

Item No. 7



GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Enterprise Zone Bidding Round 2015

DATE: 7 September 2015

REPORT OF: Simon Nokes, Chief Executive, New Economy

PURPOSE OF REPORT:

To inform the LEP members of the process set out by CLG for a new round of Enterprise Zone bids and to update on the ongoing development of potential GM bids.

RECOMMENDATIONS:

It is recommended LEP members:

- Note the content of the report
- Delegate sign off of full bids to the Chair of the LEP, along with the Chair of the Combined Authority and Vice Chair of the Combined Authority with responsibility for Economic Strategy

CONTACT OFFICERS:

Sean Davies – Head of Finance (Commercial), Manchester City Council
s.davies3@manchester.gov.uk
<mailto:Sean.davies3@manchester.gov.uk>

Alex Gardiner – Strategic Lead, New Economy
Alexandra.gardiner@neweconomymanchester.com

INTRODUCTION

Enterprise Zones

CLG have launched a round of bidding for the establishment of new Enterprise Zones (EZs). Enterprise Zones were established in 2012, designed to support business growth. To date there are 24 EZs nationally, which have attracted 15,500 jobs in the past three years.

EZs can offer a range of benefits including:

For Businesses:

- Business rate discount for up to five years (restricted to £275,000 and therefore in reality of most benefit to small/medium size enterprise)
- Simplified planning
- Government support for the roll out superfast broadband

For Local Areas:

- Retention of business rates for up to 25 years
- Development of sites which otherwise may not be viable

For Government:

- Job creation
- Attraction of private investment

GM has one existing EZ, Airport City, which includes the Logistics Hub and the MediPark site which caters specifically for life sciences, pharmaceutical and healthcare companies, and is situated adjacent to the University Hospital of South Manchester. The Government granted an expansion to the Airport City EZ in the Summer Budget, to deliver an additional 105,000 square metres of floor space and space for up to 830 jobs.

CURRENT BIDDING ROUND

Submissions for the current round of EZ bids will be assessed by CLG against four main criteria:

- Value for money as measured by the capital investment required compared to the land value uplift generated. This is Government's main criteria this time around, rather than number of jobs created. However it should be noted that Government will not provide any public monies for EZ development, these coming either from developers or prudential borrowing (repaid by retained business rates)
- Extent to which proposal will deliver sustainable economic growth as measured by job outputs, number of businesses attracted to the EZ etc.
- How plans can be implemented, demonstrable plans for scheme delivery, site preparation and marketing, leadership and governance.
- A qualitative assessment around strategic fit with LEP plans, evidencing how the proposed EZ addresses the LEPs top local priority.

Government has also stated that, in this round, it is particularly interested in multi-site sector themed bids, cross LEP bids and bids from rural areas.

GM SUBMISSIONS

Based on GMS priorities, four potential GM bids have been identified, with leads identified to coordinate these into compelling multi-site commercial propositions as follows:

- Life Sciences
- Digital & Creative
- Logistics
- Town Centres

Districts have been liaising directly with the leads to nominate sites for inclusion in the EZ submissions, which are currently being collated and assessed for the development of full bids.

Government is working to an extremely tight timescale, with the EZ round opening in early August, expressions of interest submitted in mid August and final bids due in mid September. Given the fast moving nature of the bid development, a verbal update of the latest position in relation to each of these potential bids will be provided at the meeting.

An expression of interest email has been submitted to CLG to inform them of our proposed submissions, to assist with their internal planning for when full bids are submitted.

NEXT STEPS

Government requires all bids to come from, and be endorsed by, LEPs. Full bid development will progress for the four bids above. GM is free to submit more than one bid and, assuming a compelling proposition can be developed in relation to each of them, it is proposed that they are all submitted. It is recommended that delegated power is given to the Chair of the LEP, along with the Chair of the Combined Authority and Vice Chair of the Combined Authority with responsibility for economic strategy to sign off the bids for submission by the deadline of 18th September.