



North East England  
Chamber of Commerce

# Growth Plan for 2022

## Member Briefing

23 September 2022

# Growth Plan for 2022: Member Briefing

On Friday 23 September 2022 the Chancellor of the Exchequer Kwasi Kwarteng published a new Growth Plan for 2022. This on-the-day briefing has been prepared to offer Chamber members the key headlines.

## 1. Tax for Business

There will be no rise in Corporation Tax with the rate staying at 19%.

The 1.25% rise in National Insurance will be reversed from the 6<sup>th</sup> November, after a successful campaign by the British Chambers of Commerce network.

## 2. Investment Zones

The Government has announced the creation of Investment Zones in defined areas to drive jobs and growth. In the North East the areas named are:

- Hartlepool (Centre)
- Middlesbrough (Centre)
- Teesside Airport
- Sunderland Riverside
- Sunderland Northern Spire
- Sunderland Advanced Manufacturing Park

The Government has stated it is also in talks with the North of Tyne Combined Authority.

Investment Zones will be similar to previous Enterprise Zones but on a larger scale, often with a more complex land holding. The proposed measures to incentivise investment include lower taxes, accelerated planning application processes, and greater local control over growth funding, outlined in a forthcoming Planning and Infrastructure Bill.

There will also be the following benefits for businesses:

- 100% business rate relief on specific sites on newly occupied business premises and on expansion on some sites.
- 100% first year enhanced capital allowance for companies' qualifying expenditure on plant and machinery for assets used on the sites.
- Accelerated relief to allow businesses to reduce their taxable profits by 20% of the cost of qualifying non-residential investment per year up to a total of 100% over 5 years.

## 3. Infrastructure

The Government has announced planning reforms with the aim of speeding up the delivery of infrastructure projects. One of the major changes announced includes a plan to bring onshore wind planning policy in line with other infrastructure initiatives.

The Government has set out a list of infrastructure projects which will be accelerated, aiming to get the vast majority starting construction by the end of 2023. For the North East this includes road improvements on the Tyne Bridge and central motorway, A1

dualling from Morpeth to Ellingham and the A689 Corridor (Wynyard to Hartlepool). Rail projects include the Northumberland Line due to run between Ashington and Newcastle, and Northern Powerhouse Rail which aims to connect the major cities of the North.

The Government has also committed to set out plans later this year around digital connectivity.

#### **4. Income, Employment and Skills**

In November, the Government will reduce National Insurance Contribution rates by 1.25%. The Health and Social Care Levy, as separate tax from April 2023, will also be cancelled. In April 2023, the Government will cut the basic rate of income tax by 1%, a year earlier than originally planned. From this, workers will gain an average of £170 in 2023-2024.

The Government has recognised current challenges around labour market tightness and high levels of economic inactivity. The Plan outlines the Government's strategy to encourage people to return to work via economic incentives and making childcare more affordable and accessible (detail on childcare interventions will follow).

The Department for Work and Pensions will grow its 50+ offer, providing direct support to help people who are aged 50+ and long-term unemployed or who have left work due to the pandemic. There will also be changes to the conditionality arrangements for people who work part-time and receive Universal Credit to top-up their income, to encourage more people to move into more secure or better paid work.

In the coming weeks, the Government will set out immigration policy that supports growth, whilst maintaining control of migrant flows.

#### **5. Other Interventions:**

- IR35 will be repealed from 6 April 2023. From this date, self-employed workers providing their services via an intermediary will once again be responsible for determining their employment status, rather than their contractor.
- In his speech the Chancellor noted there will be a sunset clause on EU rules and regulations. Any amendments, or motions to keep regulation will have to be finalised by December 2023. Any EU-derived law not finalised by this time will be repealed.

Read the full Growth Plan for 2022 [here](#)

If you have any feedback on this briefing or any questions for the Chamber policy team please email [policy@neechamber.co.uk](mailto:policy@neechamber.co.uk)