

Enterprise Zone | Discovery Park: Key facts August 2011



Introduction

The Government has designated Discovery Park at Sandwich, Kent an Enterprise Zone. This note sets out what this means and what incentives will be on offer to businesses located or locating there.

The Enterprise Zone area

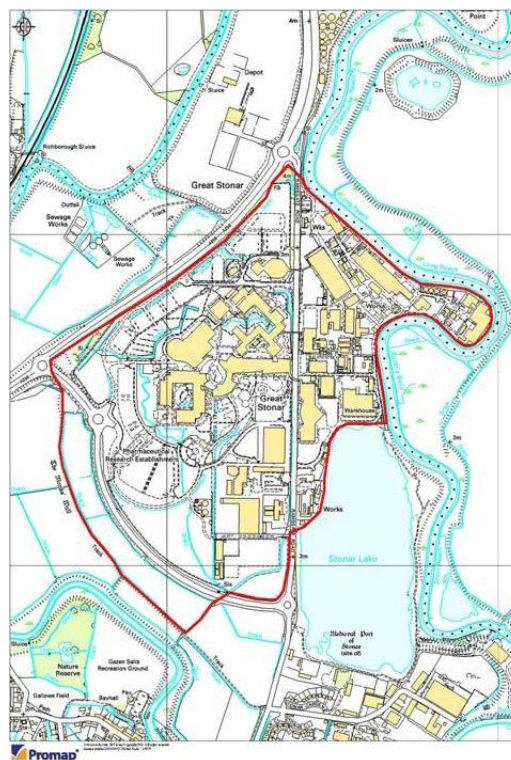
Discovery Park Enterprise Zone covers 99.4 hectares on the Pfizer site at Sandwich. The map to the left sets out the boundaries.

Enterprise Zone incentives

The package of incentives on offer for businesses locating at the Enterprise Zone are:

1. Business rate discounts

The main incentive for businesses will be business rate discounts. The available discount is a maximum of £55,000 per year, for up to five years (i.e. a maximum discount of £275,000 over a five year period). There is no limit on the percentage discount, so a business paying rates of less than £55,000 per year could receive a discount of 100%¹.



The discount will be available to businesses located on the site during any year of the period from 1 April 2012 to 31 March 2015. This means that the last date at which a business would be eligible for a discount will be 31 March 2015, and the discount period would run out in 2020.

Businesses already on Discovery Park when the discount period comes into force in April 2012 will be able to access the discount.

There are no restrictions on the size or type of business that can benefit from the business rate discount, other than those set out in European state aid rules².

2. Planning simplification

The Enterprise Zone will have a simplified planning regime. To achieve this, Dover District Council plans to develop a Local Development Order (LDO), which would enable the conversion of existing buildings, the development of new buildings and changes of use, without the need for individual planning permissions, provided that it is within the scope of the Order.

¹ However, the business rate discount is subject to state aid regulations. See Annex 1.

² See Annex 1



3. Superfast broadband

The Government's Enterprise Zone prospectus offers support to ensure that superfast broadband is available throughout the Zone, by guaranteeing the most supportive regulatory environment and if necessary public funding. Discovery Park already has good broadband access and it is not yet known what additional Government support will be required or available.

Timetable and governance

The benefits of the Enterprise Zone, including the business rate discount will be available from 1 April 2012. For other information on the EZ offer, please see www.locateinkent.com/enterprisezone.

It is envisaged that an Enterprise Zone Board will be put in place to co-ordinate relevant aspects of the development of the Zone including strategy, marketing, monitoring job creation and business development .

Making contact

Businesses interested in finding out more about Discovery Park Enterprise Zone should contact Locate in Kent on 01732 520700, or email enquiries@locateinkent.com.



Annex 1: Business rate discounts and state aid regulations

Discovery Park Enterprise Zone offers discounts on business rates to occupiers on the site worth up to £55,000 per year for up to five years (i.e. a total maximum discount of £275,000).

This discount is made under the *de minimis* rule, designed to limit market distortion as a result of public sector investment. This rule sets a ceiling for the maximum amount of grant aid (or equivalent in tax breaks) that businesses may receive.

It should be noted that:

- a) The *de minimis* ceiling is cumulative and applies to the total amount of aid to a single recipient from all sources of aid made under the *de minimis* rule. So the value of the rate discount available to an individual business may be reduced if that business is already in receipt of public sector grant from some other source.
- b) The *de minimis* rule does not apply to businesses in certain sectors. These are mainly businesses in primary food production, freight transport and the coal sector, which are unlikely to be attracted to Discovery Park.



Frequently asked questions

What are the main benefits to businesses who locate at the Enterprise Zone?

Business rate discounts of up to 100%, a guarantee of good access to superfast broadband, and a simplified planning process.

How do I know how much the business rate discount would be worth?

It's a maximum of £55,000 per year, for up to five years (i.e. a maximum discount of £275,000 over a five year period). There is no limit on the percentage discount, so a business paying rates of less than £55,000 per year could receive a discount of 100%.

Do I need to be a particular type of business?

No, all businesses are eligible

When will these incentives start and end?

The benefits of the Enterprise Zone, including the business rate discount will be available to companies moving onto the site between 1 April 2012 and 31 March 2015. The discount period would run out completely for the last companies benefiting, in 2020.

Do businesses need to move onto the site after April 2012 to benefit from discounts?

No, businesses already on the site at this point will be eligible.

When will the simplified planning regime take effect?

This will not be known until the Local Development Order is developed by Dover District Council-watch this website for update information.

Are there any benefits to businesses outside the Enterprise Zone boundary?

There are no financial incentives for businesses located outside the Enterprise Zone boundaries, but these companies will hopefully benefit from trade with these companies.

Are there any other incentives available in East Kent?

Only those available across the whole of the UK such as R&D grants. However, an application has been made to the Government's Regional Growth Fund to secure a programme known as Expansion East Kent, which would provide grant assistance to businesses looking to create jobs anywhere in East Kent (i.e. the districts of Canterbury, Dover, Shepway and Thanet). A decision on the Regional Growth Fund application is expected in October. Watch the Enterprise Zone website-www.locateinkent.com/enterprise-zone for updated information

I have seen that some Enterprise Zones offer other financial incentives.

Not all Enterprise Zones benefit from the same package of incentives. Capital allowances and local business rate retention are not currently applicable to Discovery Park.

What effect will the State Aid rules have on the business rate discounts for my company:

Probably none. The discount is made under the *de minimis* rule, which sets a ceiling for the maximum amount of grant aid or equivalent that businesses may receive. So the value of the discount available to an individual business may be reduced if that business is already in receipt of public sector grant from some other source. The *de minimis* rule does not apply to businesses in certain sectors such as primary food production and freight transport.