

## Enhanced Capital Allowances in Enterprise Zones

*Enterprise Zones are designed to encourage economic growth and investment. First-year allowances of 100% are intended to contribute to this objective by promoting investment by capital intensive companies in a limited number of designated assisted areas within Enterprise Zones.*

*Hillhouse International and Blackpool Airport*

### Who is likely to be affected?

Companies investing in plant or machinery in designated enhanced capital allowance (ECA) sites in Enterprise Zones.

### General description of the measure

This measure extends to 31<sup>st</sup> November 2023 the period in which businesses investing in new plant and machinery in ECA sites in Enterprise Zones can qualify for 100 per cent capital allowances.

### Objective

Enterprise Zones are designed to encourage economic growth and investment. ECAs are intended to contribute to this objective by promoting capital investment by companies in a number of designated ECA sites within Enterprise Zones.

### Qualifying businesses

Unincorporated businesses, including partnerships with corporate partners, are not eligible for special relief in EZs and certain sectors are excluded:

- Fisheries and aquaculture sectors
- Transport sector or related infrastructure
- Management of waste of undertakings
- Coal, steel or shipbuilding
- Synthetic fibres sector
- Energy generation, distribution or infrastructure
- Development of broadband networks
- Primary production of agricultural products, including farm activities preparing a plant or animal for the first sale.

### Qualifying expenditure

To qualify for enhanced capital allowances, expenditure must:

- Be on plant or machinery that is unused and not second-hand.
- Comprise investment and not replacement expenditure.
- Not relate to excluded sectors above.
- Not be taken into account for the purposes of another State aid grant or relevant payment made towards that expenditure.
- Not exceed a total of €125 million for the investment project.

*However there are exceptions and ECA is available for certain types of energy and other specific excluded sectors, so please check this first*

[www.gov.uk/government/publications/enterprise-zones-enhanced-capital-allowances](http://www.gov.uk/government/publications/enterprise-zones-enhanced-capital-allowances)

**Initial Enquiry** - For an initial enquiry about an ECA application at either Hillhouse or Blackpool EZ then please contact Nicole Billington on 01253 478725, [nicole.billington@blackpool.gov.uk](mailto:nicole.billington@blackpool.gov.uk)