



Industrial Communities Alliance

The all-party association campaigning on behalf of local authorities in the industrial areas of England, Scotland and Wales

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Rt Hon Simon Clarke MP
Secretary of State
Department for Levelling Up, Housing and Communities

By email to: simon.clarke@levellingup.gov.uk

5 October 2022

Dear Secretary of State,

Investment Zones

I wanted to convey reactions to the new Investment Zones at a stage when I hope it will still be possible to help shape the emerging initiative.

I chair the Industrial Communities Alliance – the all-party association of local authorities in the older industrial areas of England, Scotland and Wales, covering many of the places most in need of Levelling Up. Our national meeting last Friday, and a number of the preceding regional meetings, took the opportunity to discuss the government's proposals.

Our authorities welcome initiatives that stimulate growth and jobs. We recognise that Investment Zones can be an important tool and our concern is therefore that the Zones are implemented in ways that deliver maximum benefit without damaging side effects.

On location across the country, we would hope to see a strong skew towards places such as ours because it is the less prosperous parts of the country that are most in need of growth and jobs. An even spread of Zones across the country, or a focus on boosting growth in places that are already doing well, would clearly be inconsistent with the Levelling Up agenda.

We would also hope to see a substantial number of Zones designated because the economic disadvantage in the less prosperous parts of Britain is not confined to just a handful of locations.

There are nevertheless a number of worries that our authorities would be pleased to see addressed.

The most important is *displacement* – the fear that new businesses and jobs in Investment Zones will be delivered at the expense of surrounding areas. I know your department is alert to this possibility and expressions of interest have been asked to demonstrate how displacement will be minimised. However, without the requisite powers to regulate potential occupants this is easier said than done.

A closely related point is the need for *democratic oversight*. As such a key element of local economies, the scale and form of development on Investment Zones is clearly going to be an important local concern.

Much of the oversight involves *planning controls*. These are to be relaxed in Investment Zones but the experience from Enterprise Zones, which are similar in many respects, is that more rather than less planning is required. Developers prefer certainty rather than a free-for-all, so a clear masterplan for each site needs to be in place at an early stage. With so much development in prospect, supporting 'green' standards is also important.

The proposed *business rate retention* by local authorities requires clarification. In a combined authority, for example, will the rate revenue just go to the authorities with Investment Zones or will it be divided among neighbouring authorities?

There is also a question about how Investment Zones will proceed in *Scotland and Wales*. We welcome the government's intention to work with the devolved administrations and local partners. With England now moving ahead so quickly, it would be good to know more about the government's plans for moving forward in the devolved nations.

I would be grateful for your response to these concerns.

It would also be useful, I'm sure, for your officials to open a dialogue with our National Secretariat (details on the letterhead) which can bring to bear relevant knowledge from Enterprise Zones and of course contacts from around the country.

Although DLUHC is taking lead responsibility for Investment Zones I recognise that other government departments have an interest in the initiative. I'm therefore copying in the Chancellor, Business Secretary and Prime Minister.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink that reads "Keith Cunliffe". The signature is written in a cursive, slightly slanted style.

Cllr Keith Cunliffe
National Chair