

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: Discussion

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

South Yorkshire MCA is one of the MCAs and Upper Tier Local Authority areas to have submitted a formal Expression of Interest (EoI) to the Department for Levelling Up, Housing and Communities (DLUHC) to establish Investment Zone sites in the region.

This report sets out the position of the Combined Authority on Investment Zones, the details of the formal Expression of Interest (EoI) and the framework for engagement with Government as the implementation process continues.

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

Investment Zones have the potential to boost our competitiveness and showcase what clean, inclusive, growth could and should look like 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:

- Note the submission of an Investment Zone EOI from the MCA.
- Engage in a discussion against the key questions raised in section 2.2.

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

N/A

1. Background

- 1.1 South Yorkshire MCA is one of several MCAs and Upper Tier Local Authority areas that has submitted an Investment Zone Expression of Interest (Eoi) to Government on the 14th of October 2022.

This set out the intention of the MCA to use financial incentives in chosen sites across the region to accelerate growth, particularly in existing economic clusters, to enable the region to compete nationally and globally.

- 1.2 Alongside the submission of the EOI, the MCA is preparing some underlying principles for the region's engagement with Government on Investment Zones. These include:

- Government providing certainty in terms of pace and the process of scheme delivery
- No undermining of environmental standards to ensure creating stronger and more sustainable communities
- Ensuring Investment Zones foster investor friendly and good planning practices
- Greater clarity as early as possible on the particular benefits of Investment Zone status on specific sites
- Ensuring a wider x-government approach to support sites by ensuring all departments that have an impact on growth support IZ delivery (e.g. Trade and Investment).

2. Key Issues

2.1 Policy Framework

The MCA worked with constituent Local Authorities in Investment Zone sites to ensure alignment with the Strategic Economic Plan and the MCA's other objectives in relation to transport, regeneration, and tackling local challenges.

The sites submitted to Government were as follows:

- Goldthorpe Investment Zone
Mixed Use site of 26.3 hectares intended to create 2,413 gross jobs and 638 new houses
- Northeast Doncaster
Mixed Use site of 502 hectares intended to create 16,000 new jobs and 3,350 residential dwellings

- Doncaster City Centre
Mixed Use site of c.110 hectares with the potential to regenerate Doncaster City Centre through better employment opportunities, new commercial accommodation, residential development and inward investment.
- Sheffield Olympic Legacy Park (AMID)
Commercial site of 32.4 hectares intended to create 5,800 additional jobs
- Sheffield Business Park & University of Sheffield Innovation District (AMID)
Commercial site of 45.6 hectares intended to create 3,124 additional jobs
- River Don District (AMID)
Commercial site of 18.4 hectares intended to create 5,000 additional jobs
- Wider Sheffield-Rotherham Economic Corridor
Mixed Use site with potential to provide better employment opportunities, housing and inward investment to connect with existing nearby clusters in advanced manufacturing, R&D and retail developments.
- Sheffield Station Sheaf Valley
Mixed Use site of 4.94 hectares intended to create 760 new houses, 7,800sqm office space, 11,700 sqm ground floor commercial space and 2,975 sqm ancillary space
- Moorfoot (Sheffield)
Residential site of 8.6 hectares intended to create 2,120 new houses
- Furnace Hill (Sheffield)
Residential site of 5.91 hectares intended to create 846 new houses
- Neepsend (Sheffield)
Residential site of 2.6 hectares intended to create 1,005 new houses

The MCA submission, on the basis that Doncaster Sheffield Airport (DSA) remains an operational airport, also included the potential for DSA and the adjacent Gateway East site to be considered.

A response from Government is expected within the coming weeks with details of decisions on each of the sites including which incentives can and will be applied.

2.2

Discussion points

As the IZ policy develops and further clarity emerges on the site selection and benefits to IZ status the MCA and LEP will want to consider a number of issues.

on how IZs can help South Yorkshire can leverage greater investment and better enable fairer, sustainable growth.

These issues include:

- i) How can the public and private sectors work together to develop an approach to simplified planning processes that deliver the type of development we want at the pace needed? To what extent does the

existing system deliver the pace and confidence investors need to create growth?

- ii) Should the public and private sector develop a framework that demonstrates and codifies an approach to limiting the displacement of jobs and investment from within the region – ensuring that we deliver additional new investment rather than moving economic activity around the region?
- iii) Exploring to what extent the region’s focus should be on supporting growth on the Investment Zones versus ensuring growth takes places at other non-IZ sites across the region – how / should we be seeking balance?
- iv) How can stakeholders in South Yorkshire, including the private sector, work together to develop a single narrative for Investment Zones and the opportunities they provide for growth and development in the region?

3. Options Considered and Recommended Proposal

3.1 Option 1

N/A

3.2 Option 1 Risks and Mitigations:

3.2.1 N/A

3.3 Recommended Option

N/A

4. Engagement on Proposal

4.1 Further engagement is needed, with the private sector here in South Yorkshire to help explore the attractiveness of the proposals and to understand how the proposed incentives would be best targeted across any proposed Investment Zone sites.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 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
- 5.2 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 being conferred on an area will be conditional on the MCA and local partners honouring the commitments made in the EOI and subsequent negotiation and on local consent and Parliamentary approval of any legislation.

8. Human Resources Implications and Advice

8.1 There are no direct implications at this stage.

9. Equality and Diversity Implications and Advice

9.1 The Government's initial public guidance stated that Investment Zones will be conditional on the Public Sector Equality Duty, with further guidance expected on this from them.

10. Climate Change Implications and Advice

10.1 The MCA remains committed to a Net Zero South Yorkshire and will be working with Natural England and DEFRA to develop a Local Nature Recovery Strategy.

This will strengthen the commitment to nature and biodiversity and place it as a pillar of MCA activity on creating stronger and more sustainable communities alongside greener, sustainable growth.

Investment Zones should not undermine and allow for a reduction in environmental protections.

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 support further engagement with partners and stakeholders to support successful implementation of the proposed sites in the Expression of Interest (EOI), subject to national Government approval.

List of Appendices Included:

None

Background Papers:

None