

# Making Enterprise Zones Work: Lessons from Previous Enterprise Zone Policy in the United Kingdom

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## 1. Introduction

HM Government has now established twenty two Enterprise Zones in Local Enterprise Partnership areas. The Enterprise Zone policy seeks to encourage the physical and economic regeneration of relatively small areas of around 50-150 hectares. Enterprise Zone sites benefit from:

- A business rate discount worth up to £275,000 per business over a five year period;
- Government help to develop simplified planning approaches for zone sites building on existing Development Order powers;
- All business rates growth *within the zone* for a period of at least twenty five years will be retained by the local area to support the Local Enterprise Partnership's economic priorities;
- Government support to ensure that high speed broadband is available to companies on zone site.

There may also be other support from Government if local conditions are such that further assistance is required to stimulate the development process. This includes enhanced capital allowances for plant and machinery where it is considered that there is an opportunity for investment in manufacturing activity. There has also been discussion of the possibility of using a Tax Incremental Finance initiative where this is feasible and support for inward investment or trade opportunities in the zone by UKTI.

The instruments of Enterprise Zone policy are designed to stimulate economic development by overcoming barriers that are constraining enterprise formation and growth in a defined local area. These barriers can take a number of different forms. In some cases there may be features of local land and property markets that affect development. An example is where land has been contaminated by previous land use and without the financial incentives offered by the zone there is insufficient development value to attract new investment. The objective is thus to break the vicious circle whereby relatively low returns, resulting from dereliction, contamination or poor image, deter new investment. Increasing the attractiveness of a zone site often requires investment in new infrastructure.

The objective of this paper is to provide a brief summary of what is known about the previous achievements of enterprise zone in the United Kingdom and to identify key lessons learned by those who were responsible for implementing the policy. Although there are some important differences in the policy incentives available in the new zones relative to the previous zones the broad approach remains similar and it is hoped that this review of experience will help to stimulate informed discussion on enterprise zone policy and its delivery. The paper begins by providing a brief overview of the achievements of the enterprise zones designated in the early 1980s and the features of zone policy that appeared to help performance. It considers issues that are relevant to maximising the contribution that the policy can make to local economic development and the impacts it has

on local property markets. It concludes with a brief discussion on the position following the de-designation of a zone.

## **2. An overview of the achievements of previous enterprise zones in the United Kingdom**

The first Enterprise Zones in the United Kingdom were designated in 1981-2 (10 on the Mainland and 1 in Northern Ireland). A further 14 zones were designated in 1983-4. Further zones were then designated when exceptional economic circumstances required a significant policy response and Inverclyde (1989) and Sunderland (1990) were of this sort. There is an extensive body of evidence available on the achievements of the first two rounds of Enterprise Zones in the United Kingdom because HM Government evaluated the programme in 1986/7 and also in 1995 when the original zones were coming to an end. The evaluation evidence thus provides insight at two important points in time. The first evaluation was undertaken when the first round of zones were at the half way stage (HMSO, 1987) and the second when the zones were coming to an end (HMSO, 1995) and it was possible to gauge what the impact of de-designation was likely to be. HM Government also commissioned an evaluation of the London Docklands Development Corporation which included the Isle of Dog Enterprise Zone and so further information is available from this (Tyler, 1998). Besides the evaluation work HM Government also monitored progress on the zones by collecting a significant amount of land, property and establishment based data. This paper draws on the key findings from both the monitoring and evaluation data.

### **Overview of achievement**

Some £3 billion (2010-11 prices) of investment went into twenty two zones (excluding the Isle of Dogs) between 1981 and 1993, an average of £136 million per zone (2010-11 prices). Public to private leverage was of the order of 1: 2.3. The bulk of the property investment was in the six urban zones. By 1990 about 2,700 hectares (6700 acres) of land had been developed, with 6,000,000 sq metres (60,000,000 sq ft) of floorspace built containing over 5000 companies employing 126,000 people. After allowing for deadweight and displacement and including short-term multiplier effects the evaluation evidence suggested that around 58,000 jobs were additional in that they would not otherwise have been in the local areas concerned. Additionality was greatest in manufacturing and lowest for retailing and distribution activity. Most zone companies were relatively small.

Between 1981/82 and 1992/93 the total public sector cost of the 22 enterprise zones was £1.2 bn (2010/11 prices). Rate relief represented some 45% of the total cost, enhanced capital allowances on property investment 45% and infrastructure and land acquisition for 9%. The cost per job year was in the region of £2550 (2010/11 prices). On the assumption of a ten year job life this amounts to £25,500 per job (2010/11 prices). The new enterprise zones do not have the enhanced capital allowances for investment in property and only offer the rate relief element for five years compared to the ten years of the previous zones. For those zones *without* the capital allowances on plant and machinery if they did manage to achieve the same level of additional economic benefit as the previous zones then their cost per job would be between £8-14,000 for a ten year job life. (There are, of course, other

complications in that it is not clear how the ability of local authorities to retain increases in local tax receipts for up to twenty five years should be considered in calculating the public sector cost of zones or any extra cost to the public sector that may arise from ensuring the provision of high speed broadband).

**The build-up of activity**

This section provides an overview of the build-up of activity across the original round 1 and 2 Enterprise zones in the United Kingdom. The activity is shown according to floorspace (figure 1), establishments (figure 2), employment (figure 3) and land developed (figures 4 and 5). Figure (6) shows the balance of manufacturing and service activity on the zones.

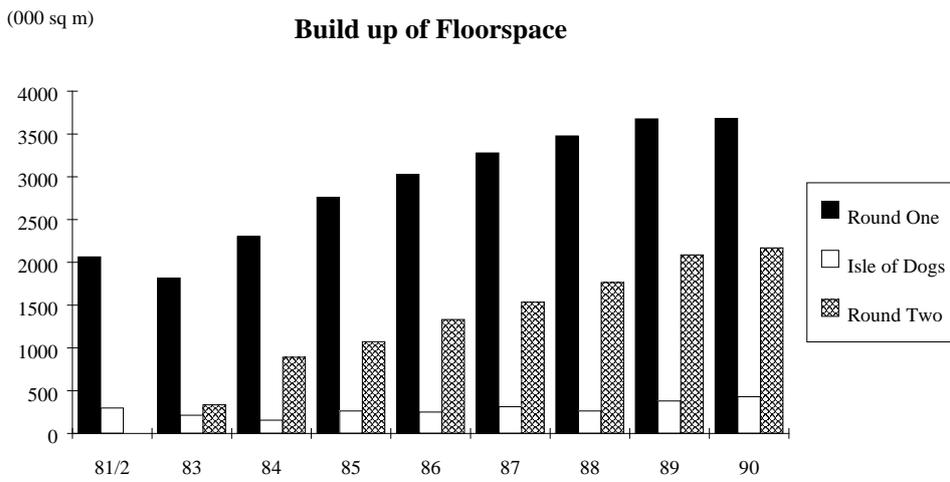


Figure (1). Source: DoE Monitoring Reports

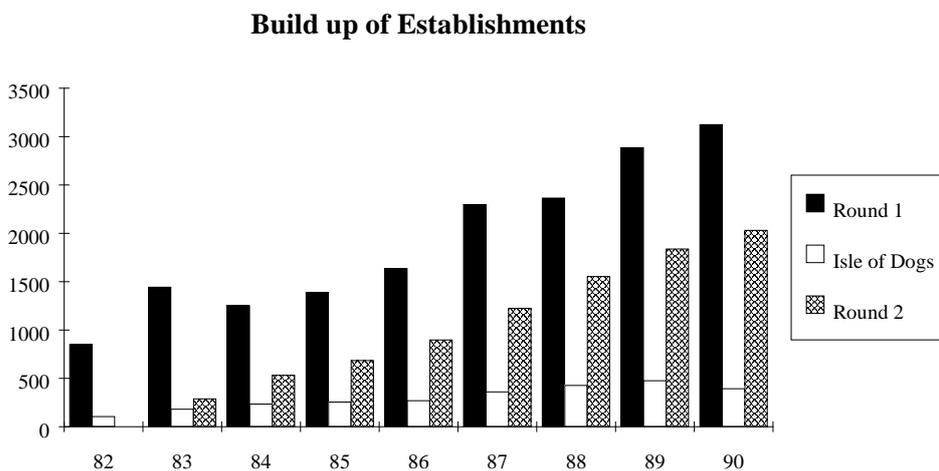


Figure (2). Source: DoE Monitoring Reports

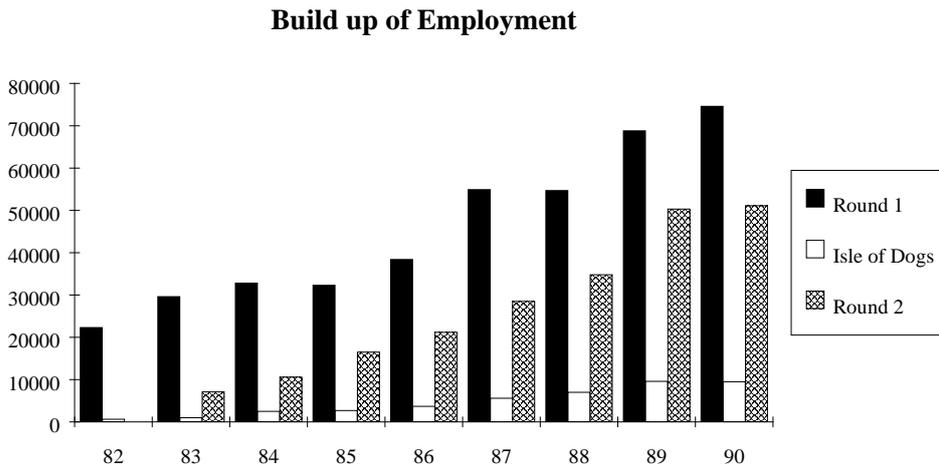
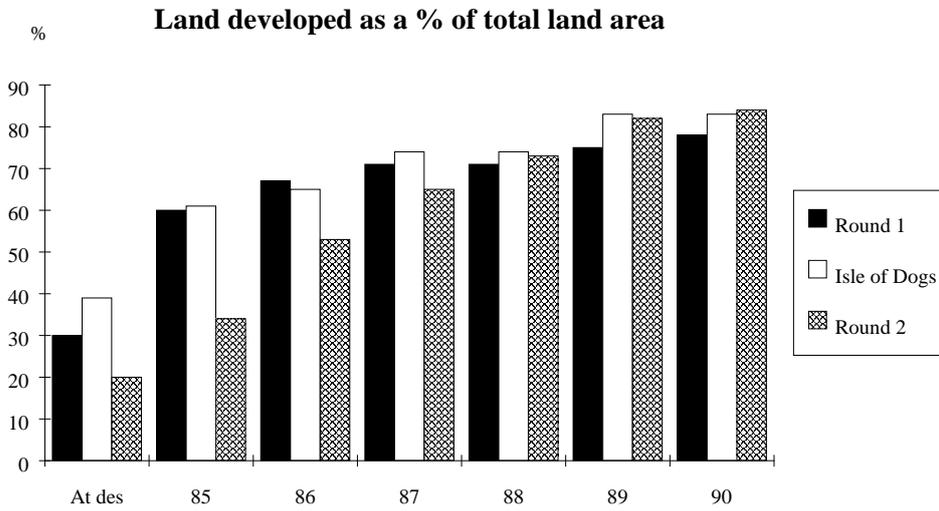


Figure (3). Build-up of employment. Source: DoE Monitoring Reports



and Figure (5). Source DoE Monitoring Reports

Figures (4)

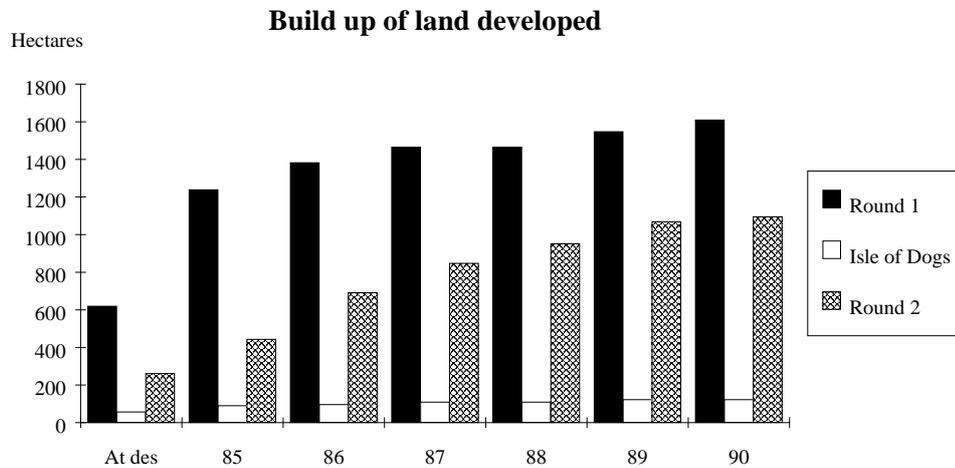
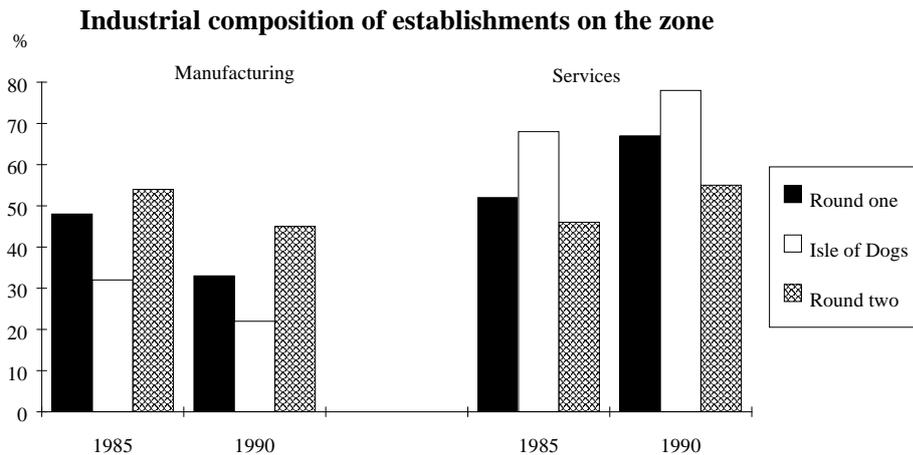


Figure (5).



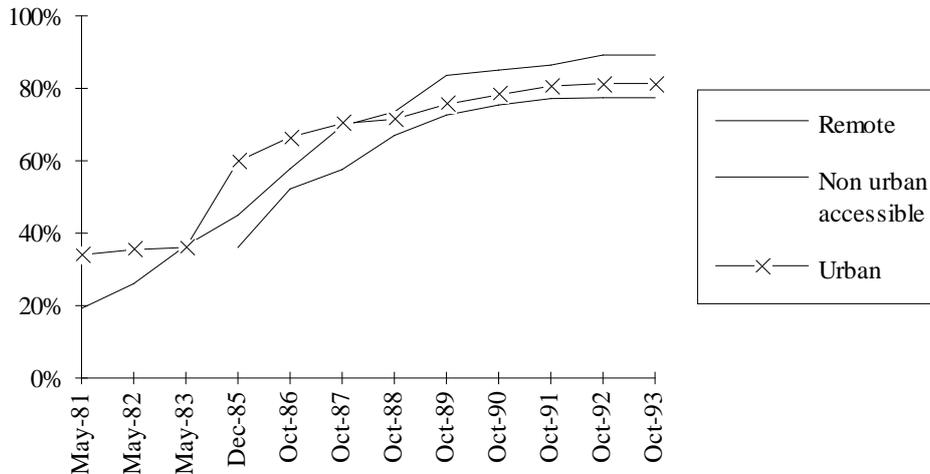
**Figure (6). DoE Monitoring Reports**

### 3. How the level of activity varied by type of zone

The pace of development varied significantly across the zones. Some tended to be more favoured than others in their access to market opportunity. The zones also differed in the problems of dereliction and inadequate infrastructure they had to overcome before economic development could take place. When evaluating the performance of the zones it was helpful to group them according to whether their location was relatively attractive to market based economic opportunity across the United Kingdom (relative opportunity) and the degree of market failure that existed in their local land and property markets (relative need).

For much of the post war period the inner urban areas in the United Kingdom were in decline whilst the near accessible areas around the large cities were undergoing relative expansion. The inner urban areas tended to be characterised by relatively high levels of market failure in land and property markets and constrained *existing* economic opportunity. In contrast locations on the fringe of the large urban areas were less affected by market failure in land and property markets and were relatively attractive locations for new economic opportunity and investment.

To reflect these relative differences in the balance of economic opportunity and market failure the zones were classified into three groups; urban (mainly inner cities), non urban accessible (outside urban centres but easily accessible from major population centres) and remote rural. In the round one and two zones there were six urban zones, 13 near accessible zones and three remote zones. Around 57% of total public support was committed to the urban zones, 39% to the near accessible and 4% in the remote rural. Figure (7) shows the build-up of land developed by zone type.

**Figure (7). Proportion of land developed by zone type<sup>1</sup>**

<sup>1</sup>Includes land built on, landscaped or prepared as a serviced site

National Evaluation of Enterprise Zones 1995.

Tables (1) and (2) present information for a number of important characteristics that reflect the nature of physical and economic development that took place on the zones where the zones are classified according to urban, non urban accessible and remote rural. The table shows that there has been considerable variation in the performance of zones according to where the zone was located. The relatively robust performance of the near urban accessible zones is clear and they developed land at the fastest rate over the ten year lifetime of the zones. Floorspace per ha was also the highest and so was the private investment per ha and employment per ha. The employment per ha is based on the total gross area of the zone. Some of the total land available was used for landscaping, access and the provision of supporting infrastructure and if the estimates are adjusted to allow for this then employment per occupied ha would be about 20% higher than the estimates shown in the table.

The accessible urban zones had the highest level of local area additionally and the urban areas the lowest. When additionality was weighted by employment overall some 40% of companies thought that they would otherwise have located outside the local area but still in the United Kingdom in the absence of the zone, about 6% would have delayed or cancelled start-up and 4% would have been smaller. About 48% of employment would have been based on the zone or in the local area even in the absence of the zone subsidies. Additionality was highest in branch plants and re-locations and lowest in pre-designation companies. It was highest amongst manufacturing and lowest for retailing and distribution activity. The zone policy thus tended to encourage economic activity more readily in the near urban accessible areas whilst the urban areas proved less attractive to investment at that time and thus presented more of a challenge. Remote areas were also somewhat disadvantaged.

There were differences in cost per job by type of zone. Round one zones were 20% more expensive than the round two zones. The costs per job for accessible and remote rural zones were on average 25% and 33% lower respectively on average than the figure for all zones and the urban zones were some 33% higher. These variations reflected both differences in the level of additional jobs generated, with it being highest in the near accessible zones and lowest in the urban zones, and also the higher public costs associated with overcoming dereliction in the urban zones.

In general 29% of all companies on zones were new start-ups, the average for urban areas being somewhat lower at 24%. Some 51% of all companies on zones were single site and this was the average for urban zones. Relatively few companies had their main headquarters on the zone. Just over a third of all companies were branch plants and this was about the urban zone average.

**Table (1). Key Characteristics of Enterprise Zones Grouped by Settlement Type**

	Amount of total land developed over life of Zone (%)	Total land developed by 1990	Floorspace per Ha Sq./Ha	Private Investment per Ha (£K/Ha) 10/11 prices	Establishments per Ha	Employment per Ha	Industrial Floorspace (% of total floorspace)	% activity that would have been in local area anyway (%)	% activity that would have been in rest of the region and rest of United Kingdom anyway (%)	% activity that was additional to local area (%)
Accessible	67	85	1893	927	1.5	43.3	57	37	34	50
Urban	41	75	1736	891	1.5	30.3	34	53	17	36
Remote	56	83	1301 <sup>(1)</sup>	237	1.2	24.3	61	36	16	41
Total	59	82	1792	823	1.4	37.2	52	41	27	45

<sup>(1)</sup> Excludes Invergordon

**Table (2). Key Characteristics of Enterprise Zones Grouped by Settlement Type**

	New Start Up % of all companies	Single site % of all companies	Main headquarters % of all companies	Branch % of all companies	% of all companies which had grown over last 5 years of Zone life (employment)	% of all companies which had doubled their employment over last 5 years of Zone life (employment)
Accessible	29	47	11	38	32.7	24.6
Urban	24	51	11	36	45.8	11.2
Remote	36	62	15	17	34.2	27.3
Total	29	51	12	35	31.8	21.8

Source: National Evaluation of Enterprise Zones 1995.

## **4 Lessons Learned from the experience of previous enterprise zone policy**

The evidence in section 3 shows that some zones were better placed to realise economic benefits because their location was relatively more attractive to investment and they had less market failure to overcome in land and property markets. However, research undertaken as part of the national evaluation showed that the relative performance of a zone was also influenced by the approach adopted by the zone authority to select, assemble and develop the zone. The key factors important here were:

- **The nature of the sites assembled.** Relevant considerations here were whether the zone consisted of a number of fragmented sites or of one or two large areas, the size of the zones and the amount of dereliction that existed and thus the amount of land clearance and infrastructure required. A further factor was the split of land ownership between the public and private sector. It was also important in selecting sites to ensure that there was an adequate supply of land available to allow zone companies to expand;
- **The development strategy of the zone authority.** Key issues here were whether the zone authority had a clear development strategy for the sites and whether it was consistent with a wider development plan for the area that recognised, amongst other things, the type of companies and sectors that should be attracted to build longer term competitive advantage and where possible minimise displacement and maximise additionality. A further element of the development strategy was to ensure that there was an integrated approach to providing business support particularly as it related to training and access to finance;
- **The promotion and marketing arrangements for the zone.** A number of issues emerged as being of importance here including whether the management, promotion and marketing of the zone was in the hands of one agency or whether a more fragmented approach was being adopted;

We examine each of these in more detail.

### **Site assembly**

The incentives available in enterprise zones are clearly substantial but it is important that they be used as a part of a strategic approach to regeneration in the areas concerned. One element of this relates to the assembly of land for development. In some cases the area to be developed may be characterised by a pattern of existing land ownership dominated by a few large sites and this may require the zone authorities to break them-up to allow subsequent development and onward sale as smaller, more marketable plots. More manageable plots of land reduce negotiating and other costs. In the early stage of the zone life it is highly desirable to have as much land as possible in public ownership as this avoided delay in site assembly. In some cases private sector land owners perceive that there is value in holding onto land as the value of the zone land increases by the process of zone development. Such behaviour may constrain the development of the zone.

The zone managers may also be able to use flexibility in the planning process to ensure that specific forms of land use will definitely be permitted. It was apparent from the earlier

zone evaluation research that developers and other property agents preferred the zone authorities to have produced a clear local plan within which they can work.

#### **Nature of sites assembled**

It is also important in the early life of a zone to ensure that some sites have been designated that do not suffer from extensive dereliction and thus need substantial up-front expenditure on land reclamation and infrastructure before any development can start. Development should be encouraged in the most accessible sites closer to economic opportunity first. Once some early momentum has been achieved on relatively non-constrained site it will then be possible to realise the potential of other more encumbered sites.

#### **Avoiding fragmentation of sites**

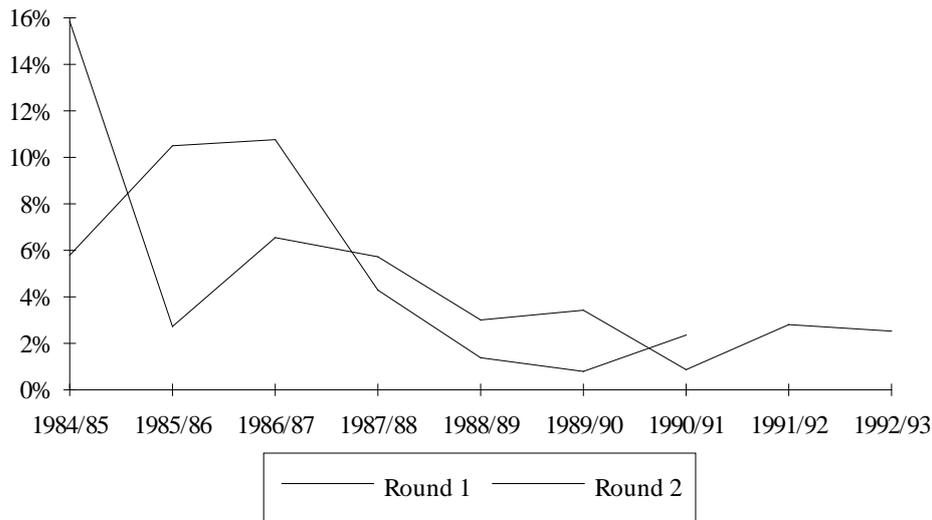
The size of a zone and the number of sites clearly influence the pace and pattern of land-use that can be achieved. The size of zone site designated should take some view of the possible capability of the areas to absorb development over the window of opportunity envisaged. It is often helpful to avoid too large a site designation in order to prevent distortions in local property markets but also not to make zones too small.

#### **Ensuring that key infrastructure is in place**

Many of the original enterprise zones were in urban areas characterised by dereliction, land contamination and poor quality infrastructure. It was necessary for the zone managers to use public sector resources to overcome these problems so that the process of economic development could begin. It was unlikely that the private sector would fund this at an early stage of zone development. Figure (8) shows how the volume of public sector funding fell away as the round one and round two zones developed. Ensuring that there is a process of resource planning that identifies where the required funding will be found is thus very important, particularly where a zone site is characterised by extensive market failure.

#### **Figure (8). Public sector investment as a proportion of private investment**

National Evaluation of Enterprise Zones 1995.



### Assistance with other forms of business support

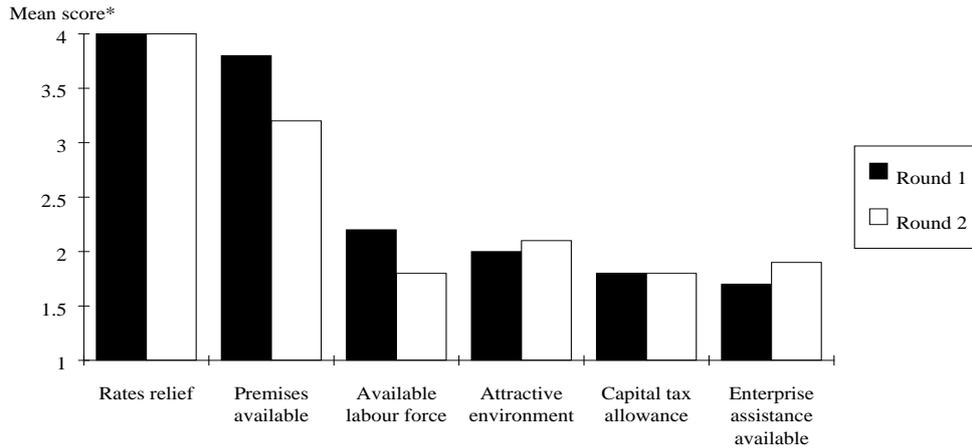
A further factor that has varied extensively across zones in the past has been the extent to which there has been an integrated approach to assisting companies with training and access to finance. In the present context it is important that Local Enterprise Partnerships as the zone managers collaborate with the relevant partners in both the public and private sectors.

### Promotion and marketing

The evidence from previous zone research was that one of the most significant advantages of the original zones was the value of the enterprise zone brand as a marketing and promotional tool. Evidence from surveys undertaken as part of the national evaluation highlighted that rate relief and the availability of a ready supply of premises were two key factors that attracted companies to the zone site, (Figure (9)).

Zone managers across the United Kingdom found that zone status elevated their location in marketing terms considerably compared to other locations but they also had to have a ready supply of serviced land and available premises that could be taken-up within a reasonable time period. To retain companies it was important that there was space for them to expand. Figure (10) shows the importance of ensuring that premises remain acceptable to companies if they are to stay.

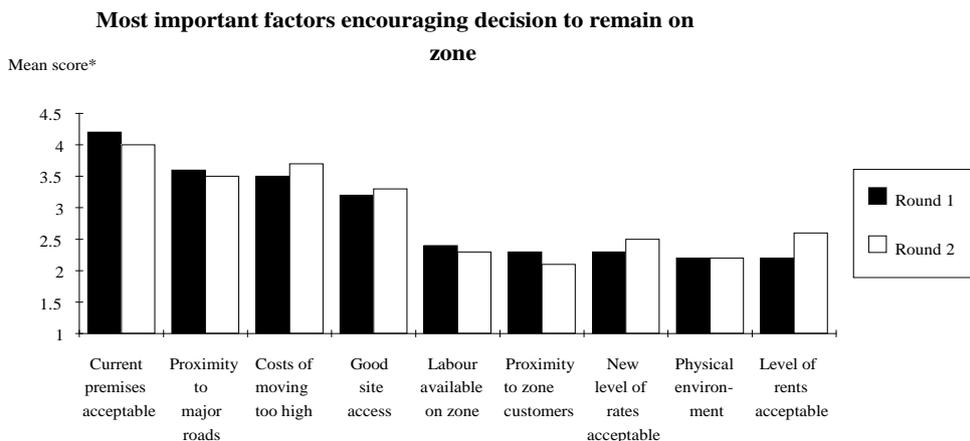
**Figure (9). Factors important in location decisions**



\* Mean score: 1 = no importance 5 = of great importance

Source: National Evaluation of Enterprise Zones 1995.

**Figure (10).** National Evaluation of Enterprise Zones 1995.



## 5 Maximising the economic benefits from enterprise zone policy

The Enterprise Zone policy is designed to stimulate the pace of economic development on the zone and the local economy of which it is a part. If this objective is to be achieved it is important that the zone is designed and marketed as part of a clearly defined local economic strategy. When a company is established on a zone site the ideal position is that it represents *additional* employment, i.e. jobs that would not otherwise have been on the zone site or elsewhere in the local economy<sup>1</sup> in the absence of the zone. Put simply, the

<sup>1</sup> The precise geography of the local economy is for the LEAs to decide. In the Second Interim Evaluation of Enterprise Zones it was suggested to reflect broadly a ten mile radius around the zone sites but the precise definition clearly tends on the nature of the local economic settlement pattern.

zone does not move jobs from one part of the local economy to another. There are a number of important additionality factors<sup>2</sup> that should be considered, but one which is fundamentally linked to zone design and delivery is 'deadweight'<sup>3</sup>.

Incentives associated with enterprise zone policy can increase employment on the zone sites in several ways. Thus, the zone measures might lead a company to:

- Enable a successful start-up company;
- Accelerate a company's start-up;
- Increase the scale of an existing company's operations;
- Incentivise it to start-up (new company) or stay (existing company) in the local area, when it might have been considering a move elsewhere in the region, the UK or even abroad.
- Attract inward investment from other parts of the region, the UK or abroad.

If zone managers are to maximise the amount of economic activity created in the local economy from zone incentives then they should establish which of these possible outcomes is likely to be relevant to the companies they attract to the zone and minimise the number of companies who move onto the zone from elsewhere in the local area<sup>4</sup>. The broad pattern of possible interactions between on and off zones is summarised in Figure (11). It also shows that there can also be economic benefits created through supply chain ("linkage") and income multiplier effects<sup>5</sup>.

Findings from previous evaluation research on enterprise zones in the United Kingdom showed that additionality at the local economy level varied significantly by the type of company attracted to a zone site. In general the highest level of additionality was obtained from new start-ups and, not surprisingly, the lowest additionality with existing companies moving within the local economy. There was also substantial variation by sector, with additionality being lowest for retail and distribution activity and highest for manufacturing.

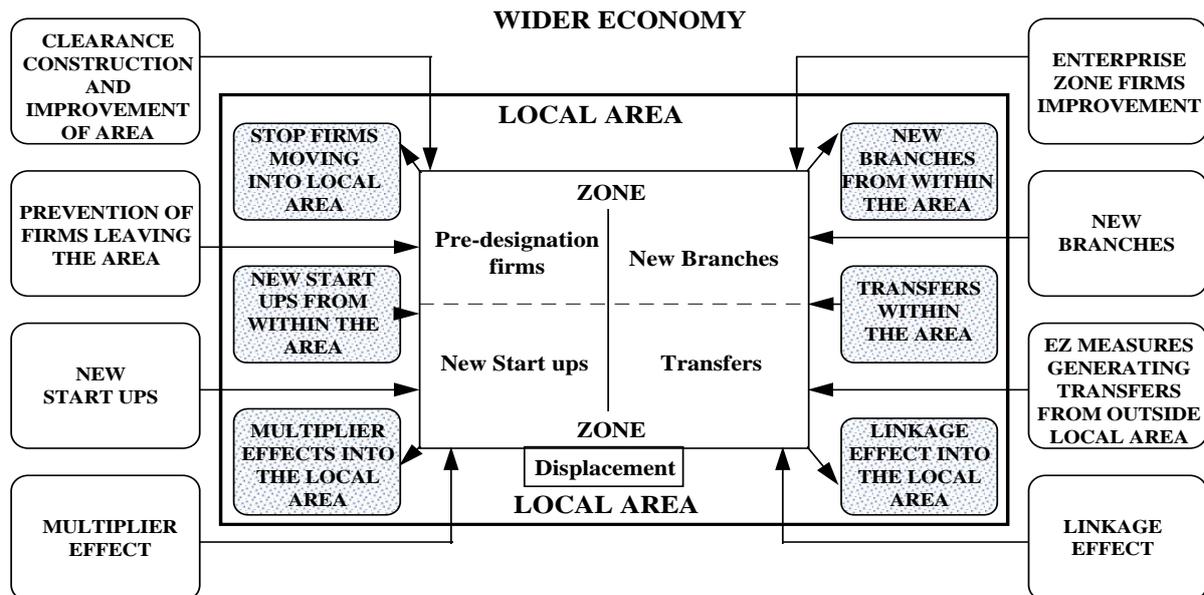
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<sup>2</sup> Additionality: An impact arising from an intervention is additional if it would not have occurred in the absence of the intervention. (HM Green Book, pp 101). The concept of additionality incorporates a number of different components: deadweight; leakage; product market displacement and multiplier effects.

<sup>3</sup> Deadweight. (Policy) expenditure to promote a desired activity that would in fact have occurred without the (policy) expenditure. (HM Green Book, pp 101).

<sup>4</sup> Displacement is defined as the degree to which an increase in productive capacity promoted by government policy is offset by reductions in productive capacity elsewhere.

<sup>5</sup> The net additional activity associated with the Enterprise Zone measures can be amplified by linkage effects between companies through increased level of local purchases of goods and services. Further economic activity can also arise from local income multiplier effects.



**Figure (11). Understanding the Sources of Economic Benefits from Enterprise Zone policy. Source: Second Interim Evaluation of the Enterprise Zones, HMSO, 1995.** . In the Second Interim Evaluation of Enterprise Zones the local area was broadly a ten mile radius around the zone sites but the precise definition depended on the nature of the local economic settlement pattern.

In seeking to maximise the size of local economic benefits, Local Enterprise Partnerships can draw upon a considerable amount of guidance in their economic appraisals<sup>6</sup>. By way of illustration Tables (3)–(4) present a simple template that can be used to summarise the overall additional economic impact that a particular type of zone project might have on the local economy. The example is based on attracting a large flagship B1 Office investment to a zone site under different site and market opportunity conditions. It shows how the overall additionality of the proposed investment in terms of job creation can be assessed using the concepts described earlier. Tables (4)-(5) show a similar approach for a smaller scale office based investment. These templates can be provided for different land uses.

The lesson from the previous use of enterprise zone policy in the United Kingdom is that zone managers should undertake a careful economic analysis of the sectors and types of companies that they believe will provide the highest level of economic additionality in their area. The zone measures should then be used alongside other incentives, both policy and no policy related, that enhance the relative attractiveness of the area to investment.

<sup>6</sup> BIS (2009). Assessing the Additionality of Economic Regeneration Policy. BIS. RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework. BIS (2009). RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework. Appendix 1-Beneficiary Survey Methodology and Questionnaires. English Partnerships (2008). An Additionality Guide. Third Edition.

**Table (3): Example of project type B1 Office – large flagship in area with site related problems but active private sector**

<i>Assume 20 hectares, plot ratio of 25%, employment density of 23.2 (sq m per job) and occupancy rate of 95%</i>	
	<b>Local area</b>
Gross jobs	2,050
Deadweight (%)	25%
Leakage <sup>7</sup> (%)	7%
Displacement activity (%)	12%
Supply linkages multiplier	1.17
Income multiplier	1.10
Net jobs	1,619

(The calculation is: 2050 (gross jobs) X 0.75 (i.e. 1-0.25)) X 0.93 (i.e. 1-0.07) X 0.88 (i.e. 1.0-0.12) X 1.17 X 1.10 = 1619 (net jobs)).

Source: Based on Rhodes et al <sup>8</sup>(1994) and Enterprise Zone evaluation evidence (HMSO, 1995)

**Table (4): Example of project type B1 Office – large flagship in area with market failure and poor private sector activity**

<i>Assume 20 hectares, plot ratio of 25%, employment density of 23.2 (sq m per job) and occupancy rate of 85%</i>	
	<b>Local area</b>
Gross jobs	1,830
Deadweight (%)	35%
Leakage (%)	7%
Displacement activity (%)	8%
Supply linkages multiplier	1.13
Income multiplier	1.10
Net jobs	1,265

Source: Based on Rhodes et al (1994) and Enterprise Zone evaluation evidence (HMSO, 1995)

**Table (5): Example of project type B1 Office – small project in area with site related problems but active private sector**

<i>Assume 1 hectare, plot ratio of 25%, employment density of 23.2 (sq m per job) and occupancy rate of 97%</i>	
	<b>Local area</b>
Gross jobs	105
Deadweight (%)	33%
Leakage (%)	7%
Displacement activity (%)	20%
Supply linkages multiplier	1.17
Income multiplier	1.10
Net jobs	67

Source: Based on Rhodes et al (1994) and Enterprise Zone evaluation evidence (HMSO, 1995)

**Table (6): Example of project type B1 Office – small project in area with market failure and poor private sector activity**

<sup>7</sup> An adjustment is made in these tables for leakage. Leakage reflects the proportion of jobs created in the zone local area that will go to residents who live outside the local area. It can vary significantly depending on the type of policy assistance but recent research has shown that an adjustment of around 7% is appropriate when a government policy works to attract inward investment as in the case of Enterprise Zones (See: BIS Occasional Paper No.1. Research to Improve the Assessment of Additionality, 2009).

<sup>8</sup> Rhodes, J., et al English Partnerships: Evaluation Evidence, Parameter Values and Expenditure Weights. A report Prepared for English Partnerships. (1994).

Assume 1 hectare, plot ratio of 25%, employment density of 23.2 (sq m per job) and occupancy rate of 87%	
	Local area
Gross jobs	94
Deadweight (%)	43%
Leakage (%)	7%
Displacement activity (%)	10%
Supply linkages multiplier	1.13
Income multiplier	1.10
Net jobs	56

Source

Source: Based on *Rhodes et al* (1994) and *Enterprise Zone evaluation evidence* (HMSO, 1995)<sup>9</sup>

## 6 Property market effects

Whilst the enterprise zone measures can help to encourage local economic development it should also be recognised that experience from previous zone policy both in the United Kingdom is that the direct financial benefit to companies from local tax relief may be reduced to some degree because the tax break is reflected in the rents that the company may have to pay for its premises on the zone compared to what it would pay for similar premises outside the zone.

This process is termed 'capitalisation' and has been investigated quite extensively, most recently in research commissioned by HM Treasury (Gardiner, Bond and Tyler, 2008). The evidence from the national evaluation of the enterprise zones in the United Kingdom showed that rents on zones were some 10-20% higher than equivalent like-for-like premises off zone. Land values were about 40% higher. However, the extent of the capitalisation varied considerably according to the zone location and also through the lifetime of the zone (Figures 11, 12 and 13).

The first and second round zones in the United Kingdom were different to the new zones in England since they combined rate relief with capital allowances that enabled 100% first year tax offset on investment in property. In these earlier zones Investors and developers were the principal beneficiaries of the capital allowance incentive and whilst the position varied by zone, perhaps 85-90% of them went to either the investor or developer, with the developer benefiting to the greatest extent.

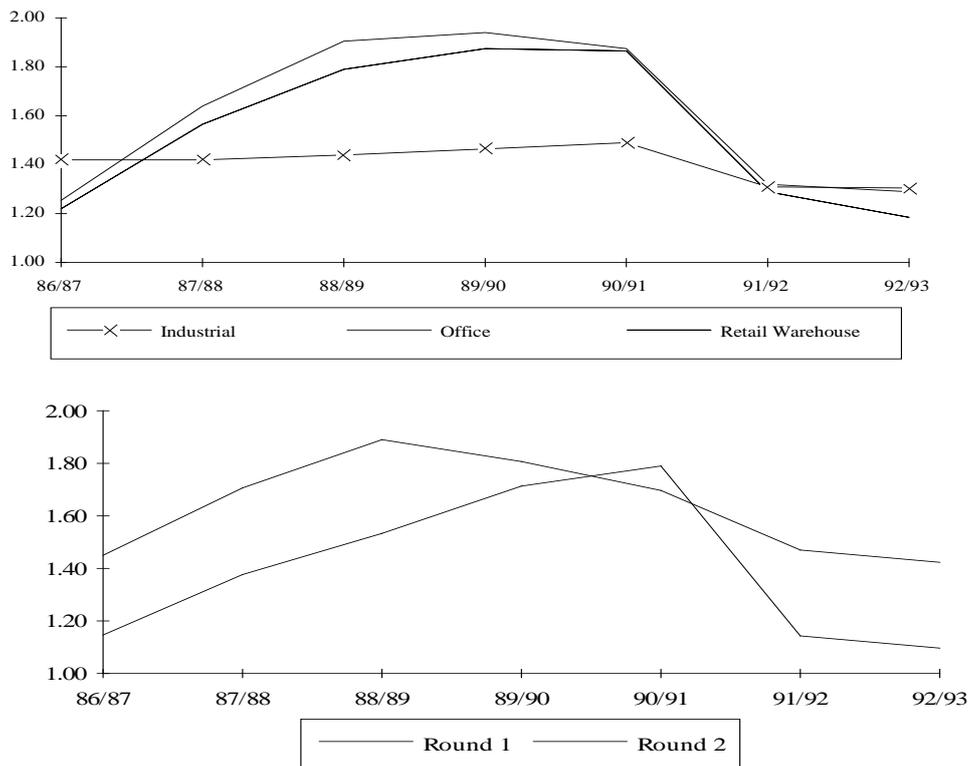
## 7 The impact of designation

The evaluation evidence on the achievements of previous zone policy indicated that it can provide a significant boost to the process of regeneration in local areas. It did this by increasing confidence, enhancing the rate of economic return and facilitating new property and infrastructure. On de-designation companies on zones were asked to identify whether they were likely to reduce their existing employment levels. About one fifth of companies did feel that there would be some reduction in employment but overall this was quite small, around 4-5% overall across all zones. The majority of companies intended to stay and maintain their employment because the location they had chosen was meeting their operational needs. In planning the development of a zone, it is therefore important that

<sup>9</sup> DoE, Second Interim Evaluation of the Enterprise Zones, HMSO, 1995.

zone managers ensure that they are playing to quality and ensure as far as possible that the infrastructure they provide and the physical lay-out of the zone remain fit for purpose for a considerable period of time.

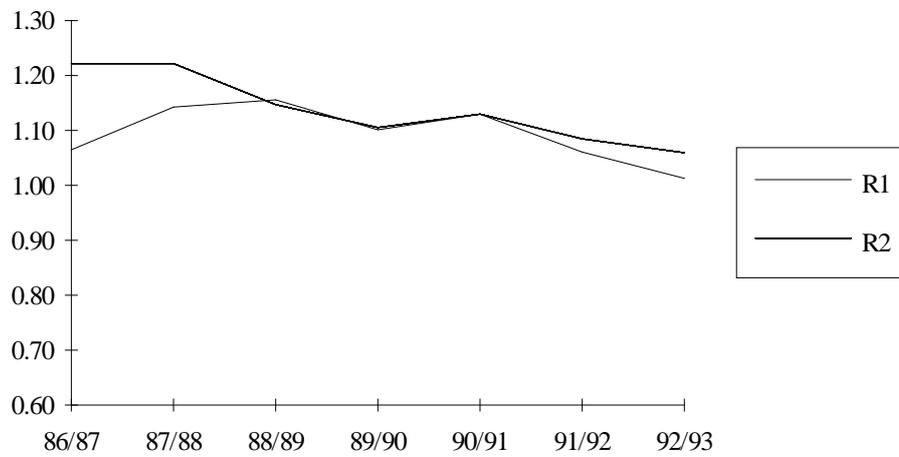
**Figure (11). Land values on-zone as a proportion of those off-zone<sup>1</sup>**



<sup>1</sup> Analysis by round takes an average for the three types of site

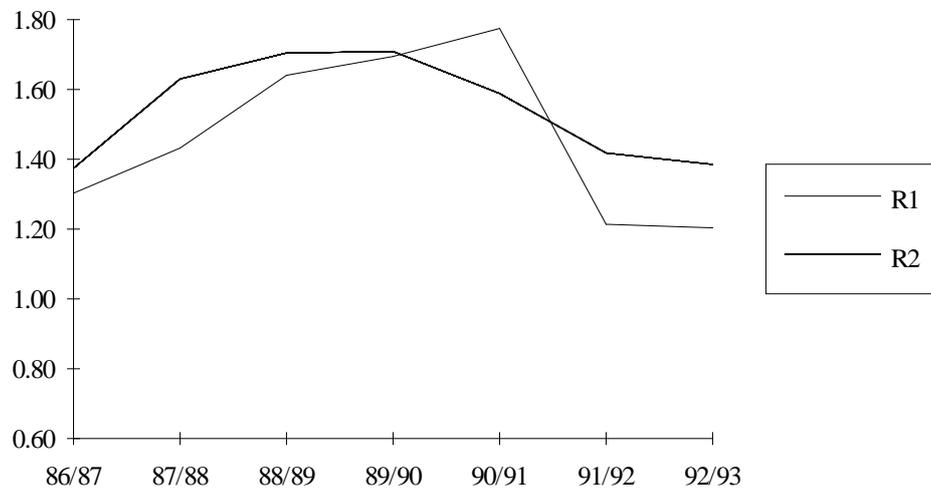
Source: National Evaluation of Enterprise Zones 1995.

**Figure (12). Ratio of on-zone rents to off-zone rents**



Note: Excludes Retail and Retail Warehouse property. National Evaluation of Enterprise Zones 1995.

**Figure (13). Land values on-zone as a proportion of those off-zone<sup>1</sup>**



Note: Excludes Retail and Retail Warehouse property

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