

Mayoral Combined Authority Board

05 June 2023

South Yorkshire Investment Zone Proposal

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

Director Approving Submission of the Report:

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Report Author(s):

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Executive Summary:

Given the challenging timeline set by government to progress successfully through co-design of South Yorkshire's Investment Zone submission and the timetable of MCA Board meetings, this paper seeks delegated approval to MCA statutory officers to make the submission, in consultation with the Mayor and Local Authority Leaders.

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

A successful Investment Zone (IZ) submission could unlock public and private investment in South Yorkshire, alongside raising the economic growth profile of the region. The IZ Prospectus, published in March 2023, set out an ambition to grow strengths in national priority sectors and to address persistent economic disparities. A flexible funding offer of £80m, which is deployable across a range of interventions (R&D, skills, infrastructure, business support, planning and development, tax incentives), could help drive innovation-led growth that will lead to more employment, higher pay, and higher living standards in South Yorkshire.

Recommendations:

That MCA Board:

1. Notes the tight timescales for developing the Investment Zone proposal.
2. Agrees to delegate decisions to MCA statutory officers to progress through the outlined development stages in consultation with the Mayor and Local Authority Leaders.

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

N/A

1. Background

- 1.1 At Spring Budget 2023, the Chancellor announced that eight MCAs in England which included South Yorkshire, had been invited to co-design Investment Zone (IZ) proposals with Government.
- 1.2 The IZ Prospectus set out that the selected MCA areas could receive £80m of funding over five years beginning in 2024/25, to be used flexibly between spending and tax incentives. Submissions must identify a lead sector and a spatial core, where tax sites are expected to be located, which is built around an existing cluster with close links to University research institutions.

2. Key Issues

- 2.1 The South Yorkshire proposal will be required to focus on at least one of the Government's five priority sectors: digital and tech, green industries, life sciences, advanced manufacturing and creative industries. Local industry, planning authorities and other wider stakeholders are also expected to be engaged in proposal development.
- 2.2 The Department for Levelling Up, Housing and Communities (DLUHC) has engaged with South Yorkshire MCA to set out the proposed process and timeline:
- | Thematic Gateways | Completion date |
|--|---------------------------|
| Inception meeting and vision statement | 26 th April 23 |
| Lead Sector and geography agreed | 30 th May 23 |
| Governance and Partnerships | 1 st June 23 |
| Intervention design | 9 th July 23 |
| Delivery approaches | October 23 |
- 2.3 DLUHC officials have emphasised the needs for proposals that are genuinely strategic, deliver benefits for business and local communities, and leverage in private sector investment to support growth across the region. Progression through each stage or gateway is dependent on approval from government and that all evidence requirements have been met. Government has reserved the right to not take forward proposals if agreement cannot be reached. Proposals will only be formally signed off in full at the conclusion of the process.

3. Proposed Approach

3.1 The outlined timeline is challenging, but achievable with strong collaboration. MCA officers have formed a steering group with Local Authority Executive Directors and University representatives that meets on a weekly basis to guide the development process, provide contributions and challenge, together with receiving timely updates on discussions with government.

3.2 Terms of Reference set out that all key information and gateway submissions will be provided to the steering group, acting as a channel to advise the Mayor, Leaders and Chief Executives.

3.3 An officer level working group has also been established from Local Authorities and Universities. This group will meet twice a week to develop the proposals and undertake wider engagement and evidence collation.

3.4 Due to short timescales outlined by DULHC, work will need to be taken forward concurrently and many of the gateway stages will need to be progressed ahead of the MCA meeting on the 31 July. Therefore, this report updates on the IZ at the time of writing and seeks delegated authority to progress through the gateway stages.

4. Options Considered and Recommended Proposal

4.1 Government has designated the MCA as the lead body for South Yorkshire's Investment Zone. This paper is to update and to inform the MCA Board.

5. Consultation on Proposal

5.1 This is being undertaken as described in Section 3.4 and 3.5.

6. Timetable and Accountability for Implementing this Decision:

6.1 N/A

7. Financial and Procurement Implications and Advice

7.1 Subject to proposals that meet the specified requirements, government will offer SYMCA £80m over five years for the Investment Zone, which can be used flexibly between spending and a single five-year tax offer, scalable based on number of sites.

8. Legal Implications and Advice

8.1 There are specific legal implications arising from this report at this stage.

9. Human Resources Implications and Advice

9.1 The MCA has drawn together an internal team from across the organisation to focus on delivering the significant outputs required for the Investment Zone proposal between now and July.

10. Equality and Diversity Implications and Advice

10.1 The Investment Zone prospectus requires leveraging the energy of local talent, knowledge, and networks to deliver sustainable growth that benefits local communities.

11. Climate Change Implications and Advice

11.1 No implications currently.

12. Information and Communication Technology Implications and Advice

12.1 No implications currently.

13. Communications and Marketing Implications and Advice

13.1 No implications currently.

List of Appendices Included

None

Background Papers

None