

West Midlands Investment Zone

Joint Statement on Tax Site Management

The West Midlands Investment Zone (WMIZ), established 01 April 2024, will unleash regional R&D strengths to drive growth within advanced manufacturing and linked industrial specialisms that will benefit the wider regional economy. The Investment Zone will support existing and emerging sectoral strengths in the fields of Electric Vehicles and Battery Technology, Digital, Green Industries, and Healthtech. These advanced manufacturing sub-sectors intersect and overlap, and are core to delivering regional priorities, in particular the eight economic clusters of comparative advantage identified as part of the West Midlands *Plan for Growth*.

The WMIZ will drive sector growth opportunities through a collaborative governance model that will oversee a set of interventions and tools which include: 25-year business rate retention (BRR) for two sites; 10-year tax incentive packages for two sites; and capital and revenue funding to support site development and regional skills, R&D and business support. There are three key sites for investment across the IZ: Birmingham Knowledge Quarter (with a tax site and BRR site); Coventry & Warwick GigaPark (with a tax site and BRR site); and Wolverhampton Green Innovation Corridor.

The context, purpose and details of the WMIZ can be found in the *WMIZ Investment and Delivery Plan*, which will be managed, monitored and refreshed by the WM Investment Zone Board through reporting and ongoing updates by WMCA and partner LA officers.

The West Midlands Combined Authority (WMCA) worked extensively with local authorities, including Warwick District Council and Warwickshire County Council, university partners and businesses to develop the WMIZ proposition, identify key sites, and secure relevant designations from Government. Now that the WMIZ is live, those partners will come together through a regional Investment Zone Board and associated site-level governance structures to deploy the IZ opportunity and target investment in growth where the evidence shows that it will lead to the highest benefits for priority sectors and residents; linking people to jobs and opportunities in the future economy.

The WM Investment Zone Board takes responsibility for overall accountability to Government, leadership and coordination, and manages formal decision-making and assurance processes around the WMIZ. The site-level delivery partnerships include relevant local authorities, leading on local site development and strategy in line with WMIZ aims and as billing authorities for the administration of retained business rates, along with other partners such as universities and research institutions and landowners. .

WMIZ tax incentives and sites

The WMIZ will deploy tax incentives within two sites: Coventry & Warwick Gigapark and the Birmingham Knowledge Quarter (note, each of these sites also has a 25-year Business Rate Retention mechanism that follows a different boundary than the tax incentive packages).

The 10-year tax incentives include:

- Exemption from Stamp Duty Land Tax
- Exemption from Business Rates

- Enhanced Capital Allowance
- Enhanced Structures and Buildings Allowance
- Employer National Insurance Contributions relief

Detail on the tax incentives and their application can be found [here](#).

Shared objectives for WMIZ tax incentives

The purpose of these tax incentives is to help attract occupiers to new facilities that are aligned with and promote the aims of the WMIZ. This means incentivising occupiers and tenants that are part of the advanced manufacturing ecosystem, for instance providing R&D, manufacturing, or associated services. The role of the tax incentives and the additional attractiveness to IZ-related end users is also important in incentivising ambitious and high-quality IZ-related development, so that landowners and developers see decreased risk in developing the types of facilities that will be attractive to end users who can draw down the tax incentive package whilst supporting WMIZ aims.

The shared understanding and objective of Government, the WM Investment Zone Board, and local partnerships is to ensure that the sites are invested in, developed, and used to support the growth and development of the advanced manufacturing sector and related uses on these tax incentive sites. This means looking towards uses which directly or indirectly support WMIZ objectives, and which are genuinely additional economic activity that would not be able to come forward without the WMIZ status.

All parties – the Investment Zone Board, Local Authorities, and local site partnerships (which include universities, research institutions and landowners) – will make best endeavours to ensure that this objective is met:

- The local partnerships (the BKQ Strategic Programme Board and the Coventry & Warwickshire Investment Zone Board) will help to bring forward the sites, and will work with landowners and developers to bring forward development that is aligned with and promotes the aims of the WMIZ. This will include through the promotion of sites that encourages alignment with WMIZ policy aims to ensure the aims of the tax incentives is understood by potential occupiers and/or investors from the outset and through ongoing negotiations to land potential occupiers and investors.
- The Investment Zone Board will determine the investment of IZ funds and will monitor site-level progress and opportunities, and continue to work with Government to understand and monitor the use of the tax incentives for IZ-aligned purposes.

WMCA, the regional Investment Zone Board, the BKQ Strategic Programme Board, and the Coventry & Warwickshire Investment Zone Board will all monitor the use of property within the WMIZ tax sites to ensure consistency with IZ policy is maintained. This will include ongoing reporting through the local and regional governance structures that demonstrates to WMCA that businesses taking advantage of the tax incentive offer are positively contributing to WMIZ objectives (as set out in this document and in the *WMIZ Investment and Delivery Plan*) and in line with national Investment Zone tax site policy.

Agreement to steward WMIZ tax sites

WMIZ tax sites are co-located with the WMIZ business rate retention sites, and as partners sign up to a memorandum of understanding to monitor BRR use, those agreements will also confirm signatories' agreement to this statement on the intent and ongoing monitoring of the use of WMIZ tax incentives.

For other partners involved in bringing these sites forward and participants in local governance arrangements, but who are not party to formal BRR MOU arrangements, the expectation is that this Joint Statement on Tax Site Management will be incorporated into the local partnership terms of reference to which all participating partners will be expected to sign up.

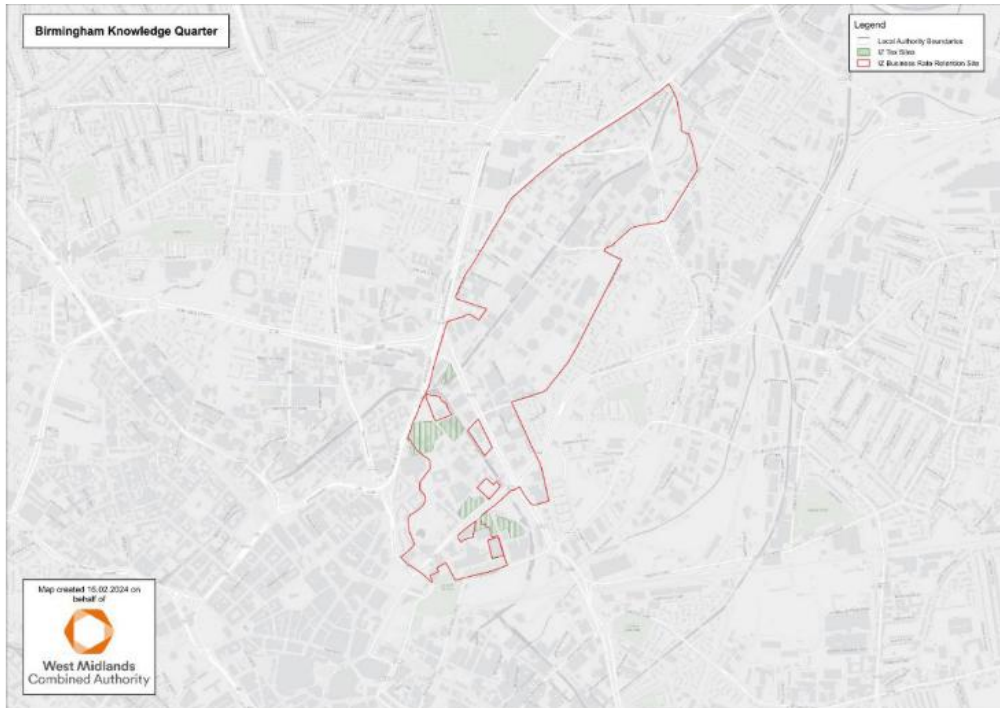
If site-level development was to change substantively from the aims of the WMIZ, for uses not related to advanced manufacturing or to the related innovation ecosystem, all partners understand that tax site status could be revoked by Government.

Nothing in this statement will restrict the statutory rights, powers, discretions and responsibilities of any of the Local Authorities involved. Although an individual Local Planning Authority could explore how planning could support management and custodianship of the tax sites and Investment Zone policy in the round, nothing in this statement constitutes a planning obligation.

DRAFT

Annex: summary of WMIZ tax sites. *Further detail in regional Investment & Delivery Plan.*

Birmingham Knowledge Quarter is a major underdeveloped area to the north-east of Birmingham City Centre, with high-growth potential for an innovation ecosystem, building on the initial phase of the Birmingham Innovation Zone. Spanning research, lab-space and manufacturing, it will build on the existing research excellence of the adjacent Aston University and Birmingham City University campuses.



Coventry & Warwick GigaPark is a major site based around Coventry Airport; currently under-utilised with the potential for transformative redevelopment to serve as a large-scale facility for battery technology development and manufacture, and associated supply chains.

