



Harlow Enterprise Zone Business Rates Relief policy

This policy identifies the circumstances in which Harlow Council will grant a business rate relief to occupiers of non-domestic properties located within the Harlow Enterprise Zone.

Businesses that occupy property in the Harlow 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 Harlow Enterprise Zone aim of supporting the growth of the following target employment sectors:

- Advanced Manufacturing
- ICT
- Life Science

For this purpose businesses will need to demonstrate their involvement in the sectors targeted by the Enterprise Zone and provide appropriate evidence.

Applicants for business rate relief will be assessed following the completion and submission of the Harlow Enterprise Zone Business Rate Relief Application Form. The business rate relief will be awarded where the business demonstrates that they 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.

Business Rate Enterprise Zone Relief Scheme criteria:

To qualify for relief:

- a) The whole or part of the property must be situated within the defined boundary of the Harlow Enterprise Zone as shown on the maps in Appendix A.
- b) The business occupying the property must satisfy the sector test defined in Appendix B.
- c) The award of relief will be made on an annual basis and the business will be required to reapply each year.
- d) 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);

- e) If a business that moves into the Harlow Enterprise Zone after 18th October 2018 was previously within the wider Harlow locality (within a 10 mile radius, as defined in Appendix D) they will need to satisfy the growth test as defined in Appendix E. This helps the local authority to safeguard against displacement.
- f) Businesses that were **already located within Harlow prior to 18th October 2018** 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.

Business Rate Relief available:

Business meets the following criteria	Amount of Discount available
Business locating in Harlow Enterprise Zone	
Business meets sector test and new business to the wider Harlow area	Up to 100%
Business meets sector test but is an existing Harlow area business that meets the growth test	Up to 80%
Business located in Harlow prior to 18/10/18	
Business meets sector test and growth test	Up to 50%

The Local Authority retains the right to exercise discretion on a case by case basis.

Timescales:

The availability of Enterprise Zone Business Rate Relief will be time-limited and Harlow Council will withdraw the offer of Rate Relief at each of the three sites when the Council feels that it is appropriate to do so. Currently, the availability of Business Rate Relief will cease as follows: -

London Road South (Kao Park) – 31st March 2019

London Road North (Harlow Science Park) – 31st March 2021

Templefields – 31st March 2022

Businesses qualifying, and submitting applications, before these dates will have eligibility for up to five years, subject to the usual annual review process.

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 Head of Finance, no later than one month after the date of the determination. Appeals will be considered by the Head of Finance and this decision will be final.

Monitoring:

The Business Rate Relief is subject to annual monitoring to make sure that the qualifying business is still eligible for the relief, namely to ensure that the business is still in the sector and remains in occupation of the premises. The business will be required to complete an Annual Evaluation Form which will require the business to report on progress made against the plans described on their application form.

Relief can be withdrawn retrospectively if it is established the award was granted in error

On-going relief will not be unreasonably withheld, but businesses will only be granted relief for one financial year at a time and relief will automatically terminate at the end of the financial year for which it is granted.

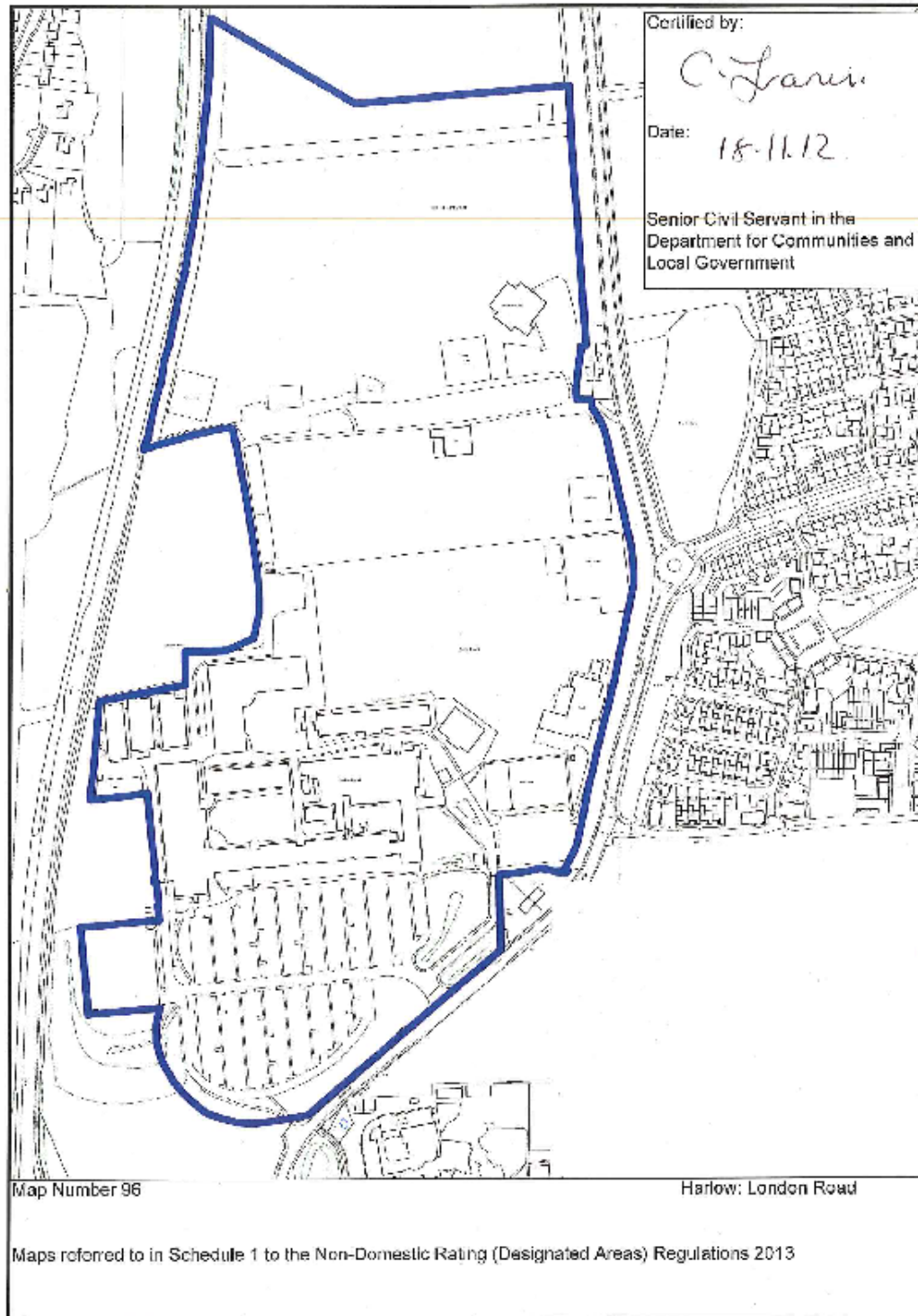
In cases where State Aid de minimus levels would be exceeded, relief will be terminated with immediate effect.

Each case will be considered on its merits.

Appendix A

Harlow Enterprise Zone Site Boundaries

London Road

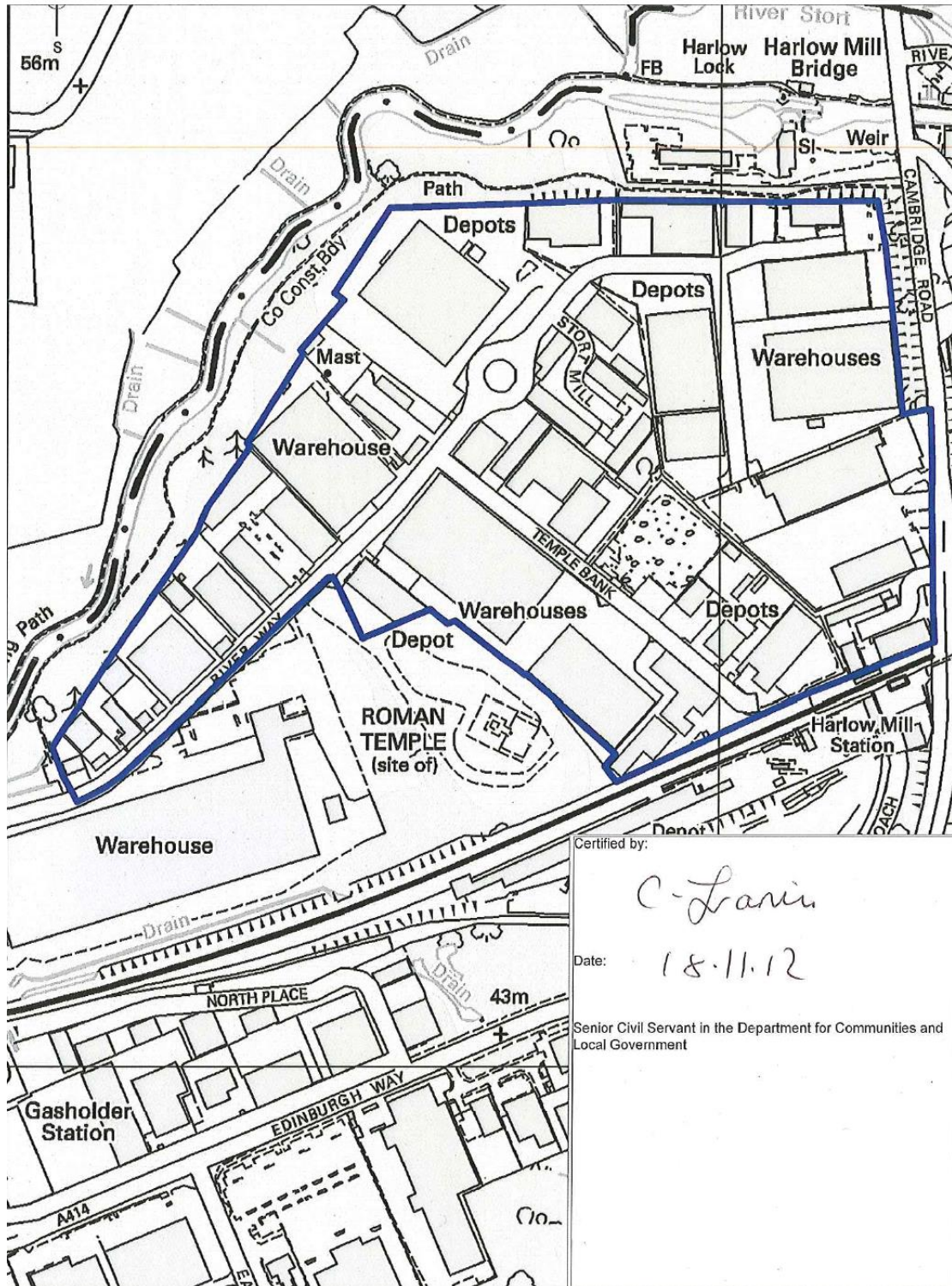


Templefields North East

Map Number 97

Harlow Templefields

Maps referred to in Schedule 1 to the Non-Domestic Rating (Designated Areas) Regulations 2013



Appendix B

Harlow Enterprise Zone Sector Test

Harlow Enterprise Zone wishes to attract businesses from the following 3 target growth employment sectors:

- Advanced Manufacturing
- ICT
- Life Science

In order to qualify for the Harlow Enterprise Zone Business Rate Relief all businesses must demonstrate that the primary focus of the part of the business that is being located within the Enterprise Zone fits within the target sectors.

It will be expected that at least 50% of the turnover of the elements of the business that are located within the Enterprise Zone should be achieved from target sector activity.

It is also expected that the elements of the business that are to be targeted within the Enterprise Zone will have a clear focus on the activities related to the target sectors.

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.

It is likely that Advanced Manufacturing businesses meet some or all of the following criteria:¹

- 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;
- competes in international and domestic markets"²

Advanced Manufacturing businesses are likely to have a sic code that falls within the 10-33 and 72 groupings.³

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

¹ BIS Growth Review as referred to in UKCES, Sector Skills Insights, Advanced Manufacturing Evidence Report 48, July 2012, pviii

² UKCES, Sector Skills Insights, Advanced Manufacturing, Evidence report 48, July 2012, pviii

³ Sic codes 2007

- 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 Technologies (ICT) generally refers to technologies that focus on communication technologies, such as the internet, wireless, networks, cell phones and other communication mediums. 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.⁴

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 a one of the Sic codes highlighted in the table below.

ICT sub-sector SIC codes⁵:

<u>4 digit SIC code</u>	<u>Sub-sector</u>
2233	Reproduction of computer media
3002	Manufacturer of computer and other information processing equipment
3220	Manufacturer of television and radio transmitters
6420	Telecommunications
7210	Hardware consultancy
7221	Publisher of software
7222	Other software consultancy and supplies
7230	Data processing
7240	Data base activities
7250	Maintenance and repair of office, accounting and computer machinery
7260	Other computer related activities

⁴ <http://www.oecd.org/internet/ieconomy/2771153.pdf>

⁵ E-skills ICT Sic codes

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	Sic code description
21.10	Manufacture of basic pharmaceutical products
21.20	Manufacture of pharmaceutical preparations
21.60	Manufacture of irradiation, electromedical and electrotherapeutic equipment
26.70/1	Manufacture of optical instruments and photographic equipment
26.70/2	Manufacture of optical precision instruments
26.80	Manufacture of photographic and cinematographic equipment
32.50	Manufacture of medical and dental instruments and supplies
72.11	Research and experimental development on biotechnology
72.19	Other research and experimental development on natural sciences and engineering
72.20	Research and experimental development on social services and humanities

Other acceptable uses

The following uses will also potentially qualify for a Harlow 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.

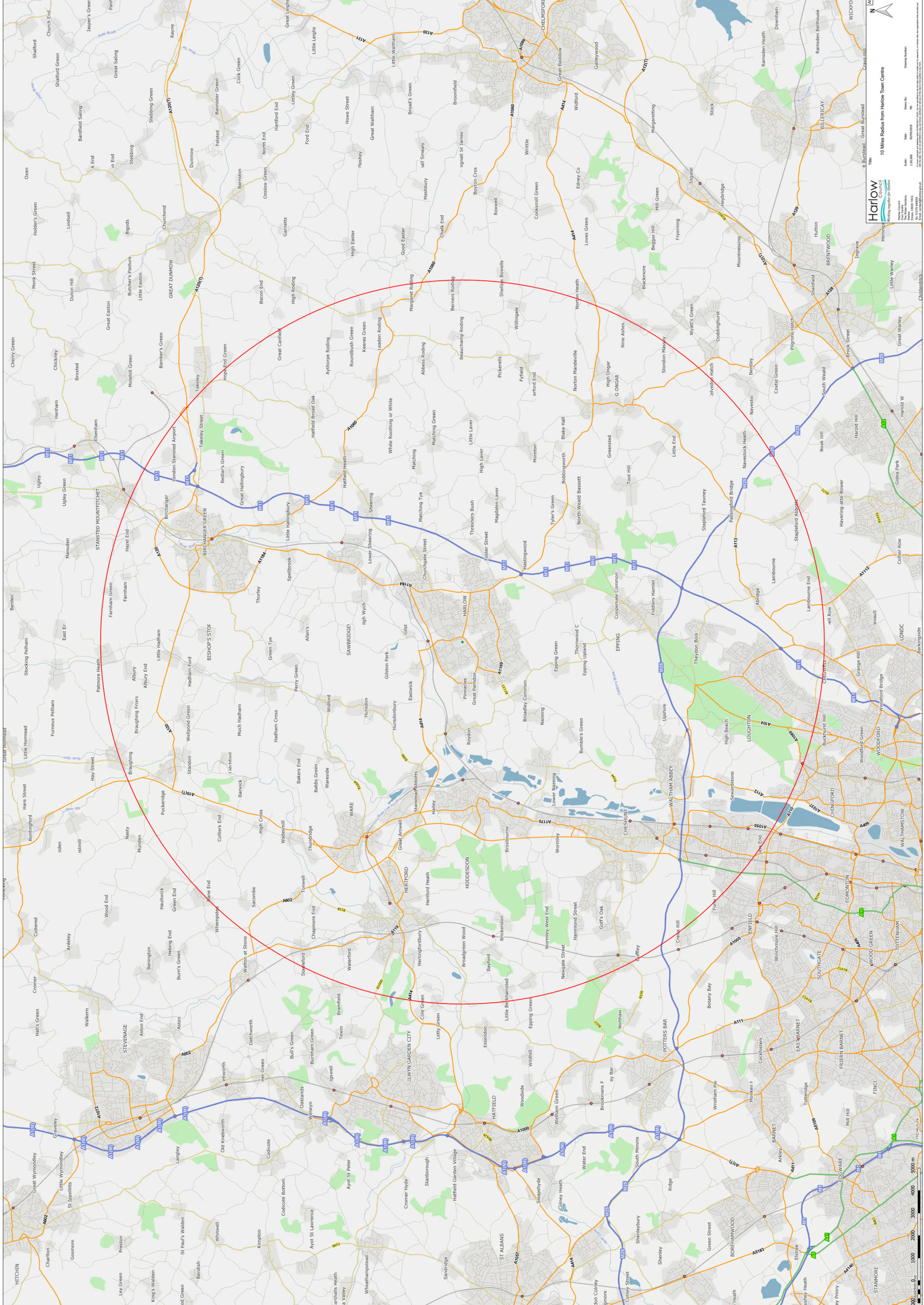
- Companies providing specialist products or services in the direct Supply Chain of companies within the Enterprise Zone target sectors.
- Companies whose primary purpose is to provide service sector support activities to businesses within the Enterprise Zone target sectors. This can include financial, insurance, legal, accountancy and management and consultancy activities.
- 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.

Appendix C

State Aid

State Aid is financial support that is provided by the State to business organisations. State Aid exists to avoid public funded interventions distorting competition within the European Union. **Enterprise Zone Business Rate Relief is State Aid.** Generally State Aid is prohibited and unlawful. However, there are a number of exemptions, which if they apply, render the State Aid lawful and permitted. The relevant exemption in respect to the Enterprise Zone Business Rates Relief is De Minimus Aid.

If the business (including the applicant, parent company or subsidiary) has received any other de minimus State Aid during the current and the preceding two financial years this will be taken into account in calculating the amount of Business Rate Relief that may be awarded, to ensure that State Aid de minimus levels (currently €200,000 over a rolling three year period) are not exceeded.



Harlow
Council
10 Mile Radius from Harlow Town Centre

Scale: 1:50,000
Date: 2023

© Crown Copyright and Harlow Council 2023

Scale: 0 1000 2000 3000 4000 5000 m

Scale: 0 1000 2000 3000 4000 5000 ft

Appendix E

Growth Test

Businesses that have demonstrated that they belong to one of the Harlow Enterprise Zone target sectors but are already located within the wider 'Harlow area' (as shown in Appendix D, 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 the 5 years
- or
- 20% increase in turnover over the 5 years
- or
- 20% increase in profit over the 5 years
- or
- Combined 20% from all / mixture of above.