

Humber Freeports

Introduction

On the 16th November 2020, the Government launched its Prospectus and competitive bidding process for Freeports. Freeports are a flagship government programme that will play an important part in the UK's post-Covid economic recovery and contribute to realising the levelling up agenda, bringing jobs, investment and prosperity to some of our most deprived communities across the four nations of the UK with targeted and effective support. Freeports represent a major opportunity for regions of the UK to develop their economies and attract new investment. The UK government has committed to establishing Freeports in each of the four nations, with the aim of around 10 Freeports across the UK.

In the Humber region, Associated British Ports ("ABP") is working closely with the local authorities and the Local Enterprise Partnerships ("the Promoters") that cover the geographic region of the Humber Estuary to coordinate a bid for a Humber Freeport. The Promoters intend to submit a bid by the Government's deadline of 5th February 2021. The shortlisted proposals are expected to be confirmed by Spring 2021, following which there will be a period of finalising the details of the Freeport with Government through a Business Case process.

A Freeport will consist of a broad geographic region encompassing different types of facility that may benefit from the measures set out by the Government.¹ Principally, parcels of land may be designated as either Customs Zones or Tax sites.

Customs Zones and Tax Sites

The Bidding Prospectus sets out the detail of the benefits available to business within Customs Zones and Tax Sites together with the requirements that a business/ site would be required to meet if selected. Both Customs Zone and Tax Sites do not have to be adjacent to port facilities or within existing port estates, however, any sites put forward require a clear economic rationale and justification against the government's policy criteria.

Principally, Customs Zone operators are required to be authorized by HMRC and Borderforce and meet their own costs of achieving such status.

Businesses within designated Tax Sites may benefit from business rate and stamp duty land tax relief, capital allowance acceleration and an employers' national insurance holiday. The maximum number of Tax Sites designated within a freeport is limited to three and the total area of land is limited to 600Ha. As such, the Government is expecting sites to be of between 20 and 200Ha. The Government's Prospectus outlines a number of other criteria, including that the sites must be viable, "underdeveloped" and delivered as soon as possible between 2021 and 2026. Please note that the land within a tax site can be under multiple parties' ownership.

Tax Sites - Request for Information

Whilst the Promoters have identified through parallel processes certain areas of land that could align with the government's criteria and benefit from the measures on offer through Freeports, they are keen to ensure that all possible land has been considered. The Promoters are therefore inviting entities to submit proposals for consideration as part of an ongoing prioritisation process to arrive at a maximum of 3 tax sites. Entities with an interest in participating as a Tax site are invited to submit the accompanying Pro Forma to the Promoters by 9am on 14th December 2020. Thereafter proposals will be considered by the Promoters together with professional advisers and assessed against the Government's criteria (further described below).

The Promoters request that you complete and return the accompanying Pro Forma to Humber Freeports c/o David Gwynne (Humber.Freeports@eurusconsulting.com **by 9am on 14th December 2020**).

Please note that during the week commencing 14th December the Promoters may arrange clarification meetings (held virtually) to discuss any aspect of your proposed site and the information submitted.

For the avoidance of doubt, proposals will be treated on a confidential basis and the Promoters reserve the right to seek additional information from prospective entities as the overall Freeport bid is developed.

Assessment to inform the prioritisation process

Proposals will be assessed against the Government's **eligibility criteria** for Tax Sites outlined in the Freeports Bidding Prospectus. These relate to:

- Site size (20-200Ha);
- Deliverability (between 2021 and 2026);
- Viability (Barriers to the development of the site must clearly be surmountable based on the specific interventions offered through Freeport status. Any other interventions/ funding required to bring forward the site must be evidenced and fully committed).
- Regeneration needs of the wider local area (sites must be located in areas with (i) below national average GDP per head and (ii) above national average unemployment rates).

Provided that the site meets these minimum criteria, eligible sites will be assessed against the following **prioritisation criteria**:

1. **Strategic fit:** alignment with Government's three overarching objectives for Freeports (trade and investment, regeneration and job creation, innovation), the Humber Freeport proposition, and the Humber's local economic and policy context.

2. **Scale of potential benefits** (aligned to the main criteria of “underdeveloped” for tax sites outlined in the Freeports Bidding Prospectus):
 - a) Scale of viable, but unoccupied, developable land
 - b) Scale of net additional business investment / development on site, and at Humber and national level
 - c) Scale of net additional jobs on-site, and at Humber and national level
 - d) Scale of the net additional increase in business rates generated on site
3. **Deliverability:** Timing of the potential benefits and level of confidence in the deliverability of these benefits in the 2020s.

Contact

Please direct any questions to David Gwynne [via](#) the address above.

The Promoters look forward to receiving your proposals.

¹[Freeports bidding prospectus - GOV.UK \(www.gov.uk\)](http://www.gov.uk)