; and
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

### 3.8 Monitoring

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at

Schedule 5 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

#### **4. CHANGES**

All changes to the text of the application or this Memorandum of Understanding must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Memorandum of Understanding in compliance with its terms before such change.

#### **5. TERMINATION**

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of any or all of the Local Enterprise Partnership and / or the Relevant Local Authorities to market an Enterprise Zone if, acting reasonably, the Secretary of State is of the view that a party has acted in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Memorandum of Understanding.
- (b) The Relevant Local Authorities and Local Enterprise Partnership with the Memorandum of Understanding involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

#### **6. GOOD FAITH AND COOPERATION**

Each party covenants with the others that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Memorandum of Understanding.

#### **7. MISCELLANEOUS**

Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the parties.

**ACCEPTANCE**

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

Signed for and behalf of

**SECRETARY OF STATE FOR )  
COMMUNITIES )  
AND LOCAL GOVERNMENT )**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

1. Local Enterprise Partnership Accountable body signs here

Signed for and in agreement with

**LOCAL ENTERPRISE PARTNERSHIP BY THE ACCOUNTABLE BODY  
CUMBRIA COUNTY COUNCIL**

Authorised Signatory: \_\_\_\_\_

Print Name: GEORGE BEVERIDGE, CHAIR.

(Add more as required)

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Signed for and in agreement with

**Name of Local Authority**

**CARLISLE CITY COUNCIL**

Authorised Signatory: \_\_\_\_\_

Print Name: D WOODSLEY

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Signed for and in agreement with

**Name of Local Authority**

**CUMBRIA COUNTY COUNCIL**

Authorised Signatory: \_\_\_\_\_

Print Name:

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The following parties are aware of the requirements of this Memorandum of Understanding (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term, but due to not having the required legal personality

**CUMBRIA LOCAL ENTERPRISE PARTNERSHIP**

Authorised Signatory: \_\_\_\_\_

Print Name:

GEORGE BEVERIDGE, CHAIR

**SCHEDULE 1 - RELEVANT LOCAL AUTHORITIES**

**CARLISLE CITY COUNCIL**

**CUMBRIA COUNTY COUNCIL**

**SCHEDULE 2 – LOCAL ENTERPRISE PARTNERSHIP**

**CUMBRIA LOCAL ENTERPRISE PARTNERSHIP**

**SCHEDULE 3 KEY INFORMATION ON CARLISLE KINGMOOR PARK ENTERPRISE ZONE FROM CUMBRIA LOCAL ENTERPRISE PARTNERSHIP APPLICATION]**

General	
Name of Enterprise Zone	CARLISLE KINGMOOR PARK
Name of Local Enterprise Partnership	CUMBRIA LOCAL ENTERPRISE PARTNERSHIP
Relevant local authorities	CARLISLE CITY COUNCIL AND CUMBRIA COUNTY COUNCIL

Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?

Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

The agreed approach is that in the Implementation Plan the Developer will identify investment requirements for the first five years and it is anticipated that c. £9-10m will be required for infrastructure/ servicing cost of which c. £5m will be funded from Retained Business rates or borrowing against the anticipated Retained Business rates, subject to the Relevant Local Authorities obtaining all necessary consents from their relevant committees.

Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.

The Enterprise Zone Board has already been formed by the LEP and is chaired by the LEP Chair. The LEP has 2 other representatives on the Board plus one representative each from Cumbria County Council, Carlisle City Council and Kingmoor Park Developer. The Board has met on the 25<sup>th</sup> January and the 21<sup>st</sup> March 2016 with representatives of DCLG and BIS present.

The Senior Responsible Officer is Graham Haywood, LEP Director.

Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day-to-day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

The LEP Director and a Programme Manager with appropriate Technical/Admin support will be the capacity provided by the LEP – plus Senior Economic Development Officers from the Cumbria County Council and Carlisle City Council. The profiled support is valued at £80k per annum.

Q E3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, and investment?

Schedule 5 Management Information will be reported quarterly to the Enterprise Zone Board and LEP

Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.

Marketing Plan will be prepared and agreed by 30/06/2016

**SCHEDULE 4 – SITES AND INCENTIVES**

Proposed Sites	EZ District Local authority Ward	ECA	BRD	BRR
CARLISLE KINGMOOR PARK	CARLISLE CITY COUNCIL  CUMBRIA COUNTY COUNCIL	YES - PART	YES - PART	WHOLE SITE – ABOVE BASELINESUBMITTED TO DCLG

## **SCHEDULE 5 – MANAGEMENT INFORMATION**

**Q1\*** What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?

**Q2\*** What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?

**Q3\*** What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?

**Q4** What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?

**Q5** What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?

**Q6** What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?

**Q7** Was a Local Development Order introduced on the zone or a part of the zone this quarter?

**Q8** What was the change in the number of businesses that started trading on the zone this quarter?

**Q9** What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.

**Q10** What was the value of any new public sector revenue investment on the zone this quarter?

**Q11** What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?

**Q12** What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?

**Q13** What area of land was reclaimed and made ready for development on the zone this quarter?

**Q14** What commercial floorspace was constructed on the zone in this quarter?

**Q15** What commercial floorspace was refurbished on the zone this quarter?

**Q16\*** "What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?"

**Q17** What land sales were there on the zone this quarter?

# 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](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 Angela McDougall, Economy & Enterprise Officer, Carlisle City Council via [angela.mcdougall@carlisle.gov.uk](mailto:angela.mcdougall@carlisle.gov.uk) or 01228 817172.

