

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 31st 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

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