



# Cheshire Science Corridor Enterprise Zone

## Enhanced Capital Allowances (ECA) Paper

### Introduction

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

From an occupier incentive perspective, Enterprise Zone sites can be designated to provide either Business Rate Discounts or ECAs. Occupiers cannot claim both and ECAs are only available on sites within designated EU Assisted Areas.

Within the Cheshire Science Corridor (CSC) Enterprise Zone (EZ), occupiers on the following sites will be eligible for ECAs:

- Hooton Park, Ellesmere Port
- Protos (Ince Park), Ellesmere Port
- New Port Business Park, Ellesmere Port
- South Road site, Ellesmere Port
- Parts of Thornton Science Park

The approved ECA site boundaries are identified in Appendix A and all fall within the administrative area of Cheshire West and Chester Council.

### The ECA Incentive

On each of the designated ECA EZ sites identified above, occupiers are able to write down the costs of qualifying plant and machinery assets against their taxable income.

Under the original guidance, occupiers are eligible for a 100% first year allowance on capital expenditure on qualifying assets until 31st March 2020. However, in the March 2016 Budget Report it was announced that Government will ensure that all Enterprise Zones are able to offer Enhanced Capital Allowances for eight years from the establishment of relevant sites (Finance Bill 2016). This means that occupiers will be eligible for a 100% first year allowance on capital expenditure on qualifying assets until 31st March 2024 within the identified Cheshire Science Corridor EZ ECA sites.

The allowances relate to capital expenditure on qualifying assets from 1st April 2016 when the EZ became formally operational. The maximum capital investment that can qualify for enhanced allowances is €125 million per project and the new capital investment must be maintained in the Assisted Area for a period of five years. There are criteria in that plant must be new and represent an investment not a replacement of existing plant. Some businesses and some types of expenditure are specifically excluded from the provisions and HMRC is able to advise further on this<sup>1</sup>.

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<sup>1</sup> Further information and contact details can be found at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/293825/TIIN\\_8091\\_enterprise\\_zones\\_enhanced\\_capital\\_allowances.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/293825/TIIN_8091_enterprise_zones_enhanced_capital_allowances.pdf)



This clearly provides a major financial incentive to businesses investing in plant and machinery assets within the eligible EZ sites. Eligible businesses are already entitled to the Annual Investment Allowance of £200,000 and so the ECAs will be of benefit to businesses investing more than this on qualifying assets and will most likely benefit medium and larger sized businesses.

### Application Process

There are no sector/growth restrictions and any business can apply for the ECAs.

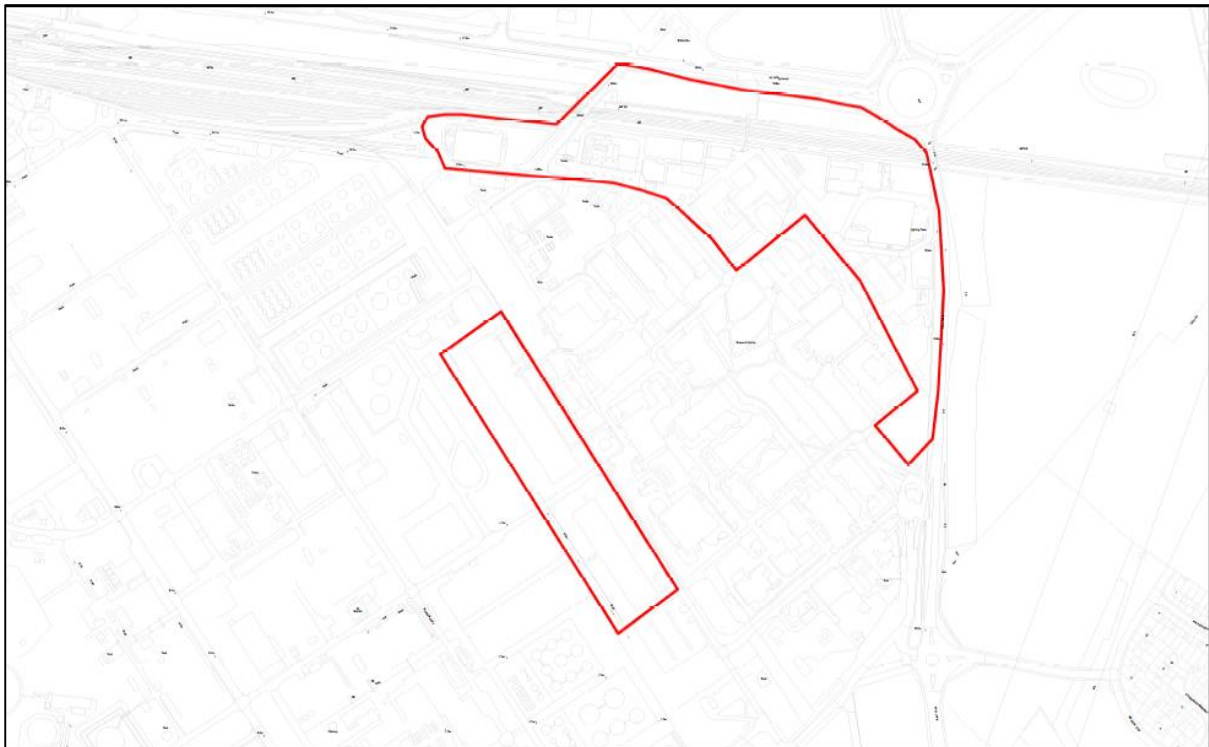
ECAs are claimed by the business through annual tax returns to HMRC. It is the responsibility of occupiers to claim ECAs, not that of the Cheshire & Warrington Local Enterprise Partnership (LEP) of supporting EZ Team.

Any technical queries relating to ECA qualifying assets/expenditure should be directed to HMRC or a capital allowance specialist. The LEP is unable to advise on technical tax related matters.

## Appendix A

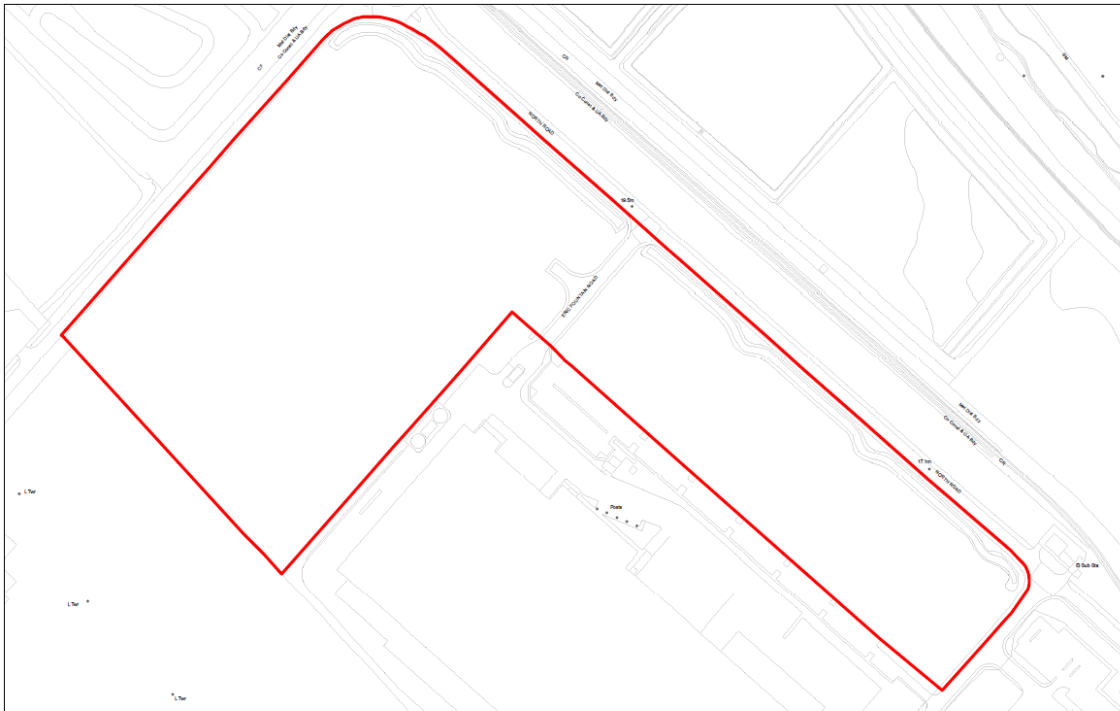
### Approved ECA Boundaries for Cheshire Science Corridor Enterprise Zone Sites

#### Thornton Science Park (Cheshire West and Chester)





### Hooton Park, Ellesmere Port

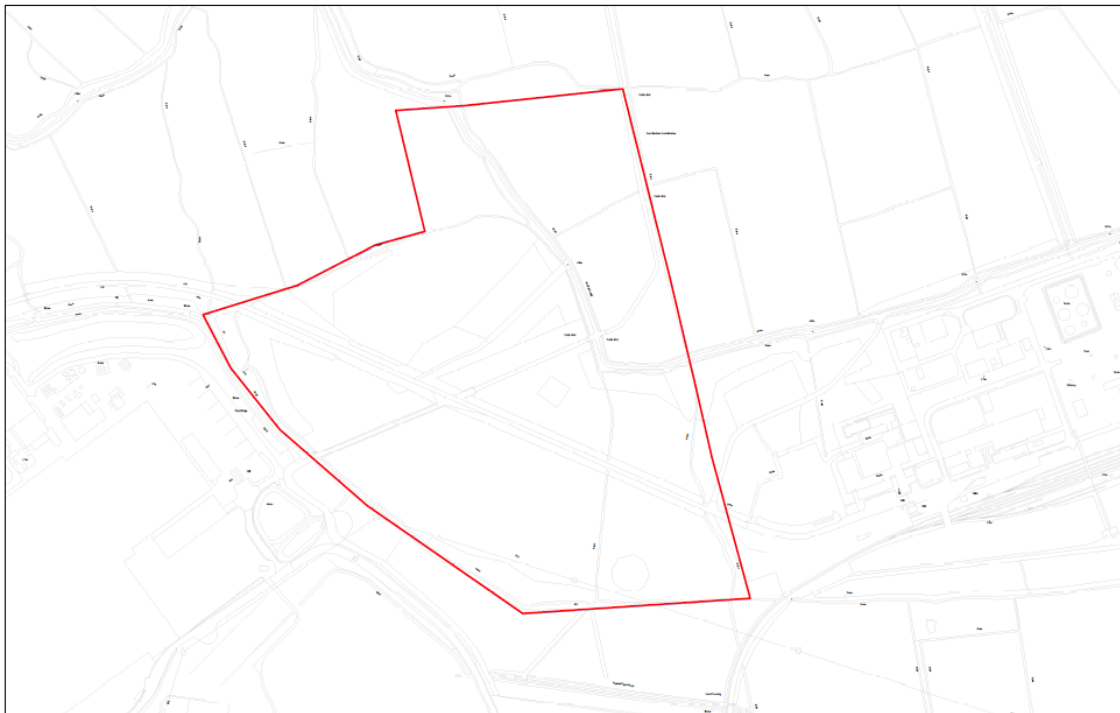


Cheshire Science Corridor & Hooton Park HCA Ellesmere Port

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### Protos (Ince Park), Ellesmere Port



Cheshire Science Corridor & Ince Park (Phase 1) Ellesmere Port

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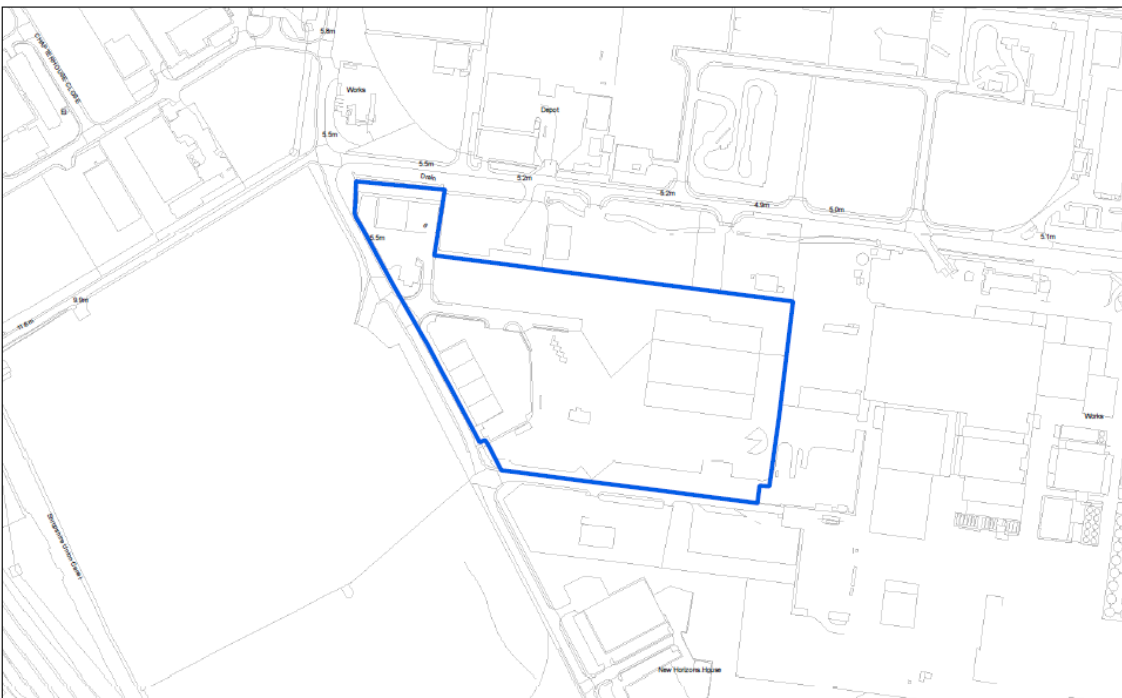


### New Port Business Park, Ellesmere Port



 Cheshire West and Chester Cheshire Science Corridor & New Port Business Park, Ellesmere Port  
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### South Road Site, Ellesmere Port



 Cheshire West and Chester Cheshire Science Corridor & South Road Former Simms Recycling Ellesmere Port  
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