

GREATER LONDON AUTHORITY

(By email)

Our reference: MGLA031022-0389

Date: 26 October 2022

Dear

Thank you for your request for information which the Greater London Authority (GLA) received on 28 September 2022. Your request has been considered under the Environmental Information Regulations (EIR) 2004.

You requested:

- 1) *Any communication received by your local authority from the UK government concerning potential "Investment Zones", encouraging your local authority to make an expression of interest in the idea, in the run-up to the Chancellor's 'fiscal event' on 23rd September 2022. Each of your local authorities was named as expressing interest in the Government's Growth Plan, published on that date, so you clearly hold this information. To help narrow down a search for this info: any such communication is likely to have been only a week or two prior to this date, and no earlier than 24th July, when the policy was first proposed by then leadership candidate Liz Truss.*
- 2) *The response your local authority made to the UK Government's communication about Investment Zones.*
- 3) *Any internal correspondence within your local authority (e.g. emails between officials and/or councillors, meeting minutes) discussing "Investment Zones" and potential sites, subsequent to the offer from the UK government. Again, to help narrow down a search: any such correspondence is likely to have only taken place within the past few weeks.*

Our response to your request is as follows:

Investment Zones were announced as part of HM Government's Growth Plan 2022 on 23 September 2022. The Government then published an EOI process and guidance on Sunday 2 October with a deadline of noon Friday 14 October.

A copy of the Secretary of State for Levelling Up, Housing and Communities' letter dated 2 October to all Local Authority Leaders in England regarding this EOI process is attached.

On Friday 14 October, the London IZ EOI was submitted to government including the following proposed locations:

- Euston and King's Cross Innovation District
- London Riverside
- Old Oak West

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As part of the Royal Docks, Beckton Riverside and Thamesmead Investment Zone proposal:

- Royal Docks
- Beckton Riverside and Thamesmead

As part of the Upper Lea Valley Investment Zone proposal:

- Edmonton
- North Tottenham
- Waltham Forest
- Whitgift & Queen's Square (Croydon Town Centre)

The GLA is currently awaiting the Government's response to this EOI.

We consider that part 3 of your request falls under the exception to disclose because it is considered to be 'manifestly unreasonable' under regulation 12(4)(b) of the Environmental Information Regulation (EIR). This provision allows public authorities to refuse requests which are obviously or clearly unreasonable or when the estimated cost of compliance is too great.

In reaching this decision we have considered the views of the Upper (Information Rights) Tribunal in *Craven v IC & DECCC [2012] UKUT442 (AAC)* in respect of the EIR exception under regulation 12(4)(b), the formal guidance issued by the Information Commissioner's Office¹, along with Decision Notices regarding this EIR exception, such as FS50585926², amongst others, which all acknowledge that public authorities may use the fees regulations as the basis of considering the cost and time of complying with a request.

Many staff within our Good Growth Directorate (and other areas of the GLA) are likely to hold communications within scope of your request. In this instance, we have decided this request falls within the parameters of regulation 12(4)(b) and is manifestly unreasonable because of the considerable amount of time that would be required to collate and review the information. Coordinating searches, extracting the relevant information and reviewing the information would place an unacceptable burden on resources and constitute an unreasonable distraction from normal work.

A public authority can only withhold information if the public interest in maintaining the exception outweighs the public interest in disclosing the information. We are mindful of the general public interest in transparency and accountability, and of the presumption in favour of disclosure and to read exceptions restrictively.

We would consequentially have to spend a considerable amount of time reviewing each piece of information individually and consulting with a number of third parties to consider whether or not it would be exempt from disclosure. Similarly, a large volume of information is likely to be administrative in nature. Where this information might be suitable for release under the EIR, the time and resources required to review this information would also be unreasonable given the limited benefit to the public debate on this matter.

On balance therefore, it is our view that the public interest in maintaining the exception in regulation 12(4)(b) outweighs the public interest in disclosure. In making this decision, we have

¹ [Manifestly unreasonable requests - regulation 12\(4\)\(b\) \(ico.org.uk\)](https://ico.org.uk/for-organisations/guide-to-the-regulations-on-access-to-information/manifestly-unreasonable-requests/)

² [fs_50585926.pdf \(ico.org.uk\)](https://ico.org.uk/for-organisations/guide-to-the-regulations-on-access-to-information/manifestly-unreasonable-requests/fs-50585926.pdf)

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taken account of the fact that the Government policy has only just recently been announced and that more information³ has and will continue to be published. I understand this response may cause frustration but it aims to ensure – as recognised in the guidance – that our responsibilities under the act do not distract from our other statutory functions as a public authority.

When refusing a request for environmental information under regulation 12(4)(b) on the grounds of cost, public authorities are required to provide advice and assistance and explaining how a request may be refined. However, this part of your current request is particularly broad and it is not clear what specific type of information you are most interested in in relation to Investment Zones.

You may wish to consider reducing the scope of your request by identifying particular themes or subjects for the correspondence in which you are most interested in, or by identifying specific correspondents by which we could refine our searches.

We have received another request for information regarding any meetings taken place to discuss Investment Zones. I attach the information that we hold within scope of this request for your information.

If you have any further questions relating to this matter, please contact me, quoting the reference MGLA031022-0389.

Yours sincerely

Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>

³ [Investment Zones: expression of interest frequently asked questions - GOV.UK \(www.gov.uk\)](#)

From:

[REDACTED]

[REDACTED]

Subject:

FW: Investment zones

-----Original Appointment-----

From: [REDACTED]@londoncouncils.gov.uk>

Sent: 23 September 2022 13:50

To:

[REDACTED]

Subject: Investment zones

When: 23 September 2022 16:00-17:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Where: Microsoft Teams Meeting

-----Original Appointment-----

From: [REDACTED]@londoncouncils.gov.uk [REDACTED]

Sent: 23 September 2022 11:41

[REDACTED]

Subject: Investment zones

When: 23 September 2022 16:00-17:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Where: Microsoft Teams Meeting

Forwarding as requesting

-----Original Appointment-----

From: [REDACTED]@londoncouncils.gov.uk>>

Sent: 23 September 2022 11:18

To:

[REDACTED]

Subject: FW: Investment zones

When: 23 September 2022 16:00-17:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Where: Microsoft Teams Meeting

Sorry hazards of working too quickly – forgot to include you! Would you mind forwarding to Jeremy?

-----Original Appointment-----

From: [REDACTED]

Sent: 23 September 2022 11:16

To:

[REDACTED]

Subject: Investment zones

When: 23 September 2022 16:00-17:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London

Where: Microsoft Teams Meeting

Dear all, further to Mary's email of a few minutes ago, please find a Teams link to join a call about the investment zones proposals announced by Government earlier today

Microsoft Teams meeting

Join on your computer, mobile app or room device

Click here to join the meeting <https://teams.microsoft.com/l/meetup-join/19%3ameeting_NzA3MGY5YjltMDZlYy00ODJlLThmMzQtOTU1N2E4N2E3NTk1%40thread%2F0?context=%7B%22Tid%22%3A%226f9e12ca-c02d-4b66-a7b9-b25cdc8c5c0a%22%2C%22Oid%22%3A%2285ea7354-9011-4b8f-a8b8-37c24a4b9cb3%22%7D>

Meeting ID: 352 094 939 133

Passcode: BZ5Dod

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London response to Investment Zones

Notes of initial meeting 23.09.22

Attendees

London Councils – Alison Griffin, Piali Das Gupta
GLA – Mary Harpley, Philip Graham, Jeremy Skinner
Local Authority Chief Execs
Sub-Regional Partnership Leads

Background

Mary Harpley (MH), Chief Officer of the GLA, offered a welcome and gave some background to the government's announcement today about Investment Zones.

- Formal request came into the GLA on Sunday evening 18th Sept with a request for expressions of interest at 11am on Tuesday 20th Sept. Had a tiny bit of discussion on Thursday 8th Sept, then of course nothing in the days that followed.
- Task for us all is to jointly make some decisions about areas for potential sites we might want to consider.
- Today is the first step, to convene everyone and work together to get the best deal for London.

Ali Griffin (AG), Chair of London Councils, reiterated how fast-moving this policy has been so far.

- The detail really is important as it's likely to change where the opportunities of IZs lie, but also where the risks fall (specifically deregulation).

Phil Graham (PG), Executive Director for Good Growth at the GLA.

- Today attended a meeting with Simon Clarke, Secretary of State for Levelling Up, Housing and Communities (SoS) and all the metro mayors including Sadiq, where this was the sole item of discussion.
- GLA was first contacted on Thurs 8th. SoS's team wanted to make sure London was included in the plans for Investment Zones. At 10pm on Sunday (18th Sept) GLA was asked to provide some examples of places we might want to consider for potential zones, with this list of examples to be received by 11am on Tuesday (20th Sept)*.

Investment Zones (IZ)– what we know so far, Phil Graham and Jeremy Skinner

Limited information beyond what was announced today (see [Growth Plan 2022](#) and [Factsheet on Investment Zones](#))

Jeremy Skinner (JS), Assistant Director – City Intelligence, GLA, presented slides (attached)

- Policy of Investment Zones: tax incentives offered are significant – matching up to the govt rhetoric
- Effectively two different flavours of Investment Zones: tax incentives and planning. Still waiting on details of what the stated streamlining of planning will look like.
- Local growth fund pots could be amalgamated at different levels. Not clear what this might achieve for London.

[Please note - The deadline for us to respond to the Government's initial email was 11 on Weds 21 Sept, not Tuesday 20th, and we didn't need to specify sites at that point]

What else is known about potential IZ site requirements? [inferred from SoS meeting attended by Phil Graham]

- SoS + ministerial team emphasised they were looking for **“big sites”**. No specific view on size but scale stressed several times (in terms of housing we are looking at units of 10k+ rather than in 1000s)
- **“Red line” sites** (ie. definable sites with a clear boundary), not broad areas
- **Total number of IZs unclear**. The Guardian reported that there will be up to 12 IZs. We will therefore want to put forward just a couple of potential sites, no point London submitting ten EOLs.
- A lot of discussion about the required pace of delivery. Mention of **deliverability** within electoral timescales; keen to see progress in the next couple of years.

Potential areas for us to influence the policy:

- Metro mayors stressed infrastructure funds are also essential for growth. It is possible that future rounds may include other tax revenues, with IZ offering TIF-type structures. PG noted the SoS was more positive than anticipated towards this suggestion (in response to direct Q from Sadiq)

EOL requirements:

- [PG] Our understanding that, in London, the expression of interest should come through the GLA. But will need to demonstrate they represent a shared view of all layers of local government in London.
- Must demonstrate potential impact on economic growth

Our criteria for IZ site shortlisting:

- Need to be where scale and deliverability overlap.
- We need to choose sites which **maximise the benefits of the incentives on offer** (the biggest bang for our buck, for London)
- Need to be mindful of risks associated (e.g. drawing in firms from other places)

Initial suggestions for potential IZ sites (which have no special consideration)

1. Beckton/Thamesmead
2. OPDC area
3. Royal Docks
4. Lea Valley (inc Lower Lea Valley/Canning Town and/or Meridian Water development area and Upper Lea Valley)
5. London Riverside OA
6. Greenwich Peninsula
7. Earls Court*
8. Euston**

**Central govt officers mentioned Earls Court.*

*** In response GLA mentioned Euston – but ongoing and sensitive planning applications that would need to be considered.*

Anticipated timelines

- Expect additional guidance to be issued shortly, perhaps over the weekend.
- EOL process will launch in 7-10 days
- Likely to have to respond very quickly although unclear exactly how long
- SoS has indicated the first round of Investment Zones designated by the end of October

Questions arising in discussion

- Q [Carolyn Downs, Brent]: Given quick decision making required, does **proposed process** of working first through sub-regional partnership make sense? Using OPDC as an example, we need the three boroughs plus Barnet and Hounslow. Could we start with these site-specific groupings?
A [Phil Graham]: Was suggesting SRPs might help the process of checking and prioritising the initial long list. Once we have a short list of sites identified as having serious potential, we agree, we will need to talk to those boroughs (+ boroughs nearby) directly.
- Q [Andrew Blake-Herbert, Havering] Barking & Dagenham, Havering are in final detailed business case stage around **Freeports**, which is what IZs sound like. How does this Investment Zone policy interact with Freeports?
A [Phil Graham]: IZ policy built on Freeports. Not intending to replace Freeports – Freeports. Letter from the SoS says they will be in touch with Freeports team specifically to discuss the overlap with IZ policy. PG suggests getting in touch directly with the [central govt] Freeports team.
- Q[Andrew Blake-Herbert] There are **risks associated**, for local members – the Freeport takes over planning decisions over to the Mayor for the whole of the borough, not just the Freeport site - would it be the same with IZs?
A [Phil Graham]: Whilst there was very specific guidance on potential tax incentives for IZs (easy for them to write up as it's Freeport+). Further guidance coming on planning. No-one has mentioned this with respect to IZs, but PG not aware of this implication for Freeports.
- Q [David] What does govt mean by a **red line boundary**?
A [Phil Graham]: It's not clear. When we spoke to officers early on has been mentioned the Freeports model (6+ hectares), so leaning towards the size of an Opportunity Area. There does seem to be some flexibility. Nothing written down yet, [Jeremy Skinner] maybe we can influence govt on this. The latest enterprise zones we were able to catch business rate growth. Time may be against us to do too much work in deciding the exact red lines.
- Q [Jackie Belton, Bexley] Could we clarify **governance arrangements**? How decision making in a short time frame bring in members and politicians?
A [Mary Harpley]: It's up to us to decide.
[Phil Graham] GLA will need to submit the London expression(s) of interest. As a group need to work out the mechanism for having that political discussion. Hope to get to a shared shortlist pretty quickly. Need a relatively finite decision space to be able to do this.
[Mary Harpley] Once we have an agreed shortlist, it will be easier to work out the required governance.
- Q [Jackie Belton, Bexley] Is there scope to include Bexley in the Beckton/Thamesmead site as that is the long term aspiration anyway?
A [Phil Graham] We will pick up the detail offline with the GLA Housing Team, but important that the detail is right for the agreed sites.

- [Mandy Skinner, Hounslow] When we have more detail, we need to come back to not only the issues of process and governance, but also what the bigger opportunity is and make sure we are clear on the benefit for the entirety of London.
- Q [Andrew Blake-Herbert, Havering] Do we have clarification on the total number of sites (38 areas having initial discussions but suggested total of 12 IZs?)
- A [Phil Graham]: No. But all conversations would seem to point to a total of 12 being the right ballpark.
- Q Green belt – where would the Mayor be on this?
A [Phil Graham] – no mention of Green belt. No reason to think the Mayor would change his stance on this.
- Q [Sandra Fryer, Ealing] Could an IZ work as one zone of several sites across London run in a programme by the GLA?
A [Jeremy Skinner] Yes there probably is a lot of flexibility in this policy and could be creative in how we can frame the areas within one site
[Phil Graham] There has been no mention of IZs as sector specific.
- [Ali Griffin, London Councils] We were careful not to over-egg the potential of IZs, until we know more. Phil Graham agreed, GLA/the Mayor has played it cool so far in terms of speaking to the press about the potential for IZs in London.
- [Carolyn Downs, Brent] Incumbent on us all to work in London's best interest. Getting political sign-off within a 2-week process might be nigh on impossible, this is where the convening power of the Mayor will be important. The way we can do this best, is by being as collaborative as we can be.
- [Mary Harpley] Conscious of not expending what will be enormous effort before further details emerge.

Next steps

- Awaiting further guidance which may come in over the weekend
- GLA will gather immediate responses from colleagues: Carolyn, John B, Hannah already received.
- Phil Graham asked the group, working through SRPs, to let us know about
 - (i) Any sites that are on the initial list of 8 suggested sites that shouldn't be there?
 - (ii) Any sites not on list that meet the criteria we've talked about?
 GLA Lead contact: Phil Graham
Deadline: middle of next week (i.e. 28th Sep)
- Need to do thinking about which Boroughs are included in the sites listed – so work can be done in parallel. Is this something you and your leaders are going to be able to support?
- London Councils will share slides from today with group leaders and take soundings on how an 'endorsement' process might work.
- Any thoughts over the weekend, please feed into the whole group, as well as any soundings you may get.

MAYOR OF LONDON

Responding to Government Policy on Investment Zones

September 2022

LONDONASSEMBLY

GOVERNMENT'S PROPOSALS

Benefits

The specific interventions in Investment Zones will include:

- “**Lower taxes** – businesses in designated sites will benefit from time-limited tax incentives” (next slide)
- **Accelerated development** – there will be designated development sites to deliver growth and housing. Where planning applications are already in flight, they will be streamlined and we will work with sites to understand what specific measures are needed to unlock growth, including disapplying legacy EU red tape where appropriate.
- **Wider support for local growth** – for example, through greater control over local growth funding for areas with appropriate governance. Subject to demonstrating readiness, Mayoral Combined Authorities hosting Investment Zones will receive a single local growth settlement in the next Spending Review period.”

NB. “Development sites may be co-located with, or separate to, tax sites, depending on what makes most sense for the local economy.”

GOVERNMENT'S PROPOSALS

Benefits

“Specified sites in England will benefit from a range of **time-limited tax incentives over 10 years**. The tax incentives *under consideration* are:

- **Business rates** – 100% relief from business rates on newly occupied business premises, and certain existing businesses where they expand in English Investment Zone tax sites. Councils hosting Investment Zones will receive 100% of the business rates growth in designated sites above an agreed baseline for 25 years.
- **Enhanced Capital Allowance** – 100% first year allowance for companies' qualifying expenditure on plant and machinery assets for use in tax sites.
- **Enhanced Structures and Buildings Allowance** – accelerated relief to allow businesses to reduce their taxable profits by 20% of the cost of qualifying non-residential investment per year, relieving 100% of their cost of investment over five years.
- **Employer National Insurance** contributions relief – zero-rate Employer NICs on salaries of any new employee working in the tax site for at least 60% of their time, on earnings up to £50,270 per year, with Employer NICs being charged at the usual rate above this level.
- **Stamp Duty Land Tax** – a full SDLT relief for land and buildings bought for use or development for commercial purposes, and for purchases of land or buildings for new residential development.”

GOVERNMENT'S PROPOSALS

Other

The Department for Levelling Up, Housing and Communities will shortly set out more detail on the planning offer. This will include detail on the level of deregulation and the streamlined mechanism for securing planning permission.

The government will deliver Investment Zones in partnership with Upper Tier Local Authorities and Mayoral Combined Authorities in England, who will work in partnership with their relevant districts and/ or constituent councils.

All Investment Zone agreements will contain tax and development sites.

Areas will be responsible for putting forward sites and demonstrating their potential impact on economic growth, including by bringing more land forward and accelerating development.

Investment Zones will only be chosen following a rapid Expression of Interest process open to everyone, and after local consent is confirmed. Examples provided of sites (none in London)

GOVERNMENT'S PROPOSALS

Clarifications arising

- How many?
- How big?
- How much tax initially foregone? [the policy is currently uncoded in the Govt's growth paper because it is not yet firmed up]
- Who funds the 100% business rate reliefs for 10 years?
- Who retains the business rate growth for 25 years? Can the growth be shared?
- Can public authorities benefit from the tax incentives?

- Could other taxes be considered for retention in due course as well as business rates?
 - NB(on the 'but for' principle, growth would not otherwise happen. A classic Treasury orthodoxy is that growth at the macro level cannot be affected by decisions at the micro level.)
- Will other taxes be considered as an incentive? (note – the incentives are significant)
- What changes to the planning process are being considered? As planning authorities, will we be consulted?
- Would the government be keen on other types of zone that could demonstrate additional growth?

LONDON SITES

Initial GLA suggestions

- Beckton/Thamesmead
- OPDC area
- Royal Docks
- Lea Valley (inc Lower Lea Valley/Canning Town and/or Meridian Water development area and Upper Lea Valley)
- London Riverside OA
- Greenwich Peninsula

Government's anticipated timing

- Further information to be published this weekend
- Request for Expressions of Interest to be published within 7-10 days
- Designation process to conclude by end of October

CONSIDERATIONS

Considerations

- Major announcement
- Incentives are significant for business – similar, if not going beyond, the Enterprise Zones of the 1980s
- Potentially materially significant impact on council / GLA finances but seeking clarification on business rates
- Different flavours of IZs – tax and planning zones, effectively
- Unsure which local growth funding pots could be amalgamated and at what levels - London wide, subregional, LA and site specific pots could all have their place
- Choice of sites should depend on maximising the wider benefit of the incentives on offer (which vary)
- Need to watch carefully as policy crystallises. Don't want to make the wrong choices.
- Equally, need to work speedily as decisions will be taken soon

MAYOR OF LONDON

End

LONDONASSEMBLY

Dear [REDACTED]

Thank you for your email of 20 September to Mary Harpley, the GLA's Chief Officer. She has passed it on to me to reply.

I can confirm that the Greater London Authority would like to be part of the initial round of Investment Zone discussions with the government, as set out in your email. In doing so, we will look to work with boroughs, sub-regional partners, London Councils and other stakeholders, with the aim of enabling an integrated approach across the capital.

While we have explored some provisional options for locations in a preliminary discussion with BEIS and DLUHC officials, those should not be taken as firm proposals, and no specific sites in London should be mentioned in any announcement this week. I would also emphasise that any agreed investment zone proposal will need to be consistent with the Mayor's policies and objectives and London's unique circumstances, as well as with the government's aims for the programme.

Please use me and Tim Steer (cc'ed in), the GLA's Executive Director for Housing and Land, as the first points of contact for work on Investment Zones. We look forward to receiving more detail on the next steps in the process, as soon as this is available.

With best regards,
Phil

Philip Graham | Executive Director, Good Growth

GREATERLONDONAUTHORITY

City Hall, Kamal Chumchie Way, London E16 1ZE

[REDACTED] | he/him

london.gov.uk | [REDACTED] london.gov.uk

@ldn_gov | @ldn_culture | @ldn_environment | @ldn_planning | @mrphilgraham

** I work flexibly and may email outside normal hours, but I don't expect a response outside your own. **

From: [REDACTED] [\[REDACTED\]@levellingup.gov.uk](mailto:[REDACTED]@levellingup.gov.uk)>

Sent: 18 September 2022 19:18

Subject: Investment Zones

Dear colleague,

As you know, the Government has set out its ambition to fulfil the country's potential by unleashing economic growth and ensuring the country is a world-leader in productivity. A key part of this is our plan to create Investment Zones, which will drive growth and speed up development.

The Government will deliver Investment Zones in partnership with Upper Tier Local Authorities and Mayoral Combined Authorities in England. This will be an ambitious package, going beyond the existing Freeports model and offering substantive opportunity for attracting investment and unleashing growth. The specific interventions in Investment Zones could include:

1. **Lower taxes** – businesses in designated sites will benefit from time-limited tax benefits.
2. **Accelerated development** – there will be designated planning sites to build for growth and housing. Where planning applications remain necessary, they will be radically streamlined. Planning sites may be co-located with, or separate to, tax sites, depending on what makes most sense for the local economy.
3. **Wider support for local growth** – for example, through greater control over local growth funding for areas with appropriate governance.

Following recent discussions, we are inviting you to be part of discussions to agree Investment Zone(s) in your area. For their successful delivery, this must be a partnership between local leaders and Government. There is no question of us imposing this on areas; we are confident this is an extraordinary offer to transform the chances of those living in these areas as part of our levelling up agenda focused on growth.

At this stage, we do not require detail on proposed sites. Instead, we envisage announcing at the end of next week who HMG is in initial discussions with, with further detail to be set out in due course. Detailed discussions will then take place on a swift basis. If you are interested in taking part in the first wave of these discussions, please therefore confirm in writing by **11am on Wednesday 21 September at the latest**.

In order to respond, we understand you may want to test the offer with colleagues and stakeholders. In particular, we recognise that lower tier councils may be important partners in the delivery of Investment Zones at pace given their significant role in the planning process. We are supportive of this, insofar as you can do this before the deadline and ensure all documents and exchanges are kept on as tight a cast list as possible and treated as both confidential and market sensitive.

The government remains committed to the progress of the Freeports programme. For areas with a freeport, the government would work with you to consider whether and how the Investment Zones offer can help to support Freeports to deliver their objectives, and to ensure the two offers align.

Officials in DLUHC are on hand to discuss on Tuesday and answer any questions you may have. Our intent will then be to make this public shortly thereafter and then commence a formal, structured process of engagement which will be open to those places that meet set criteria. Government will continue to decide the final Zones on the basis of a robust selection methodology.

Best wishes,



Department for Levelling Up,
Housing & Communities

[Redacted]
Levelling Up Group

Tel: [Redacted]

Diary manager- [Redacted]

[Redacted] [@levellingup.gov.uk](mailto:[Redacted]@levellingup.gov.uk)



The Rt Hon Simon Clarke MP
*Secretary of State for Levelling Up,
Housing & Communities*

***Department for Levelling Up, Housing
and Communities***

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

To all Local Authority leaders in England

2 October 2022

Dear all,

INVESTMENT ZONES IN ENGLAND: EXPRESSION OF INTEREST

I wanted to follow up on my previous letter to provide an update on Investment Zones. As you will have seen in The Growth Plan, our intention to establish a number of Investment Zones demonstrates this Government's commitment to unleashing the UK's full potential by driving economic growth and ensuring the benefits of this are felt by people and businesses across the UK. Through empowering local places to deliver the investment that is right for their area and help them reach their full potential, this represents the next step in our Levelling Up agenda.

I must be clear; Investment Zones are not about rolling back environmental protections across the country, nor imposing unrealistic and unsuitable housing and development on places. Investment Zones will be specific sites, put forward and agreed to by local areas, that will drive economic growth and investment across a wider geography in a way that is right for them. Zones will not be dictated by central government.

Today I am launching an Expression of Interest (EOI) process for Investment Zones, moving quickly and in partnership to deliver this important programme of work. The EOI is open to all upper tier local authorities and Mayoral Combined Authorities (MCAs) in England who will have until 14 October to develop and submit their proposals.

Where Freeports would like to upgrade an existing Freeport tax site, they will just need to complete a short section of this EOI.

We will launch the online portal to submit these proposals in due course but have published the EOI template on GOV.UK here:
www.gov.uk/government/publications/investment-zones-in-england-expression-of-interest.

Submitted EOIs will be subject to an assessment of:

- **Economic Opportunity:** where places will need to set out what type of sites they intend to bring forward with their Investment Zones proposal, including the estimated impact of these over 10 years against a set of core metrics.
- **Pace of Delivery:** setting out what is needed to accelerate the delivery of existing plans or drive the delivery of new ones. This will include specific information regarding the size, location and make up of potential sites.
- **Wider Strategic Considerations:** including the live and potential private and public investments proposed Investment Zones can align with to drive additional growth.

I am conscious of the demands that the tight timeline will have on local authorities, which is why we will shortly publish additional guidance and FAQs on GOV.UK to support the development of your proposals.

We intend to announce those proposals that meet the minimum standard, set out in the marking guidance, shortly after the bidding period, and we will enter detailed delivery discussions with these places to determine the exact tax incentives and planning liberalisation measures that will apply.

I want to reiterate that local consent is critical to achieving all this. That is why we are requiring confirmation that the Local Planning Authority supports any proposal for an Investment Zone as part of the EOI process. I also encourage all lower tier local authority leaders and Chief Executives to engage with their upper tier local authority and MCA to make sure that any proposal is right for that area.

Again, please do contact my department if you have any concerns but I look forward to working with you all in the coming weeks and months.

A handwritten signature in black ink, appearing to read 'Simon Clarke', with a horizontal line drawn underneath it.

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

MAYOR OF LONDON

Rt Hon Simon Clarke MP

Secretary of State for Levelling Up, Housing and
Communities
Department for Levelling Up, Housing and
Communities
2 Marsham Street
London SW1P 4DF

Date: 14 October 2022

Dear Simon,

Investment Zones

I have today submitted London's Expression of Interest for new Investment Zones in the capital. It identifies six locations which I believe have enormous potential to deliver accelerated development and rapid economic growth. With the right incentives in place, the six sites could collectively host over 20 million square feet of new commercial development, more than 120,000 jobs and over 70,000 new homes.

London should be at the heart of any UK growth agenda. It is a hive of innovation, the nation's key gateway for foreign direct investment and home to high-growth clusters in sectors ranging from life sciences to the creative industries. Productivity levels in London are significantly higher than in any other UK region and it is the number one location in Europe for business headquarters, as well as home to four of the world's top 50 universities.

Yet London is also afflicted by significant inequality, with higher than average levels of unemployment and more child poverty than in any other UK region. Despite the progress made since I became Mayor, London still suffers from an acute shortage of housing and especially affordable housing – which is not only driving up rents and mortgage costs for individuals and families across the city, but also acting as a check on economic growth.

The six Investment Zone areas that I am submitting to your department today combine huge economic potential with locations in close proximity to some of London's areas of greatest deprivation, where the benefits from ambitious commercial development and accelerated housing delivery could have an enormous positive impact. They are:

MAYOR OF LONDON

- **Old Oak Common:** An Investment Zone covering the Old Oak West development area will maximise the benefits of the Government's investment in HS2 and de-risk and accelerate around £5-6bn of private investment, as well as enabling the delivery of more than 9,000 homes and more than 2.5 million square feet of employment space. The Zone would benefit from unmatched connectivity and in the longer-term there may be scope for expansion to other major regeneration sites if plans for a West London Orbital rail link are taken forward.
- **London Riverside:** An Investment Zone in the Thames Estuary at London Riverside would capitalise on the relocation of the City of London's wholesale markets while providing high quality, modern, higher density employment space and housing for one of London's most constrained boroughs. Alongside the 2.5 million square foot markets site, it would accelerate more than 700,000 square feet of commercial development, generate around 12,000 jobs and accelerate delivery of 7,000 homes at Barking Riverside.
- **Upper Lea Valley:** This would cover a group of important development sites in the north of the Upper Lea Valley Opportunity Area, spanning the London Boroughs of Haringey, Enfield and Waltham Forest, and at the heart of the Innovation Corridor linking London and Cambridge. Taken together, these have the potential to deliver 19,600 new homes, around 4 million square feet of commercial space and over 17,000 new jobs.
- **Euston/Kings Cross Innovation Zone:** Situated at the heart of the Knowledge Quarter, a world leading life sciences, AI and machine learning cluster, the proposed Investment Zone would ensure that investment in HS2 delivers on its ambitions for economic growth and regeneration, supporting 3,100 new homes and more than 5 million square feet of commercial space, including a new innovation campus at Camley Street.
- **Royal Docks Thamesmead:** The Royal Docks Enterprise Zone is delivering significant new housing and commercial development, but stronger and longer-lasting incentives would help maximise its impact. The proposed Zone combines the Royal Docks with the adjacent brownfield sites at Beckton Riverside and Thamesmead, delivering two new town centres, 34,000 new homes, 7 million square feet of commercial space and over 60,000 new jobs.
- **Croydon Town Centre:** This Investment Zone would focus on the two largest undeveloped sites in the town centre area – the Whitgift Centre and Queens Square. Investment Zone status would attract investment into these key sites and accelerate development, helping deliver around 180,000 square feet of commercial space and more than 1,800 new jobs.

I am keen for our respective teams to explore how the tax incentives that have been proposed for Investment Zones can unlock new development, strengthen economic growth and create opportunity and benefit for local communities in each of these areas, along with discussing the wider support and funding for local growth that you have indicated will be available.

MAYOR OF LONDON

I am also willing to consider targeted planning flexibilities to accelerate the delivery of high quality and sustainable commercial and residential development. But I am not prepared to sign up to an as-yet undefined streamlined regime and I will not agree any proposals that would water down the environmental objectives in the London Plan or limit my ability to deliver on my ambition for net zero by 2030. Nor would any reduction be acceptable in London's ability to secure the affordable housing it needs or protect its Strategic Industrial Land.

Finally, no meaningful strategy to kickstart economic growth can ignore the role of Central London. A thriving Central Activities Zone (CAZ) is critical to national prosperity, hosting around 2.2 million jobs (more than 6% of all UK employment) and delivering a significant proportion of London's net fiscal contribution, which provided over £40 billion to the Exchequer in 2019-20. But the economic impacts of COVID hit the CAZ extremely hard compared to many parts of the country and it still has not fully recovered. The Government's recent decision to reinstate tax-free shopping is a welcome step forward, but more still needs to be done. While the CAZ does not meet the criteria for an Investment Zone, I would welcome an urgent discussion about how further tax incentives and other measures could be used to accelerate its recovery and maximise its contribution to growth across the UK.

As Mayor of London, I share your aspiration to improve productivity and unlock growth, as a means of creating new opportunities and employment, boosting incomes and tax revenues and tackling the cost of living crisis. The proposals set out here, which have been identified through close engagement with London Councils and with London's boroughs, can provide a strong foundation for those ambitions. I look forward to discussing them with you in more detail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan
Mayor of London

Cc: Paul Scully MP, Minister for London

From: Mary Harpley

Sent: Friday, September 23, 2022 11:18:51 AM

Subject: Investment Zones -- in advance of today's 4pm call

Hello everyone,

Following up on my message of last night, you will undoubtedly now have seen the coverage of the government's plans to establish a network of Investment Zones. Although London was not mentioned by the Chancellor, we are listed in the published documents.

You will now have an invitation to a call at 4pm today at which we will share what little we know. As I have said on this morning's earlier message, we may have to make a formal submission as early as a week today.

As I said last night, government officials got in touch with the GLA at extremely short notice to inform us of this programme. Now London has been named as one of the areas with whom they will be entering into an initial round of discussion, we will work with London Councils and you as these discussions progress, with the aim of enabling an integrated approach across the capital. We have made that clear to the government.

As part of the conversation we have already had with government officials, we were given just a few hours to suggest some examples of sites that might be suitable for consideration as Investment Zones. The initial, highly provisional list we provided (drawn from existing Opportunity Areas) is below:

- Beckton/Thamesmead
- OPDC area
- Royal Docks
- Lea Valley (inc Lower Lea Valley/Canning Town and/or Meridian Water development area and Upper Lea Valley)
- London Riverside OA
- Greenwich Peninsula

We have been very clear that these should not be taken as firm proposals, and no specific sites in London should be mentioned at this stage. We recognise that these have not been tested these with any of you and that there may well be other sites you wish to put forward for consideration. We have also emphasised that any agreed Investment Zone proposal will need to be consistent with the policies and objectives of the Mayor and the relevant borough(s), and with London's unique circumstances, as well as with the government's aims for the programme.

There is very little detail available about what types of site might be suitable, or what benefits might be available in locations identified as Investment Zones. Government officers have mentioned tax incentives, planning flexibilities, and access to or flexibilities around funding, but we have no sense of what might be included in each category. Until we know more, it seems very difficult for any of us to make an informed judgement as to whether this is an opportunity that we want to take advantage of.

Philip Graham, the GLA's ED for Good Growth, will speak for the GLA at the call now arranged for 4pm today.

Mary

Mary Harpley

Chief Officer

GREATER**LONDON**AUTHORITY
City Hall, Kamal Chunchie Way, London E16 1ZE