

Mayoral Combined Authority Board

18 October 2022

South Yorkshire Investment Zone – Status Update

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Policy Decision
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

Director Approving Submission of the Report:
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Executive Summary

The Government has set out a policy intent to work in partnership with places across the country to develop Investment Zones. South Yorkshire MCA is one of 38 MCAs and Upper Tier Local Authority areas that have indicated an intention to work with Government on the development of an Expression of Interest (EOI).

This report sets out the Government's broad objectives for Investment Zones and the policy framework for the submission of the Expression of Interest on the 14th October 2022.

What does this mean for businesses, people and places in South Yorkshire?

Investment Zones have the potential to drive growth in our major growth centres by helping to unlock additional investment, attract new businesses into the region and supporting existing businesses to grow faster.

Recommendations:

That Board members:

- Agree that in order to meet the Submission deadline of 14th October 2022, the Board note the submission of an EOI, which was agreed with the Mayor and Local Authorities Leaders prior to submission.

Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

1. Background

- 1.1 The Government has set out a policy intent to work in partnership with places across the country to develop Investment Zones. The government envisages that Investment Zones will be one or more specific sites within an MCA area where a variety of tax, regulatory innovations and flexibilities together with planning simplifications will apply within the boundaries of the agreed sites.
- 1.2 There is a strong expectation that Investment Zones will bring forward a mix of both commercial and residential development. The freedoms and flexibilities – and wider advantages will focus on include:
 - i. Speeding up planned development and simplifying new opportunities.
 - ii. Providing time-limited tax incentives to encourage new investment.
 - iii. Wider infrastructure and development opportunities, for example MCAs may receive a single local growth settlement in the next Spending Review period and prioritised access to infrastructure funding.
- 1.3 South Yorkshire MCA is one of 38 MCAs and Upper Tier Local Authority areas that has indicated an intention to work with Government and submitted a full EoI on the 14th October 2022.

2. Key Issues

2.1 Policy Framework

The MCA worked with our four constituent Local Authorities to identify potential Investment Zone sites across the region that align with the stated intent of the Investment Zone policy and the region's Strategic Economic Plan. Initial guidance indicates that an Investment Zone will have to demonstrate how it meets the MCA's own economic growth objectives, including in relation to transport, regeneration and tackling local challenges.

2.2 Governance and Accountability Measures

The submission also had to set out a commitment to:

- Work with the Government to agree suitable governance, powers, and mechanisms for any potential Investment Zone.
- Work with Government to agree suitable accountability and readiness arrangements as part of any potential Investment Zones.
- Provide metrics of success closely aligned with the growth and housing ambitions of the programme to the Government.

3. Options Considered and Recommended Proposal

3.1 Option 1

MCA Board members note the submission of the Investment Zone Expression of Interest on the 14th October 2022 which focuses on supporting existing economic and spatial priorities set out in the Strategic Economic Plan and is consistent with local plans, site master planning and visioning work in place.

3.2 Option 1 Risks and Mitigations:

- 3.2.1 MCA Board members will need to consider the risks of economic displacement within the region if Investment Zone status precipitates the movement of existing businesses to Investment Zone sites.

Board members will also need to consider the detail of any proposed planning legislation implications.

3.3 Recommended Option

Option 1

4. Engagement on Proposal

- 4.1 Stakeholders were engaged to test their support, help refine the proposals and to understand where the proposed interventions to support economic growth would be best targeted across any proposed Investment Zone sites.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 The timeline for the decision to submit an EoI was set as the 14th October 2022, and the intention to delegate formal submission of the proposal will be led by further guidance provided by Government.
- 5.2 The Government have indicated that they would expect to see Investment Zone designation and the benefits of that designation to be in place by April 2023. Some of the proposed benefits of Investment Zone status (i.e., planning reforms) will require primary legislation and as such will be aligned and reliant upon the necessary legislation passing through Parliament.

6. Financial and Procurement Implications and Advice

- 6.1 Whilst there are no immediate financial implications arising from this report, if successful the proposals would lead to significant change in the tools available to the region to develop key growth zones.
- 6.2 The report notes the potential for tax incentives and single growth funding settlements, the benefits of which may accrue to the MCA or partners.

7. Legal Implications and Advice

7.1 Initial government guidance indicates that the benefits of Investment Zone status given to an area will be conditional on the MCA and local partners agreeing the commitments made in the EOI and subsequent negotiation together with local consent and Parliamentary approval of any legislation.

8. Human Resources Implications and Advice

8.1 There are no direct implications.

9. Equality and Diversity Implications and Advice

9.1 The Government's initial public guidance states that Investment Zones will also be conditional on the Public Sector Equality Duty. The development of the submission will need to demonstrate how the MCA intends to ensure we consider any implications on equality and diversity

10. Climate Change Implications and Advice

10.1 There are no direct climate change implications as a result of any decision on the options under consideration. As more detail emerges on the national approach to Investment Zones, the MCAs response will need to be taken forward in the context of the MCAs commitment to a Net Zero South Yorkshire.

11. Information and Communication Technology Implications and Advice

11.1 There are no known ICT implications as a result of this paper.

12. Communications and Marketing Implications and Advice

12.1 Communications and Marketing resource will be directed to supporting the development of the proposal, the wider engagement with partners and stakeholders, and the development of proposals.

List of Appendices Included:

None

Background Papers:

None