

THIS AGREEMENT is dated [] 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**); and
2. **BIRMINGHAM CITY COUNCIL** who acts as the representative and the accountable body for Greater Birmingham & Solihull Local Enterprise Partnership and whose principal address is [INSERT ADDRESS] (**Accountable body on behalf of 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. The local authority on which an Enterprise Zone is situated is entitled to use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and any other neighbouring areas in agreement with the Local Enterprise Partnership.
- C. Enterprise Zones are designated as such by the Secretary of State with the agreement of the Chancellor of the Exchequer and operated by an accountable body in agreement with the Local Enterprise Partnership.
- D. 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. As Local Enterprise Partnerships are not corporate bodies, they enter into agreements through an accountable local authority on their behalf.
- D. Taking account of the attached Schedule 1, the Secretary of State offers the Local Enterprise Partnership the right to extend and operate the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this agreement.

IT IS AGREED THAT:

1 DEFINITIONS

In this Agreement the following words and phrases shall have the following meanings:

“**Accountable Body**” means the local authority responsible for the organisation and operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership. “**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’.

“Term” means the earlier of 31 March 2020 or either party giving written notice to the Local Enterprise Partnership to terminate the Enterprise Zone status under clause 5 excepting the dates for the termination of the right to benefit from business incentives which will be as set out in paragraph 2.

“Working Day” means a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business

2 AGREEMENT TO EXTEND THE ORIGINAL ENTERPRISE ZONE

2.1 Having relied upon the representations made by the Local Enterprise Partnership as part of ‘The Midlands HS2 Growth Strategy’ (April 2015), the Secretary of State offers the Local Enterprise Partnership the right to extend the number of sites in the Enterprise Zone, subject to the terms of this agreement, including the right to benefit from the following business incentives :

- Permitting Birmingham City Council to retain 100% of any business rate increase which accrues until 31 March 2046 for all original Enterprise Zone sites and for the additional sites as set out in Schedule 1a from the commencement date (this being 1 April 2016), providing such sums are directed towards the development of the Enterprise Zone, supporting the HS2 Local Growth Strategy, and thereafter towards the Local Enterprise Partnership’s identified growth priorities;
- Central government will reimburse to the relevant local authorities all the costs of providing each business occupying an original Enterprise Zone site (schedule 1A) a 100% discount on business rates for five years up to the maximum state aid de minimis threshold, for businesses that enter the zone before 31 March 2018, e.g. if a business enters the zone on 31 March 2018, it can receive the discount (subject to de minimis) until 30 March 2023 ;
- The accountable body in agreement with their Local Enterprise Partnership can agree to other local authorities benefitting from the 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.

3 TERMS AND CONDITIONS

3.1 The accountable body on behalf of the Local Enterprise Partnership agrees, having undertaken due investigation, that at the date of this Agreement:

- (a) It is not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership to deliver the Enterprise Zone

extension in accordance with the principles and outcomes outlined in the HS2 Local Growth Strategy; and

- (b) It is not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the extended Enterprise Zone.

3.2 The accountable body on behalf of the Local Enterprise Partnership confirms, having undertaken this investigation, that:

- (a) 3.2 (a) It has obtained or shall use all reasonable steps to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the extended Enterprise Zone (ie those sites in Schedule 1B) ;
- (b) It has or will secure the expertise and capacity to extend the Enterprise Zone;
- (c) It will undertake all the steps to extend 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 and planning law); and
- (d) It will deliver the relevant incentives at Schedules 1A and 1B for the period set out in this Agreement.

3.3 The Local Enterprise Partnership has agreed to:

- (a) establish a Curzon Delivery Board which is able to make strategic and operational decisions relating to the implementation of the Enterprise Zone extension. This shall include representatives of the Accountable Board and shall meet at least quarterly and report to the Local Enterprise Partnership Board and HS2 Delivery Board; and
- (b) enter into agreements with each local authority on which an Enterprise Zone site is situated and any other Local Enterprise Partnerships involved in the delivery of the Enterprise Zone. Such agreements should include the objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Agreement. This should include, but not be limited to, the use of business rates retained by the local authority(ies), how the local authority(ies) 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 involved in the Enterprise Zone changes, the Secretary of State may direct that the Local Enterprise Partnership enters into new agreements under this clause, or assists in getting such organisations to become party to this Agreement.

- (c) Use any government grant vested in the accountable body for the purposes of supporting the delivery of the Enterprise Zone and which shall be spent on the Enterprise Zone as agreed with the Local Enterprise Partnership and in compliance with the relevant laws.

3.4 Implementation Plan

The accountable body on behalf of the Local Enterprise Partnership shall provide the Secretary of State their Implementation Plan for the phase 1 programme for the EZ extension (which sets out the major steps and the individual(s) and organisation(s) who will operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31 March 2017. This will be further updated and developed at appropriate intervals by the Local Enterprise Partnership.

3.5 DCLG Enterprise Zone team shall support :

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, Ian Smith (e-mail: ian.smith@bis.gsi.gov.uk phone: 0121 345 1237)) who shall advise on the procedures for extending the zone and resolving issues which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and the accountable body shall be informed if there is a change in the DCLG Enterprise Zone 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.
- (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 / subject to alteration following that date.

3.6 The accountable body on behalf of the Local Enterprise Partnership shall:

- (a) send the DCLG Enterprise Zone team contact details of the primary point of contact ("**Local Enterprise Contact**") for the Enterprise Zone within 20 Working Days of entering into this Agreement. The DCLG Enterprise Zone team contact shall be informed if there is a change in the Local Enterprise contact.
- (b) A DCLG representative will attend the Curzon Programme Board and HS2 Delivery Board, where the progress on delivery of the EZ extension will be reported and discussed.

3.7 Marketing

The Local Enterprise Partnership has agreed 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 Agreement.
- (c) use Enterprise Zone and GSBLEP logos within marketing communications and signage.

3.8 Monitoring

The accountable body on behalf of the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at Schedule 2 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 this agreement 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 Agreement 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 the Local Enterprise Partnership to market an Enterprise Zone if it acts in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Agreement.
- (b) The Local Enterprise Partnership with the agreement of all local authorities and any other Local Enterprise Partnerships 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 other 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 Agreement.

7. MISCELLANEOUS

Nothing in this Agreement shall constitute a partnership or joint venture between the parties.

ACCEPTANCE

This Agreement 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: _____

Signed for and on behalf of

[BIRMINGHAM CITY COUNCIL]

Authorised Signatory: _____

Print Name: _____

The following parties are aware of the requirements of this agreement (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term.

GREATER BIRMINGHAM & SOLIHULL LOCAL ENTERPRISE PARTNERSHIP

Authorised Signatory:

Print Name:

BIRMINGHAM CITY COUNCIL

Authorised Signatory:

Print Name:

SCHEDULE 1A – ORIGINAL SITES AND INCENTIVES (from 1 April 2013)

PLEASE SEE ATTACHED SPREADSHEET

SCHEDULE 1B – ADDITIONAL SITES AND INCENTIVES (from 1 April 2016)

PLEASE SEE ATTACHED SPREADSHEET

SCHEDULE 2 – 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?