

Enterprise Zone Business Rates (National Non-Domestic Rates) Discount Application Guidance

These notes identify the circumstances in which the Vale of White Horse and South Oxfordshire District Councils (the joint administrators of the scheme) will grant a business rate discount (BRD) to occupiers of non-domestic properties located within the Science Vale Oxford and the Didcot Growth Accelerator enterprise zones.


The notes are designed to help you complete the application form. If you require further assistance, please contact our enterprise zone team on 01235 422 434 or email info@sciencevale.com. When completing the form, you will be required for many questions, to either choice an answer or date from a drop-down box, type in job numbers or sterling monetary values. Some questions also require detailed reasons for your application.

The Science Vale area and its enterprise zone sites

Science Vale UK is a geographical region in Southern Oxfordshire that hosts some of the most important scientific research facilities in Europe.

The Science Vale Oxford enterprise zone consists of specific sites within the Harwell Campus and the Milton Park business park. The Didcot Growth Accelerator enterprise zone consists of 5 locations in and around the town of Didcot (see the map on www.sciencevale.com or call 01425 422 434).

Eligibility for the discount scheme

	Your business is already on one of the enterprise zone sites	Your business is elsewhere on Milton Park, Harwell Oxford, or within the local area (meaning anywhere within an eight mile radius of the enterprise zones; including Grove, Wantage, Abingdon and Wallingford) and subsequently moves onto the enterprise zone site	Your business is new to the local area and moves onto the enterprise zone
Your business is not planning to grow	No discount, unless the council agrees that the business needs to be in the enterprise zone, in order to provide services or goods to other enterprise zone businesses [#]	No discount, unless the Council agrees that the business needs to be in the enterprise zone, in order to provide services or goods to other enterprise zone businesses [#]	Maximum discount (see note 2)
Your business is planning to grow by: extending premises in the enterprise zone; or moving to larger premises in the enterprise zone; or increasing employment or turnover in the enterprise zone	Maximum discount (see note 2), subject to information about how the business will grow and State Aid De Minimis Regulations	Maximum discount (see note 2), subject to information about how the business will grow and State Aid De Minimis Regulations	Maximum discount (see note 2)

[#] For example a service business such as a shop, café or crèche may be able to make a compelling case

Notes to be read in conjunction with the table:

1. This policy applies in the Science Vale Oxford Enterprise Zone from 1 April 2012 to 31 March 2018 and in the Didcot Growth Accelerator Enterprise Zone between 1 April 2016 and 31 March 2021
2. Maps depicting the boundaries of the areas within these two Enterprise Zones are available for inspection by appointment at Vale of White Horse and South Oxfordshire District Council, 135 Eastern Avenue, Milton Park, Abingdon, OX14 4SB
3. The maximum discount is 100% of business rates payable, up to the value of £55,000 per annum and a maximum of £275,000 over a five-year period, subject to other reliefs and state aid rules
4. Discounts are available on buildings for a maximum period of five years for eligible businesses that occupy or take occupation of existing or new buildings within the Science Vale Oxford Enterprise Zone between 1 April 2012 and 31st March 2018. Within the Didcot Growth Accelerator enterprise zone, the eligible business must have taken occupation between 1 April 2016 and 31 March 2021
5. Companies are not eligible for Enterprise Zone Business Rates (National Non-Domestic Rates) Discount if they have moved into the Science Vale Oxford enterprise zone sites before 1 April 2012 or the Didcot Growth Accelerator sites before 1 April 2016

Notes to help you complete the application for the discretionary business rate (BRD) discount form:

Section one

Question	Guidance
Q1 & Q2	Please insert the registered name of the business or organisation including trading name if different
Q3 to Q8	Please provide the full postal address
Q9 to Q11	Please provide the name and contact details of the CEO or senior manager based at the property this BRD application is for
Q12	Please provide the company's full registration number (input numbers only)
Q13	If known, please provide the business rates reference number (13 digits number only required). If you are yet to receive one, please leave blank
Q14	Please use the drop-down box to choose the company's Standard Industry Classification code you received on registered the company name
Q15 & Q16	Please provide the company main switchboard phone number and web address at the property this BRD application is for
Q17	Please insert the name of the person to be contacted by the Council if a need arises or to whom the notification of decision should be sent
Q18	Please insert the email address to which all correspondence should be sent
Q19 & Q19a	Please provide the full address of the property for which you are applying for a discount <u>if this is different</u> from the contact address provided in questions 3 to 8
Q20 & Q20a	If you are an agent applying for the Business Rate Discount on behalf of a client, please complete this section as well
Q21 & Q21a	Please provide details if the business or organisation already pays or will pay business rates elsewhere in England
Q22	Please complete the gross internal floor space you are occupying on your site numerically as square meters only
Q23	Please indicate the legal status of your business or organisation
Q24	Please tick the business sector that best applies to your company on this application
Q25	If a business rate discount is awarded within the Science Vale Oxford enterprise zone, it will start from the date you first occupied the property which must be after 1 April 2012 but before 31 March 2018. If a business rate discount is awarded within the Didcot Growth Accelerator enterprise zone, it will start from the date you first occupied the property after 1 April 2016 but before 31 March 2021
Q26	A newly built property may not have yet been assessed for rating purposes see http://www.voa.gov.uk/corporate/Publications/businessRatesAnIntro.html
Q27 & Q27a	If you are relocating within eight miles of the Science Vale Oxford and Didcot Growth Accelerator enterprise zones you may not qualify for the discounted business rate relief. Please also provide your reasons for your move in Q28
Q27b	If you answered no to Q27 please answer this question
Q28	Please describe in brief the nature of your business (e.g. research and development, manufacturing, logistics, business services) and what purpose the property is mainly used for (e.g. administration, training, manufacturing or research)

Q29	If you are already in the enterprise zone you may not qualify for the discount.
Q29a	If you are already in the enterprise zone please tick the main reason why you wanted to move your business into the enterprise zone, or tick Other and provide your reasons (which can be expanded on in Q30)
Q30	Please describe in brief why you want to move onto or within the enterprise zone, how your business contributes to the overall aim of the enterprise zone and why your business should be eligible for the enterprise zone business rates discount. For example, the business is expanding and needs larger premises, will provide local employments and training opportunities and economic growth. or needs to be located near to similar companies (or customers or suppliers)
	Enterprise zones are a Government initiative. Government monitors the success of enterprise zones, and the number of jobs and economic growth that will be created.
Q31 to Q34	Please state the number of full time equivalent jobs (numbers only) you anticipate creating over the first 3 years. These must be permanent jobs expected to last a minimum of 26 weeks In Q34 please state the number of construction workers used to build/refurbish your premises numerically
Q35 to Q37	Please provide your annual turnover, in sterling, for the current year and for the next two years (numbers only to be used, no commas or £ signs)
Q38 to Q40	Please state the capital value, in sterling, of your investment for the 3-year period (number only)
Q41 to Q43	Eligible non-monetary contributions are made by individuals or organisations that add value to an operation and can be given a monetary value include but not limited to <u>land, staff, use of facilities, sites or buildings.</u> Specific examples could be free use of meeting rooms, staff time for projects etc. Please state the value numerically in sterling
Q44	Quarterly information is required by government to assess the success of enterprise zones. Successful BRD applicants will be required to provide employment and capital investment figures each quarter to retain the discount
Q45	Please provide any other information that you think is relevant to your application

Section two

State Aid De Minimis Regulation and Business Rate Discounts

When awarding the business rate discounts within the enterprise zones, the Council must administer this within the State Aid De Minimis levels.

This is because this kind of discount is classed as 'state aid' and is subject to guidelines and an agreed upper limit.

What are State Aid Rules?

The State Aid rules regulate public sector intervention, with the aim of ensuring fair competition and the proper functioning of the single market.

Giving unregulated financial support to some businesses would:

- Risk distorting competition within the European common market
- Hinder the long-term competitiveness of the European Union.

This means that a business can only receive government support up to a maximum level. Because of this we have to ask any business that applies for a discount, detailed questions about financial support they may have received.

What are State Aid De Minimis levels and what are the rules for businesses?

For most organisations, the total amount of state aid that can be paid currently will be equivalent to €200,000 within a three year period. This is the equivalent of approximately £55,000 of state aid per year.

The ceiling for De Minimis aid for undertakings involved in road transport is €100,000.

Are there any exclusions to receiving State Aid De Minimis?

The following areas are excluded from receiving State Aid De Minimis

- Enterprises in road haulage operations for the acquisition of road freight transport vehicles.
- Enterprises in the agriculture sector (with the exception of those active in processing and marketing of agricultural products).
- Enterprises active in the coal sector; those undertakings in difficulty; or for directly export-related activities.
- The same costs that are being supported under another block exemption or notified scheme. It is unlawful to provide De Minimis for costs being funded under the State Aid cover of an exemption or notified scheme, if it means the specific allowable aid intensity will be exceeded.
- For the setting up of distribution networks, export aid or provided to businesses which are in difficulty.

What is classed as a business 'in difficulty'?

This is defined in section 2.1 of the Community Guidelines and State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C22/02).

What counts as State Aid?

- state grants;
- interest rate relief;
- tax relief;
- tax credits;
- state guarantees or holdings;
- state provision of goods or services on preferential terms;
- direct subsidies;
- tax exemptions;

- preferential interest rates;
- guarantees of loans on especially favourable terms;
- acquisition of land or buildings either gratuitously or on favourable terms;
- provision of goods and services on preferential terms;
- indemnities against operating losses;
- reimbursement of costs in the event of success;
- state guarantees, whether direct or indirect, to credit operations preferential re-discount rates;
- discount rates;
- dividend guarantees;
- preferential public ordering;
- reduction of, or exemption from, charges or taxes, including accelerated depreciation and the reduction of social contributions;
- deferred collection of fiscal or social contributions;
- assistance financed by special levies;
- capital transfers;
- certain state holdings in the capital of undertakings
- business rates hardship relief payments;
- high street support payments.

What has this got to do with the Council?

Because the Council is the administrator of the Science Vale Oxford and Didcot Growth Accelerator enterprise zone business rates discount scheme, the Council is responsible for ensuring that any discounts comply with the regulations.

What does this mean and what does the Council have to do?

The Council will have to comply with the requirements for granting State Aid De Minimis. This means that we will have to ensure compliance with the strict guidelines as defined by the regulations. We do this by collecting detailed information and a formal declaration as part of the claim process before any discount is awarded.

The Council also has to inform businesses that the aid has been granted and keep records of aid given for at least ten years.

What is the process and who does what?

The application specifies that the business may be entitled to receive State Aid De Minimis and makes express reference to the De Minimis Regulation.

The application will ask for information on other awards of aid provided under the State Aid De Minimis received in the current and two previous fiscal years.

The Council also requires a declaration from the business that receiving the aid will not lead to them exceeding their State Aid De Minimis threshold.

The onus is on the business to demonstrate that they can receive the discretionary business rate discount within the State Aid De Minimis. Usually where State Aid De Minimis has been provided, the business will have been informed by letter that the support has been provided under the regulation.

The Council will not grant a discount to a business until it is satisfied that the €200,000 threshold will not be exceeded and the declaration is received.

What if some State Aid has already been granted?

If some State Aid has been received by the business in previous years but this does not exceed the De Minimis limit, then a partial business rate discount may be granted up to the De Minimis threshold level. If details are provided, the Council will work out the award.

How does the De Minimis threshold apply to aid received by a parent company / group of businesses rather than just a subsidiary?

The De Minimis threshold applies to the entire business enterprise.

If an organisation has received State Aid under an alternative State Aid exemption or notification, does this need to be listed in the De Minimis declaration?

No. Only aid provided under the De Minimis Regulations in the current fiscal year and the two previous fiscal years needs to be declared.

Is the provision of De Minimis aid (as in the case of the business rate discount) affected by the Enterprise Zone being in an assisted area or not?

No. The assumption with De Minimis aid is that, as long as it is given in compliance with the regulation, it is at such a level that it will not distort the market.

Who will be liable for any state aid 'problems'?

If illegal state aid was provided through the business rate discount then - as the body administering that element of the package - the Council would be responsible for recovering the money from the business that received it (with compound interest).

What conversion rate is used to calculate the discount?

The Commission's reference exchange rate is used, as it is or was on the day that the Aid is granted. The reference rates can be found on the European Commission website.

What is the interaction between business rate discounts in enterprise zones and other discretionary reliefs?

Any other discretionary relief provided to the undertaking company must be taken into account in applying the De Minimis levels.

Where can I get further information on this?

Further information on State Aid and compliance can be found on the Department for Business, Energy & Industrial Strategy website.