

MEMBER'S WRITTEN QUESTION



Member submitting the question: George Wheeler

Date received: 10/4/2022 7:08:27 PM

To the Cabinet Member for: Leader

Question: I understand Plymouth has been selected as one of the six proposed Investment Zones in the south west. Can you advise me of the planned boundaries of the Zone, please? I would be grateful if you could also tell me what freedoms from current legislation are envisaged in the proposal, please.

Answer:

Following recent discussions with colleagues at DLUHC, Plymouth City Council was delighted to be one of the first 38 authorities that was asked to submit an expression of interest (EoI) to establish an Investment Zone.

Over the last few years the Council has demonstrated that we can deliver new projects on a large scale, working with partners from a wide range of backgrounds and across a diversity of sectors. The Council is clear on its strategic aims and objectives for the city and the opportunity to establish an Investment Zone would accelerate the work that we are doing to provide new, high value jobs, deliver new homes and improve opportunities for all of our residents.

One of our applications relates to the Plymouth & South Devon Freeport. Plymouth and our Freeport local authority partners (Devon County Council and South Hams District Council) are not applying to amend the boundaries of the Freeport but welcome the opportunity to enhance the financial incentives available in the Freeport by obtaining Investment Zone status.

Establishing a new Investment Zone in Plymouth is an exciting opportunity which builds on our existing plans and will help to bring forward delivery. We are proposing to establish sites within these four areas of Plymouth:

- City Centre
- Union Street
- Millbay
- Cattewater

Regarding freedoms from legislation, the financial incentives under consideration are as follows:

Specified sites in England could benefit from a range of time-limited tax incentives over 10 years. The tax incentives under consideration are:

1. **Business Rates** – 100% relief from business rates on newly occupied business premises, and certain existing businesses where they expand in English Investment Zone tax sites. Councils hosting Investment Zones will receive 100% of the business rates growth in designated sites above an agreed baseline for 25 years.
2. **Enhanced Capital Allowance** – 100% first year allowance for companies' qualifying expenditure on plant and machinery assets for use in tax sites.
3. **Enhanced Structures and Buildings Allowance** – accelerated relief to allow businesses to reduce their taxable profits by 20% of the cost of qualifying non-residential investment per year, relieving 100% of their cost of investment over 5 years.
4. **Employer National Insurance contributions relief** – zero-rate Employer NICs on salaries of any new employee working in the tax site for at least 60% of their time, on earnings up to £50,270 per year, with Employer NICs being charged at the usual rate above this level.
5. **Stamp Duty Land Tax** – a full SDLT relief for land and buildings bought for use or development for commercial purposes, and for purchases of land or buildings for residential developers.

It is not yet known whether Investment Zones would lead to any freedoms from planning legislation as no guidance has been provided.

Signed:

Handwritten signature of Richard Bingley in black ink, with a horizontal line underneath the name.

Date: 19 October 2022