

## Tees Valley Enterprise Zone

### Process for an Applicant

The process to receive and maintain business rate relief has been kept as simple as possible for businesses. There are 3 stages –Application, Approval and Monitoring.

#### 1) Application

The application stage covers the 'customer journey' from initial enquiry to filling out an application for Business Rate Relief.

Only the LA can offer business rate relief to the business. The offer will come from the Finance Director of the LA but the application process will be done by the economic development / business support officers of the Local Authority.

**All businesses** need to satisfy the **sector test** to be considered for Business Rate Relief on that specific site.

If the business is an **existing** Tees Valley company they need to satisfy the **growth test** to be considered for Business Rate Relief. This helps the local authority to safeguard against displacement.

The business needs to locate on an Enterprise Zone designated area as shown on the approved drawings. There are areas of the business parks that can take advantage of Enterprise Zone benefits.

The Business Rate Relief is not a portable benefit. It is a benefit that is attached to the land or property identified on the maps.

#### 2) Approval

The approval stage covers the technical aspects of getting the application signed off and an offer letter sent out to the business.

Once a full application has been worked up the decision to award Business Rate Relief should take 10 days. In the case of a new building the precise details of the financial benefits will be known once the rateable value has been assessed.

The approval of Business Rate Relief is subject to the £55,000 per annum ceiling for 5 years if the investment is made to expand before April 2015.

The decision to give a Business Rate relief is discretionary for the individual local authority. There is an appeal process that can be triggered if a business is not successful in receiving the benefit.

#### 3) Monitoring

The Business Rate Relief is subject to annual monitoring to make sure that the company is still eligible for the Relief, namely to ensure the company is still in the sector and growing.

There are no powers of claw back on the business but relief can be stopped for future years. This is unlikely so the offer letter to the business reflects the circumstances where relief will be stopped. (eg moving to a different sector, state aid limits breached, false declaration of details etc).

Although the offer is generic (max of £55k pa for a 5 year period) for the business. The Local Authority will ensure that over a 3 year rolling period the company does not breach the de-minimus limits of 200,000 Euros. This will be checked by the Local Authority finance team.

The information given here is intended only as a guide, for a more detailed explanation of the application process contact Fergus Mitchell at Tees Valley Unlimited or the appropriate local authority contact.