

East Midlands Freeport Briefing Pack



Introduction

This briefing pack is intended to help support engagement from key partners and stakeholders to ensure communications are consistent and that partners own channels and networks are maximised to support the bid:

This briefing pack includes:

1. Background
2. Supporting Information
3. Press Release
4. Approved quotes
5. FAQs
6. Approved Imagery

For further information about the East Midlands Freeport proposal, please contact:

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Background

A unique inland Freeport at the heart of the UK with unrivalled rail connectivity to all U.K. ports that will bring significant investment to develop and drive innovation, alternative energy sources and green technologies, creating up to 60,000 new skilled jobs to areas of deprivation in the East Midlands.

Background & Timeline

Through the Freeport policy, the Government is seeking to 'level up' the country's most deprived areas, delivering high skilled job opportunities for people in underperforming regions. Moreover, the UK Government also wants to encourage innovation by using Freeports as platforms for innovative business clusters.

In February 2020, the UK Government launched a consultation on creating up to 10 Freeports with special tariff and duty status to fuel economic growth, 'level up' underperforming regions, and promote innovation and regeneration. It outlined the government's proposals covering tax, customs, planning and encouraging innovation, and asked for views. The government received 364 unique responses. (<https://www.gov.uk/government/consultations/freeports-consultation>)

In October 2020, the government announced further details around how it will create a number of new innovative Freeports across the UK to create jobs, drive investment and regenerate communities. Responding to the consultation, the government confirmed that sea, air and rail ports in England will be invited to bid for Freeport status before the end of the year, with the government aiming for the first of the new sites to be open for business in 2021. (<https://www.gov.uk/government/news/government-outlines-new-plans-for-freeports-to-turbo-charge-post-brex-it-trade>)

In November 2020, the government launched their Freeport bidding prospectus giving further details on the UK Freeports model. This bidding prospectus is a guide for bidders competing for Freeport status in England. It sets out the government's ambition for Freeports policy, the government's core Freeport objectives, what is expected of bidders and what a best-in-class Freeport proposal will set out. **The prospectus confirms that bidders wanting to apply for Freeport status in England should complete this form by noon 5 February 2021.** (<https://www.gov.uk/government/publications/freeports-bidding-prospectus>)

Alongside this proposal, a team of councils, businesses and universities in the East Midlands have come together to develop plans for a Development Corporation which aims to transform the region with three development sites each the size of the London Olympic Park. The integrated investment strategy which will create 84,000 jobs and boost the economy by more than £4 billion a year in the decades to come. (<https://www.nottinghampost.com/news/nottingham-news/group-set-up-turn-east-2608592>)

Supporting Information

- **The East Midlands contributed £75 billion in GVA to the UK in 2018**
- **The region has 5% of the UK's workforce with a high level of concentration in the manufacturing sector, driven mainly by aerospace, automotive and rail manufacturers, and engineering firms.**
- **The region is home to nearly 25% of the UK aerospace industry.**
- **East Midlands has the joint lowest spend per head by government, 11% lower than the national average.**

The East Midlands is one of the most exciting regions in the UK with huge potential for export-led growth, with the highest proportion of manufacturing employment and competitive advantage in several key sectors.

The East Midlands is home to almost five million people and has a rich industrial history with a strong skills base from which to build. The region is home to several strong universities (of which two are in the UK's top 20) with over £650m of active research projects currently ongoing. There is also an increasing number of research and innovation centres.

Strategically located in the heart of the country and well connected to the rest of the UK, the East Midlands is the advanced manufacturing capital of the UK. Key specialisms include transport technology, life-sciences, pharmaceutical, energy, and low-carbon technology built on many years of innovation and manufacturing expertise.

Whilst our past growth has been driven by carbon-intensive industries, the D2N2 LEP, the LLEP and the Development Corporation's ambitious goals seek to reduce the region's reliance on carbon-intensive industries and drive economic growth through clean and green industries.

Today, the region's productivity lags behind the UK average and while qualification rates have been increasing, the average workers in the East Midlands are less skilled than the national population. The lower skills base and the greater concentration of employment in lower-level occupations are reflected in earnings levels, which are below the national level.

To deliver a resilient regional economy with secure careers for local people, it is vital that the area is able to attract advanced manufacturing firms and diversify into other priority growth sectors such as life sciences, clean energy, and advanced logistics. The East Midlands Freeport would provide the incentives and benefits to create jobs, unlock investment, improve productivity and address decades of under investment.

Key Messages: A Freeport is essential to the East Midlands....

- **It will support the region's economic stability and recovery post Covid-19**
- **It will establish, develop, and grow the East Midlands as a national hub for global trade and investment to support business growth**
- **It will create a diversity of industry clusters providing economic resilience and growth**
- **It will provide skills and training opportunities for local people**
- **It will promote regional regeneration and accessible job creation**
- **It will create a hotbed for innovation in the net-zero transition.**

PRESS RELEASE (issued 5 February 2021)

East Midlands Makes Green Growth Freeport Bid

Landmark opportunity to create thousands of jobs and boost the East Midlands economy

An East Midlands bid for Freeport status has been submitted to the government today by a consortium led by the two Local Enterprise Partnerships that represent Derby, Derbyshire, Nottingham, Nottinghamshire, Leicester, and Leicestershire.

The bid would deliver a unique inland Freeport at the heart of the UK with unrivalled rail connectivity to all UK ports and bring significant investment to develop and drive innovation, alternative energy sources and green technologies, creating close to 60,000 new skilled jobs to areas of deprivation in the East Midlands.

In response to the Government's Freeport prospectus, the East Midlands has put forward a compelling proposition based around the East Midlands Airport and Gateway Industrial Cluster (EMAGIC) in North West Leicestershire, Uniper's Ratcliffe-on-Soar Power Station site in Rushcliffe in Nottinghamshire and the East Midlands Intermodal Park (EMIP) in South Derbyshire.

The sites' central and strategic location will provide a range of employment and skills opportunities across the East Midlands and strengthen connectivity across the wider Midlands region to stimulate investment and develop and grow our industrial strengths in advanced manufacturing, automotive and logistics.

At the heart of the bid is the opportunity to accelerate the region's commitment to decarbonisation and boost the area's status as a leading innovation hub for green energy supporting SME's and large regional employers including Rolls Royce, Toyota and Bombardier.

Freeports, championed by Prime Minister Boris Johnson and Chancellor Rishi Sunak, are designed to attract major domestic and international investment. In November last year, the government set out details of how it will create 10 new Freeports across the UK to create jobs and regenerate communities.

The government has confirmed that UK Freeports will benefit from:

- streamlined planning processes to aid brownfield redevelopment
- a package of tax reliefs to help drive jobs, growth and innovation
- simplified customs procedures and duty suspensions on goods

The East Midlands Freeport bid has been submitted by a consortium including private sector businesses and local authorities, with support from universities, business groups, local MP's and the proposed Midlands Engine Development Corporation.

APPROVED QUOTES

Elizabeth Fagan CBE, Chair of the D2N2 LEP said:

“The East Midlands Freeport is an integral part of the LEP’s ambition to transform our region’s social and economic future. Through strong collaboration and partnerships, we have assembled a compelling bid that will deliver key government policies, support evidence-based local plans, and drive private sector ambition.

“Freeport status will capitalise and grow our industrial strengths in advanced manufacturing, automotive and logistics and boost our competitiveness in new green opportunities to create thousands of jobs and provide SME businesses with a fantastic opportunity to develop and prosper.

“It is a project that can be delivered now, allowing us to build back better from the impacts of Covid-19, to level up the region and regenerate our communities to deliver significant economic green growth.”

Kevin Harris is Chair of the Leicester and Leicestershire Enterprise Partnership Ltd. Board of Directors, said:

“Central Government support for the development of Freeports is a major opportunity for the East Midlands. The geographic location of our region, and the high levels of entrenched expertise in the fields of logistics and import/export found here, make the East Midlands an obvious choice for the location of a Freeport.

“Leicestershire is home to East Midlands Airport, which is already the largest dedicated freight airport in the UK. Its integration with the East Midlands Gateway logistics hub will ensure the smooth running of the Freeport from day one. Furthermore, it boasts the scope and ambition to expand, meaning that our Freeport capacity can continue to grow to meet the demands of increased investment.

“I’m proud that the LLEP is working in partnership with D2N2 to deliver a Freeport to the East Midlands. If the bid is successful, this project will be of huge benefit to our region, providing innovation, regeneration, and the ‘Skills for the Workforce’ that are a major priority of the LLEP. The benefits conveyed by an East Midlands Freeport will emanate from the heart of the country and mean that success for the East Midlands is shared by the wider UK economy for years to come.”

Clare James, East Midlands Airport’s Managing Director, said:

“We’re delighted to be part of a regional Freeport bid that, if successful, could create thousands of jobs for local people. East Midlands Airport (EMA) is a key regional and national gateway for Britain’s exports and imports.

“Assets like EMA will have a key role to play in helping the Government fulfil its ambition of a ‘global Britain’ especially as the country strikes trade deals around the world. As the port of entry and exit, we bring to the Freeport bid, along with our road haulage and rail operating partners, the connectivity that is one of this region’s unique strengths.”

Dave Johnson, Sites Manager, Uniper, said:

“Uniper sees a clear opportunity for the region by combining the Ratcliffe-on-Soar site with the EMAGIC and EMIP sites in an inland Freeport promising, manufacturing based growth connecting the East Midlands and UK businesses to global markets.”

Leader of Derbyshire County Council Councillor Barry Lewis, said:

“We fully support this bid for an East Midlands Freeport which would make Derbyshire an even more attractive location for businesses to invest, thrive and survive.

“We’re fully committed to initiatives that help our economy to build back better and by accelerating the region's commitment to decarbonisation and boosting the area's status as a leading innovation hub for green energy, a Freeport would not only bring more jobs to the area but the right kind of sustainable low carbon industry needed for our region to thrive in the future.”

Kay Cutts MBE, Leader of Nottinghamshire County Council, said:

“I fully support this bid for a new freeport, at or near East Midlands Airport. Having an inland Freeport would bring an economic boost across Nottinghamshire, Leicestershire and Derbyshire. Alongside the seaport at Immingham, which would help Lincolnshire, it’s a real opportunity to create jobs, skills and business right across the East Midlands”

“The East Midlands may be the only inland Freeport in the country, playing a major role in uplifting the local economy and attracting investors from all over the world.

“The work done by our airport throughout the pandemic shows what we can do here and it’s something that we should look to expand.”

“I believe that our knowledgeable team, which brings together councils, industry experts and our universities, have presented a strong and clear case of how a freeport here in the heart of Britain would boost productivity and growth, and ultimately improve lives in the years ahead.”

Nick Rushton, Leader of Leicestershire County Council, said:

“With our central location, expertise and ambition, the East Midlands is the right place for a freeport. This is an innovative bid. And not only would it create thousands of jobs and provide a boost for our economy, it would help to put the region on the map. Our economy has taken a big hit during the pandemic and creating this forward-thinking scheme at the heart of the UK would provide a much-needed boost for our businesses and residents.”

Leader of Rushcliffe Borough Council Cllr Simon Robinson, said:

“This is a hugely significant project that we’re delighted to support, an environmental and business opportunity that would further enhance Rushcliffe as a great place to live attracting high skilled jobs.

“We’re committed to low carbon initiatives and any such as this that complements plans for the Development Corporation so well, attracting potential international investment, is one we warmly welcome for the East Midlands.”

South Derbyshire District Council Leader, Councillor Kevin Richards, said:

“South Derbyshire District Council welcomes the submission of the East Midlands Freeport proposal which has the potential to provide significant economic benefits for the region. A Freeport could attract new investment and support the growth of existing businesses, providing a boost for the East Midlands as it recovers from the impact of the pandemic.”

Councillor Richard Blunt, Leader of North West Leicestershire District Council, said:

“A Freeport in the East Midlands is a really exciting opportunity for North West Leicestershire and the wider region, with huge potential to support the economic recovery and growth of the area while maximising our collective potential.

“We are very happy to support the proposal in principle at this early stage. The district council would take a key role in determining future planning applications for development in North West Leicestershire so while supporting the principle, we keep an open mind and look forward to seeing the plans develop.”

Andrew Bridgen, Member of Parliament for North West Leicestershire, said:

“Freeport status would drive growth in the region's economy, increase job opportunities, drive international trade and investment as well as improve infrastructure.’

“Leaving the EU creates new opportunities for the UK to strengthen the Union and become a hub for international trade and investment. Revitalising our port regions through an ambitious Freeport policy is a key component of realising this vision and unlocking the deep potential of regions such as the East Midlands. Freeports will increase trade, create employment and attract investment in order to form innovative business clusters that benefit local areas.’

“We have the perfect logistical position for a Freeport with the Airport supported by the East Midlands Gateway and superb road links both North to South and East to West. The Airport is already a major trade hub, the UK's busiest pure-freight airport, with more than 1,000 tonnes of cargo passing through every day and there is scope to at least treble that.”

Ruth Edwards, the Member of Parliament for Rushcliffe said:

“The intersection of air, road and rail - combined with advanced manufacturing and green technology sites within the vicinity of the freeport - creates a unique and promising opportunity for the country and the region.

“The East Midlands is strategically placed to be the beating heart of the UK's recovery post Covid-19, and this bid has the potential to attract lucrative private investment and generate high-quality jobs for local people.”

Mrs Heather Wheeler, the Member of Parliament South Derbyshire, said:

“I support the joint bid for this inland Freeport as it will bring the much-needed push to level up our part of the country to bring thousands of jobs and surge forward in a post Brexit Britain.

“The East Midlands Intermodal Park (EMIP) will allow businesses to re-shore manufacturing jobs here taking advantage of simplified customs procedures and duty suspensions on goods. This bid will be a win win for our local economy.”

East Midlands Chamber Chief Executive Scott Knowles, said:

“The disruption the pandemic has brought has highlighted the importance of the East Midlands as a centre for trade in the UK. Our logistics sector has grown faster here than anywhere else in the country and the airport has played a central role in this as the country’s most important mover of international freight.

“The UK’s exit from the EU amplifies the opportunity for developing new international trade opportunities, to reimagine supply chains and to build greater resilience in existing customer and supplier relationships with the EU and beyond. For the East Midlands this presents us with a massive opportunity.

“We already have the expertise, land, much of the necessary infrastructure and, of course, businesses – but obtaining a freeport with a focus on innovation, low carbon and trade is central to us realising that opportunity to its full extent.”

FREQUENTLY ASKED QUESTIONS

What is a Freeport?

Freeports, sometimes referred to as 'Free Zones', 'Special Economic Zones' (SEZ) or 'Free Trade Zones' (FTZ) are designated areas within a country's territory but treated as outside of the country's customs border. Freeports are zones designated by the government as areas with little to no tax in order to encourage economic activity giving them an advantage in terms of regeneration and job creation.

How many Freeports will the UK have?

The UK government has committed to establishing Freeports in each of the four nations, to a target of 10 across the UK. However, further awards may be made if bids are particularly strong. The number of awards in Northern Ireland, Scotland and Wales will be jointly agreed with the relevant devolved administration.

Doesn't a freeport have to be a seaport?

A Freeport can be inland, offering potential for bidders to bring forward some innovative thinking around, for example, existing inland manufacturing facilities. The government have confirmed that sea, air and rail ports in England will be invited to bid for Freeport status.

Where can I find information about the bid requirements?

The Freeport bid prospectus was launched on 16 November 2020. The prospectus gives further details on the UK Freeports model and sets out how bidders can apply for Freeport status in England. For more information:

<https://www.gov.uk/government/publications/freeports-bidding-prospectus>

Why is the East Midlands bidding for a Freeport?

Both the country and the region are at a turning point. The performance of the East Midlands economy was below average, even before COVID-19. We are also now an independent trading nation, out of the EU. As we recover and rebuild, Freeport status would accelerate region wide opportunities. It would grow existing and new business, fast-tracking economic growth and supporting the national levelling up agenda.

What value will it deliver?

Freeport status is forecast to deliver up to 60,000 jobs to boost the East Midlands economy. It will also create a ripple effect and confidence in the East Midlands as a global investment destination addressing under-investment and under-performance in productivity and growth.

Some people are concerned that the Freeports pull employment and opportunity away from communities which depend upon those jobs (displacement)?

The East Midland's bid focus is to encourage new business investment and create new economic activity in Freeports. Bidders are required to explain how their locations minimise displacement of economic activity from wider local areas. Bidders have also been asked to demonstrate how they will collect data on this local displacement.

There has also been concerns that Freeports encourage illicit activity?

As part of our bid, we have set out what steps they will take to ensure that the customs sites and tax sites in the Freeport will be secure against illicit activity. This includes inventory systems, business registration, physical security, personnel, cyber threats, international regulations, supply chains and customs subzones. Bidders that do not show adequate consideration of steps to prevent illicit activity will not be considered for

Freeport status.

Do we have advantage with location, even though we are inland?

The region is also unique in having a multimodal transport system that is seamlessly integrated. Besides air cargo, the East Midlands is also connected through Maritime's Strategic Rail Freight Interchange, which gives businesses access to seaports, including Southampton, Felixstowe, London Gateway, and the Channel Tunnel. Proximity to the M1 motorway also facilitates road haulage, allowing the movement of goods throughout the domestic market.

What are the key sites?

The bid has three sites:

1. EAST MIDLANDS AIRPORT AND GATEWAY INDUSTRIAL CLUSTER (EMAGIC)

The primary customs site is the East Midlands Airport, the UK's largest freight airport handling 350,000 tonnes of cargo per year and generating £268 million in GVA annually. The airport is the UK hub for DHL and UPS and supports Amazon, TNT, and Royal Mail operations. EMAGIC includes plots on SEGRO's Logistics Park at the East Midlands Gateway, including access to a 50-acre Strategic Rail Freight Interchange and freight terminal, operated by Maritime.

2. EAST MIDLANDS INTERMODAL PARK (EMIP)

EMIP is located on c.440 acres of land made available by Severn Trent subsidiary, Etwall Land Ltd. Located adjacent to the nationally significant Toyota manufacturing plant, the site has the potential to become the next generation of rail connected business parks. With a strong focus on advanced manufacturing and logistics, and the opportunity to create a hydrogen hub on the site, the development would support innovation in alternative fuels and support the future growth of engineering and advanced manufacturing in the region. The proposed investment would also enable a significant modal shift, from road to rail freight, reducing carbon emissions for businesses within the region.

3. RATCLIFFE-ON-SOAR POWER STATION

Ratcliffe-on-Soar power station will close in line with Government policy, which requires all coal-fired power stations to stop generating electricity by 1st October 2025. Uniper's vision for the Ratcliffe site is to move towards becoming a zero-carbon technology and energy hub providing clean power to customers on site and to the region.

What government policy agendas does the Freeport bid address?

- **Levelling-up:** The bid provides an ambitious vision for the future which delivers jobs, business, and growth accessible across the region
- **Net carbon zero:** Freeport status will deliver progress UK's Net Zero target and the 10-point Green Plan for Growth
- **Skills:** Freeport proposals will focus on the economy's future training/retraining needs working with our leading universities and colleges and our plans for an Institute of Technology

Who was responsible for creating the bid?

The bid has been submitted by D2N2 Local Enterprise Partnership and Leicester and Leicestershire Local Enterprise Partnership (LLEP) and has been brought forwards by a partnership of landowners, and local authorities across Derbyshire, Nottinghamshire and

Leicestershire, supported by businesses, universities and the proposed Midlands Engine Development Corporation. Senior leaders/CEOs/senior executives and officers of all the partners have been represented on the project board which has been steering the progress of the bid.

How does this proposal fit in with Development Corporation?

The bid sits alongside the East Midlands' ambitious long-term vision for the future of the regional economy which is being developed under the banner of the proposed East Midlands Development Corporation, a powerful partnership of local authorities, Local Enterprise Partnerships, universities and commercial partners, led by Sir John Peace.

Where and how could skills be developed to support the Freeport?

The East Midlands region is home to world-class colleges and universities and centres of research excellence which will support the East Midlands Freeport with talent, skills, and innovation that businesses need to develop new processes, products, and services.

Should the East Midlands really be doing this given the impacts of Covid?

The Freeport bid is perfectly aligned with the Government's strategy for dealing with COVID-19's economic impact: Response; Recover; Renew and Rebuild. Ensuring the East Midlands would be less susceptible to external economic shocks such as the Covid-19 pandemic. Moreover, a Freeport can also support a more rapid response to the movement of essential supplies and equipment at times of emergency, leading to better regional and national resilience.

Will the Freeport boost all businesses in the region?

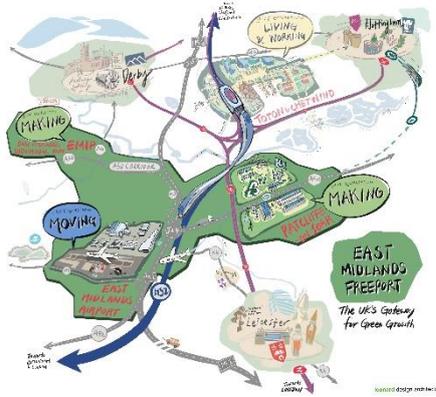
The bid will capitalise on existing sectoral strengths in advanced manufacturing, automotive and logistics and build on emerging opportunities for green growth to unlock jobs and create new skills and training opportunities. We hope the Freeports ripple effect will attract new international investment for the benefit of the whole region.

What will happen once the bid has been submitted?

Essential information submitted by bidders will firstly be assessed by officials according to pass/fail criteria set out in the prospectus. Bids which pass these will then have their entire submission assessed. Based on this assessment, officials will then present a longlist of appointable candidates to Ministers. Ministers will make the final decision on the successful Freeport locations, considering officials' assessments. Successful bidders will be announced in spring 2021. Once successful bidders are announced, MHCLG will publish the rationale for their selection under this process.

APPROVED IMAGERY

To download imagery please visit: <http://bit.ly/EMFreeportPack>



1. FREEPORT OVERVIEW SKETCH



2. EMIP SITE IMAGE 1



3. EMIP SITE IMAGE 2



4. RATCLIFFE ON SOAR POWER STATION IMAGE 1



5. RATCLIFFE ON SOAR POWER STATION IMAGE 2



6. EAST MIDLANDS AIRPORT IMAGE 1



6. EAST MIDLANDS AIRPORT IMAGE 2