

PART A - Initial Impact Assessment

Proposal Name: Investment Zone – Business Rate Retention

EIA ID: 2359

EIA Author: Ben Morley (CEX)

Proposal Outline: The establishment of a Business Rate Retention area as part of the South Yorkshire Investment Zone. Within the BRR area should there be business rate growth above an agreed baseline the Council will be able to retain 100% of the growth rather than 49% in non-designated areas. The additional business rate income can be used to support development and investment in the wider Investment Zone which has a focus of supporting the Advanced Manufacturing sector. It is anticipated that some growth will be shared with SYMCA for investment across the region.

Proposal Type: Non-Budget

Year Of Proposal: 23/24

Lead Director for proposal: Kate Martin

Service Area: City Futures

EIA Start Date: 21/09/2023

Lead Equality Objective: Break the cycle and improve life chances

Equality Lead Officer: Ed Sexton

Committees:

Policy Committees

- Strategy & Resources

Portfolio

Primary Portfolio:

City Futures

EIA is cross portfolio:

Yes

Finance

EIA is joint with another organisation:

No

Overview of Impact

Overview Summary:

It is uncertain how much the BRR designation will generate in terms of business rate growth above an agreed baseline. The retention period will last 25 year and will commence in 24/25 however significant growth is not expected for at least 5 years. The purpose of the funding is to:

- Provide for local economic growth within the region.
- Support existing local strategies with a focus on growth.
- Support the priority sector within the Investment Zone.
- Present value for money for the government.

In this context the impact of the proposal is likely to be positive given the purpose to provide local economic growth. Should funding be generated through this proposal investment can be expected in a range of activities including: Physical infrastructure - placemaking, transport, climate change mitigation. Commercial assets - support for businesses and developers Skills and employability schemes Business Support These activities should benefit all residents in Sheffield although the skills and employability programmes might be able to target our BAME communities who live in close proximity to the manufacturing areas in the east of the City. Likewise placemaking investment and accessibility improvements are also likely to target the east of the City.

Impacted characteristics:

- Age
- Cohesion
- Poverty & Financial Inclusion
- Race

Impacted local area(s):

All

Consultation and other engagement

Cumulative Impact

Does the proposal have a cumulative impact:

Yes

Impact areas:

Year on Year, Geographical Area

Initial Sign-Off

Full impact assessment required:

Yes

Review Date:

31/03/2025

PART B - Full Impact Assessment

Age

Staff Impacted:

No

Customers Impacted:

Page 171

Description of Impact:

The potential for job creation and skills development will impact on young people seeking careers in Advanced Manufacturing. There may also be opportunities for older people (in or out of work) for upskilling to access alternative or better paid employment.

Cohesion

Staff Impacted:

No

Customers Impacted:

Yes

Description of Impact:

It is expected that the BRR funding alongside the Investment Zone will create opportunities for residents in some of our most deprived communities. The 25 year BRR income has the potential to ensure that these benefits continue beyond the 5 year 'lifetime' of the Investment Zone initiative itself.

Poverty & Financial Inclusion

Staff Impacted:

No

Customers Impacted:

Yes

Description of Impact:

The Investment Zone ambition is to create over 8,000 jobs in South Yorkshire by 2030. Many of these jobs are expected to be located in the Spatial Core of the IZ running from the City Centre to Rotherham along the Lower Don Valley. The IZ has a focus on Advanced Manufacturing but it is accepted that this covers a range of sectors, supply chains and requires supporting services (Manuservices) and a creative, innovative and attractive environment. The IZ is therefore expected to have a positive impact across the whole Sheffield economy offering more and better job opportunities. With a focus on the Lower Don Valley it is expected that many of these opportunities will be in close proximity to some of the City's most deprived communities. Skills and employability programmes are expected to be developed even if the BRR itself does not generate significant additional income.

Race

Staff Impacted:

No

Customers Impacted:

Yes

Description of Impact:

The focus of the Investment Zone is the 'Spatial Core' running from the City Centre through the Lower Don Valley and on to Rotherham Town Centre. This area is adjoined by communities with a high % of BAME residents. Job creation and opportunities for skills and employability programmes will be available and potentially enhanced with BRR funding. Improvements in physical infrastructure may also be funded through BRR growth.

Action Plan & Supporting Evidence

Outline of action plan:

1. Working with SYMCA proposals for the £80m Investment Zone will be developed that will have a positive impact on some of the Protected Characteristic groups. 2. An reinvestment strategy will be developed with SYMCA in the first instance for the outline approach for investing Business Rate growth should it arise from the BRR initiative. This will need to consider Protected Characteristic groups. 3. More detailed proposals will be developed should positive business rate growth be generated.

Action plan evidence:

Emerging Draft Sheffield Local Plan South Yorkshire Strategic Economic Plan Investment Zone - Technical Guidance Our Sheffield Delivery Plan

Changes made as a result of action plan:

Mitigation

Significant risk after mitigation measures:

Yes

Outline of impact and risks:

There remains a fundamental risk that the IZ BRR does not lead to a net increase in the designated area resulted in zero additional benefit. This could be from a lack of development and/or a decline in the existing

business rate base.

Review Date

Review Date:

31/03/2025