

## **East Midlands Freeport Full Business Case Annexes**

Annex A -Logic Model  
Annex B – Redacted  
Annex C – Redacted  
Annex E – Map of Sites and Infrastructure Maps  
Annex D - Redacted  
Annex F – Letter NWLDC/RBC/SDDC Letters of Commitment  
Annex G – Swot Analysis  
Annex H – Security and Illicit Activity Risk Commitment  
Annex I – Assumptions for VFM analysis  
Annex J – Redacted  
Annex K – Trade & Investment Strategy  
Annex L – Innovation Strategy  
Annex M – Assumptions & Methodology for Retained Business Rate Modelling  
Annex N – Skills Plan  
Annex N – Workforce Strategy and Separate Updated Version  
Annex O – EIA  
Annex P – Customers Lever Impact Illustration  
Annex Q – Outputs and Outcomes  
Annex R – Investments, Project Pipeline and Other Regional Projects  
Annex S – Tax Site Suitability Analysis  
Annex T – EMF Emissions Monitoring  
Annex U – Redacted  
Annex V – Interdependency Detail and Mitigations  
Annex X – Target Markets and Jobs Growth  
Annex Y – Redacted  
Annex Z – Redacted  
Annex AA – Regulatory Compliance Approach  
Annex AB – Redacted  
Annex AC - Glossary

## East Midlands Freeport

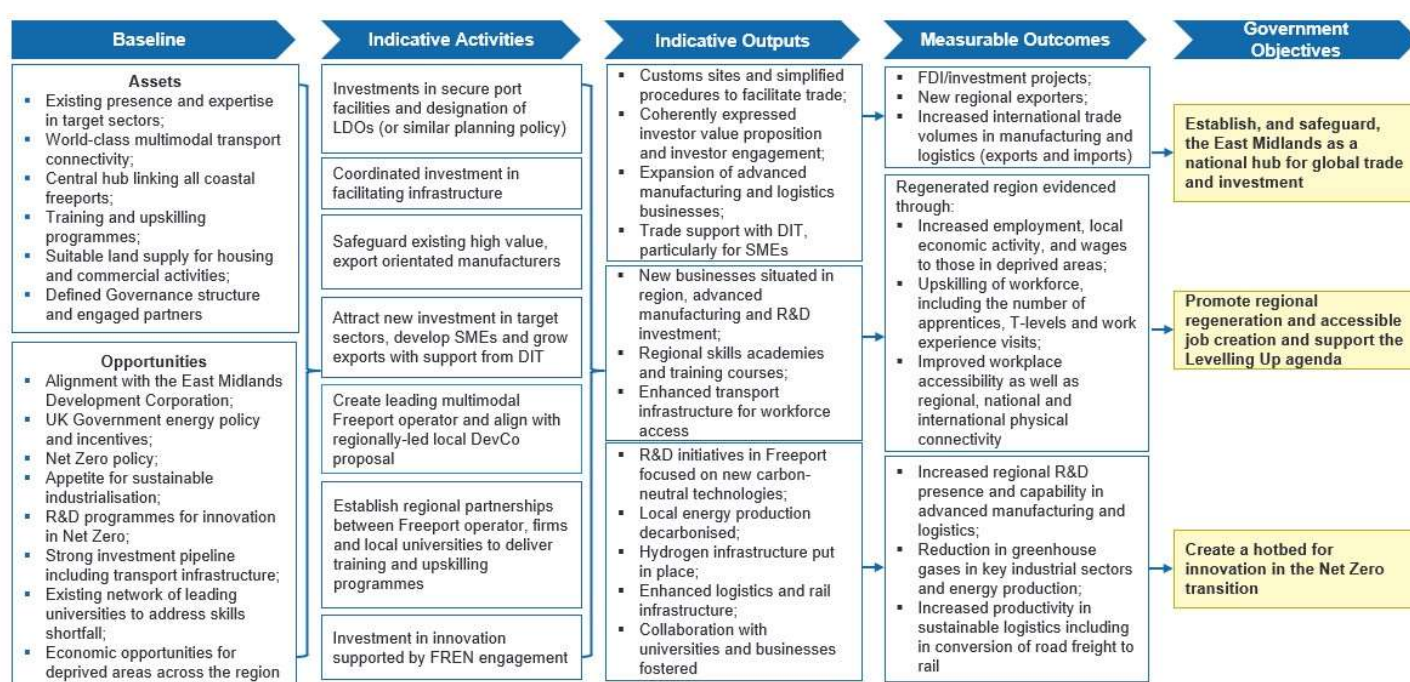
Annexes B, C, D, E, F, H, J, P, U, and Z can be found in the Supporting Documentation file

### Annex A - Logic Model

The Logic Model:

- ▶ Provides an overview of the links between the activities and inputs, outputs, outcomes and impact of the proposed Freeport model to show how the Freeport will achieve its objectives.
- ▶ Helps to identify how the Freeport levers available will interact with local characteristics and other inputs (e.g. investment by the port and local area) to achieve measurable outputs and ultimately the desired outcomes.
- ▶ Helps to explain why a Freeport would be the right public intervention in the East Midlands to build on local economic strengths and strategies.
- ▶ Provides a foundation for a monitoring and evaluation plan by identifying the information that will need to be collected and shared amongst businesses, researchers, landowners and public sector entities to assess progress on the outputs and outcomes established.

The East Midlands Freeport Logic Model is set out below:



### Annex D – Risk and Issues Register

Please see the separately attached document entitled 'EMF - Annex D - Risk and Issues Register' for the latest version of the Risk and Issues Register as at 12<sup>th</sup> April 2022.

### Annex E – Freeport Maps

Please see the following separately attached, single image PDF documents for the tax site maps as defined by the Statutory Instrument which gained ascent on 22<sup>nd</sup> March :

Document Name	Potential Tax Site
EMF_Ratcliffe Tax Site Map	Ratcliffe-on-Soar
EMF_EMIP Tax Site Map	EMIP
EMF_EMAGIC Tax Site Map	EMAGIC
EMF_Whole Freeport Map	Whole Freeport
EMF - Annex E - EMF - Annex E - Tax Site and Infrastructure Maps	All Tax Sites

The Project Profiles in Annex Y highlight which Sites the Seed Capital projects align to.

## Annex F – Letters from billing authorities on the use of retained business rates

Please see the following separately attached documents for the letters from billing authorities on the use of retained business rates:

Document Name	Signed by
EMF - Annex F - NWLDC Retained Rates Letter	North West Leicestershire District Council
EMF - Annex F - RBC Retained Rates Letter	Rushcliffe Borough Council
EMF - Annex F - SDDC Retained Rates Letter	South Derbyshire District Council

## Annex G – SWOT analysis summarising the key content of the Strategic Case

Strengths	Weaknesses
<i>Elements in the project's internal environment which may be leveraged to support HMG's Freeport objectives</i>	<i>Elements in the project's internal environment which could endanger delivery of HMG's Freeport objectives</i>
<p><b>Existing presence and expertise in target sectors</b> Each of the sectors identified in EMF's Expression of Interest has a strong, internationally recognised, corporate and R&amp;D presence at present, providing enabling infrastructure, an existing skills base and significant potential for growth in the region.</p> <p><b>World-class multimodal transport connectivity and Central hub linking all coastal freeports</b> EMF's central location in the UK and strong proximity to the highway network and East Midlands Airport, combined with direct rail connections to all coastal Freeports make EMF an airport-connected axis for the Freeports.</p> <p><b>Existing and upcoming training, skills, R&amp;D programmes</b> The East Midlands region and partners have extensive experience in delivering skills development programmes in the region, founded upon its strong network of higher and further education bodies and industrial collaboration. The existing programmes provide a basis for supporting employment growth at EMF, and the Freeport's Hydrogen Skills Academy investment will complement a number of the existing programmes.</p> <p><b>Suitable land supply for housing and commercial activities</b> The area in and around EMF provides extensive accessible, developable land, which is identified for both corporate and residential development prior to, and in support of, the Freeport.</p> <p><b>Defined Governance structure and engaged partners</b> EMF has a highly engaged network of core partners, with a robust governance framework, acting in synergy with key regional bodies such as the DevCo, ensuring effective oversight and decision making.</p>	<p><b>Intra-site transport infrastructure availability</b> A key tenet of the EMF value proposition is delivery of exceptional connectivity both nationally and internationally, which is facilitated by the Intermodal park, road links, and the airport. However, certain aspects of this connectivity may potentially require development to maximise the potential of the Freeport, with particular reference to intra-site connectivity such as direct connection of the Airport to rail transport, and highway management to facilitate access to the customs and tax site corporate developments. Further modelling work is expected to be carried out to confirm the requirement for future development.</p> <p><b>Regional shortfall in identified skill areas</b> The Midlands as a region faces significant challenges with respect to skills, notably having fewer people with high level qualifications relative to the national level, and more than the national level without qualification. This means that further regional skills growth is required to meet the growing needs of the Freeport employers who will be delivering high quality employment in the region across a variety of skill levels.</p> <p><b>Disparate regional governance structures</b> Historically, governance in the region has suffered from asymmetric polycentricity driven by the numerous accountable bodies engaged with local development. This has led to disparate leadership of strategic projects and requires management during the implementation of the Freeport.</p> <p><b>Existing carbon-focused activities in region</b> The East Midlands currently has a high dependency on carbon-heavy industries<sup>1</sup>, impacting existing regional green credentials. However, EMF provides an opportunity to facilitate a shift towards more sustainable activities through its support for identified target sectors.</p>
Opportunities	Threats
<i>Elements in the project's external environment which may be leveraged to support HMG's Freeport objectives</i>	<i>Elements in the project's external environment which could endanger delivery of HMG's Freeport objectives</i>

<sup>1</sup> Onward. (2021). *Greening the Giants*.

<p><b>Alignment with the East Midlands Development Corporation</b> The strategic initiatives being planned via EMF are complementary to those of the DevCo and can support with coordinated governance of development initiatives in the region.</p> <p><b>UK Government energy policy and incentives</b> Clean power generation is an integral part of the Freeport, and EMF can support elements of the UK's energy policy, such as incentives for moving freight to electric vehicles.</p> <p><b>Net Zero policy</b> EMF will support sectors continue to support HMG's Net Zero agenda, in particular its "Jet Zero" agenda given the integral nature of East Midlands Airport to the Freeport and innovative local R&amp;D facilities.</p> <p><b>Appetite for sustainable industrialisation</b> EMF investors have an evidenced agenda of sustainable industrialization, with regional pipeline projects including EMERGE, a Gigafactory, and hydrogen infrastructure.</p> <p><b>R&amp;D programmes for innovation in Net Zero</b> Local R&amp;D projects such as UK Electrification of Aerospace Propulsion Facility offer potential synergies with innovative businesses situating in the Freeport to support sustainable growth across Freeport target sectors.</p> <p><b>Strong investment pipeline</b> The pipeline of investments in the East Midlands is strong, including R&amp;D and innovative manufacturing sites (e.g. Space Park Derby), local skills hubs such as the Automation and Robotics Training Centre, and connecting infrastructure developments.</p> <p><b>Existing network of leading universities</b></p>	<p><b>Transport Infrastructure and usage</b> Continued cooperation from Highways England, Network Rail, Department for Transport, as well as private sector transport operators is required to maintain and improve connectivity to and from the Freeport. Particular interdependency is upon the HS2 rail development and planned regional highways improvement by Highways England to support longer term value proposition of connectivity in the region.</p> <p><b>Funding to regional public bodies and educational institutions</b> Loss of UK Government delivery of pump priming finance to local councils and educational institutions would limit synergies delivered through additional regional development and skills improvement.</p> <p><b>Dependency on continued development of the Government's planning regime</b> Facilitative planning policy and prompt strategic planning guidance needs to be provided by DLUHC to support rapid property development in the EMF area. Should policy be delayed or inhibiting, this may delay Freeport development and accompanying benefits.</p> <p><b>Economic displacement to / from region</b> While EMF is implementing clear plans to mitigate displacement from elsewhere in the UK, and has a strong value proposition to attract FDI, there remains a limited risk that investment may be displaced to the Freeport from elsewhere in the UK, as well as a risk that more facilitative regimes than UK policy – particularly from a customs perspective – may direct inbound investment elsewhere.</p>
--	---

<p>EMF will draw upon collaborative efforts of the nine leading universities and further education institutions in the region, which can form an integral part of efforts to deliver skills growth and routes to employment to the workforce.</p>	
---	--

## Annex H – Letter from all Customs Site Operators committing to counter illicit activity

Please see the separately attached document entitled 'EMF - Annex H - EMF\_Security and Illicit Activity Letter' for the letter from all Customs Site Operators committing to counter illicit activity.

## Annex I – Assumptions, references and methodology for VfM analysis

### Economic Model Framework

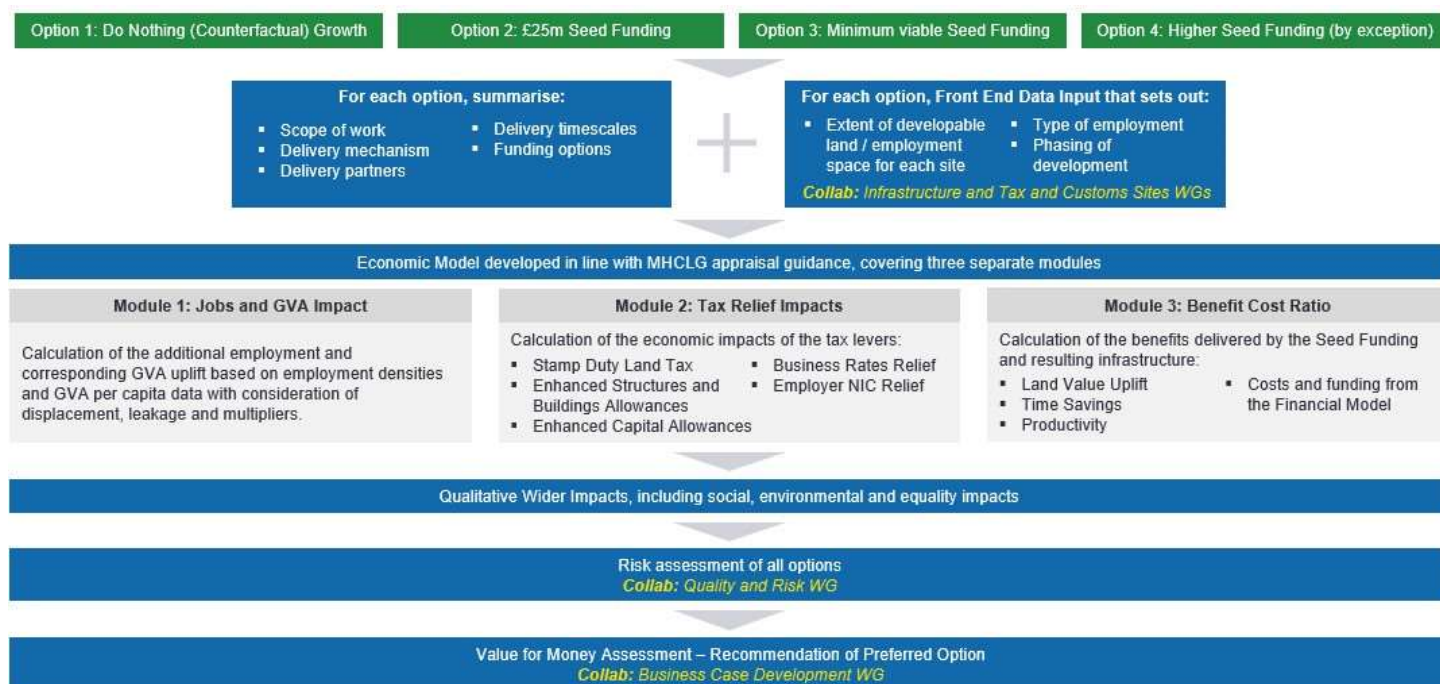
The Economic Model framework enables the shortlisted options to be assessed as part of an overall Value for Money assessment that will enable the recommendation of a preferred option.

The Economic Model has been developed in line with DLUHC appraisal guidance and covers three separate modules:

- ▶ Module 1 assesses the jobs and GVA impact of each option; ▶
- Module 2 assesses the tax relief impacts of each option; and ▶
- Module 3 assesses the Benefit Cost Ratio (BCR) of each option.

In addition to the Economic Model, the Value for Money assessment also reflects any qualitative impacts, such as social, environmental and equality impacts, and a risk assessment of each option.

The Economic Model is driven by information on site employment development, while costs and information on funding have been fed into the BCRs from the Financial Case and accompanying Financial Model. The Economic Model Framework is set out below:



## CBA Approach

The CBA methodology is consistent with HM Treasury's Green Book and DLUHC's Appraisal Guide. In terms of the key modelling inputs and assumptions, these include:

- ▶ Where Present Value figures are presented, costs and values have been discounted at 3.5% for the first 30 years and 3.0% for the next 30 years, in line with the HM Treasury Green Book;
- ▶ All monetised costs and benefits have been converted to 2021 prices, with general inflation excluded; and
- ▶ Optimism Bias has been calculated for each shortlisted option using the HM Treasury methodology and included in the value for money analysis.

## Approach to Additionality

Of key importance in assessing the impact of the Freeport proposals on the local and wider economy is the extent to which new activity is truly additional, in other words that it does not simply displace existing activity. Furthermore, it is important to understand who is likely to benefit from the impacts generated and the degree to which further demand and investment is stimulated. In order to assess the net additional impact of the shortlisted options, the following factors have been considered:

- ▶ **Leakage** – the proportion of outputs that benefit those outside of the project's target area or group;
  - ▶ **Displacement** – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area;
  - ▶ **Substitution** – the effect of a firm substituting one activity for a similar one to take advantage of public sector assistance;
  - ▶ **Multiplier effects** – further economic activity associated with additional local income and local supplier purchases; and ▶
- Deadweight** – outputs which would have occurred in the Do Nothing (counterfactual) option.

For the purposes of this assessment, the local additionality of the scheme proposals has been considered at the East Midlands level. In terms of the economic benefits and cost benefit analysis, the national level has been considered.

The following assumptions have been applied to the gross estimate of jobs and GVA (with displacement also applied to Land Value Uplift):

- ▶ **Leakage** – a 5% leakage rate has been applied at the East Midlands level, based on commuting data by sector derived from the 2011 Census;
- ▶ **Displacement** – although it is inevitable that the project will compete with other developments and existing business locations within the East Midlands area, the proposals will also attract new investment and economic activity to the region and UK, helping to stimulate growth within the economy and increase the competitiveness of indigenous businesses. The Freeport represents a unique opportunity, situated within a cluster of internationally significant assets, with the potential to deliver truly additional growth. However, in order to be prudent, a displacement rate of 50% has been applied to the intervention option in the operational phase, slightly higher than the standard benchmark;
- ▶ **Substitution** – a 25% rate has been applied in line with guidance from DLUHC;

- ▶ **Multiplier effects** - alongside directly supporting employment creation, the proposed development will also lead to additional job opportunities through supply chain expenditure (indirect effects) and induced effects through employee spend on goods and services within the region. In order to take into account both the indirect and induced multiplier effects associated with the scheme, reference has been made to benchmarks outlined within additionality guidance; and
- ▶ **Deadweight** – this has been calculated through the assessment of the Do Nothing option.

### Land Value Uplift (LVU) Approach

Land Value Uplift (LVU) has been carried out with reference to DLUHC’s Appraisal Guide. Land values for 2019 have been sourced from the Valuation Office Agency and are given as per hectare values. Land values for the relevant sectors in which site development is expected to take place are considered. Average values from across the East Midlands have been used. Land values have been uplifted to 2021 values based on the HPI growth rate between 2019 and 2021 from Oxford Economics.

LVU results from a change in use due to site development. The new use is based on discussions with the proposed tax sites while the previous use is assumed to be undeveloped and agricultural use is taken as a proxy where applicable. Per hectare land values have been multiplied by total hectareage of the sites being developed. In line with DLUHC guidance, land value growth of 2.5% per annum (in real terms) has been assumed and applied to both the ‘new use’ and previous use’ scenarios.

The difference in land value profiles between the ‘new use’ and ‘previous use’ scenarios, appraised over a 30-year period has discounting applied to give the Present Value Benefit that feeds into the BCR calculations. It should be noted that there is no difference in LVU based on the level of seed funding available as seed funding will not be allocated to site development.

### Benefits

The transport, environmental and skills benefits associated with infrastructure investment have been calculated based on a literature review and benchmarking against similar projects. Key findings from the literature review were as follows:

- ▶ A 2018 report by the University of Cambridge on the appraisal methodology and regional economic performance in the UK found that rail infrastructure schemes (excluding electrification) typically achieve BCRs in the range of 1.6 to 3.0 while local road schemes typically achieve BCRs in the range of 2.4 to 3.2.
- ▶ Midlands Engine’s 10-point plan for Green Growth (July 2021) identifies £6 of benefits for every £1 investment in active travel.
- ▶ A study by EY for Opportunity North East regarding the establishment of an Integrated Energy Transition Zone in Aberdeen indicated a BCR ranging from 3.0 to 4.4.
- ▶ A 2018 report by Regeneris Consulting<sup>2</sup> for the South East Midlands LEP considered a range of college projects which demonstrated BCRs ranging from 2.3 to 3.0.

These benchmark projects are deemed to be a strong representation of the Freeport projects due to similarities in scope and strategic objectives, as summarised below:

- ▶ The benchmark rail schemes included new lines and additional services to provide increased capacity, which align with the Freeport projects that involve rail infrastructure near the EMIP and EMAGIC sites, including railway sidings with a connection to the adjacent railway line and an intermodal terminal incorporating mobile container handling equipment and external container storage.
- ▶ The benchmark road schemes included junction capacity improvements and dualling schemes on the Strategic Road Network (SRN) to increase capacity, improve access, reduce congestion and enable economic regeneration. These align with the Freeport projects that involve road infrastructure access improvements, including improvements to the A38/A50 junction and slip road and [REDACTED]
- ▶ The benchmark energy scheme sought to support businesses in the region by catalysing the drive to diversify the energy sector. It will be an exemplar low carbon development and home to leading-edge innovation, making it a centre of excellence for renewables, including supporting large-scale production of Hydrogen. This aligns with the Freeport projects that involve green and blue Hydrogen infrastructure, including electrolyzers.
- ▶ The benchmark skills schemes sought to have a measurable impact on the economic success of communities, including the delivery of high-value employment opportunities, building on regional business strengths, and supporting creativity and skills. This aligns with the Freeport Hydrogen Skills Academy, which will be an industry-based training centre looking to create a skilled and qualified workforce through a range of practical skills programmes, from introductory awareness training, short intensive ‘bootcamp’ courses through to multi-year apprenticeships.

To convert the PVCs into PVBs, midpoint BCRs have been applied as follows:

- ▶ Rail-related infrastructure: 2.3;
- ▶ On site and connecting road infrastructure: 2.8; ▶
- ▶ Training and skills infrastructure: 2.7; and ▶
- ▶ Hydrogen infrastructure: 3.7.

<sup>2</sup> Regeneris for SEMLEP

Generally speaking, these benchmark BCRs reflect projects that went ahead or are planned to go ahead. This therefore represents a risk that the benchmark figures are skewed upwards. This justifies the need for sensitivity testing, including consideration of the impact of benchmark BCRs at the lower end of the range.

### Sensitivity Testing

To test the sensitivity of the value for money results to changes in key variables, the modelling assumptions have been revisited and it has been determined that sensitivity testing should be carried out on the assumptions behind the costs and funding for the Do Nothing scenario. These assumptions are a key driver of the BCR, determining what incremental costs would be incurred and also forming the basis of most of the benefits quantification where BCR benchmarking has been applied from a literature review. However there is also considerable uncertainty around these assumptions.

Taking the Do Nothing assumption that 90% of site remediation and development costs would be incurred and decreasing this proportion incrementally to reflect a less developed Do Nothing scenario shows that:

- ▶ Decreasing the proportion to 85% reduces the preferred option BCR to 1.6;
- ▶ Decreasing the proportion to 80% reduces the preferred option BCR to 1.3; and ▶ Decreasing the proportion to 75% reduces the preferred option BCR to 1.0.

This shows that there is considerable robustness behind the preferred option BCR and that the Do Nothing scenario would have to become significantly less developed than has been assumed for the BCR to fall below the minimum threshold of 1.0.

Sensitivity analysis has also been carried out on the benchmark BCR figures applied to derive the transport, environmental and skills benefits, and ultimately the overall BCR. Applying BCR benchmarks at the lower end of the range (rail-related infrastructure at 1.6, road infrastructure at 2.4, training and skills infrastructure at 2.3 and hydrogen infrastructure at 3.0) gives a BCR of 1.5.

To provide further reassurance over the value for money assessment, it should be noted that for the £25m seed funding option (recommended as the preferred option as part of the Economic Case), the total quantum of net additional infrastructure (transport, environment and skills) equals £1,514m. Even if this figure were to fall by 35% to £985m, with Land Value Uplift the BCR would still be over 1.0. Similarly, removing Land Value Uplift (£244m) would still give a BCR of 1.5.

Sensitivity analysis to model inflation has also been carried out in the Economic Model to provide reassurance around broader macroeconomic risks. Application of real Retail Price Index (RPI) growth based on forecasts from the Office for Budgetary Responsibility to

the financial profile (both public and private sector costs) whilst keeping benefits fixed would lead to a reduction in the BCR for the preferred option from 1.9 to 1.6. This is indicative and demonstrates maximal impact by applying inflation against all costs; in reality the inflationary uplift on labour compared to material costs will differ significantly thus reducing this inflationary impact.

Land Value Uplift (LVU) has been carried out with reference to DLUHC's Appraisal Guide, sourcing land values for the East Midlands for relevant sectors from the Valuation Office Agency. There is a risk that land values increasing sharply in the Freeport would come at the expense of the wider region. This emphasizes the need to consider the risks of displacement. While the Freeport represents a unique opportunity, situated within a cluster of internationally significant assets, with the potential to deliver truly additional growth, in order to be prudent, a displacement rate of 50% has been applied.

However, there are several specific measures in place to mitigate against displacement; firstly the Tax Site Gateway Review embeds protections against displacement and deadweight incorporated into the assessment process of new Tenants at Tax Sites. Site Operators will be required to assess the likelihood of any displacement occurring or deadweight potential, either in the near or longer-term, should the prospective tenant be accepted to operate on the site. Further, this assessment will be reviewed by the EMF Subcommittee, who alongside a view on the probability will provide considerations on how this could be mitigated through investments, promotion or changes to lease terms. Additionally, the data provided by tenants on locations, investments and growth will also be aggregated to monitor displacement across the period of the Freeport.

Finally, displacement of trade from the EU to UK of logistics, warehousing and transport activity plays a key role in the EMF value proposition, seeking to strengthen the UK's position as a Global Leader in the sector, and cement the region's existing structural strengths.

### Costs

A detailed breakdown of costs and funding sources for each shortlisted option, including the Do Nothing scenario is provided below.

#### Option 1: Do Nothing (Counterfactual) Growth

Description	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/31 £'000	2031/36 £'000	2036/41 £'000	2041/46 £'000	2046/48 £'000
Site remediation	225	2,115	3,060	1,800	32,400	-	-	-	-

Site development	-	348,525	710,325	1,036,125	1,118,125	-	-	-	-
Rail-related infrastructure	-	-	-	-	-	-	-	-	-
On site and connecting road infrastructure	-	-	-	-	-	-	-	-	-
Airport infrastructure	-	-	-	-	-	-	-	-	-
Cycling infrastructure	-	-	-	-	-	-	-	-	-
Digital infrastructure	-	-	-	-	-	-	-	-	-
Training and skills infrastructure	-	-	-	-	-	-	-	-	-
Hydrogen infrastructure	-	-	-	-	-	-	-	-	-
Innovation and research programmes	-	-	-	-	-	-	-	-	-
Investment support and operating reserve	-	-	-	-	-	-	-	-	-
DevCo	-	-	-	-	-	-	-	-	-
<b>Total capital requirements</b>	<b>225</b>	<b>350,640</b>	<b>713,385</b>	<b>1,037,925</b>	<b>1,150,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total costs</b>	<b>225</b>	<b>350,640</b>	<b>713,385</b>	<b>1,037,925</b>	<b>1,150,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Private sector funding	225	350,640	713,385	1,037,925	1,150,425	-	-	-	-
Seed capital funding	-	-	-	-	-	-	-	-	-
Business Rates Retention	-	-	-	-	-	-	-	-	-
Local Authority Cashflow	-	-	-	-	-	-	-	-	-
Revenue funding	-	-	-	-	-	-	-	-	-
<b>Total funding</b>	<b>225</b>	<b>350,640</b>	<b>713,385</b>	<b>1,037,925</b>	<b>1,150,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Option 2: £25m Seed Funding

Description	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/31 £'000	2031/36 £'000	2036/41 £'000	2041/46 £'000	2046/48 £'000
Site remediation	250	2,350	3,400	2,000	36,000	-	-	-	-
Site development	-	387,250	789,250	1,151,250	1,242,250	-	-	-	-
Rail-related infrastructure	9,700	19,700	41,700	19,700	10,000	-	-	-	-
On site and connecting road infrastructure	3,040	8,270	18,710	978	60,430	53,982	21,880	25,769	5,500
Airport infrastructure	-	-	13,000	13,000	13,000	-	-	-	-
Cycling infrastructure	-	310	1,170	-	-	-	-	-	-
Digital infrastructure	-	-	-	-	-	-	-	-	-
Training and skills infrastructure	1,100	1,400	2,000	-	17,876	93,463	98,462	115,961	38,759
Hydrogen infrastructure	-	3,000	-	30,000	-	-	-	-	-
Innovation and research programmes	-	-	-	-	7,641	28,594	98,462	115,961	66,778
Investment support and operating reserve	-	-	583	2,274	2,143	-	-	-	-
DevCo	-	-	-	-	-	-	-	-	-
<b>Total capital requirements</b>	<b>14,090</b>	<b>422,280</b>	<b>869,813</b>	<b>1,219,201</b>	<b>1,389,340</b>	<b>176,040</b>	<b>218,804</b>	<b>257,692</b>	<b>111,036</b>
<b>Total operating costs</b>	<b>2,644</b>	<b>673</b>	<b>704</b>	<b>737</b>	<b>4,236</b>	<b>5,338</b>	<b>6,743</b>	<b>8,537</b>	<b>4,024</b>
<b>Total costs</b>	<b>16,734</b>	<b>422,953</b>	<b>870,517</b>	<b>1,219,939</b>	<b>1,393,577</b>	<b>181,377</b>	<b>255,547</b>	<b>266,229</b>	<b>115,060</b>
Private sector funding	9,700	409,950	860,950	1,215,950	1,304,250	-	-	-	-
Seed capital funding	4,390	12,330	8,280	-	-	-	-	-	-
Business Rates Retention	877	1,243	1,724	3,749	89,327	181,377	225,547	266,229	115,060
Local Authority Cashflow	1,466	(799)	(667)	-	-	-	-	-	-
Revenue funding	300	230	230	240	-	-	-	-	-
<b>Total funding</b>	<b>16,734</b>	<b>422,953</b>	<b>870,517</b>	<b>1,219,939</b>	<b>1,393,577</b>	<b>181,377</b>	<b>255,547</b>	<b>266,229</b>	<b>115,060</b>

East Midlands Freepport

Option 3: Minimum Viable Level of Seed Funding

Description	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/31 £'000	2031/36 £'000	2036/41 £'000	2041/46 £'000	2046/48 £'000
Site remediation	250	2,350	3,400	2,000	36,000	-	-	-	-
Site development	-	387,250	789,250	1,151,250	1,242,250	-	-	-	-
Rail-related infrastructure	9,700	19,700	41,700	19,700	10,000	-	-	-	-
On site and connecting road infrastructure	340	170	17,090	978	60,430	53,982	21,880	25,769	5,500
Airport infrastructure	-	-	13,000	13,000	13,000	-	-	-	-
Cycling infrastructure	-	310	1,170	-	-	-	-	-	-
Digital infrastructure	-	-	-	-	-	-	-	-	-
Training and skills infrastructure	1,100	1,400	2,000	-	17,876	93,463	98,462	115,961	38,759
Hydrogen infrastructure	-	3,000	-	30,000	-	-	-	-	-
Innovation and research programmes	-	-	-	-	7,641	28,594	98,462	115,961	66,778
Investment support and operating reserve	-	-	583	2,274	2,143	-	-	-	-

DevCo	-	-	-	-	-	-	-	-	-
<b>Total capital requirements</b>	<b>11,390</b>	<b>414,180</b>	<b>868,193</b>	<b>1,219,201</b>	<b>1,389,340</b>	<b>176,040</b>	<b>218,804</b>	<b>257,692</b>	<b>111,036</b>
<b>Total operating costs</b>	<b>2,644</b>	<b>673</b>	<b>704</b>	<b>737</b>	<b>4,236</b>	<b>5,338</b>	<b>6,743</b>	<b>8,537</b>	<b>4,024</b>
<b>Total costs</b>	<b>14,034</b>	<b>414,853</b>	<b>868,897</b>	<b>1,219,939</b>	<b>1,393,577</b>	<b>181,377</b>	<b>225,547</b>	<b>266,229</b>	<b>115,060</b>
Private sector funding	9,700	409,950	860,950	1,215,950	1,304,250	-	-	-	-
Seed capital funding	1,690	4,230	6,660	-	-	-	-	-	-
Business Rates Retention	877	1,243	1,724	3,749	89,327	181,377	225,547	266,229	115,060
Local Authority Cashflow	1,466	(799)	(667)	-	-	-	-	-	-
Revenue funding	300	230	230	240	-	-	-	-	-
<b>Total funding</b>	<b>14,034</b>	<b>414,853</b>	<b>868,897</b>	<b>1,219,939</b>	<b>1,393,577</b>	<b>181,377</b>	<b>225,547</b>	<b>266,229</b>	<b>115,060</b>

### East Midlands Freeport

#### Option 4: Higher Seed Funding (by exception)

Description	2022/23	2023/24	2024/25	2025/26	2026/31	2031/36	2036/41	2041/46	2046/48
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Site remediation	1,350	2,500	3,150	2,000	36,000	-	-	-	-
Site development	-	387,250	789,250	1,151,250	1,242,250	-	-	-	-
Rail-related infrastructure	9,700	19,700	41,700	19,700	10,000	-	-	-	-
On site and connecting road infrastructure	2,170	6,170	30,460	978	60,430	53,982	21,880	25,769	5,500
Airport infrastructure	-	-	13,000	13,000	13,000	-	-	-	-
Cycling infrastructure	-	310	1,170	-	-	-	-	-	-
Digital infrastructure	-	-	-	-	-	-	-	-	-
Training and skills infrastructure	800	1,890	1,820	-	17,876	93,463	98,462	115,961	38,759
Hydrogen infrastructure	1,000	3,000	-	30,000	-	-	-	-	-
Innovation and research programmes	-	-	-	-	7,641	28,594	98,462	115,961	66,778
Investment support and operating reserve	-	-	583	2,274	2,143	-	-	-	-
DevCo	-	-	-	-	-	-	-	-	-
<b>Total capital requirements</b>	<b>15,020</b>	<b>420,820</b>	<b>881,133</b>	<b>1,219,201</b>	<b>1,389,340</b>	<b>176,040</b>	<b>218,804</b>	<b>257,692</b>	<b>111,036</b>
<b>Total operating costs</b>	<b>2,644</b>	<b>673</b>	<b>704</b>	<b>737</b>	<b>4,236</b>	<b>5,338</b>	<b>6,743</b>	<b>8,537</b>	<b>4,024</b>
<b>Total costs</b>	<b>17,664</b>	<b>421,493</b>	<b>881,837</b>	<b>1,219,939</b>	<b>1,393,577</b>	<b>181,377</b>	<b>225,547</b>	<b>266,229</b>	<b>115,060</b>
Private sector funding	9,700	409,950	860,950	1,215,950	1,304,250	-	-	-	-
Seed capital funding	5,490	10,870	19,600	-	-	-	-	-	-
Business Rates Retention	877	1,243	1,724	3,749	89,327	181,377	225,547	266,229	115,060
Local Authority Cashflow	1,466	(799)	(667)	-	-	-	-	-	-
Revenue funding	300	230	230	240	-	-	-	-	-
<b>Total funding</b>	<b>17,664</b>	<b>421,493</b>	<b>881,837</b>	<b>1,219,939</b>	<b>1,393,577</b>	<b>181,377</b>	<b>225,547</b>	<b>266,229</b>	<b>115,060</b>

## Annex K – Trade and Investment Strategy

### Overview

Through continued dialogue with DIT’s East Midlands region team, EMF has developed a Trade and Investment Strategy which will provide for robust communication of the Freeport’s value proposition to external investors and other stakeholders. EMF’s trade and investment strategy is predicated on EMF’s competitive advantage as a Freeport with unparalleled connectivity to domestic and global market. When combined with the effective communication of the Freeport tax and customs site offer (outlined in section 1d of the FBC) it makes a compelling investment proposition for the Freeport and wider region, creating a clustering effect for business operators on EMF. To that extent, the trade and investment strategy sets out how this competitive advantage will be leveraged, detailing how regional alignment, stakeholder communication and engagement, and existing regional projects combine to make a powerful case for the EMF as a global hub for trade and investment. A summary of EMF’s trade and investment strategy can be found in Section 1d.i. of the FBC.

Further detail of DIT’s role in the EMF team structure and DIT involvement in the marketing and communications strategy and enquiry management protocol is provided in FBC section 5b and 5c respectively.

The below strategy expands upon the summary provided in Section 1d.i., setting out:

1. Target Sectors
2. Competitive Assessment
3. Strategic Alignment
4. Stakeholder Landscape
5. Support Model and Strategy Delivery
6. Complementary Projects
7. Trade and Investment Project Plan
8. Governance
9. Monitoring and Evaluation

### 1. Target Sectors

EMF has identified four primary target sector categories (a full breakdown of these target groups and the corresponding Standard Industrial Classification (SIC) codes can be found in section 1b of the FBC):

1. **Advanced logistics and warehousing** – ONS data suggests that warehousing, transport support, postal, and courier sectors across Derbyshire, Leicestershire, and Nottinghamshire generated a combined GVA of £1,905m in 2018. The large advanced logistics and warehousing market in the East Midlands is primarily driven by the commercial activities at East Midlands Airport which carries over 406,000 tonnes of cargo a year with a value of over £40bn. SEGRO Properties Limited’s logistics park also operates in the area and handles 1 million tonnes of cargo per annum. Oxford Economics forecasts the sector to grow by 27% over the next decade however the Freeport has the potential to accelerate this growth figure.
2. **Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment** – manufacturing contributes close to 17% of the regions GVA (ONS data shows that the sector accounted for £5,209m worth of GVA in the three counties in 2018). Toyota’s production plant in the area is a major contributor. OE forecasts that the sector will grow by an additional 10% over the next 10 years, during a critical period for the sector, with a key focus needed on strengthening the UK’s capabilities to compete with hubs for manufacturing in Germany and China and with US and France in the manufacture of aircraft.
3. **Low carbon & renewable energy production and transmission** – The sector generated £2,025m worth of GVA in 2020 and the freeport will support the decarbonization of the region through low carbon energy production. OE estimates that ten-year growth will increase output by 55% from £2,025m in 2020 to £3,142m in 2029, founded on the UK Net Zero commitments and Build Back Better facilities, in the East Midlands initiatives such as EMERGE, where energy is generated from recycling residues, are already providing a pathway to clustering and network effects. Further the UK Hydrogen Strategy recognises a £900m opportunity, and the EMF proposition taps into this growing, emergent and innovative low carbon sector.
4. **Research and development** – The East Midlands contributed 6% of the country’s total R&D expenditure, employing over 17,000 people in 2016. Additionally the professional, scientific, and technology sectors contributed £4,522m worth of GVA to the economy in 2020. The UK Space policy aims to create 10,000 jobs by 2030, many of which will be centered in the East Midlands and support accompanying academic initiatives in the region aimed at upskilling the workforce, enhancing the R&D potential of the area.

### 2. Competitive Assessment

The UK Freeport regime closely mirrors other similar regimes abroad, including, for example, U.S. Free Trade Zones and the EU Freeport model. However, increased flexibilities and tax concessions in UK Freeports may help to set the UK Freeports above the equivalent EU model.<sup>3</sup> While noting that there are many similarities between different Freeport models globally, EMF’s unique value proposition is predicated on the clustering of benefits that may occur from advanced manufacturing and logistics sectors in proximity of the Midlands logistic corridor.

<sup>3</sup> Institute for Government, *Trade: freeports and free zones*, July 22, 2021.

As set out in the FBC Strategic Case (and below), EMF is in a unique position nationally as the only inland Freeport in the UK with multimodal connectivity options through road, rail, and air, with East Midlands Airport within the boundary of the Freeport. The central location of EMF offers it unparalleled connectivity to the rest of the country (including to other Freeports) and quick access to global markets. On a national level, EMF's location could enable links with other trading centres in the UK, such as Manchester Airport and Liverpool Freeport. Coordination with these trading centres may serve to further drive trade and investment into multiple regions in the UK, supporting the government's agenda for levelling up and creating hotbeds of global trade and innovation.

EMF's geographic strength potentially offers a competitive advantage to business operators and investors interested in manufacturing hubs with direct routes to the UK and international markets. The importance of connectivity to the marketing of Freeports is central to existing airport Free Zones globally. For example, the Dubai Airport Free Zone is referred to as a "gateway" to the Middle East with "unrivalled connectivity to Europe, the Indian Subcontinent and the Far East."<sup>4</sup> EMF's location could encourage it to be labelled as a gateway to the UK and to Europe. The strength of EMF's geographic location is also expressed in section 1d of the FBC, which details how the Freeport will attract end users for customs sites.

The trade and investment strategy complements this competitive assessment in three ways, as follows:

1. Supporting increased investment into EMF through a harmonised marketing and communication strategy to prospective investors, including by presenting the geographical and operational strengths of EMF as part of its commercial appeal.
2. Ensuring that prospective investors / business operators understand the key customs and tax benefits of operating within EMF, and by coordinating with external stakeholders such as DIT to ensure that government initiatives to support businesses planning to expand their exporting markets or investment into the UK are clearly sign-posted.
3. Ensuring operational and strategic alignment with key regional stakeholders such as DIT Midlands, LEPs, including D2N2 and LLEP.

### **Competitive Position & Value Proposition**

As set out in section 1c. i. of the FBC, EMF's value proposition has five distinct pillars that provide a competitive advantage to EMF and support its position as a leader in driving global trade and investment. The following pillars of EMF's value proposition should be reviewed in full as part of section 1c. i. of the FBC:

- **The UK's best-connected Freeport at the heart of the nation's advanced manufacturing and logistics economy**, underpinned by existing manufacturing jobs in the region accounting for one-fifth of the UK's annual manufacturing output<sup>5</sup>, and furthered by EMF being the only inland Freeport in the UK with multi-modal connectivity with strong existing air, road, and rail infrastructure.
- **An innovation hotbed for energy transition and supply chain decarbonization** founded on a unique and collaborative community of innovators and EMF's objective to leverage its leading-edge advanced logistics base to drive a transformational decarbonisation of the supply chain.
- **A growth hub for the next generation of SMEs** supported by the combination of organisations within EMF's coalition driven to create a renowned SME incubator hub focused on nurturing innovation and sustainable high-growth, facilitated by existing international business presence in the region.
- **A skills and employability accelerator** through the collaborative efforts of the nine leading universities and further education institutions within the region forming the foundation of EMF skills and workforce development plan and ensure that the labour force can meet demand created by investment into the Freeport.
- **A strategically integrated network of development initiatives** embedding the EMF's position as one of a number of regional initiatives such as the DevCo, Midlands Engine, Midlands Connect. EMF is a key strategic tenet in the wider Midland's region development.

As set out in section 1c. ii. of the FBC, EMF has identified three manageable shortfalls in its value proposition, as follows:

1. Intra-site transport infrastructure availability
2. Shortfall in identified skill areas
3. Disparate regional governance structures

These shortfalls are reviewed in full in section 1c. ii. of the FBC. Identified shortfalls will be addressed as part of the focused activities of the Freeport, as well as ongoing strategic developments in the region (as set out in section 1e.iii. of the FBC). In addressing these shortfalls, EMF recognises the importance of a coherent trade and investment strategy in tackling some of these issues. In particular, it is anticipated

---

<sup>4</sup> Dubai Airport Freezone <https://www.dafz.ae/en/>

<sup>5</sup> Department for Transport, HS2 Getting the best out of the Advanced Manufacturing Sector

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/663637/CS882g\\_HS2\\_Regional\\_Briefing\\_-\\_Advanced.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/663637/CS882g_HS2_Regional_Briefing_-_Advanced.pdf)

that Freeport designation will ultimately bring opportunities in more highly skilled areas of the economy, including in advanced manufacturing and logistics, leading to more highly paid employment and training opportunities for the area. Anticipated Freeport labour estimates resulting from Freeport designation are set out in the Economic Case. The skills and workforce development plan also forms an important part of the broader Freeport strategy, as it seeks to identify ways in which the local skills gap can be addressed to ensure that the labour market can meet the demand for skills enabled by Freeport designation. This is amplified by the growing Hydrogen agenda in the region which will embed hydrogen skills across the full production lifecycle, underpinned by the D2N2 Hydrogen Taskforce and accompanying energy strategy, the proposed Hydrogen Skills Academy, and the East Midlands Institute of Technology (IoT). The trade and investment strategy will play an important role in aligning regional governance structures through a focus on joint policy and delivery workstreams. The details of this strategy make clear that strategic regional alignment and engagement is a priority if EMF is to drive investment into the Freeport and wider region.

### Links to proposed projects

EMF's list of proposed projects that complement the competitive position and value proposition are referenced in section 1d.ii. (Wider Interventions) and 1d.iii. (Project Pipeline) of the FBC. A "long list" of confirmed investments and projects can be found in Annex R. Projects critical to trade and investment promotion have been further summarised in the 'Projects' section of this strategy. Of the long list of confirmed projects, EMF anticipates several will complement the trade and investment strategy. Projects that will complement that trade and investment strategy can be found below, with more details provided in Annex R:

- **Institute of Advanced Manufacturing:** Site supporting research partnerships and new developments in advanced manufacturing. This will aim to improve regional advanced manufacturing capabilities through the development of a new site focused on research and development. This project will help spur innovation by working with manufacturing companies to develop new technologies, creating jobs and research programmes.
- **Integrated Rail Plan (Formally HS2):** Rail developments aim to boost national connectivity through the construction of a new high speed railway line. The development of the Integrated Rail Plan is important for the proposition of the Freeport as one of the bestconnected regions of the UK, increasing EMF's competitive position. Further detail of the relationship between EMF and the Integrated Rail Plan is set out in Annex V.
- **Mira Technology Institute:** Centre for skills on the grounds of the MIRA Technology Park. This seeks to improve automotive manufacturing productivity through skills development. The Mira Technology Institute should help to reduce the skills gap and ultimately help meet the labour demand that Freeport investment may create.
- **Manufacturing Research Centre Midlands:** Development of a new advanced manufacturing research centre on the Infinity Park EZ site, supporting productivity growth and sustainable practices within the manufacturing sector to help develop the D2N2 region into a key manufacturing and innovation hub for the UK nuclear centre and beyond.
- **DevCo:** Development initiative supporting site transformation and governance across the East Midlands. Further detail of the relationship between EMF and DevCo is set out in Section 5a. iii. and Annex V of the FBC.
- **EMERGE:** Energy recovery facility (ERF) locations at the Ratcliffe-on-Soar power station site generating energy from non-hazardous domestic and commercial waste left over from the recycling process.
- **HyDEX** will address the challenge of building a thriving new business, industrial and manufacturing sector in hydrogen, by consolidating the developments in hydrogen skills, providing a knowledge transfer exchange for local businesses. It enables businesses to accelerate the development and viability of new hydrogen products and associated intellectual property, while supporting the transition from declining industrial sectors and enabling the required training and re-skilling.

### 3. Strategic Alignment

EMF is aligned with UK government Freeport policy objectives including regeneration and levelling up, innovation, and net zero. As part of the business case process, EMF has evidenced support for wider HMG objectives, including the UK trade and investment policy, HMG's Net Zero Strategy, and has taken steps to address issues raised in the 'Skills for Jobs' whitepaper. EMF is well aligned with regional and local economic development policy, fostering a working relationship and alignment with LEP's such as the LLEP and D2N2. These partnerships have contributed to the identification of areas of alignment between EMF and the LEP's for the development of this trade and innovation strategy.

Policy Type	Policy Name / Objective	How the EMF Trade and Investment Strategy Adds Value to Policy Objectives
<b>Freeport Programme policy</b>	Establishing national hubs for global trade and investment	<p>As set out in Section 1e of the FBC, EMF's Trade and Investment Strategy complements a fundamental Freeport policy objective – to establish Freeports as national hubs for global trade and investment across the UK. It supports this objective in the following three ways:</p> <ul style="list-style-type: none"> <li>▶ It is anticipated that in excess of 20 high quality businesses operating in EMF target sectors will invest in Freeport tax and customs sites, and further businesses will increase investment</li> </ul>

		<p>within the region. Increased business investment into the Freeport is expected to promote regeneration and job creation, delivering a peak of 28,900 high quality jobs on tax and customs sites, and a further 32,100 roles in the wider region through indirect and induced effects. GVA growth of £3.9bn is expected within the tax and customs sites, with an additional £5.0bn of productivity growth over a 30-year appraisal period forecast for the wider East Midlands Region. More details of this can be found in section 1e.vi. and in the economic case of the FBC.</p> <ul style="list-style-type: none"> <li>▶ By increasing trade volumes throughout the Freeport (both import and export) and wider region as a result of the facilitative customs regime, trade and investment support, and inward investment.</li> <li>▶ By facilitating access to DIT's support services through a harmonised communication and marketing structure across the Freeport, EMF will offer businesses the tools to expand their international trade capabilities. It is anticipated that Freeport businesses can begin their export journey utilising this support. EMF's executive delivery team will be tasked with ensuring that DIT initiatives are clearly sign-posted to businesses and site investors through regular outreach and communication channels to ensure businesses understand DIT's support offering.</li> </ul>
<b>UK trade and investment policy</b>	Made in the UK, Sold to the World	<p>HMG's 'Made in the UK, Sold to the World' sets out the government's export strategy which includes a priority outcome to "Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs, facilitating UK exports." EMF's trade and investment strategy supports this priority outcome by supporting site investors to take full advantage of DIT's business support initiatives. This is further outlined in the 'DIT Support' section of this strategy. Broadly, EMF anticipates that the use of Freeport customs levers will encourage businesses to manufacture on the Freeport sites and sell on to export markets, taking advantage of duty suspension and potentially exemption when exporting finished products to foreign markets. This is set out in more detail in Section 1d of the FBC (Customs Sites), which details how a comprehensive description of Freeport customs site benefits will attract business operators / end users. This section provides detail on the four key levers: duty suspension; duty flexibility; duty exemptions for reexports; and simplified import declarations. EMF views the opportunity to take advantage of the simplified procedure for declaring goods to the Freeport procedure (through form C21), followed by the opportunity to process goods and re-export under duty exemption as a major appeal to manufacturing businesses that rely on multiple components from complex global supply chains to create finished products. A more detailed assessment of specific customs levers can be found in Annex P.</p>
<b>Wider HMG policy objectives</b>	Net Zero Strategy	<p>As set out in Section 1g of the FBC, support for HMG's Net Zero goals is at the heart of the EMF value proposition with commitments to support clean growth and sustainable investment in the wider region and support businesses in EMF customs and tax sites to deliver on ambitious emissions targets.</p>

<p><b>Regional economic development and trade and investment policy</b></p>	<p>D2N2 International Trade Strategy</p>	<p>Through its International Trade Strategy, D2N2 has identified three strategic priorities for the region (further details of EMF and D2N2 alignment can be found in the LEP international trade strategy alignment section below):</p> <ul style="list-style-type: none"> <li>▶ Enhancing D2N2's export environment</li> <li>▶ Supporting new companies to export             <ul style="list-style-type: none"> <li>▶ Supporting existing exporters to increase their levels of international trade</li> </ul> </li> </ul> <p>EMF intends to support these strategic priorities through the following:</p> <ul style="list-style-type: none"> <li>▶ Providing Freeport businesses with a central reference point for international trade support services and ensuring that Freeport businesses are aware of the support services available from</li> </ul>
---	--	--

		<p>DIT and D2N2. The EMF marketing manager will be tasked with regular engagement with the LEPs (and DIT) which will enable EMF to have a central point of contact for Freeport businesses and regional economic bodies. More details of this can be found under the 'roles and responsibilities' section below.</p> <ul style="list-style-type: none"> <li>▶ Support D2N2's recommendation to consider how Freeport designation can be used to promote international trade</li> <li>▶ Supporting D2N2's recommendation to increase the use of case studies by encouraging Freeport businesses to provide case studies of how they utilised Freeport customs benefits to take advantage of duty exemptions for re-exports</li> </ul>
	<p>LLEP East Midlands Freeport Strategy</p>	<p>Forming part of their Regional and Partner Strategies, LLEP's Freeport Proposal sites boosting international trade in high value manufacturing and goods enhancing labour productivity in key sectors such as engineering and manufacturing logistics as part of their vision for EMF delivery. EMF will support this vision through its trade and investment strategy by:</p> <ul style="list-style-type: none"> <li>▶ Working in partnership with LLEP to increase investment into the region and specific Freeport tax and customs sites, by supporting workshops and events that market the EMF tax and customs site offer.</li> <li>▶ Support LLEP's vision of boosting international trade in highvalue manufacturing goods by attracting businesses in the advanced manufacturing and logistics sectors to operate and ultimately export goods from Freeport sites, encouraging EMF businesses to explore LLEP's business gateway that empowers businesses to export.</li> <li>▶ Supporting the reduction of the skills gap in advanced manufacturing and logistics by increasing investment into the sites, resulting in more opportunities for skills and workforce development in those areas.</li> </ul>

#### 4. Stakeholder Landscape

EMF's communication strategy, which includes a strategy for engaging Freeport related stakeholders, is set out in section 5b and c of the FBC. This section will provide a more detailed overview of the stakeholders engaged more directly in trade and investment strategy.

#### External Support Networks – DIT

DIT is primarily engaged with EMF through its support for the development and execution of a trade and investment strategy that takes full advantage of the available DIT support services available to traders. Specific DIT initiatives that EMF anticipates will receive high uptake from business operators have been detailed below in the sub-section 'DIT Trade and Export Support.' EMF's expectation is that DIT will remain well engaged with Freeport businesses and the wider Freeport, in part through EMF's commitment to a clear communication and enquiry management protocol that promotes DIT's services to Freeport businesses. DIT is built into the communication strategy outlined in section 5b of the FBC. DIT is also built into the enquiry management process, detailed in Section 5c.iv. of the FBC and summarised in the support model and strategy delivery section detail below.

#### ***DIT Investment Support***

- **Working with various investment agencies** in the local region, such as Marketing Derby and Invest in Leicester, in support and collaboration with the EMF executive delivery team.
- **Pinpointing target stakeholders** in sectors of interest, conveying the EMF value proposition, and disseminating Freeport communications and marketing materials. This is in line with DIT's additional service offering which understanding of the UK's broad spectrum of financial and tax services available to investors, including through the Freeports programme.
- **Supporting management and response to investment enquiries** through DIT enquiry management, particularly through the engagement of additional HMG departments as necessary, for example the Office for Investment. This will play a key role in ensuring that Central Enquiry Management Protocol messaging is consistent, and information is accurate.
- **Engagement with prospective foreign investors** into EMF through DIT's overseas network to enhance the practical understanding of the benefits of the Freeport offering.



### ***DIT Trade and Export Support***

DIT services will further complement trade and investment strategy by assisting the EMF Subcommittee and investment agencies with delivery of regional trade and investment support, contributing to uptake of existing DIT services such as DIT's IST, DIT Export Academy, DIT Export Support Service and the DIT International Trade Adviser services. These services are a critical component in the delivery of EMF's trade and Investment strategy because they provide EMF prospective business operators with support to take full advantage of the benefits of the Freeport offering.

EMF anticipates that the following DIT channels will be particularly significant to Freeport businesses / investors:

- **Export Support Service:** Support exporting businesses with paperwork needed to sell goods abroad and provide advice regarding rules for a specific country where goods are exported to.
- **UK Export Academy:** To support Freeport businesses looking to export products manufactured within the Freeport. In particular, EMF anticipates the export academy to support businesses importing materials into customs sites under duty suspension and re-exporting the finished products.
- **Trade and Investment Hubs:** Providing teams of export and investment specialists that can provide support to Freeport businesses, including on how to maximise export potential and expand their market access.
- **Overseas Network:** Helps link international investors and potential export markets to EMF businesses through meet-the-buyer events, networking receptions and product launches.

### ***DIT Strategic and Continued Support***

In order to support investment, it is anticipated that DIT will support EMF to review regional investible projects, and to locate new opportunities. It is expected that there may be some overlap between the strategic support and the trade and export support provided above. EMF has identified the following DIT services as potentially supportive of EMF investment initiatives.

- **Account Managers:** Provide account management support for foreign owned companies post-investment in the Freeport. This will be appealing for business operators within the Freeport looking for opportunities for further inward investment.
- **International Trade Advisors (ITAs):** Provide support to companies within the Freeport looking to expand their existing export markets or initiate their export activities.
- **Investment Scouts:** EMF will seek to include Freeport businesses in the Investment Atlas that is showcased to potential foreign investors, promote value and benefits of the EMF commercial offer.
- **Senior Relationship Management (for large global corporates)**

### **Freeport-affiliated teams – LEPs**

EMF's trade and investment strategy is underpinned by existing initiatives in place by LEPs such as D2N2 and LLEP. EMF has engaged with LEPs throughout the business case process and has agreed to maintain regular communication post-designation. In particular, D2N2's international trade strategy provided vital insight into the existing challenges of regional businesses in optimising their own import / export operations. D2N2 has also provided an important sounding board for areas where EMF can contribute to the accessibility of international trade for businesses within the region. To that extent, EMF expects a continued engagement with the LEPs that should serve Freeport and non-Freeport businesses within the region.

### ***LEP International trade strategy alignment***

Implementation of this trade and investment strategy will be facilitated through EMF's alignment with LEP international trade strategies. For example, D2N2's strategic priorities of supporting existing exporters to increase their levels of international trade, enhancing D2N2's export environment, and supporting new companies to export reinforce the aims of EMF. This alignment will ensure that efforts to realise EMF's trade and investment ambitions are synchronised across all relevant stakeholders. Furthermore, EMF will contribute to LLEP's strategic vision for a 'Global Britain' through the multiple networks of advice and assistance regarding global trade. Therefore, coordination of communication channels in order to raise awareness of trade opportunities will be mutually beneficial and will help achieve the common goal of driving the export output of the East Midlands.

EMF has proposed some three specific areas of alignment with LEPs (D2N2 and LLEP), as follows:

#### **1. Collaborating over communication on how Freeport designation can be used to promote international trade, supporting the inward investment proposition**

Aligning over this type of communication will be particularly relevant to potential exporters that import materials and then re-export who may be unaware of the duty exemption status that the Freeport customs site may provide. It will also help raise awareness of the Freeport customs offer and encourage smaller businesses to consider the benefits of becoming a business operator on an EMF customs site.

#### **2. Supporting LEP efforts to build collaboration and international activities in partnership with the region's universities and DIT's Education Specialist**

By supporting this initiative, EMF will also service its innovation and skills plans, which seek to engage and collaborate with local universities to reduce the skills gap and create a hotbed of innovation.

### **3. Contributing to LEP plans to develop case studies to demonstrate to new exporters how they can successfully trade internationally**

EMF can encourage site and business operators to feed into case studies that would not only demonstrate their ability to trade internationally but would speak to the benefits of the Freeport customs offering to businesses that import and process or store material before re-exporting.

#### **Regional Investment Bodies – Midlands Engine**

It is anticipated that regional investment bodies will act as a secondary stakeholder for the delivery of the trade and investment strategy. However, it is important to note that the Midlands Engine Partnership, which brings together public and private sectors, plays a vital role in innovation and regeneration within the region as a whole. In particular, Midlands Engine supports the redevelopment of the Ratcliffe-on-Soar site through the DevCo. Additionally, through the DevCo, Midlands Engine supports the development of the SEGRO Logistics Park East Midlands Gateway site which will see investment in logistics operations. EMF anticipates that Midlands Engine initiatives, such as Midlands Engine Global, will support inward investment opportunities into the Freeport and simultaneously increase export opportunities.

#### **Stakeholder Support Overview**

Stakeholder Name	Strength of Engagement / Commitment	Trade and / or Investment Focus	Support Offering
DIT Midlands	High	Government department offering businesses with international trade and investment support services	<ul style="list-style-type: none"> <li>▶ DIT's support offering includes the provision of export and investment support services to Freeport businesses.</li> <li>▶ Support services will be clearly signposted to Freeport businesses by the EMF executive delivery team.</li> </ul>
D2N2	High	Local Enterprise Partnership providing local economic priorities and initiatives. D2N2's expertise includes the development of an international trade strategy, which sets out strategic priorities for Derbyshire and Nottinghamshire.	<ul style="list-style-type: none"> <li>▶ Ensure support services are available to regional business (including Freeport businesses) for their export / trade journey. Support existing exporters access new markets, including through recommended initiatives such as the export club and continuing to work with the Midlands Engine to scale up opportunities for existing exporters.</li> </ul>
LLEP	High	Local Enterprise Partnership focused on regeneration and growth of the local economy in Leicester and Leicestershire, with growth sectors including advanced manufacturing and engineering, logistics and distribution, and low carbon.	<ul style="list-style-type: none"> <li>▶ Connect regional and Freeport businesses to business gateway hub, including through their international trade support partner, The Export Department. Support may also include highlighting regional events organised by the Local DIT, as well as coordinating with EMF over any potential networking opportunities or other external initiatives.</li> </ul>
East Midlands Dev Co	Moderate / High	Owned by 5 councils in the East Midlands, the EM DevCo is tasked with maximising the potential stemming from the regeneration of three sites – Toton & Chetwynd East Midlands Hub; Ratcliffe-on-Soar Power Station area; East Midlands Airport area. This regeneration project should help bolster investment, marketing, and innovation in the area.	<ul style="list-style-type: none"> <li>▶ Supporting EMF's investment appeal by increasing the potential of specific areas within the Freeport area, in particular the Ratcliffe-on-Soar site that is proposed as a custom site.</li> <li>▶ Working to identify and secure infrastructure that may lead to greater investment and development into the Freeport area.</li> <li>▶ Further detail of the relationship between EMF and DevCo is set out in Section 5a. iii. and Annex V of the FBC.</li> </ul>

East Midlands Chamber of Commerce	Moderate	The East Midlands Chamber contains an International Trade team that support businesses at all stages of the export journey to enable success in overseas markets.	<ul style="list-style-type: none"> <li>▶ Offering training courses and qualifications, networking events, and support with export documentation. Highlighting changes in legislation that may affect businesses.</li> <li>▶ Through establishing a regular point of contact within the East Midlands Chamber, the EMF delivery team will maintain awareness of the Chamber's services and events to ensure that business operators / investors are informed about ongoing opportunities.</li> <li>▶ These offerings will be clearly signposted to Freeport businesses aiming to expand their current export markets or begin their export journey.</li> </ul>
Midlands Engine	Moderate	The Midlands Engine Partnership includes development projects for East Midlands Airport and Ratcliffe-on-Soar Power Station that will help transform the regional economy. The airport is the UK's largest airfreight hub providing a gateway to the country's manufacturing corridor. The Midland's Engine's focus, therefore, is on the development of initiatives that will help fuel innovation and global trade through creating logistics and advanced manufacturing hubs.	<ul style="list-style-type: none"> <li>▶ Promoting the EMF commercial offer and investment opportunities at global business forums, such as the UK Global Investment Summit, in order to increase visibility of the EMF offer.</li> <li>▶ Continuing to activate inward investment opportunities through global brand recognition and region-to-region relationships.</li> <li>▶ Ongoing developments that may see increased trade through the EMF site, such as the development of the SEGRO Logistics Park East Midlands Gateway.</li> </ul>

## 5. Support Model and Strategy Delivery

### Communication Strategy

EMF will utilise a variety of marketing and communications channels in order to attract significant inward investment into the area and enhance international trade. These are detailed fully in section 5c.ii of the FBC. The Value Proposition and plans of EMF will be clearly conveyed to potential investors through the use of numerous methods of transmission. These include:

Communication channel	Details	Expected Outcome / Outputs for Trade and Investment Promotion
<b>Interviews</b>	Continued television, radio and podcast interviews to discuss the EMF programme.	Will increase awareness of EMF to possible external stakeholders and strengthen commercial appeal to national and international audiences
<b>Social Media Accounts</b>	LinkedIn and Twitter accounts launched to improve reach of other communication initiatives and to provide a point of contact in addition to email.	Will be used to communicate news, events and progress updates, promote opportunities for inward investment and site vacancies to potential occupants, and advertise employment opportunities in the Freeport.
<b>Press releases</b>	Key headline news and events pertaining to the EMF programme or the wider Freeport agenda published on the EMF Website post-designation.	Will inform the wider public and potential investors about key Freeport developments.

<b>Introductory Engagement Forum</b>	Live-streamed conference to communicate the successfully designated proposal to all stakeholders and to set out how EMF will engage with them going forward.	Will support stakeholder awareness of plans postdesignation of the Freepport
<b>Board meeting invites</b>	Invitations to attend Board meetings in a spectator / feedback provider capacity and input into Boardlevel discussions with views and ideas	Where appropriate, will enable external stakeholders to express their views on the latest developments of EMF and provide feedback on the go forward position of the Freepport
<b>Subcommittee meeting invites</b>	Invitations to attend Subcommittee meetings in a spectator / feedback provider capacity and input into Subcommittee-level discussions.	Will enable external stakeholders to express their views on the latest developments of EMF and provide feedback on the go forward position of the Freepport
<b>Progress reports</b>	Reports summarising progress and performance against KPIs and HMG's three overarching Freepport policy objectives as required, following the programme level M&E Framework once it has been published by Government.	Will ensure EMF efficiently meets progress targets and is held to account. Progress report will provide transparency over EMF's performance against HMG's objectives
<b>e-Newsletter</b>	Newsletter including updates on progress and a bulletin of news and events relating to the EMF programme or the wider Freepport agenda.	Will communicate latest developments to relevant stakeholders, providing another channel to promote the Freepport and encourage investment on the site
<b>Mood surveys</b>	Surveys issued to members and representatives of the local community to garner sentiment around the programme and obtain feedback from residents as developments progress.	Will provide a channel for local community members to provide feedback on the Freepport and whether it is meeting HMG's levelling up goals
<b>Public round tables</b>	Regular forums for open and collaborative discourse and Q&As with a host of external stakeholders, from members of the community to general enquirers	Will allow external stakeholders to communicate their feelings about EMF, which will in turn help to maintain relationship and support of local community.
<b>Employment fairs</b>	Fairs attended by hiring employers based within EMF and potentially in collaboration with other employment support agencies such as the DWP.	Will contribute to HMG's goal to increase employment in the area. In turn, this will ensure that EMF fully realises its investment and growth potential.
<b>Trade shows</b>	Trade shows attended by representatives from the core EMF partner group, with the aim of showcasing EMF's commercial offer and site vacancies to entice and establish positive relationships with potential investors and occupants.	Will create new trade and investment opportunities by spreading awareness of EMF offer.
<b>EMF website</b>	Website with further content and media developed and added to ensure it is kept up to date with the latest news and resources.	Will provide platform for submitting enquiries to EMF provides channel for developing investment opportunities in EMF.
<b>MHCLG Freepports website</b>	'One stop shop' landing page and resource hub for UK Freepports, developed in partnership with MHCLG and other Freepports applying for designation.	Will update public and stakeholders on wider national Freepport developments.
<b>Targeted online ads</b>	Tailored digital advertisements and banners on relevant/appropriate websites and online forums.	Will communicate key message of EMF to targeted audience nationally and internationally

<p><b>e-Brochure</b></p>	<p>Brochure providing a detailed overview of the EMF programme, including opportunities and proposed outcomes, with reference to HMG's overarching Freeport policy aims.</p>	<p>Will increase awareness of EMG opportunities to potential investors.</p>
--------------------------	--	---

**Delivery Governance** Sections 5a.i. and 5b.i. of the FBC demonstrates the governance structure that will oversee delivery of the Freeport, including which subcommittees are responsible for Marketing and Investment. This governance channel will take responsibility for carrying out the communication strategy outlined above, as illustrated by the diagram below (provided in 5b.i.).

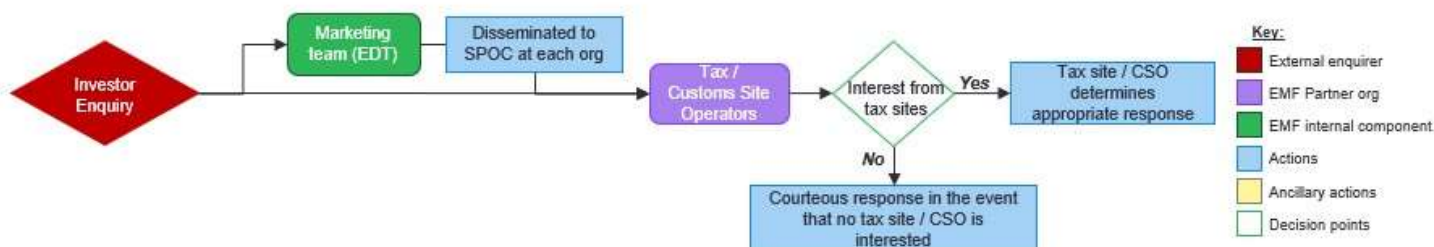


This trade and investment strategy will be delivered through EMF's adoption of a clear protocol to manage and respond to all enquiries received from external parties through the numerous submission channels. This protocol, seen below, will ensure that:

- ▶ Communication is clear and consistent through the circulation of central enquiries to the core EMF partners of the relevant site quickly and efficiently.
- ▶ Appropriate subcommittees, such as the Marketing, Communications and Investment Subcommittee will provide further support to help current and potential investors fully realise the vision for their investments and maximise the benefits of the Freeport.
- ▶ Relevant Subcommittees will deliver specific, tailored propositions for interested investors.

Furthermore, the protocol is supported by **EMF enquiry management processes**, which – as set out in section 5c. iv. - contains a media protocol and an investor protocol. The investor enquiry protocol has been provided below, but should be viewed in detail in section 5c. iv., along with the media enquiry protocol.

**Investor Enquiry Protocol**



EMF will carefully manage incoming enquiries from potential investors and business operators in tax and customs sites. This will be done with the principles of fair competition and propriety in mind, whilst keeping the potential investor informed. Enquiries received by EMF's marketing manager will be disseminated to the tax and / or customs site operators (in the case of an opportunity for a Freeport business operator) for their visibility and assessment.

EMF's marketing manager will work closely with a variety of regional stakeholders, including DIT, LEPs, the East Midlands Chamber of Commerce, and local investment agencies to efficiently provide comprehensive trade support to all investors where necessary. Applicable Subcommittees will also pro-actively assist and identify prospective exporters, supporting the SME growth aims of EMF.

**EMF roles and responsibilities for delivering the trade and investment strategy**

EMF has identified four primary stakeholders that are accountable to the delivery of the trade and investment strategy, including:

- ▶ The EMF Board
- ▶ EMF Board sub-committees
- ▶ Executive Delivery Team
- ▶ Customs Site Operators / Landowners

The details of the general responsibilities of each of these stakeholders is set out in the sub-sections below and is also outlined in a RACI matrix, which identifies different stakeholder responsibilities against specific activities.

#### EMF Board

The EMF Board is responsible for oversight of the sub-committee and executive delivery team (EDT) in executing the trade and investment strategy. In doing so, the Board is responsible for overseeing and approving the delivery of the following types of activities\*:

- ▶ EMF marketing strategy, including through the appropriate use of the enquiry management protocol outlined above.
- ▶ Delivery of any projects relating to trade and investment that will leverage seed capital funding (note: it is not currently anticipated that EMF will perform any projects for trade and investment that will leverage seed capital funding or retained business rates, however if it eventually does, the Board will be responsible for signing off such projects).
- ▶ Overseeing reporting completed by evaluation partner on the implementation of the trade and investment strategy.

\*Note: The trade and investment strategy should be interpreted as a live document, therefore this currently represents a non-exhaustive list of Board responsibilities as it relates to the execution of the trade and investment strategy. This applies to the responsibilities of each of the 4 stakeholder groups referred to in this section.

#### EMF Sub-Committees – Marketing, Comms and Investment

The relevant EMF Sub-Committee (i.e. Marketing, Comms and Investment) is accountable for the delivery of this strategy through delegated powers in accordance with the Board's ToR. This includes, but may not be limited to, the following:

- ▶ Accountability for the implementation of the enquiry management protocol which will ensure that enquiries regarding potential investment are dealt with appropriately and in accordance with the objectives of the Freeport.
- ▶ Accountability for the overall delivery of marketing material, which may include investment material related to the Freeport sites.
- ▶ A designated communications stream of the sub-committee will have accountability for communication with Freeport businesses, ensuring that they have access to relevant government guidance and stakeholders that can advance investment into the site (the EDT will have operational responsibility for this communication, detailed below). This may include supporting the marketing manager / EDT that will act as a liaison between DiT and business operators, to ensure that identified DiT services are taken advantage of where necessary.
- ▶ The Marketing, Comms and Investment sub-committee will also be accountable for coordination and alignment with the LEPs, in particular D2N2 and LLEP, ensuring that, to the greatest extent possible, Freeport objectives and plans align with regional economic strategies.

#### Executive Delivery Team

The Executive Delivery Team (EDT) is responsible for the core day-do-day operations of the programme delivery. As detailed in FBC section 5b, the EDT spans across three areas fundamental to the implementation of the Freeport, including: Marketing & Investment; Operations; and Resources and Growth. At present, EMF positions the delivery of the trade and investment strategy under marketing & investment, in large part because the successful implementation of the trade and investment strategy will be dependent on clear communication and coordination which will be led by experienced marketing and communication professionals. The marketing strategy will be implemented by a marketing manager, detailed in section 5b. iv. of the FBC.

Specific responsibilities of the EDT as it relates to the delivery of the trade and investment strategy include the following:

- ▶ Continued market research, in particular building off of the target market research already completed as part of the business case drafting with the objective of turning market research into tangible site opportunities.
- ▶ Delivery of the marketing strategy, which includes ensuring that materials related to the commercial offering of the Freeport reach target markets and prospective investors.
- ▶ Facilitating dialogue between potential investors and existing business operators with relevant external stakeholders, such as DIT. This should include a clear effort to consistently engage with business operators to ensure that they are aware of the various DIT support initiatives that are available to them. It is intended that part of the EDT's role in implementing the trade and investment strategy will be to sign-post DIT initiatives / regional economic partnership initiatives to Freeport businesses.
- ▶ Supporting site and business operators with marketing efforts for their specific sites and consulting on business development opportunities within those sites to ensure that harmonised Freeport messaging goes out to all prospects and potential investors.
- ▶ In the event that investment enquiries come through the Freeport central team, the EDT will support the review of the enquiry through the enquiry management protocol and coordinate with relevant site operators / landowners as necessary. Where an investment opportunity arises through the central enquiry protocol, it is envisioned that the EDT would support the delivery of new investment into a Freeport site.
- ▶ The EDT will be responsible for Freeport level relationship management with business operators / investors, in an effort to maintain existing relationships at a Freeport level and promote further investment from existing businesses.

#### Tax Site Operators (Landowners) / Customs Site Operators

To the extent necessary, Landowners and CSOs are responsible and accountable for the marketing and investment of their own site, leveraging support from the EDT where required (and as part of the objective of maintaining a harmonised approach to Freeport marketing). By having the best understanding of the benefits, opportunities, and target sectors of their specific site, the Landowners and CSO play a pivotal role in the advancement of the trade and investment strategy. The anticipated responsibilities for the CSOs / landowners include the following:

- ▶ Landowners / CSOs will be expected to perform prospecting and investor engagement / development keeping the EDT informed and consulted where necessary. In recognising that some investment opportunities may also flow through the EDT and wider Freeport, it is currently viewed that prospecting and investor engagement is an activity that is shared between the EDT and the Landowners / CSOs. Enquiries regarding site investment that are received centrally should be dealt with in the manner prescribed in the enquiry management protocol, referenced above and detailed in section 5c of the FBC.
- ▶ Landowners / CSOs will be responsible for the customer journey of a prospective business operator / site investors on their respective sites. Although they will leverage the support of the Freeport / EDT, the CSO is responsible for end-to-end business development with a prospective site investor.
- ▶ Landowners / CSOs will be ultimately responsible for the delivery of investment projects on their sites. However, in recognising that there is a wider Freeport investment objective, it is currently envisioned that CSOs / landowners will leverage the support of the EDT for project implementation where necessary.
- ▶ Landowners / CSOs will be expected to develop their own business proposals for site specific investment opportunities, seeking support from the EDT where necessary.
- ▶ Landowners / CSOs will be responsible for the site level relationship management with existing business operators / investors, in an effort to maintain business and also develop further investment.

**Proposed RACI matrix demonstrating the roles and responsibilities for Freeport delivery\***

	EMF Board	EMF Sub-committee	EMF Executive Delivery Team	Landowners, TSOs or CSOs
Sector/Market research	Informed	Accountable	Responsible	Responsible / Consulted
Engagement with private-sector and regional public stakeholders (including academia)	Informed	Accountable	Responsible	Consulted
Marketing strategy	Accountable	Accountable	Responsible	Consulted
Sector/Market planning and targeting	Informed	Accountable	Responsible	Responsible / Consulted
Prospecting and potential investor engagement	Accountable	Accountable	Responsible / Consulted	Responsible / Consulted
Lead and pipeline development	Informed	Informed / Consulted	Consulted	Accountable / Responsible
Business proposal development	Informed	Informed / Consulted	Consulted	Accountable / Responsible

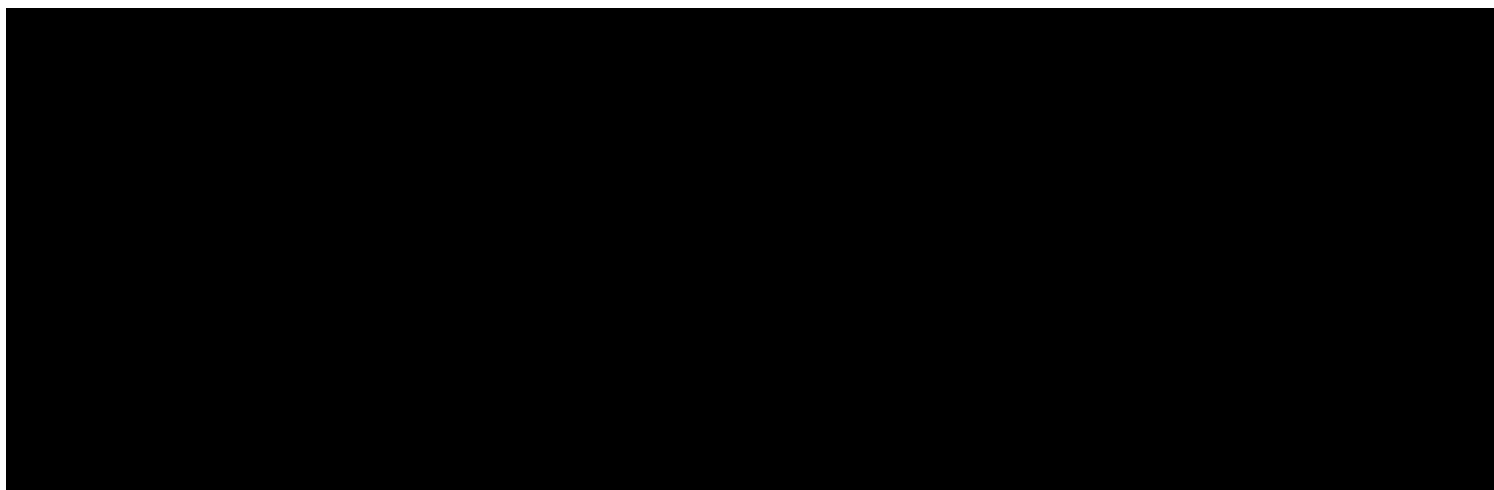
Coordinating site visits for prospective investors	Informed / Accountable	Accountable	Consulted / Responsible	Responsible
Facilitating contact with external support networks (e.g. DIT)	Informed	Accountable	Responsible	Responsible / Consulted
Continued engagement/relationship management and review of future investment opportunity	Informed	Accountable	Consulted	Responsible

\*RACI matrix should be viewed as a live, proposed document that will continue to evolve over time and is therefore subject to development / change as the Freepport enters the delivery phase.

[Redacted]

[Redacted]





## 6. Complementary Projects

EMF has identified a number of complementary projects and existing investments / initiatives in the region that will bolster the trade and investment strategy in the lead up to and post-designation. This includes a number of significant skills and R&D projects in the region that link to EMF's value proposition and competitive assessment. A short list of projects connected to EMF's trade and investment strategy is provided below. This list has been adapted to highlight the links to trade and investment promotion. EMF's full project pipeline is summarised in section 1d.iii. of the FBC. A 'long list' of projects is provided in Annex R, which includes estimated costs and funding status of all projects.

Project Description	Estimated Cost (Capital)	Expected Outputs	Funding Status	Target Delivery Timescales	Link to trade and investment strategy / objectives
<b>Manufacturing Research Centre Midlands:</b> Development of a new advanced manufacturing research centre on the Infinity Park EZ site	£16.25m	<ul style="list-style-type: none"> <li>▶ Multiple KTPs and research opportunities</li> <li>▶ 75 new jobs</li> </ul>	Request made	Start on site Late 2022	The project will support potential occupiers of the Freeport site to take part in research and development activities in advanced manufacturing. This project will provide added value to site investors, particularly in the advanced manufacturing and advanced logistics sectors by boosting innovation and productivity in the sector.
<b>EMERGE:</b> Energy recovery facility at Ratcliffe-on-Soar	£330m	Anchor project for site energy hub supporting inward industrial investments on site, supporting reduced carbon footprint, and delivering up to 600 temporary construction roles and 45 permanent jobs once operational	Possible funder identified	Expected 2026	The EMERGE project links clearly to Freeport and wider HMG objectives, supporting the net zero strategy through the redevelopment of the coal power station site. This will eventually deliver on-site sustainable solutions to Freeport businesses. The EMERGE project will highlight the importance of sustainable energy and the Net Zero strategy to potential site investors.
<b>EMIP Hydrogen Refuelling Station</b>	£6m	Supports advanced and low carbon logistics in the region	Possible funder identified	No current delivery plan	Supports zero carbon initiative, with potential for expansion into rail rolling stock that may offer low carbon logistics solutions to Freeport businesses

<b>Highway Schemes in Leicester/Leicestershire:</b> Plans for the A511 growth corridor, with improvements made to nine locations between the A42 Junction 13 at Ashby to the Field Head roundabout near junction 22 of the M1, including upgrading a section of Stephenson Way from a single to a dual carriageway	£49m	Improved connectivity between the M1 and A42, improved access to existing and new jobs in a deprived area, unlock further homes in the area, improved journey times and reliability for residents and users of the corridor, will support a logistics and freight network with more reliable journey times, and will improve safety for all road users.	Possible funder identified	2025	By offering more reliable journey times for logistic and freight businesses, this development bolsters EMF's position as the most well-connected Freeport within the UK's main logistics corridor. It will also help improve the resilience of the A42 and M1 – which are 'gateways' to the East Midlands Airport – likely a critical logistics hub for Freeport businesses.
<b>Leicester and Leicestershire Institute</b>	£13m	60,000 jobs	Request made	Delivering	The success of the trade and investment strategy is underpinned by
<b>of Technology:</b> partnership to deliver skills from level 3-to level 7 in advanced manufacturing & digital across University of Leicester, De Montfort and the county's FE colleges					the need for a highly skilled, well paid workforce. The Institute of Technology will help to deliver skills in target sectors such as advanced manufacturing that will improve skills capability in the region and ensure that a skilled labour base is equipped to meet the demand Freeport investment will generate.
<b>Automated Distribution &amp; Manufacturing Centre (ADMC)</b>	£20m	The centre will support the adoption, integration, and expansion of new automated technologies amongst local and regional businesses in order to improve productivity and competitiveness	Request made	No current delivery plan	Centre to support: <ul style="list-style-type: none"> <li>▶ Research and development</li> <li>▶ New product development and testing</li> <li>▶ Education and skills development</li> <li>▶ Technology showcasing</li> <li>▶ Networking, collaboration and event hosting</li> </ul> This project will therefore support Freeport businesses / investors to test new products that could be exported to new markets, and also provide networking opportunities to businesses looking to increase their market both in the UK and abroad.

## 7. Project Plan

EMF's project plan for delivery of the Freeport can be found in section 5e of the FBC, with a detailed plan provided in Annex C. This includes detailed key milestones and interdependencies for governance set-up, tax sites, infrastructure, compliance and reporting, and communications and marketing. For the purposes of trade and investment promotion, the communications and marketing section of the project plan has been added below. The detailed list of programme phases, milestones, and indicative timescales should be viewed in Annex C.

## 8. Communications and Marketing

<b>Start Date:</b> <i>Commenced</i>   <b>End Date:</b> <i>Ongoing</i>	
<b>Key Milestones:</b> <ul style="list-style-type: none"> <li>▶ Launch EMF Website – <b>17<sup>th</sup> Sep 2021</b></li> <li>▶ Launch Delivery Phase communication channels and marketing collateral – <b>1<sup>st</sup> Apr 2022</b></li> </ul>	<b>Key Interdependencies:</b> Some marketing activities are dependent upon the necessary support and engagement with DIT and local investment networks to ensure alignment with broader trade approaches.

Plans for Governance and EDT setup in relation to Trade and Investment (such as setup of relevant Subcommittees) can be found in the FBC Management Case.

## 8. Governance

### **EMF Governance and subcommittee structure**

EMF's governance structure is set out in section 5 of the FBC. Trade and investment is included in the governance structure at both the setup phase – as part of the marketing & comms and investment working groups – and as part of the delivery phase – as part of the executive delivery team and the marketing, comms & investment subcommittee.

#### Executive delivery team

As part of the delivery phase, trade and investment activities will be performed under the remit of the marketing manager as part of the Executive Delivery Team (EDT). Details regarding the roles and responsibilities of the marketing manager can be found above under the 'Roles, responsibilities, and resources' section.

#### Subcommittee structure

The trade and investment strategy will fall under the remit of the marketing, comms & investment subcommittee. Subcommittee membership will include representatives from both the core EMF coalition group as well as other stakeholders as required, underpinned by Internal Subcommittee Terms of Reference, set out in Annex J. Membership on the subcommittees is based on relevance of specialist knowledge and skillset. The marketing, comms & investment subcommittee will have oversight of the implementation of the trade & investment strategy, which will include continuous evaluation of site investor developments and trade volumes through the sites.

#### How DIT feeds into EMF governance structure

DIT support is built into the EMF Governance structure as an external support network providing support and collaboration to the Executive Delivery Team (EDT). In a practical sense, this means the following:

- ▶ Responding to EDT queries in a manner fitting with the enquiry management protocol (detailed above and set out in section 5c. iv.)
- ▶ Providing operational support for Freeport businesses intending to utilise DIT services detailed above (for example, export support service).
- ▶ Where support is required from DIT, either relating to marketing and investment or operations, the relevant manager from that part of the EDT will be expected to coordinate with a member of DIT (e.g., the Marketing Manager may reach out to DIT about a potential lead or investment opportunity).

DIT's support will be continuously evaluated by the EDT to ensure that it is leveraged in a way that provides additionality to the objectives of the Freeport. In the event that EDT requires more support from DIT, the EDT will be responsible for planning and communicating with DIT to ensure that the Freeport benefits to the extent possible from DIT. The EMF Evaluation Partner will include in its routine reporting a section on external support network utilisation to identify whether an appropriate amount of support has been leveraged.

#### How LEPs feed into EMF governance structure

LEP support is built into the EMF Governance structure as an external support network providing support and collaboration to the EDT and relevant Board subcommittee (i.e. marketing, comms and investment subcommittee). In a practical sense, this means the following:

- ▶ Responding to EDT queries in a manner fitting with the enquiry management protocol (detailed above and set out in section 5c. iv.).
- ▶ Providing productive feedback on areas of potential operational and strategic alignment between the Freeport trade and investment strategy and the relevant LEP strategy.
- ▶ As the relationship between EMF and LEPs continue to develop, considering proactive ways to communicate (e.g. through a specific point of contact for Freeport queries / initiatives).

LEP support will be continuously evaluated by the EDT to ensure that operational and strategic alignment is maximised. The EDT will be responsible for continuously assessing the level of engagement with the LEPs and coming up with proactive ways to improve communication and strategy alignment as necessary. This will be included as part of the Evaluation Partner's routing reporting, detailed below.

## 9. Monitoring & Evaluation

Monitoring & Evaluation will be managed through an approach consistent with that of other plans and strategies detailed in these annexes.

## Evaluation Partner

As detailed in section 5b, Team Structure, an evaluation partner will lead on progress and performance-related monitoring, reporting and evaluation. In monitoring the success of the trade and innovation strategy, the Evaluation Partner will submit an annual report to the Board, covering an assessment of trade and investment into the site and a review of initiatives with external stakeholders – such as DIT and LEPs – to assess whether engagement with regional and national stakeholders has supported increased investment to the Freeport.

The structure of this report is to be determined, but EMF anticipates that it will include the following metrics:\*

- ▶ Value of realised investment into the Freeport tax and customs sites (e.g. value of projects agreed and underway)
- ▶ Value of anticipated projects into the Freeport tax and customs sites (e.g. value of investment projects under negotiation / within the project pipeline) for the following financial year
- ▶ Number of external stakeholder initiatives promoted to business operators / investors (i.e. DIT export support service, East Midlands Chamber of Commerce export documentation support, etc.)
- ▶ Number of regional and national campaigns promoting EMF
- ▶ Amount of investment created through EMF and external marketing / networking events

\*Represents a non-exhaustive list – other metrics may be added during the delivery phase of the Freeport. Specific measures for determining value / volumes / amounts is to be determined.

## Annex L – Innovation Strategy

EMF's innovation strategy builds off the summary provided in Section 1di6 of the FBC to support HMG's objective of creating hotbeds of innovation, and sets out the following:

1. Innovation opportunity and strategy
2. Existing local innovation initiatives
3. Engagement with local innovation stakeholders
4. Managing and responding to innovation opportunities
5. Existing innovation projects
6. Intended innovation projects - Hydrogen Academy
7. Resourcing
8. Governance
9. Innovation Outcomes
10. Monitoring and Evaluation

### 1. EMF's innovation opportunity and strategy

#### Introduction and Policy Context – East Midlands Existing Regional Strength in Innovation

The East Midlands has a strong track record of R&D capacity and growth, as evidenced by complementary initiatives set out in 1dii and 1diii. The designation of a freeport will accelerate this research and development capability in a dynamic, frictionless, and productive environment that integrates innovation from the rest of the UK and abroad, supporting the HMG's aim of creating a hotbed of innovation in the East Midlands.

EMF's Innovation Strategy is predicated upon the UK Research and Development Roadmap's principles of:

- ▶ **building on existing and emerging strengths, irrespective of scale**, ensuring that we can maximise the benefit from public investment
- ▶ **going further and faster** in supporting areas with untapped potential for future growth
- ▶ **providing tailored support for less R&D-intensive regions** to develop new capability and absorb new technology and innovations
- ▶ **supporting increased collaboration between local, regional and devolved institutions** on science, research and innovation, and ensure a strong role for local civic and business leaders in defining and delivering on local opportunities
- ▶ **ensuring that R&D interventions are in concert with wider improvements** made in support of levelling up areas across the UK
- ▶ **simplifying our systems and reducing red tape** to lower the barriers to participation so that places which currently secure less research funding can now make a greater contribution to UK R&D reaping the benefits for their local economies

Future developments of this strategy will continue to focus upon these principles, supporting wider UK efforts to deliver innovative growth and a world-leading R&D capabilities.

#### **Pillars of the Innovation and Opportunity Strategy**

EMF's innovation focus aims to leverage its leading-edge advanced logistics base to drive a transformational decarbonization of the supply chain, permeating through the region's economic networks. These opportunities are outlined in this section through the discussion of existing and planned initiatives to deliver a wide range of benefits and deliver on the value proposition set out for the freeport.

The Innovation Strategy has three Core Pillars;

**East Midlands Freeport: Full Business Case - Annexes**

## Pillar One: Targeting and Incentivising Sectors Fundamental to UK and EMF Innovation Goals

EMF's tax levers support advanced manufacturing and logistics growth – as detailed in the skills and workforce plan, EMF sees future employment prospects in the Freeport to focus heavily on advanced manufacturing, one of seven technology families of UK strength and opportunity cited in the UK innovation strategy 2021.<sup>6</sup> Further to this, EMF's innovation focus and levers will also focus on energy production and low carbon transport:

- ▶ **Energy Production:** The Freeport will be central to stimulating green investment in the East Midlands, driving innovation in the circular economy, energy exchange and decarbonisation through tax measures, opportunities for regulatory engagement and flexibility, and the potential for clustering. The energy hub proposed for the Ratcliffe site offers low-carbon hydrogen, heat and power to support decarbonised advanced manufacturing and transport is itself innovative. Moreover, the Energy Research Accelerator (ERA), the largest energy partnership in the UK, strongly believes that freeport designation in the East Midlands will boost energy innovation in the region and will enable cutting-edge energy R&D. The partnership involves eight research intensive Midlands Universities and has secured £60m worth of funding from Innovate UK and a further £120m of private sector investment. Despite already establishing 23 state-of-the-art facilities in the Midlands, the partnership has developed a phase 2 programme in order to enable more cutting-edge research and innovation to take place. A large focus for the upcoming phase is on energy generation, decarbonisation and Net Zero; all three of which are central to the HMG's main policy aims. Furthermore, the Freeport offers a significant opportunity to help develop this phase 2 programme and help move these technologies through the design process by incentivising businesses in the region to adopt new technologies. Additionally, the ERA's proposal suggests that it can create close to 7,000 new jobs and bring in an additional £1.5bn to the region, on top of the further £1.4bn of investment in energy by regional businesses.
- ▶ **Low carbon transport:** Supported by its Hydrogen Innovation Zone, the East Midlands region is already market-leading in the development and infrastructure of low carbon transport solutions, ranging from existing sectoral R&D capability and skills growth, to planned infrastructure construction such as hydrogen fuelling stations, and implementation of electric mass transport solutions. The opportunity to develop, test and showcase solutions that decarbonize heavy transport and freight will be enabled by the activities and

---

support levers available within EMF. Enhancing this, an existing pipeline of manufacturing and R&D investments in support of this innovative sector, such as the proposed Gigafactory development in a proposed freeport site and potentially an additional Gigafactory on the Ratcliffe-on-Soar site, will be supported by the EMF levers. Exemplifying R&D in this sector, Maritime Transport is conducting trials to operate the first ever intermodal rail service from its East Midland Gateway Rail Terminal with trains using 100% renewable Hydrotreated Vegetable Oil (HVO fuel), capable of eliminating 90% of carbon dioxide emissions.

As evidenced, EMF is active in its support of HMG's commitment to Net Zero, and will provide a strong hub for Net Zero innovation and beyond through the aforementioned sectors. The benefits of this are likely to spillover to surrounding areas, improving mobility, connectivity, and green growth.

Innovation projects will be facilitated by the implementation of tax levers and retained business rates relief. Designation status will allow for increased innovation potential as the available reliefs provide a lower cost environment which should allow businesses to increase their R&D capacity as well as provide a sandbox for trialing new / augmented operations and procedures. EMF has provided an assessment of how tax levers will benefit three potential Freeport tax sites, which can be found in sections 1d, 1f, 2, and 4a of the FBC. With respect to retained business rates, example workstreams and projects can be found in section 1i of the FBC. **Pillar Two: Integrating and Amplifying Established Innovation Activity Within the Region**

To achieve its innovation objectives, EMF will look to support and amplify existing innovation activity within the region. This will be achieved by strengthening the already well-established relationships between the universities, major OEMs, LEPs, and key sectors and public agencies within the region. A discussion of local innovation initiatives that EMF intends to build upon and their relationship to EMF target markets can be found in section 2 of this strategy. EMF has also identified specific projects that it anticipates forming synergies with, which can be found in section 5. The following key principles underpin this pillar:

- ▶ **Regulatory engagement:** The East Midlands region will directly benefit from the Freeports Regulation Engagement Network (FREN), which will allow the Freeport region to explore potential innovative opportunities, such as regulatory flexibilities and sandboxes, with firms and regulators. For example, the proposed energy hub at Ratcliffe may benefit from regulatory flexibility to allow smart local balancing of energy generation, hydrogen production and use. As of now, the FREN helps navigate regulatory sandboxes applicable to many of the key industries listed in Section 2b, including: vertical take-off and landing (VTOL), vertiports, and autonomous aircraft technology in the logistics sector; however, there is appetite to expand this to a larger array of industries and applications, including hydrogen innovation and de-centralised energy supply. The FREN will therefore support incoming innovative aerospace investments and developments in the East Midlands region by offering a flexible and dynamic regulatory environment. Engagement with FREN is a key component of EMF's Communications and Engagement Strategy, with a clear path for aligning engagement between FREN and those innovators who can benefit from their support. Responsibility for this falls to the Innovation, Skills, & Employment Director in the Freeport Executive Team, with a clear mandate to ensure effective engagement with FREN.
- ▶ **Cluster growth support and enhancement:** The East Midlands region is home to an array of growth and entrepreneurship clusters including the numerous incubators and enterprise zones managed by regional LEPs (e.g. LLEP and D2N2). These sites span across

---

<sup>6</sup> HM Government, *UK Innovation Strategy: Leading the future by creating it*, July 2021.

the East Midlands and include LUSEP, Space Park Leicester, the Institute of Advanced Manufacturing, and SmartParc Derby, among others. The primary objective of these sites is to encourage inward investment, provide new markets for existing manufacturers and develop new UK national capabilities. EMF, through the governance structures and stakeholder engagement mechanisms set out in the Management Case, will ensure that there is continued collaboration and synergy between these sites, EMF, site operators, and business operators in order to promote further growth and innovation across the region.

### Pillar Three: Strengthening Regional Innovation Capacity and Promotion

Through Freeport designation, EMF has the convening power necessary to help build a collective response to national and global needs for new, innovative technologies. As well as integrating and amplifying existing innovation opportunities and initiatives within the region, a core pillar of EMF’s innovation strategy is to strengthen regional innovation capacity through its own unique position to develop innovative projects and enable the development of new technologies. EMF will achieve this through the following means:

- ▶ **External stakeholder management and communication:** To ensure that EMF builds a productive relationship with external stakeholders, EMF has developed a stakeholder management and communication strategy detailed in section 5c of the FBC. The relationship between the innovation strategy and the stakeholder management and communication strategy is detailed in section 3 below. Communication and stakeholder engagement plays a pivotal role in this pillar of the innovation strategy because it sets a clear process for ensuring the external stakeholders are well informed and engaged regarding innovation opportunities at EMF. Similarly, it ensures that EMF has a process in place for responding to innovation opportunities that arise within the region. To further support this pillar, EMF has developed a strategy for managing and responding to innovation opportunities, set out in section 4 of this strategy. This sets out how EMF will handle innovation opportunities, from the opportunity being received through to the delivery and monitoring of project success.
- ▶ **Key proposed EMF innovation projects:** EMF has proposed the development of a Hydrogen Skills Academy (HSA) intended to be delivered in FY24/25, which aims to be the UK’s first practical, industry-based training centre associated with the production, handling, storage and use of hydrogen. Details of the HSA and its outputs can be found in Section 6 of this strategy and is further detailed in Annex Y to the FBC. The development of the HSA is in line with EMF’s innovation focus, and aims to contribute to and facilitate further green investment into the Freeport and wider region.
- ▶ **Governance structure:** EMF’s governance structure, which includes an executive delivery team with Board and subcommittee oversight, will ensure that innovation project development remains at the forefront of EMF’s objectives. Further detail of the relationship between EMF’s governance structure and the innovation strategy is provided in section 8 of this strategy. The governance structure will ensure that core facets of the innovation strategy are followed, including the processes for stakeholder management and communication, and the process for responding to innovation opportunities. A RACI matrix setting out a proposed structure for responsibilities and accountabilities for innovation activities is included in section 8. This structure will enable EMF to not only respond to existing innovation opportunities regionally, but also identify ways to grow and develop innovation capacity within the Freeport and wider region. The proposed monitoring and evaluation structure of this strategy is detailed in section 10.
- ▶ **Resourcing:** Execution of the innovation strategy will be managed by an innovation, skills and employment director, ensuring that there is a full time resource responsible for the delivery of this strategy. Details of the roles and responsibilities of the innovation, skills and employment director can be found in section 7.

### 2. Existing local and national innovation initiatives

The East Midlands has a strong track record of developing the R&D capacity needed to drive business growth and diversification. The designation of a freeport will accelerate this research and development capability in a dynamic, frictionless, and productive environment that integrates innovation from the UK and the rest of the world, thereby supporting the HMG’s aim of creating a hotbed of innovation in the East Midlands. The Freeport will look to enhance the already well-established relationships between the universities, major OEMs, key sectors and public agencies within the region. Outlined below are some of the existing innovation areas which the freeport seeks to build upon and leverage for further development.

#### Local Innovation Initiatives

Existing innovation initiatives underpin and support the EMF innovation strategy. This includes the Midlands Engine – a partnership bringing together public sector partners and businesses supporting the activity of local authorities, universities, LEPs and businesses focused on productive economic growth. Working in partnership with the Midlands Engine is Midlands Innovation – a leading research and innovation partnership driving cutting-edge research, innovation and skills. The Midlands Innovation partnership includes the Energy Research Accelerator (ERA), a centre of excellence focused on building a sustainable future through the development of new technologies for the UK energy sector. The ERA seeks to tackle innovation challenges including energy generation, energy storage, energy integration, and energy use, creating green jobs as part of its innovation strategy. These existing innovation partnerships, while providing the foundations for EMF’s own innovation strategy, also support the development of skills and workforce development plans by providing new avenues for employment and skills training. This is a pivotal part of EMF’s proposal, which focuses on providing highly skilled sustainable employment for the future.

**National innovation initiatives** The UK Government’s Innovation Strategy, “*Leading the future by creating it*” cites four key objectives or ‘pillars’ for achieving ‘Vision 2035: The UK as a global hub for innovation.’ The table below illustrates how EMF’s innovation strategy lines up against the Government’s innovation objectives.

UK Innovation Strategy Objective / Pillar	EMF Innovation Strategy Alignment
---	-----------------------------------

Unleashing business	<ul style="list-style-type: none"> <li>▶ Facilitating direct connectivity with public / government resources such as Innovate UK and the British Business Bank to fund R&amp;D activities, particularly for businesses within less R&amp;D intensive strategies.</li> <li>▶ Clearly communicating tax and customs site savings benefits to business operators that may be leveraged to re-invest in R&amp;D</li> <li>▶ Alignment with EMF trade and investment strategy that highlights resources available to businesses seeking inward investment and export opportunities</li> <li>▶ Highlighting potential clustering benefits within tax and customs sites that may enable improved access to technologies and materials used in R&amp;D</li> </ul>
People	<ul style="list-style-type: none"> <li>▶ EMF's innovation strategy is closely aligned with the skills and workforce development plan that establishes a framework to mitigate local skills shortages and offer opportunities for highly skilled and better paid employment.</li> <li>▶ Alignment between the skills plan and innovation strategy should promote a diverse skills base that can meet the demands of Freeport businesses</li> <li>▶ Working closely with LEPs, local and regional education stakeholders, as well as other employment resources such as Job Centres and local chambers of commerce to priorities recruiting and training from within the region</li> <li>▶ Driving EMF's own training centres, such as the Hydrogen Skills Academy, that will help create and nurture technical skills that drive innovation for the future</li> </ul>
Institutions & Places	<ul style="list-style-type: none"> <li>▶ Enhancing communication with innovation institutions, such as local universities, research councils, national academies to help drive innovation and maximise R&amp;D potential for businesses operating within EMF</li> <li>▶ A long-list of confirmed investments and project pipeline can be found in Annex R, which provides some examples of existing projects involving regional innovation institutions</li> <li>▶ Further details of EMF's strategy to engage with local innovation stakeholders can be found in section 3 of this strategy</li> </ul>
Missions & Technologies	<ul style="list-style-type: none"> <li>▶ Supporting the UK Innovation Strategy's objective of developing transformational deep tech in the UK by prioritizing advanced manufacturing and energy and environmental technologies as key target sectors at EMF</li> </ul>

### Relationship to EMF Target Sectors

Existing local innovation initiatives correspond well to EMF's primary target markets for the Ratcliffe-on-Soar site, with the target sectors primarily falling within Renewable Energy Production, Advanced Manufacturing, and Advanced Logistics. The Ratcliffe-on-Soar site has a focus on creating new solutions to achieve Net Zero such as the EMERGE facility and proposed Gigafactory, creating new jobs and acting as a pillar for innovation and skills development.

### 3. Engagement with local innovation stakeholders

As set out in Section 5c, EMF has developed a robust stakeholder management and communication strategy which aims to establish sustainable and innovative partnerships with a range of stakeholders to strengthen EMF's commercial offer and reach HMG's Freeports objectives. At the OBC stage, EMF categorized stakeholders into distinct target groups broken down by objectives of engagements. Potential innovators falls into target group #1, detailed below:

#	Target Groups	Objectives of Engagement	Example Stakeholders
1	Potential Investors, Occupiers, and Innovators	<ul style="list-style-type: none"> <li>▶ To communicate the value proposition of the Freeport to potential benefactors.</li> <li>▶ To secure inward investment to fund ongoing and future Freeport site developments, operations, supporting infrastructure and innovative proposals.</li> <li>▶ To attract new (not already East Midlands based), green and innovative logistics and manufacturing firms to operate in the Freeport, as well as support existing occupiers in utilising EMF's fiscal levers.</li> <li>▶ To explore joint R&amp;D opportunities with innovators such as regional universities.</li> </ul> <p><b>Engagement with potential investors and occupiers (both domestic and national) and responding to inward investment-related enquiries entail a coordinated marketing approach with DIT and other stment support agencies / networks, as per Section 5c. iv.</b></p>	<ul style="list-style-type: none"> <li>▶ Potential investors</li> <li>▶ Potential (objective/policy aligned) site occupiers and existing site occupiers</li> <li>▶ DIT</li> <li>▶ East Midlands Chamber</li> <li>▶ British Chambers of Commerce</li> <li>▶ Midlands Engine and Connect</li> <li>▶ Marketing Derby / Nottingham</li> <li>▶ Invest in Leicester</li> <li>▶ Regional universities with R&amp;D in innovation</li> </ul>

The Stakeholder Identification and Origination Timeline set out in FBC Section 5c.i., provides milestones against the EMF's three establishment phases (i.e. Set-up phase; Transition Period; Delivery Phase), setting out how stakeholder engagement is anticipated to progress moving forward.

The following specific innovation stakeholders are identified as potentially critical for engagement to deliver the innovation success of the Freeport:

- ▶ Invest in Leicester – A government initiative offering funding and grants to business in order to enhance business operations
- ▶ Midlands Innovation Projects (e.g. Energy Research Accelerator) – Focusing on the energy, transport and health sectors, Midlands Innovation endeavors to put the region at the forefront of innovation globally. For example, a new ERA programme, **HyDEX**, will address the challenge of building a thriving new business, industrial and manufacturing sector in hydrogen, HyDEX will consolidate the developments in hydrogen skills, providing a knowledge transfer exchange for local businesses and build demonstrator projects. It enables businesses to accelerate the development and viability of new hydrogen products and associated intellectual property, while supporting the transition from declining industrial sectors and enabling the required training and re-skilling.
- ▶ Midlands Engine for Growth – The Midlands Engine partnership strives to act as a positive agent for social, environmental, and economic change to benefit all areas of the region while Midlands Connect focuses on transport, investment and growth, aiming to research and develop transport projects that will provide the largest private and public benefits.
- ▶ East Midlands Chamber – EMC is aimed at enhancing business operations in the Midlands through consulting and connecting local businesses, promoting their products and services and amplifying opportunities for inward investment.
- ▶ Leading research universities, such as the University of Leicester, University of Nottingham, Loughborough University
- ▶ The MIRA Technology Institute – A bespoke global center for skills aimed at key areas of emerging automotive technology
- ▶ East Midlands Institute of Technology – This initiative, led by Loughborough University, Loughborough College, the University of Derby and the Derby College Group, will specialise in providing training in critical engineering, manufacturing and digital skills, aiming to drive forward the digital revolution agenda.
- ▶ LEPs, including D2N2 and LLEP – Local enterprise partnerships like D2N2 based in Derby, Derbyshire, Nottingham, and Nottinghamshire provide coordination between local businesses in pursuit of freeport innovation goals, public profiling and business support.
- ▶ **DevCo**: Development initiative supporting site transformation and governance across the East Midlands. Further detail of the relationship between EMF and DevCo is set out in Section 5a. iii. and Annex V of the FBC.

Section 5a. iv. of the FBC details the steps EMF has taken to ensure a meaningful partnership with the private sector. Private sector bodies comprise half of the Delivery Board membership from Set Up through to delivery, not including the externally appointed independent Chair and the co-opted DevCo representative. Once working groups evolve into advisory Subcommittees, they will continue to engage a wide pool of stakeholders across the public and private sector, including representation from LEPs, higher education, and private sector specialisms core to the programme such as transport, freight, logistics and manufacturing. There will be significant involvement from the private sector in areas such as innovation and net zero, to enable the Board to make informed decisions.

#### 4. Managing and responding to innovation opportunities

As part of its innovation strategy, EMF seeks to constantly review opportunities for increasing innovation in the Freeport area in line with local and national innovation objectives. In building a strategy to respond to innovation opportunities within the Freeport, attempting to stimulate innovation by businesses operating within the Freeport, EMF will undertake the following process:

Stage	Output	Responsible party	Outcome
1.	Innovation opportunity received	External stakeholder	<ul style="list-style-type: none"> <li>▶ External stakeholder creates or identifies and shares an innovation opportunity for EMF</li> <li>▶ This may take a variety of forms, but may include, for example, a business opportunity on the Freeport site; an educational or community research and development partnership</li> </ul>
2.	Innovation opportunity reviewed	Executive delivery team (EDT), led by Innovation, Skills, & Employment Director	<ul style="list-style-type: none"> <li>▶ EMF EDT, led by the Innovation, Skills, &amp; Employment Director, reviews the innovation opportunity against the value proposition, innovation strategy, and skills and workforce plans to determine whether it is fitting with the objectives of the wider Freeport.</li> </ul>



			<ul style="list-style-type: none"> <li>▶ The EDT may consider the potential for opportunities and job creation in target markets such as advanced manufacturing, logistics, renewable energy. At the forefront of this review stage should be both government and Freeport wide objectives, which includes primarily the goal to build a hotbed of innovation and support HMG's objectives for levelling up. A quantitative analysis of opportunity benefits should be undertaken at this stage.</li> </ul>
3.	Evaluate options for delivery	Executive delivery team (led by Innovation, Skills, & Employment Director) + EMF Board	<ul style="list-style-type: none"> <li>▶ Along with the EMF Board, the EDT will evaluate whether the opportunity can realistically be delivered or supported. After it is agreed that the opportunity can be delivered, the EDT and EMF Board will evaluate the steps required to deliver. This stage may include the creation of a project delivery plan along with an assessment of potentially applicable funding to be used for the project.</li> </ul>
4.	Deliver	Executive delivery team (led by Innovation, Skills, & Employment Director) + relevant external stakeholders	<ul style="list-style-type: none"> <li>▶ The EDT, along with relevant external stakeholders, will deliver the innovation opportunity/project within the parameters of the agreed upon project delivery plan.</li> </ul>
5.	Monitor delivery and outcomes	Executive delivery team (led by Skills, & Employment Director)+ EMF Board through the evaluation partner	<ul style="list-style-type: none"> <li>▶ The monitoring of the delivery will naturally include the EDT and EMF Board, with input provided from the evaluation partner (outlined under the monitoring and evaluation section below).</li> </ul>

## 5. Existing innovation projects

Relevant projects include highly significant skills and R&D projects such as the Manufacturing Research Centre Midlands, which will further boost innovative technology and skills growth in the region. In addition, major energy generation and supply projects such as EMERGE will enhance the possibility for sustainable energy generation, logistics, and freight industrial growth both in the tax and customs sites and wider region. Finally, the proposed DevCo will bring together disparate governance structures (c.f. 1c. ii) in the region and will support regeneration in a number of impacted sites such as the decommissioning and redevelopment of the Ratcliffe-on-Soar site.

Furthermore, key existing projects with which synergy will be achieved include industrial zonings and FDI locations such as Space Park Leicester, which will support the next generation of innovation and scale manufacturing in the field of commercial space access in the region (as mentioned above), as well as Infinity Park Derby, which is an industrial cluster driving innovation in the advanced manufacturing and logistics sectors. Further supporting these freeport-connected innovative industrial clusters are the significant number of local skills hubs, such as the Automation and Robotics Training Centre, Derby College Technology Hub, and Digital Advanced Manufacturing and Engineering Centre. Each of these, alongside the other skills and research initiatives in the region will provide employees with skills capable of driving innovation forth across the EMF, as well as mitigating the existing skills gap in the region. Further details of these, and other applicable projects can be found in Annex R.

Further to the complementary nature of EMF to the exciting body of existing investments and initiatives in the region, several upcoming projects will also combine positively with the Freeport. The designation of EMF will drive an agglomeration effect that in term will augment other business cases in the region and contribute to the overall regional economic package. **A “long list” of pipeline projects (over £1m investment value) and a “long list” of confirmed investments have been supplied as Annex R to the FBC submission.**

## 6. Intended EMF innovation projects – Hydrogen Academy

As a crucial part of EMF's skills and workforce development plan and innovation strategy, the proposed Hydrogen Skills Academy to be delivered in FY24/25 aims to be the UK's first practical, industry-based training centre associated with the production, handling, storage and use of hydrogen. The Hydrogen Skills Academy serves a clear purpose to provide an innovative training centre for the future that will support the transition of the East Midlands into a more highly skilled, hydrogen economy. The Hydrogen Skills Academy is underpinned by one of the sector focuses of EMF's innovation strategy – energy production. Full details of the Hydrogen Skills Academy and its outputs can be found in Annex Y.

Uniper UK is also developing proposals for an innovative decarbonised energy hub to support future industrial investments at the Ratcliffe-on-Soar site, which has the potential to attract external investments and showcase the development of new technologies at a commercial scale within EMF.

EMF has also detailed example delivery phase projects utilising the use of the Retained Business Rates (RBR) fund, which seek to turbocharge productivity and innovation within the region. These should be reviewed in detail under the RBR section of 1d of the FBC, but are provided at a high level below:

- ▶ **Small Medium Enterprise (SME) Growth Hub and incubator programme** for businesses within the Travel to Work Area that are operating within the Target Market Groups.
- ▶ **Advanced Manufacturing, Logistics and Low Carbon Match Fund** accessible by Business or Academia operating within the Freeport.
- ▶ **Energy Research Accelerator research programme** Phase Two accelerating inward investment to further develop the innovative research programme offer.

## 7. Resourcing

Freeport innovation projects will be overseen by the innovation, skills and employment director with support and guidance from the Freeport Director as necessary. The budgeted salary for this position is estimated to be between £74,000 and £84,000 in accordance with the Lead Authority's pay grades for the desired level of seniority. The budgeted total cost is anticipated to be between £103,000 and £117,000 and the ideal candidate for this role must have more than ten years of experience in this area. Their core responsibilities will be as follows:

- ▶ Engage with FREN as well as potential and secured inward investors and site occupiers (domestic and overseas) with DIT and investment networks.
- ▶ Maintain a record of businesses operating in or applying to operate within EMF.
- ▶ Support new EMF-based organisations with integration into the Freeport.
- ▶ Manage relationships with higher and further education and training providers.
- ▶ Help to match local jobseekers with hiring EMF-based employers.
- ▶ Ensure alignment between EMF, HMG's Freeport policy objectives and wider regional strategic initiatives such as HS2 and programmes led by the DevCo.

The innovation, skills and employment director will be supported by an innovation subcommittee to assist with the delivery of investment projects and ensuring that outputs and project outcomes are maximized, as well as by a Freeport Director for support and guidance as required. The estimated costs associated with this subcommittee will be confirmed later and will have the key responsibilities and designations set out in the Internal Subcommittee ToR. Further guidance can be found in sections 5a and 5b in the OBC.

## 8. Governance

### Governance Overview

As set out in section 5A. i., Innovation is reflected in both the set up and delivery phase of the Freeport. As part of this set-up phase, Innovation has been included as a Working Group for the purposes of business case development.

As set out above, as part of the delivery phase, Freeport innovation projects will be overseen by the Innovation, Skills and Employment Director, with the support of a Freeport Director for oversight and guidance. Further to this, EMF will utilise a dedicated subcommittee for innovation and net-zero project management. The full extent of the five internal Subcommittees' powers will be set out in the Internal Subcommittee ToR, which will be joint heads of terms yet to be finalized. Membership from other organisations with relevant specialist expertise may be co-opted, subject to Board approval. The appointment policy of the Internal Subcommittees will be set out in the Internal Subcommittee ToR.

As per the FBC, a scheme of delegation can be found in Schedule 10 of the Delivery Board Terms of Reference, which is supplied at Annex J as part of the suite of governance documents. This sets out 6 overarching themes of activity and indicates where accountability, responsibility for delivery, and additional support will be delegated amongst the bodies and specific partner groups comprising the long-term governance structure at the Delivery Phase. These themes cross-cut core aspects of the proposal, including planning, innovation, trade and investment promotion, retained business rates use, security and compliance, monitoring and evaluation, Net Zero and placemaking. As part of its annual governance structure review, the Board will assess the scheme in consultation with the Subcommittees and the Executive function (detailed in Section 5b) to ensure its continued appropriateness.

A full breakdown of governance plans and policies can be found in section 5a of the FBC.

In order to ensure full benefit realisation for EMF, EMF's subcommittee and evaluation structure will actively encourage businesses to engage and input into EMF's initiatives, with a specific focus on those businesses which have operations in keeping with the planned innovation and net-zero targets for the freeport. EMF's subcommittee structure will also maintain an overview of on-site performance against desired freeport outcomes and objectives as per section 1e.

In addition to this, EMF subcommittee structure will actively search for and assess where more value can be created from tax site activities, triggering engagement with landowners and other relevant stakeholders to determine where greater levels of collaboration can create better outcomes for the freeport. A full plan for benefits realisation can be found in section 4aiv of the FBC.

### RACI Matrix – Governance

In line with the above overview, EMF has developed the following RACI (Responsible, Accountable, Consulted, Informed) table below to include a non-exhaustive list of activities for which governance roles have been assessed. This table does not intend to show a full list of Freeport innovation activities but instead provides an example of how EMF understand the roles of the Innovation governance team.\*

Activity	Freeport Board	Chair, Innovation and Net Zero Subcommittee	Executive Delivery Team (led by Innovation, Skills, & Employment Director)	Local LEP	Site / Business Operators
Overall innovation strategy	Accountable	Accountable	Responsible	Consulted	Informed / Consulted
Overseeing innovation projects	Accountable	Accountable / Consulted	Responsible	Consulted	Informed / Responsible (where appropriate)
Ongoing evaluation and identification of innovation opportunities	Informed	Accountable	Responsible	Consulted	Consulted / Responsible (where appropriate)
Ongoing engagement and awareness of government innovation policy	Informed	Accountable	Responsible	Consulted	Informed
Active engagement with identified stakeholders	Informed	Accountable / Responsible	Responsible	Consulted	Informed
Engagement with existing regional innovation projects	Informed	Accountable / Responsible	Responsible	Consulted	Informed / Responsible (where appropriate)

\*RACI matrix should be viewed as a live, proposed document that will continue to evolve over time and is therefore subject to development / change as the Freeport enters the delivery phase.

## 9. Innovation Outcomes

As outlined in Section 2a of the FBC, the freeport is in a strong position to create a hotbed of innovation. The Freeport logic model (Annex A) and Economic Case (Section 2) illustrate the outcomes which will be achieved by EMF, and how these will support the Freeport policy objectives. It is recognised that these outcomes are a key part of the performance evaluation of the Freeport, and consequently it is anticipated that these outcomes shall be specific, measurable, achievable, realistic, and time bound.

A high-level overview of the anticipated outcomes supporting creation of innovation hotbeds, and their measurability, is provided below:

- ▶ Supported by collaboration with local higher education institutions and complementary investments in R&D capability and skills growth such as MTI and UTC, advanced manufacturing and R&D presence in the region will increase, to be evidenced by an upskilled workforce accessing qualifications and trainings, and innovative businesses accessing R&D identified capability.
- ▶ Part of the Hydrogen Innovation Zone, EMF will act as a hotbed of innovation and transition on the topic of sustainable energy generation, evidenced by the development of renewable energy / circular economy and green manufacturing facilities (EMERGE, proposed Gigafactory, hydrogen plant) in the proposed tax sites, and consequent reductions in GHG emissions as a result of energy generation in the region. Both of these aspects will be monitored by the EMF Evaluation Partner, as set out in section 1g.
- ▶ Innovative activity in the region will also extend to advanced and sustainable logistics, enhanced by the Freeport-supported implementation of a hydrogen fuelling station at EMAGIC, and the conversion of road freight to rail resulting from rail head investment at EMIP and EMAGIC. Progress towards this objective will also be evidenced by increased floorspace available for advanced logistics businesses, and monitored by each tax and customs site operator in collaboration with the EMF Evaluation Partner.
- ▶ Finally, EMF will amplify the ability of other freeports to deliver upon the HMG objectives by providing a central hub for innovation and logistics, connecting freeport customs sites across the country via rail and providing access to the airport for rapid access to global markets.

## 10. Monitoring and Evaluation

## Evaluation Partner

As detailed in section 5b, Team Structure, an evaluation partner will lead on progress and performance-related monitoring, reporting and evaluation and will also be responsible for reporting externally to MHCLG and other authoritative bodies. In monitoring the success of initiatives to reduce the skills gap, the Evaluation Partner will submit an Annual report to the Board, covering an assessment of the of current state of innovation projects and success in the Freeport.

The exact framework for evaluating the success of outputs is yet to be determined\*, however for the purposes of the FBC, EMF considers that the following should be included in the assessment:

- ▶ The number of partnerships between Freeport businesses with local academic and research institutions
- ▶ Number of new innovative technologies developed as a result of processing/manufacturing within Freeport businesses
- ▶ New business uptake within the Freeport in a given timeline
- ▶ Development of new facilities within the Freeport
- ▶ Number of partnerships/projects specifically developed as part of efforts to achieve Net-Zero
- ▶ Number of jobs/opportunities produced in energy and advanced manufacturing sectors

\*List is intended to be non-exhaustive and is subject to change / further development. Actual methodology and formatting of the reporting structure is to be determined.

## Annex M – Assumptions and Methodology for Retained Business Rates modelling

### Business Rates Modelling

A procurement exercise was undertaken by the DevCo on behalf of itself and EMF for a specialist consultancy to pull together a model estimating the likely amount and profile of business rate income over the 25-year time span of EMF.

LG Futures were successful in this procurement and their projection was informed by data supplied by EMF partners in terms of their investment plans over the various sites. There are a huge number of assumptions/estimations needed to be made in order to model over such a long timescale. It is important to note that the outcome of this modelling can only be treated as indicative. However, noting this caveat, the estimated business rates growth over the period is estimated at £0.95bn. The table within section 3a. vi. shows how this is broken down across the three sites.

### Baseline

- ▶ The baseline position is effectively a starting point which determines the level of business rates received for the sites prior to EMF becoming established. Unfortunately, the position is not completely straightforward to identify as for some sites, the annual liability can vary depending on things such as various reliefs granted (e.g. Section 44 relief for partly occupied premises), bad debt provisions and appeals. Therefore the actual final position for any particular year is not known until further down the line (when all appeals have been resolved).
- ▶ The approach taken has been to minimise the level of the baseline within reasonable assumptions consistent with each authority's wider policies. The lower the baseline, the more benefit there will be to EMF going forwards, although without the mitigation set out later in this report this could have a detrimental impact on local authorities' existing business rate revenues.
- ▶ The power station on the Rushcliffe site (which is currently generating rates that will disappear once the site is cleared) should have a baseline set at zero (i.e. essentially assuming the site is already cleared). This does mean that in the short-term Rushcliffe Borough Council will be disadvantaged and compensation will need to be made from the EMF such that any rates arising up until the time the site is cleared will need to be paid over to Rushcliffe. The expectation is the methodology that will be adopted will be on the basis of 'no detriment' using the methodology as detailed below.

### No Detriment

The no detriment principle was pivotal to Local Public Sector Agreement of the Outline Business Case; and is a common model for crossborder enterprise growth initiatives. In the East Midlands where three County, three District and three Fire Authorities are impacted, the mechanism which protects Authorities from any negative financial impact as a result of the Freeport was foundational in garnering local agreement for the Freeport. By tackling this issue at OBC stage, difficult negotiation once Business Rates start to be generated has been avoided, and EMF views it positive to have secured this complex agreement in advance with Members. Since designing the mechanism it was discussed with Government Business Rate experts in September, and was agreed by Board Members on November 2<sup>nd</sup> in a meeting with DLUHC observers.

The mechanism provides two core considerations:

1. Firstly, to cover any additional costs that might arise for local authorities from the EMF being in place that wouldn't be covered by increased business rate receipts.
2. Secondly, to allow for the fact that there would likely be some growth in business rates within the EMF areas, even if EMF didn't exist. And also some growth that might have happened in the wider local authority area that might instead be redirected into EMF.

- ▶ It is obviously problematic to determine a suitable counterfactual position (i.e. what would have happened in an alternative scenario) given the amount of assumptions that would need to be made based on information that are current best guess estimates and will undoubtedly change. Especially taking into account that there is a range for sites from those already quite well developed (NW Leicestershire) to those essentially starting from scratch (Rushcliffe). Therefore to avoid any complicated hypothesis about what might have happened, it is recommended that a simplistic approach is adopted.
- ▶ The recommended approach is that the local authorities maintain the 50% of growth that they would have received between them up until each time the business rates baseline is reset. Whilst on the surface this might seem generous (as it essentially assumes no extra growth due to EMF), no extra provision is suggested to cover additional service costs arising to those authorities from the EMF's existence. So it assumes the extra benefit from the additional growth offsets the additional service costs and compensates for any lost growth arising from businesses setting up within EMF that would otherwise set up in the wider area.
- ▶ Key to this proposal is the business rate resets. At the time of each reset, any growth in the preceding years (from the last reset) becomes part of an increased baseline and is no longer passed on to the local authorities. It is instead retained by EMF from that point onwards, with Central Government indicating that future rates resets will occur regularly.
- ▶ The modelling has assumed such a reset will take effect every 5 years, and the suggestion is that the reset is applied to the EMF retained business rates calculations, even if Government hasn't officially applied a reset, with an appropriate mechanism built in to reflect how appeals are reflected once settled. This way it avoids the initial share of business rates growth being retained by local authorities indefinitely and would be consistent with what the model assumes. It also importantly will allow the Freeport to plan sensibly over the medium term. Based on the position modelled, over 93% of the additional business rates generated would be employed against the Retained Business Rates Fund.
- ▶ An additional benefit of this is that it now means there is no adverse consequences for local authorities of the baseline being set low as they will still retain the same amount as they would have done if the EMF wasn't in operation (when the Freeport share would instead be passed over to Central Government).

The model that LG Futures has produced is capable of being refined and updated as further information and updated plans are available. This will be passed over to Leicestershire County Council, as accountable body, to utilise as required going forward.

## Annex N – Skills Plan

### Introduction

EMF's Skills and Workforce Development Plan details the activities EMF will take to increase the volume highly skilled jobs and training in the region and help reduce the skills gap to provide lasting employment and productivity in the area. As part of this, EMF has reviewed existing analysis on the skills gaps in the region, primarily drawn from two skills reports (from Leicester and Leicestershire Enterprise Partnership (LLEP) and Derby Derbyshire Nottingham Nottinghamshire (D2N2)) and HMG's Skills for Work White Paper, to understand the gaps in skills and productivity in the wider Freeport area and developed the EMF Skills Plan in collaboration with Stakeholders with the objective of closing these gaps. Noting significant activity is already underway to help address the skills gaps in the area, EMF seeks to add to these efforts by providing a hotbed for innovation, jobs, and training, that can contribute to efforts and provide highly skilled, well paid jobs for the future. Further skills form one of the core objectives of the Freeport Retained Business Rates Fund, which will provide a profound fiscal stimulus to the skills agenda in the region, and create the investment activity needed to create a world class regional skills base in the EMF's target sectors.

To convey EMF's approach on Skills and Workforce Development, this plan contains the following sections:

1. Governance and subcommittee structure
2. Responsibility for delivery
3. Relationship and representation with other skills and employment networks
4. Current labour market analysis
5. Summary of skills gap priorities
6. Priorities for addressing the skills gaps
7. Freeport specific labour estimates
8. Engagement with local employment support and education market
9. Monitoring and evaluation

#### **1. Governance and subcommittee structure**

As set out in Section 5A. i. of the FBC *Governance structure evolution*, skills strategy and activity is reflected in both the set-up phase and the delivery phase of the Freeport. As part of the set-up phase, Skills and Employment has been included as a Working Group for part of the Business Case Development. As detailed below in section 2, as part of the delivery phase, Freeport innovation projects will be overseen by the Innovation, Skills and Employment Director.

As the Freeport moves to the implementation focused delivery phase, working groups will evolve into advisory subcommittees, continuing to engage and leveraging a range of stakeholders and expertise across the public and private sector, including representation from LEPs, Higher Education, and specialisms core to the Freeport programme.

Skills and workforce development is represented as part of the Regional Economic Growth Subcommittee. Subcommittee membership will include representatives from both the core EMF coalition group as well as other stakeholders as required, underpinned by Internal Subcommittee Terms of Reference. Membership on the subcommittees is based on relevance of specialist knowledge and skillset.

The Regional Economic Growth Subcommittee will have oversight over activities relating to skills and workforce to ensure that the Freeport works towards meeting the objectives laid out in the Government’s Skills for Jobs White Paper and works towards reducing the skills gaps identified through the Skills Assessments discussed in this Annex. The performance of the Freeport in meeting skills objectives will be evaluated by an independent evaluation partner as discussed in the monitoring and evaluation section below. **2. Responsibility for delivery**

### Delivery team structure

As set out in section 5b. *Team Structure*, delivery of skills activities will be based on existing structures in place to support the Set-Up activities. This includes an Executive Delivery Team comprised of an Innovation, Skills & Employment Director, supported by core EMF partners for Local Economy & Growth Support and with collaboration with external support networks such as FREN. Please see the full diagram in Section 5b.

### Responsibilities of the Innovation, Skills & Employment Director

The Innovation, Skills & Employment Director will be expected to engage with FREN, manage relationships with higher and further education and training providers, and support in efforts to match local jobseekers with EMF-based employers with open opportunities. Through engagement with higher and further education training providers, the Innovation, Skills & Employment Director will be able to identify opportunities for the Freeport to expand its footprint within different sectors of the labour market. This engagement may involve the participation in employment fairs partnering with local colleges to promote employment opportunities at EMF businesses as part of a broader recruitment effort.

### Skills and workforce plan RACI Matrix

The RACI (Responsible, Accountable, Consulted, Informed) table below includes a non-exhaustive list of activities for which executive roles have been assigned. This table does not intend to show a full list of Freeport skills activities but instead provides an example of how EMF understands the roles of its governance team.\*

Activity	Freeport Chair / Board	Chair, Freeport Regional Economic Growth Sub Committee	Executive Delivery Team (led by Skills, & Employment Director)	Community Engagement	Site/Business Operators
Overall skills plan delivery	Accountable	Accountable	Responsible	Consulted	Informed
Overseeing skills projects and investments	Informed / Accountable	Accountable	Responsible	Consulted	Informed / Responsible (where appropriate)
Ongoing evaluation of skills gaps	Informed	Accountable	Responsible	Consulted	Consulted / Informed
Coordination with local employment support centres	Informed	Accountable	Responsible	Consulted	Consulted
Skills based recruitment drives	Informed / Consulted	Accountable	Responsible	Consulted	Consulted / Responsible (where appropriate)

Coordination with local education providers	Informed	Accountable	Responsible	Consulted	Consulted / Responsible (where appropriate)
Development of Freeport wide recruitment campaigns	Accountable	Accountable	Responsible	Consulted	Informed / Consulted

\*RACI matrix should be viewed as a live, proposed document that will continue to evolve over time and is therefore subject to development / change as the Freeport enters the delivery phase.

### 3. Relationship and representation with other skills and employment networks

#### Local partnerships

As set out in section 5c. i., EMF will establish partnerships between site occupiers, potential skills training providers, and Trade Unions. EMF will work closely with DWP (through local Job Centres and their designated Work Coaches) to identify opportunities for employment for local employment seekers within the Freeport playing a fundamental facilitating role in the levelling up agenda in the region. At a local level, EMF intends to work with Local Authorities across all tiers and LEPs to understand community skills and employment demand. EMF also recognises the importance of coordination and alignment with the East Midlands DevCo. Further detail of the relationship between EMF and DevCo is set out in Section 5a. iii. and Annex V of the FBC.

EMF has built on the skills reports completed by LLEP and D2N2 skills reports to understand existing skills gaps and enhance plans to improve productivity in the region. By creating additional jobs in the region, particularly through advanced manufacturing and logistics, EMF will contribute to the movement away from a lower skilled to a highly skilled workforce, in turn creating increased demand and opportunities in the market. In making this commitment, EMF will work closely with local universities, colleges, and employment support centres to identify opportunities for sourcing employment and skills locally. Where possible, EMF businesses will also support the identification of skills gaps as they see them in the labour market. In particular, EMF will coordinate where possible with the East Midlands Chamber of Commerce that provides peer networks, training courses, and development courses with the shared objective of increasing skills development in the region. Noting that the East Midlands Chamber of Commerce has been identified as a Local Skills Improvement Plan trailblazer, EMF intends to align closely with the Chamber to ensure that EMF businesses contribute to the skills development of the region. Through EMF's stakeholder management and communication strategy, relevant training, networking, and recruiting activities will be clearly sign-posted to EMF businesses. Where possible, EMF will work with the Chamber to showcase skill training or employment opportunities led by EMF businesses.

EMF will engage in these efforts through the subcommittee structure outlined above to ensure that its efforts are aligned and coordinated with existing plans in the region.

### 4. Current labour market analysis

The East Midlands as a region faces significant challenges with respect to skills, notably having fewer people with high level qualifications relative to the national level, and more than the national level without qualification.<sup>7</sup> Leicester and Leicestershire have a working age population of 679,000, with three universities in the area producing 19,000 graduates per year and four FE colleges attracting 19,000 post16 enrolments per year.<sup>8</sup> When considering qualification levels, Nottingham and Derbyshire<sup>9</sup> have a higher portion of their 16-64 population in trade apprenticeships compared to the national level and a high proportion of residents with no qualifications.<sup>10</sup> In apprenticeship qualifications by subject area, Nottingham and Derbyshire show higher than national averages in apprenticeship achievements in Business, Administration and Law and in Engineering and Manufacturing Technologies. Nottingham and Derbyshire also see higher proportions of apprenticeship learners across all levels of apprenticeships going into sustained employment than the national levels.<sup>11</sup>

With a traditionally strong manufacturing base, recent data shows that 14% of Leicester and Leicestershire workforce are employed in the manufacturing sector compared to 9% nationally, whereas 13% worked in banking, finance and insurance compared to 18% nationally – the largest gap between local and national averages. At an occupational level, a higher proportion of people work in process, plant and machine operations and fewer in professional occupational compared to the national level. This trend is also reflected across other parts of the Midlands, with manufacturing comprising 13% of employment Nottingham and Derbyshire. At an occupational level, process, plant and

<sup>7</sup> Midlands Engine. (2016). *A Science and Innovation Audit Report for the Midlands Engine, sponsored by the Department for Business, Energy & Industrial Strategy.*

<sup>8</sup> Leicester and Leicestershire Enterprise Partnership. *Local Skills Report*, March 2021.

<sup>9</sup> Note: references to Nottingham and Derbyshire in this section includes the entire D2N2 region (i.e. Derby, Derbyshire, Nottingham, Nottinghamshire).

<sup>10</sup> Annual Population Survey. January 2019 – December 2019, 2020 SAP boundaries (as cited in D2N2 Local Enterprise Partnership. D2N2 Local Skills Report, March 2021.)

<sup>11</sup> FE outcome based success measures, 2018/19 destinations, DfE (published 2020), 2018 LEP boundaries (as cited in D2N2 Local Enterprise Partnership. D2N2 Local Skills Report, March 2021.).

machine operatives' occupations also feature more heavily in Nottingham and Derbyshire than other occupations. With the exception of manufacturing and financial services, the sectoral make-up of Nottingham and Derbyshire largely mirrors the national distribution, with the most popular sectors including retail, health, education, professional, scientific & technical, business administration & support services, and accommodation & food services. Figures for employment by occupation in Nottingham and Derbyshire, while relatively reflective of the national pattern, point to a lower level (2.6% less than national average) for employment in professional occupations, but higher portions in skilled trades (2.0% above national levels) and process, plant and machine occupations (2.4% above national levels).<sup>12</sup>

This skills gap is reflected in a lower prevalence of Level 4 qualifications and a higher prevalence of Level 3 qualifications.<sup>13</sup> Across the East Midlands – including Leicester, Leicestershire, Nottingham, and Derbyshire – the concentration of the workforce in lower skilled, labour intensive jobs contribute to a productivity and earnings gap compared to the country as a whole.

## 5. Summary of skills gaps priorities

### High concentration of lower-skilled workforce

- Current trends point to high demand in the area for lower-skilled workers, which while increasing overall employment figures, contributes to lower productivity and an increasing wage gap, working against ambitions to develop a high skilled, high paid economy. This is linked throughout the East Midlands, with occupations such as skilled trades, process, plant and machine operatives having low forecast growth.
- Further, existing analysis anticipates the manufacturing sector to contract in the future due to increased automation and technological developments.<sup>14</sup>
- The reliance on lower-skilled employment will make the transition to a modern economy more difficult without sufficient programs in place to retrain workers. Reducing the skills gap is an important step in meeting job vacancies demand, which hit record high levels between July and September 2021.<sup>15</sup>
- Both LLEP and D2N2 have identified the need to transition from a labour-intensive economy to a high skilled, high paid workforce as a priority.

### Underdevelopment of digital skills base

- Digital skills are becoming increasingly important to current and future employer needs, particularly with the increase of remote working because of the Covid-19 pandemic. 1 in 5 adults in Nottingham and Derbyshire lack some important digital skills, which is often more pronounced in pockets of the region with higher rates of unemployment and deprivation.<sup>16</sup>

- 
- Reducing the digital skills gap is an important facet of the strategy to transition the region's overreliance on low-skilled, lower paid sectors of employment to a more highly skilled, productive workforce. Improving the digital skills base should also support another Freeport and government goal of creating a low carbon future by improving remote access and reducing commuting where necessary. The need to strengthen digital infrastructure and skills is shared across the region, with it being listed as one of LLEP's four 'golden threads' to be embedded in future thinking.<sup>16</sup>

### Science and low carbon technology

- Science and engineering have been noted as a key strength of the region, however there is a lack of availability of workers within the area to fill vacancies. LLEP has noted the availability of skilled workers in these sectors to meet demand as a key challenge.<sup>18</sup>
- Nottingham and Derbyshire are home to the third largest life sciences cluster in the UK,<sup>17</sup> offering an important opportunity to improve productivity and employment in a key industry.
- The need to transition towards a low-carbon economy is part of the government's priorities and an objective of the Freeport regime; there is a clear gap in the region's current technological infrastructure and knowledge to support this undertaking. The Green Jobs Task Force report prioritises the need to invest in skills in low carbon technologies, particularly in emerging sectors such as hydrogen and CCUS.
- The prioritisation of skills development in science and low carbon technology is a key way in which the Freeport supports HMG's ambition to transition to net zero through investment in skills. This is further exemplified through the creation of the Hydrogen Skills Academy (HSA), detailed in section 6 below.

<sup>12</sup> Annual Population Survey, October 2019 – September 2020. 2020 SAP boundaries (as cited in D2N2 Skills Report 2021).

<sup>13</sup> Leicester and Leicestershire Enterprise Partnership. *Local Skills Report*, March 2021.

<sup>14</sup> Leicester and Leicestershire Enterprise Partnership. *Local Skills Report*, March 2021.

<sup>15</sup> East Midlands Chamber of Commerce, "East Midlands unemployment rate drops – but acute skills shortage is hampering recovery, says Chamber," October 12 2021 <https://www.emc-dnl.co.uk/news/2021/10/12/east-midlands-unemployment-rate-june-august-2021/> <sup>16</sup> D2N2 Local Enterprise Partnership. D2N2 Local Skills Report, March 2021.

<sup>16</sup> Leicester and Leicestershire Enterprise Partnership. *Local Skills Report*, March 2021. <sup>18</sup>

Leicester and Leicestershire Enterprise Partnership. *Local Skills Report*, March 2021.

<sup>17</sup> D2N2



## 6. **Priorities and actions for addressing the skills gaps**

In prioritising actions to address the skills gaps, EMF has broken this section down into two sub-sections:

- **Ongoing action to address the skills gaps** – this sub-section draws on existing initiatives identified in local skills reports that EMF has identified as opportunities that EMF can contribute to through the Freeport offering.
- **Future action to address the skills gaps** – this sub-section outlines EMF’s future initiatives for addressing the skills gaps, notably through the EMF Hydrogen Skills Academy, which not only seeks to address local skills gaps but hopes to position the region at the forefront of the energy transition.

### **Ongoing action to address the skills gaps**

#### Mira Technology Institute

Existing action to address skills gaps has included partnerships between business and education authorities, such as the establishment of the MIRA Technology Institute (MTI) in Leicester which seeks to deliver qualifications from Level 3 to Level 8, including higher technical qualifications and low carbon technologies.<sup>18</sup> Business and educational partnerships are an important facet of existing action because they tackle the skills gap on two fronts – firstly, by improving the qualification level of the region and, secondly, by offering professional experience to leavers to support their professional development. Backed by the Department for Business, Energy and Industrial Strategy (BEIS), the MTI’s learner pathways allow learners to progress from Level 2 apprenticeships up to higher and degree level apprenticeships or participate in a range of academic programmes up to doctorate level. The MTI focuses on new technologies in the automotive sector, supporting the need to transition from low-skilled labour employment to highly skilled, technologically driven employment aligning with the future economy. The Green Jobs Task Force identifies the need to address gaps in the automotive workforce by focusing on upskilling and retraining current workers in order to reach net zero.<sup>19</sup> MTI helps to address this skills gap by offering training in new technologies required to transition the automotive and manufacturing sectors towards net zero, thereby supporting the demand for skilled workers in these sectors that EMF anticipates being a significant employment opportunity within the Freeport site.

#### Launch of the Centre for Logistics, Education and Research

The Centre for Logistics, Education and Research (CLEAR) is a centre for research and innovation, providing professional learning and development for supply chain. Based in a logistics cluster, CLEAR is a partnership of business and education providers, providing skills-based training to enabling learners to enter sustainable, highly skilled careers in the supply chain industry. CLEAR intends to provide training in planning and supply chain operations, engineering maintenance, repair, design and automation, business support roles, leadership and lean management, and digital skills including software development and cyber security. In doing so, CLEAR will help close the skills gap in two ways – firstly, by providing training and development for students to enter professional, technical supply chain roles; secondly, by providing digital skills and business support training that can serve students in future careers in various professional industries.

---

As detailed below, on the Ratcliffe-on-Soar, EMIP, and EMAGIC sites, advanced logistics is a target sector. Therefore, the development of CLEAR forms an important step in attracting highly trained talent to fill vacancies created by the Freeport. To that extent, CLEAR is an example of EMF’s goal to add to existing programmes in the region to reduce the skills gap.

#### Digital Bootcamps and Digital Skills Partnerships

Actions such as Digital Bootcamps in Nottingham and Derbyshire are being prioritised to address the local digital skills shortage, including a shortage of IT engineers and technicians and low productivity in the Information and Communications sectors. The Digital Bootcamps are built on a partnership of 10 public and private training providers and include a 12-week intensive training course, providing adults with Level 3 – 5 digital skills targeting specific skills gaps identified by employers. Courses include software development, IT networking, cybersecurity, and data analytics.<sup>20</sup> Digital Bootcamps include both currently employed and unemployed participants. The purpose is to allow participants with an identified need for progression by their employers and to support the training of unemployed participants to meet job vacancy demands. Course participants may get an interview with a local employer following the completion of the course. As a noted skills gap across the region, LLEP anticipates a future Digital Skills Partnership in the area bringing together partners from business, public sector, and the voluntary and community sectors to offer an in-depth analysis of the current skills gap and help inform the future position on how to close the digital skills gap.

Current initiatives to support the closing of the gap for low carbon technology infrastructure are limited, however LLEP anticipates the implementation of skills interventions that will cover low carbon training and has prioritised the delivery of developing capacity among local educational and business providers for the delivery of training in low carbon technologies. The D2N2 People and Skills Advisory Board (PSAB), which fulfils the role of Skills Advisory Panel for the D2N2 LEP, is tasked with implementing the strategy guided by the principles of

---

<sup>18</sup> Leicester and Leicestershire Enterprise Partnership. *Local Skills Report*, March 2021.

<sup>19</sup> HMG, *The Green Jobs Task Force, Report to Government, Industry and the Skills sector*, 14 July 2021.

<sup>20</sup> D2N2 Local Enterprise Partnership. *D2N2 Local Skills Report*, March 2021.

low carbon growth and assessing the local skills and labour market associated with this strategy. To that end, D2N2 sees existing efforts to increase digital proficiency in the area as an essential step towards low carbon growth. Further, as one of their skills priorities, Nottingham and Derbyshire intends to embed low carbon priorities and digital skills in all learning in the future. Both LLEP and D2N2 intend to secure an Institute of Technology in their respective areas in the coming years.

### **Future action to address the skills gaps**

#### Retained Business Rates Fund

One of the core objectives of the Retained Business Rates Fund is the ambition to create a world class skills base within the EMF's target sectors. This provides a once in a generation fiscal stimulus in skills for the region, that will be employed to skill and re-skills the workforce through a variety of work programmes, skills and talent capacity, and training and development activity and investment. Example delivery phase workstreams utilising the RBR include:

- **Hydrogen Skills Academy (HSA) Phase Two and Three;** with a level 3 to 8 curriculum across a broader hub and spoke footprint proposed for Hydrogen skills.
- **EMF Entry Level Talent Fund:** Match funding for apprenticeship, traineeship, supported internships, work placements and experience for T-Level and A-Level Students across target sectors.

#### Hydrogen Skills Academy

In recognising the gap in science and low-carbon technology, EMF has proposed a Hydrogen Skills Academy (HSA) to be delivered in FY24/25. The HSA will be the UK's first practical, industry-based training centre associated with the production, handling, storage and use of hydrogen. In time, this could become part of a network of centres working collaboratively across the UK. Creating a skilled and qualified workforce is critical to enabling the region's transition to hydrogen technologies and will position the East Midlands at the forefront of the UK's energy transition.

The HSA project will build on the area's existing hydrogen skills capacity including the national flagship Sustainable Hydrogen Centre for Doctoral Training at the University of Nottingham, postgraduate and undergraduate degrees in science, engineering, and business at a number of Universities, and professional work-based learning such as Higher Degree Apprenticeships, vocational engineering and manufacturing training at our some of our Universities and FE Colleges.

The HSA is linked to a range of strategic government, LEP initiatives, and private sector initiatives, such as the 2021 UK Green Jobs Taskforce, The Midlands Engine Growth Action Plan. The HSA aims to provide new-entrant and cross-skilling entry routes into the workforce through a range of practical skills programmes, ranging from introductory awareness training to multi-year apprenticeships. Further detail on the HSA, including detailed information on links to strategic plans, partners, assets and facilities and information on development courses, can be found in Annex Y.

#### Collaboration with the East Midlands Institute of Technology (IoT)

The future East Midlands Institute of Technology (IoT) intends to focus on levelling up the critical engineering, manufacturing, and digital skills required to address engineering challenges posed by clean growth and the future AI and data-driven economy. Driven by The University of Derby, Loughborough College, Loughborough University and the Derby College Group (DCG), the IoT involves a number of private sector partners including Toyota and Uniper UK to provide coordinated skills delivery across the entire Freeport geography with a focus on low

---

carbon and digital skills for manufacturing and construction. The IoT will specialise in providing training in critical engineering, manufacturing and digital skills, aiming to drive forward the digital revolution agenda.

## **7. Freeport specific labour estimates**

The following information summaries core labour estimates within the Economic Case of the FBC and underlying assumptions in relation to labour estimates.

EMF is anticipated to produce in excess of 60,000 new jobs across a variety of sectors, with a particular focus on Advanced Logistics and Manufacturing, Renewable Energy Production, and Research and Development. This will be a catalyst for sustainable and innovative growth in the region, addressing the existing skills shortages and empowering the East Midlands to be a key participant in the levelling up agenda. A summary of the key points is found below:

### ***Target sectors and investment – This reads across to Annex X – Target Markets***

- Jobs created in Ratcliffe-on-Soar will primarily fall within the Renewable Energy Production, Advanced Manufacturing, and Advanced Logistics sectors – the focus is on creating solutions to achieve Net Zero
- Ratcliffe-on-Soar will see an estimated investment in Advanced Manufacturing and Logistics of £0.8-2.4bn with site remediation from Uniper UK producing an anticipated £0.04bn and Redevelopment Infrastructure investment of £0.1bn

- EMIP is forecast to produce jobs in Advanced Manufacturing and Advanced Logistics – proximity to Toyota is anticipated to be a driver of automotive job creation
- EMIP site value is modelled to be £600-800m with development of enhanced connectivity within the freeport to facilitate more efficient goods movement – this is based on estimates showing the site can accommodate 5.2m sq. ft of floorspace. Current rental values in the region are £6.00psf - £6.50psf
- Jobs at EMAGIC will be generated in the Advanced Logistics sector as well as the Advanced Manufacturing sector.
- Commercial estimates indicate that approximately £500m of investment may arise across the SLPEMG site and land owned by EMA and SEGRO Properties to the south of the site, with approximately 22 new businesses set to operate. This will be driven by the construction of 4.5m sq ft of employment space for Advanced Logistics. Moreover, East Midlands Airport (EMA) land in the site will benefit from the development of 26ha of land for expansion of aviation operations within the next 5-7 years.

### Job creation

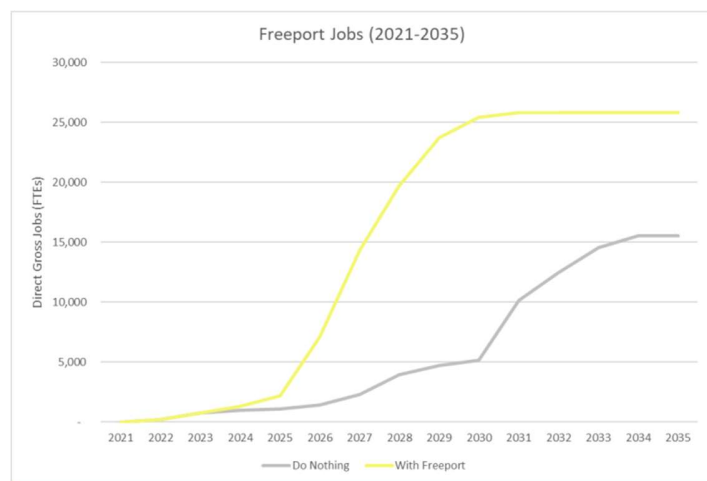
EMF has set out the peak direct and indirect / induced jobs impact for each site within the Freeport, as follows:

Peak Jobs Impact (FTEs)	Freeport Tax Levers (Gross)		
	Direct	Indirect/Induced	Total
Ratcliffe-on-Soar	12,939	16,989	29,928
EMAGIC	6,807	5,416	12,223
EMIP	9,217	9,766	18,983
<b>Total</b>	<b>28,963</b>	<b>32,171</b>	<b>61,134</b>

Of the 28,963 direct jobs across the three potential tax sites:

- ▶ 15,665 jobs will be in the manufacturing sector;
- ▶ 10,185 will be in the logistics sector;
- ▶ Up to 1,000 jobs in aviation cargo related jobs;
- ▶ 1,557 will be in the commercial sector; and ▶ 556 will be in the energy sector

Section 2b. ii. of the economic case clearly sets out how site development plans will lead to accelerated investment and a greater scale of jobs between 2021 and 2035. This is illustrated in the graph below (drawn from section 2b. ii. of the economic case):



The graph demonstrates the steady increase in job growth from 2021 – 2025 and a sharp increase from 2025 – 2031, providing indicative timescales for job growth at EMF.

For more details on expected job impact, please see section 2b. ii. of the economic case.

### Ability of local labour market to meet increased labour demand

As set out in the economic case, Freeport sites will be supported by a regional labour market with the capacity to accommodate growth in employment. The ability to deliver on labour is linked to the reality that the East Midlands region has one of the highest proportion of carbon intensive jobs in the country. The Green Jobs Task Force report highlights that a risk of the transition to net zero is that carbon-intensive sectors will likely shrink due to reduced dependence on fossil fuels across society. The report cites that, as a result of the transition to net

zero, “one in five jobs in the UK will require skills which may experience demand growth.”<sup>21</sup> The gradual move towards net zero will therefore likely see sectors of the workforce move from carbon intensive jobs transition to other parts of the economy, helping meet the demand that Freeport businesses will attract. Where skills shortages exist, training and skills development through EMF businesses and regional stakeholders will be prioritised, as set out in the ‘Priorities and actions for addressing the skills gaps’ above.

To ensure that the Freeport has access to a highly skilled and trained workforce, the section that follows details EMF’s plan for engaging with local employment support and the education market.

### 8. Engagement with local employment support and education market

In addition to the Hydrogen Skills Academy, EMF anticipates ongoing engagement with FE and HE through the role of the Innovation, Skills and Employment Director. Part of this role will be identifying areas where the Freeport can work closely with education providers to develop skills training that meets employer’s needs. As part of this outreach strategy, EMF intends to engage with schools, colleges, and universities through career fairs and events, raising awareness of the Freeport as a hub for career development and opportunity for a variety of sectors. This supports part of the Government’s strategy in the Skills for Jobs Whitepaper putting employers at the heart of post-16 skills, enabling employers to play a central role in identifying local and national skills needs.

EMF will engage with local employment support to ensure that opportunities are extended to the local labour market. EMF will promote business users to maintain open communication with local employment support such as the East Midlands Chamber of Commerce, Local Jobcentre Plus, Work Coaches, and Youth Employability coaches. EMF will encourage Freeport businesses to work with the Jobcentre plus to promote job advertisements and encourage them to consider other services available through the Jobcentre such as job application support and tailored recruitment packages. By engaging with the Local Jobcentre and Work Coaches, EMF can ensure that the right skills and potential employees are selected to meet the skill requirements of the vacancy. As part of this overall strategy, EMF will encourage site operators to consider government schemes such as the Sector-based work academy programme (SWAP), apprenticeships, and traineeships.

Key actions / projects to address the skills gaps are provided below\*:

Action/Project	Funding	Responsible	Target date	Measure of success
<b>Priority 1:</b> Transitioning out of a lower-skilled employment base towards a more highly skilled workforce equipped to handle the demands of the future economy.				
Action to achieve priority	Source & Amount	Person or entity	Completion or review point	Quantified output (where possible)

1.1 MIRA Technology Institute	£9.5m +	Evans Randall Investors; LLEP; Growth Deal Fund; BEIS	2021 (open)	<ul style="list-style-type: none"> <li>▶ 1,000 jobs</li> <li>▶ 4m sq. ft of new space</li> <li>▶ Potential value of up to £500m</li> </ul>
1.2 <b>Rolls-Royce University Technology Centre (UTC) at Loughborough University:</b> National Centre for Combustion and Aerothermal Technology (NCCAT)	£40m	Rolls-Royce plc; Loughborough University; BEIS; ATI	Delivering	Access for 17,800 students to both facilities and research expertise for industrial partners
1.3 <b>Rail Research Innovation Centre:</b> Supply chain development of rail businesses	£1.39m	D2N2; University of Derby	Delivering	Providing SMEs in rail supply chain with opportunities to develop their business and employee skills
1.4 <b>Automation and Robotics Training Centre:</b> A new centre delivering robotics and engineering qualifications	£900,000	West Notts College; D2N2	Delivering	1,180 Learners

<sup>21</sup> HMG, *The Green Jobs Task Force, Report to Government, Industry and the Skills sector*, 14 July 2021.

1.5 Freeport-wide engagement with local FE and HE	N/A	EMF	2022 onwards	EMF will contribute to LLEP and D2N2 skill improvement plans and work to offer training and opportunities for FE and HE students/graduates
1.6 Centre for Logistics , Education and Research (CLEAR)	£1.5m	North Warwickshire & South Leicestershire College, Aston University, Wincanton PLC, GLP	Summer 2021	A national centre of excellence that accommodates up to 1,000 students
Priority 2: Digital infrastructure and proficiency				
<b>Action to achieve priority</b>	<b>Source &amp; Amount</b>	<b>Person or entity</b>	<b>Completion or review point</b>	<b>Quantified output (where possible)</b>
2.1 Digital Bootcamp	Unknown	D2N2	Ongoing	Unknown/unavailable at this stage
2.2 Digital Skills Partnership	Unknown	LLEP	Late 2021	Unknown/unavailable at this stage
Priority 3: Science and low carbon technology				
<b>Action to achieve priority</b>	<b>Source &amp; Amount</b>	<b>Person or entity</b>	<b>Completion or review point</b>	<b>Quantified output (where possible)</b>
3.1 Hydrogen Skills Academy	Range of 4m-5m (Costs)	Nottingham, Loughborough and Derby Universities	2024/25	<ul style="list-style-type: none"> <li>▶ Hydrogen knowledge building and competence development courses</li> <li>▶ Bench sale and virtual demonstration equipment</li> <li>▶ Simulated environment for hydrogen applications</li> </ul>

\*A number of these actions have been drawn from Annex R of the FBC.

## 9. Monitoring and Evaluation

### Evaluation Partner

As detailed in section 5b, Team Structure, an evaluation partner will lead on progress and performance-related monitoring, reporting and evaluation and will also be responsible for reporting externally to MHCLG and other authoritative bodies. In monitoring the success of initiatives to reduce the skills gap, the Evaluation Partner will submit an Annual report to the Board, covering an assessment of the skills gaps identified and the progress towards closing those gaps. This report will include specific analysis on Freeport wide initiatives to close gaps, such as the effectiveness of the Hydrocarbon Academy, and any other initiatives that support the development of a highly skilled, productive workforce. In particular, the report should include, but is not limited to, the following:

- ▶ An assessment of employment opportunities within Freeport businesses, focusing in particular on the success of strategies to communicate vacancies to local employment support agencies, such as the Local Jobcentre plus.
- ▶ An assessment of participation of Freeport businesses in local employment fairs and recruitment drives.
- ▶ An assessment of the success of outreach to HE and FE institutions
- ▶ Assessment of the success of any existing initiatives using seed funding.
- ▶ Overall skills, productivity and earnings assessment of businesses operating on the Freeport compared against local and national levels to determine any differences in skills and earnings in the Freeport compared to local and national levels.

## Annex O – Equalities Impact Assessment

### Background

This Equalities Impact Assessment (EqIA) considers the requirement of any revisions to the proposed delivery of the East Midlands Freeport (EMF) in order to advance equality or foster good relations where persons with protected characteristics are negatively impacted. The EqIA will review potential impacts and mitigations measures so the relevant public authorities can make informed judgements on their decision making, with more effective targeting of policy, resources and the use of regulatory measures. The EqIA will offer a clearer understanding of the needs of service users, resulting in better quality services which meet varied needs; better results and greater confidence in, and satisfaction with, public services; a more effective use of talent in the workforce; and a reduction in instances of discrimination and resulting claims.

Public Sector Equality Duty (PSED) applies to protected characteristics (as tabled below) in order to ensure the public functions of the EMF have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Any adverse impacts on people with a particular characteristic will be considered as to whether it is justifiable to continue or whether the aims can be achieved in a way which reduced adverse impact or does not disadvantage people with that characteristic.

It is noted that a separate EqIA may be required during the determination of planning applications (where the local authority will need to consider the discharge of the PSED and what this may require) or through additional employment policies to be implemented by any partner organisation in the onboarding of new staff as a result of the Freeport programme.

## **Baseline**

The baseline table below presents data on each of the protected characteristics at the local authority level to demonstrate performance against national benchmarks. Socio-economic factors have been included within the baseline assessment, despite not being listed as a protected characteristic, as these factors can compound the experiences of discrimination by persons with protected characteristics.

Protected Group	Baseline Indicator	National benchmarks	North West Leicestershire District Council	South Derbyshire District Council	Rushcliffe Borough Council
<b>Age</b>	Proportion of population aged 0-15 years, 16-64 years and 65 years plus	<i>England, 2020</i> 0-15 years: 17% 16-64 years: 63% 65 years+: 18%	0-15 years: 18% 16-64 years: 62% 65 years+: 20%	0-15 years: 18% 16-64 years: 63% 65 years+: 19%	0-15 years: 18% 16-64 years: 60% 65 years+: 22%
<b>Disability</b>	Proportion of households with one or more people with a long-term health problem or disability	<i>England, 2011</i> No. people in households have long-term health or disability: 67.3% 1 or more people in households have long-term health or disability: 32.7%	No. people in households have long-term health or disability: 66.7%  1 or more people in households have long-term health or disability: 33.3%	No. people in households have long-term health or disability: 70.8%  1 or more people in households have long-term health or disability: 29.2%	No. people in households have long-term health or disability: 67.9%  1 or more people in households have long-term health or disability: 32.1%
<b>Gender (sex)</b>	Proportion of population male and female	<i>England, 2020</i> Males: 49.5% Females: 50.5%	Males: 49.6% Females: 50.4%	Males: 49.3% Females: 50.7%	Males: 49.0% Females: 51.0%
<b>Gender reassignment</b>	No baseline data available, it is therefore presumed that persons with this protected characteristic exist within the local authority areas.				

<b>22Marriage and Civil Partnership</b>	Proportion of persons not in a civil partnership	<i>England, 2011</i> Married or in a registered same-sex civil partnership: 46.8% Single, separated, divorced or widowed: 53.2%	Married or in a registered same-sex civil partnership: 52.6%  Single, separated, divorced or widowed: 47.4%	Married or in a registered same-sex civil partnership: 52.9%  Single, separated, divorced or widowed: 47.1%	Married or in a registered same-sex civil partnership: 53.8%  Single, separated, divorced or widowed: 46.2%
<b>Pregnancy and Maternity</b>	No baseline data available, it is therefore presumed that persons with this protected characteristic exist within the local authority areas.				
<b>Race/Ethnicity</b>	Proportion of residents per ethnic group	<i>England, 2011</i> White: 85.4% Mixed: 2.2% Asian/Asian British: 7.8% Black/African/Caribbean/Black British: 3.5% Arab: 0.4% Other: 0.6%	White:97.5 % Mixed: 1% Asian/Asian British: 1.4% Black/African/Caribbean/Black British: % Arab: 0% Other:0.1 %	White: 95.8% Mixed: 1.2 % Asian/Asian British: 2.4% Black/African/Caribbean/Black British: 0.4% Arab: 0% Other: 0.2%	White: 93.1% Mixed: 1.8% Asian/Asian British: 4.1% Black/African/Caribbean/Black British: 0.6% Arab: 0.1% Other: 0.3%
<b>Religion and belief, including non-belief</b>	Proportion of residents per religious group	<i>England, 2011</i> Christian: 59.4% Buddhist: 0.5% Hindu: 1.5% Jewish: 0.5%	Christian: 64.9% Buddhist: 0.2% Hindu: 0.4% Jewish: 0% Muslim: 0.2%	Christian: 64% Buddhist: 0.2% Hindu: 0.3% Jewish: 0% Muslim: 0.3%	Christian: 58.9% Buddhist: 0.3% Hindu: 1.1% Jewish: 0.3% Muslim: 1.5%

		Muslim: 5.0% Sikh: 0.8% Other religion: 0.4% No religion: 24.7% Religion not stated: 7.2%	Sikh: 0.1% Other religion: 0.4%  No religion: 27.5% Religion not stated: 6.2%	Sikh: 1.5% Other religion: 0.4%  No religion: 26.8% Religion not stated: 6.6%	Sikh: 0.8% Other religion: 0.4%  No religion: 29.6% Religion not stated: 7.1%
--	--	---	---	---	---

<sup>22</sup> Note: In relation to the protected characteristic of marriage and civil partnership, a body subject to the duty only needs to comply with the first aim of the duty and only in relation to work (Part 5 of the Act). This is because the parts of the Act covering services and public functions, premises, and education do not apply to that protected characteristic.

<b>Sexual orientation</b>	<p>The ONS does not currently collect comprehensive, local-level data on sexual identity or non-binary gender identity. In 2018 however, the ONS identified that an estimated 94.6% of the total UK population aged 16 years and over identified as heterosexual or straight, 1.4% were gay or lesbian and 0.9% were bisexual<sup>25</sup>. 3.1% of the population stated that they were 'other' or did not know. Given these proportions, it is presumed that persons belonging to this protected group are prevalent in the local authority area.</p>	<p><i>UK, 2018</i>  Heterosexual: 94.6%  Gay/lesbian: 1.4%  Bisexual: 0.9%  Other/do not know: 3.1%</p>			
<b>Socioeconomic status</b>	Index of Multiple Deprivation (Average Rank)	Data not applicable at the national level data <i>England, October 2021</i>	12,444.19 4.9% £643	12,057.13 4.6% £630.4	5,098.76 4.3% £661

	2019 Unemployment rate Gross Weekly Pay	4.5% <i>England, April-June 2021</i> £686			
--	---	---	--	--	--



## Assessment of Potential Impacts and Mitigation Measures

EMF will drive economic regeneration bringing benefit to the people living in the area. There is a clear link between poverty and protected characteristics and the following assessment shows where actions will be taken, particularly in areas where there is an over representation of people with protected characteristics, to ensure these people do not experience discrimination, that there is equality of opportunity and fostering of good relations.

The following considerations have been made in the completion of the assessment:

- Activities that may result in temporary and permanent effects i.e. construction, development, operation.
- Any negative effects where there could be discrimination
- Aspects which go above and beyond to ensure there is no discrimination, such as a targeted initiative to promote better outcomes for a protected group
- Initiatives to ensure any negative effects are minimised
- Activities which target priority groups identified in the local area

Each potential impact is graded: positive, neutral, negative with accompanying mitigation measures.

There are three separate assessments:

- **Freeport company establishment and activities** including the creation of the EMF Executive Delivery Team, Board and Subgroups e.g. equality considerations within governance structures, provision of seed capital, business rates retention, R&D activities, skills development programmes and placements
- **Tax & Customs sites establishment (not including physical infrastructure)** including the location, any policy and regulation development and export/import duties.
- **Infrastructure development** including planning processes including site designations and establishment of LDOs, construction activities and integration with existing infrastructure.

## Freeport company establishment and activities

Protected Group	Potential Impacts	Impact Effect	Mitigation Measures
Age	People are not engaged with, supported, empowered to participate and able to influence EMF.	Negative	<p>EMF will ensure representation on the Board to promote a spirit of communal pride with good engagement across different groups. EMF will build a safe environment of openness and honesty to promote a culture of listening, learning, empathy and wellbeing, where bold ideas are actively encouraged and listened to.</p> <p>Board members will take part in mandatory training around inclusion, equality and diversity to ensure members are informed and their conduct appropriate in relation to diversity and the Equalities Act duties.</p> <p>The Board will ensure all consultation events are held and materials presented in a manner that is accessible to all audiences and will make reasonable adjustments that may be required to achieve this, adhering to and respecting the individual needs of the community to encourage involvement.</p>

	<p>There are barriers to employment e.g. Local Young People won't have the skill levels required for available jobs</p> <p>Older people will not have transport to shops, leisure &amp; limited access to healthcare</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Negative</p> <p>Positive</p>	<p>The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making</p> <p>Activities undertaken by EMF to:</p> <p>Ensure recruitment of YP by providing skills development programmes linked to local colleges and universities to improve opportunities. EMF will work with local stakeholders to ensure alignment between training offered and skills needed.</p> <p>Provide better access to transport and access to healthcare, and shops.</p> <p>Projects funded through business rates retention &amp; seed capital include wider interventions from private sector; local or central government and are designed to ensure accessibility and provide benefit to all age groups e.g upskilling through skills academies and training courses</p>
<p><b>Disability</b></p>	<p>People are not engaged with, supported, empowered to participate and able to influence EMF.</p> <p>There are barriers to employment opportunities for disabled workers</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Negative</p> <p>Positive</p>	<p>The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making</p> <p>Employment policies include promotion of equality and diversity</p> <p>Local digital and technical skills bootcamps are being run to further support access to the workforce for those with disability barriers in the area. These include the local New Defence National Rehabilitation Centre (DNRC) and upcoming National rehabilitation Centre (NRC) Loughborough,</p> <p>DIT recognition of Leicester and Leicestershire as a High Potential Opportunity (HPO) area for investment in Life Sciences – Rehabilitation, and Connected and Autonomous Mobility (CAM)</p> <p>Projects funded through business rates retention &amp; seed capital which are designed to support disabled workers</p>

<b>Gender (sex)</b>	Women are not engaged with, supported, empowered to participate and able to influence EMF.	Negative	The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making
	There are barriers to employment opportunities for women.	Negative	Targeted initiatives to employ women and encourage women in STEM fields through partnerships with universities e.g. The University of Nottingham's Women in Enterprise network will support skills growth and recruitment for women in the region, facilitating their capitalisation on the employment opportunities made available by the Freepport.

	Retained Business Rates and Seed Capital funds are available for new initiatives	Positive	Employment policies include promotion of equality and diversity.  Projects funded through business rates retention & seed capital which are designed to include gender pay gap initiatives to support female workers
--	--	----------	--

<b>Gender reassignment</b>	People are not engaged with, supported, empowered to participate and able to influence EMF.	Negative	The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making
	There are barriers to employment.	Negative	Employment policies include promotion of equality and diversity (i.e promoting use of different pronouns for staff).
	Retained Business Rates and Seed Capital funds are available for new initiatives	Positive	Projects funded through business rates retention & seed capital which are designed to include initiatives to support this group of workers

<b>Marriage and Civil Partnership</b>	<p>People are not engaged with, supported, empowered to participate and able to influence EMF.</p> <p>There are barriers to employment.</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Negative</p> <p>Positive</p>	<p>The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making</p> <p>Employment policies include promotion of equality and diversity (i.e promoting use of different pronouns for staff).</p> <p>Projects funded through business rates retention &amp; seed capital which are designed to include gender pay gap initiatives to support this group of workers</p>
<b>Pregnancy and Maternity</b>	<p>People are not engaged with, supported, empowered to participate and able to influence EMF.</p> <p>There are barriers to employment.</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Negative</p> <p>Positive</p>	<p>The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making</p> <p>Employment policies include promotion of equality and diversity i.e. maternity and paternity leave entitlements, miscarriage support, parental leave entitlements, flexible/part-time working encouragement)</p> <p>Projects funded through business rates retention &amp; seed capital which are designed to include gender pay gap initiatives to support this group of workers</p>
<b>Race/Ethnicity</b>	<p>People are not engaged with, supported, empowered to</p>	<p>Negative</p>	<p>EMF will ensure representation on the Board to promote a spirit of communal pride with good engagement across</p>

	<p>participate and able to influence EMF.</p> <p>There are barriers to employment.</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Positive</p>	<p>different groups. EMF will build a safe environment of openness and honesty to promote a culture of listening, learning, empathy and wellbeing, where bold ideas are actively encouraged and listened to.</p> <p>Board members will take part in mandatory training around inclusion, equality and diversity to ensure members are informed and their conduct appropriate in relation to diversity and the Equalities Act duties.</p> <p>The Board will ensure all consultation events are held and materials presented in a manner that is accessible to all audiences and will make reasonable adjustments that may be required to achieve this, adhering to and respecting the individual needs of the community to encourage involvement.</p> <p>Employment policies include promotion of equality and diversity.</p> <p>Projects funded through business rates retention &amp; seed capital which support this group of workers</p> <p>Consultation groups are representative of the ethnic diversities of the local population.</p> <p>EMF and its private-sector partners will leverage local recruitment programmes and regional initiatives, as well as the internal programmes available in order to deliver exceptional access to the new jobs driven by the Freeport to persons of all protected groups, including those of the full spectrum of ethnic backgrounds in the region</p>
<b>Religion and belief, including non-belief</b>	<p>People are not engaged with, supported, empowered to participate and able to influence EMF.</p> <p>There are barriers to employment.</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Negative</p> <p>Positive</p>	<p>Consultation groups are representative. The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making</p> <p>Employment policies include promotion of equality and diversity</p> <p>Projects funded through business rates retention &amp; seed capital which support this group of workers</p>
<b>Sexual orientation</b>	<p>People are not engaged with, supported, empowered to participate and able to influence EMF.</p> <p>There are barriers to employment.</p> <p>Retained Business Rates and Seed Capital funds are available for new initiatives</p>	<p>Negative</p> <p>Negative</p> <p>Positive</p>	<p>Consultation groups are representative. The Board will make a conscious active and targeted effort to engage with underrepresented community groups and individuals who will be impacted by the activities of the EMF ensuring their views are understood and represented in decision making.</p> <p>Employment policies include promotion of equality and diversity</p> <p>Projects funded through business rates retention &amp; seed capital which support this group of workers</p>

## Tax & Customs sites establishment (not including physical infrastructure)

Protected Group	Potential Impacts	Impact Effect	Mitigation Measures
<b>Age</b>	Customs sites are located in close proximity to where young children and older people access support.	Negative	EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.
	New customs sites will change employment conditions such as loss of local business because of decreased patronage	Negative	EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freeport
<b>Disability</b>	Impacts arising from the location and operation of tax and custom sites.	Negative	EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.
	New customs sites will change employment conditions such as loss of local business because of decreased patronage	Negative	EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freeport
<b>Gender (sex)</b>	Impacts arising from the location and operation of tax and custom sites	Negative	EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.
	New customs sites will change employment conditions such as loss of local business because of decreased patronage	Negative	EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freeport
<b>Gender reassignment</b>	Impacts arising from the location and operation of tax and custom sites	Negative	EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.
	New customs sites will change employment conditions such as loss of local business because of decreased patronage.	Negative	EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freeport
<b>Marriage and Civil Partnership</b>	Impacts arising from the location and operation of tax and custom sites	Negative	EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.
	New customs sites will change employment conditions such as loss of local business because of decreased patronage	Negative	EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.

			EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freepport
<b>Pregnancy and Maternity</b>	<p>Impacts arising from the location and operation of tax and custom sites</p> <p>New customs sites will change employment conditions such as loss of local business because of decreased patronage</p>	<p>Negative</p> <p>Negative</p>	<p>EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p> <p>EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freepport</p>
<b>Race/Ethnicity</b>	<p>Impacts arising from the location and operation of tax and custom sites</p> <p>New customs sites will change employment conditions such as loss of local business because of decreased patronage</p>	<p>Negative</p> <p>Negative</p>	<p>EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p> <p>EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freepport</p>
<b>Religion and belief, including non-belief</b>	<p>Impacts arising from the location and operation of tax and custom sites</p> <p>New customs sites will change employment conditions such as loss of local business because of decreased patronage</p>	<p>Negative</p> <p>Negative</p>	<p>EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p> <p>EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freepport</p>
<b>Sexual Orientation</b>	<p>Impacts arising from the location and operation of tax and custom sites</p> <p>New customs sites will change employment conditions such as loss of local business because of decreased patronage</p>	<p>Negative</p> <p>Negative</p>	<p>EMF and related local authorities will continue to support inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p> <p>EMF to provide complementary initiatives to capitalise on the employment opportunities made available through the Freepport</p>

## Infrastructure development

Protected Group	Potential Impacts	Impact Effect	Mitigation Measures
<b>Age</b>	<p>Changes in access arrangements impacting young or elderly people during construction and operation</p> <p>Impacts from changes to the local landscape including day-care centres, playgrounds, clubs, nursing homes</p> <p>Effects of infrastructure development on areas with high level of economic deprivation which impact young and older people.</p> <p>Employment effects arising from the construction of the new infrastructure.</p>	<p>Negative</p> <p>Positive</p>	<p>EMF and related local authorities will continue to support those entering the workforce by delivering skills, experience, and training, as well as those outside of working age through inclusive development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p>
<b>Disability</b>	<p>Changes in access arrangements impacting disabled people during construction and operation. Effects of infrastructure development requiring buildings to be developed to meet accessibility standards</p> <p>Impacts from changes to the local landscape including step free access, disabled parking and transport connections.</p>	<p>Negative</p> <p>Negative</p>	<p>Complementary initiatives to the Freeport are being designed to support those with disabilities to re-enter the workforce and to capitalise on the employment opportunities made available through the Freeport for those with disability barriers in the area.</p> <p>EMF will provide development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p>
<b>Gender (sex)</b>	<p>Impacts from changes to the local landscape including areas used predominantly by women (e.g. for women's health).</p> <p>Effects of infrastructure development on areas with high level of economic deprivation which impact women.</p> <p>Employment effects arising from the construction of the new infrastructure.</p>	<p>Negative</p> <p>Negative</p>	<p>EMF will provide development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.</p> <p>The Freeport has an important part to play in supporting women to re-enter the workforce effectively by delivering new jobs and leveraging existing initiatives.</p> <p>In addition to the leading ESF D2N2 recruitment programme, regional initiatives such as digital and technical skills bootcamps to increase participation from females and the University of Nottingham's Women in Enterprise network will be accessed to support skills growth and recruitment for women in the region, facilitating their capitalisation on the employment opportunities made available by the Freeport.</p>



<b>Gender reassignment</b>	Possible impacts from changes to the local landscape	Negative	EMF will provide development of regional transport infrastructure to facilitate continued access to healthcare and essential shops.
	Employment effects from construction of new infrastructure.	Positive	
<b>Marriage and Civil Partnership</b>	Effects of infrastructure development on areas of high levels of economic deprivation. Employment effects from construction of new infrastructure.	Positive	
<b>Pregnancy and Maternity</b>	Impacts from changes to the local landscape including areas used predominantly by pregnant women ( e.g. maternity facility)	Negative	EMF will provide development of regional transport infrastructure to facilitate continued access to healthcare and essential shops
	Effects of infrastructure development on areas of high levels of economic deprivation. Employment effects from construction of new infrastructure.	Positive	
<b>Race/Ethnicity</b>	Impacts from changes to the local landscape including areas used predominantly by people of a certain race (e.g. cultural clubs)	Negative	EMF and its private-sector partners will leverage local recruitment programmes and regional initiatives, as well as the internal programmes available in order to deliver exceptional access to the new jobs driven by the Freeport to persons of all protected groups.  Ensure constructions communications are in languages other than English where required.
	Communications in English language	Negative	
	Effects of infrastructure development on areas of high levels of economic deprivation. Employment effects from construction of new infrastructure.	Positive	

<b>Religion and belief, including non-belief</b>	Impacts from changes to the local landscape, including areas used predominantly by people of a certain religion ( e.g. mosque, temple, synagogue, church etc)Effects of infrastructure development on areas of high levels of economic deprivation  Employment effects from construction of new infrastructure.	Negative   Positive	EMF will provide development of regional transport infrastructure to facilitate continued access to healthcare and essential shops and culture and leisure activities
<b>Sexual Orientation</b>		Positive	
	Employment effects from construction of new infrastructure.		

### **Annex P – Customs Levers Case Studies**

Please see the separately attached document entitled 'EMF - Annex P - Customs Levers Case Studies' for the latest version of the Customs Lever Case Studies as at 31<sup>st</sup> January 2022

## Annex Q - Outputs and Outcomes

1e. i. - The outputs (benefits) that the Freeport activities detailed at 1d will generate and how

Benefit generated	Lever supporting delivery
Customs sites and simplified procedures to facilitate trade	The customs sites within the East Midlands Freeport region will allow businesses operating there to access duty suspension and a simplified import declaration and customs procedures in order to further facilitate trade and attract investment.
Coherently expressed investor value proposition and investor engagement	The EMF Trade and Investment strategy, alongside the lever availability within the Freeport, will result in a coherently expressed value proposition to investors, supported by the Marketing and Communications strategy set out in the Management Case.
Expansion of advanced manufacturing and logistics businesses	As outlined in Section 2di, there are plans to develop over 15 million sqft of new industrial and employment floorspace in the Ratcliffe Upon Soar area. Additionally, the EMF and its associated ECA and SBA tax levers will help accelerate these current plans and introduce more industrial floorspace to the region.
Trade support with DIT, particularly for SMEs	The trade and investment strategy proposed as part of the Freeport designation will coherently express investor value propositions and investor engagements, whilst placing a specific focus on supporting trade for the SMEs operating within the region. This should allow SMEs to continue to flourish in the region whilst increasing overall export volumes.
New businesses situated in region, advanced manufacturing and R&D investment	EMF will utilise its Freeport Seed Capital Funding as well as its tax and customs sites, retained business rates, and innovation and trade and investment promotion strategies to attract new businesses to the region and to further support the businesses already located in the East Midlands. Additionally, as outlined in Section 2b, the EMF will target the advanced manufacturing and R&D investment sectors, specifically, by offering Enhanced Capital Allowances (ECAs), zero rate of NICs for employers, duty flexibility and exemptions, and by providing upskilling opportunities for the local workforce through the Hydrogen Skills Academy.
Regional skills academies and training courses	As discussed in greater detail in sections 1b and 1dii, the EMF will ensure that there are regional skills academies and training courses situated across the region to upskill the local workforce and minimise the skills gap present in many of region's local authorities. Moreover, the EMF will work with local stakeholders so that there is an alignment between the training courses offered and the skills needed in the region.
Enhanced transport infrastructure for workforce access	EMF will look to leverage its Seed Capital Funding and business rates retention scheme, which ensures that public monies are spent on more targeted local initiatives, in order to complement the numerous existing initiatives in the area that are focused on connecting the workforce to employment opportunities. As outlined in more detail in sections 1dii and 1diii, examples of these initiatives include: the highway schemes in Leicester and Leicestershire, the improvements to the A6 and A60, and the £170m worth of funding from HMG's Towns Funds.
R&D initiatives in Freeport focused on new carbon-neutral technologies	EMF will place a large focus on decarbonisation and the green economy. In doing so, the combination of the Hydrogen Skills Academy; the East Midland's skills and Innovation Zone, which include the hydrogen developments on the EMAGIC and EMIP sites; the EMF's investment and innovation strategies; and its complimentary initiatives will ensure that there is support for R&D activities in the carbon neutral technologies space.
Local energy production decarbonised	To meet the Government's Net Zero ambition, the East Midlands Freeport has committed to accelerating the decarbonisation rate in the region and to put a focus on the Green Economy. As mentioned in Section 2g, the Uniper Ratcliffe power station will cease coal operations by 2024, with the new pipeline of developments supporting the net zero ambition. Additionally, the EMF's innovation strategy, along with tax levers and investment groups, will ensure that there are incentives in place to boost local energy production.
Hydrogen infrastructure put in place	Moreover, in addition to the East Midland's Hydrogen Academy and Innovation Zone, a large portion of the Freeport Seed Capital Funding will be spent on hydrogen infrastructure, thereby improving the existing hydrogen infrastructure capabilities in the East Midlands region and facilitating the use of hydrogen vehicles in the near future.
Enhanced logistics and rail infrastructure	Enhanced logistics infrastructure will be delivered in the East Midlands region through a combination of Freeport Seed Capital Funding, the trade and investment strategy and support, and the availability of ECA and SBA in the Freeport's proposed tax sites. Moreover, developments in maritime transport, HS2, match funding, and the EMIP railhead development, which will allow better connections to the Toyota manufacturing facility, will considerably improve connectivity both to and within the region.

Collaboration with universities and businesses fostered	The EMF will support collaboration between the numerous high calibre universities within the region and other major stakeholders. This network will boost R&D in the region and will allow for the adoption of new technologies by local businesses.
---	--

## Annex R – Confirmed Investments, Project Pipeline and other regional projects under consideration

### 1d. ii. Wider Interventions

Confirmed Investments							
Investment Description	Strategy/Objectives	Investment Value	Expected Outputs	Funder(s)	Delivery Timescales	Geographical Scope	How does the investment support the Freeport to realise its objectives?
<b>Derby College Technology Hub:</b> Advanced Manufacturing and engineering qualifications	Enhance engineering education through new high quality equipment purchases	£1.75m	2,500 Learners	Derby College; D2N2	Delivering	Derby	Delivers high levels of newly skilled workers in sectors which are complementary to the developments on the Freeport.
<b>Institute of Advanced Manufacturing:</b> Site supporting research partnerships and new developments in advanced manufacturing	Improve regional advanced manufacturing capabilities through the development of a new site focused on R&D	£23.1m	260 Jobs and pro arch imes	D2N2; University of Nottingham	Delivering	Nottingham	The project works with advanced manufacturing companies to develop new technologies and therefore become more innovative and productive in sectors which are complementary to the Freeport.
<b>HS2 and the Integrated Rail Plan:</b> East Midlands HS2 Growth Strategy	Boost national connectivity through construction of a new high speed railway line	£1.25m	<ul style="list-style-type: none"> <li>▶ 74,000 jobs</li> <li>▶ £4 billion of GVA by 2043 (10 years after HS2 Phase 2b is planned to be operational)</li> </ul>	Department for Transport	Expected 2029-2033	East Midlands	<p>The growth strategy will support the HS2 and Integrated Rail Plan developments in the region, including a new high-speed line between Birmingham and East Midlands Parkway.</p> <p>A further connectivity plan for East Midlands Parkway is also to be developed.</p>
<b>Space Park Leicester:</b> DIT priority location for space manufacturers	Strengthen regional R&D capabilities with a particular focus on advanced manufacturing through development of new site	Phase 1 supported by £8.2m allocation from the Local Growth Fund, total investment expected £100m	<b>Phase 1:</b> 200 FTEs, Local GVA increase by over £135m by year 5 of operation	University of Leicester; LLEP; ERDF; Research England; Natural Environment Research Council	1st phase opened in July 2021	Leicester	Whilst the initial phases of Space Park Leicester will deliver high quality research outputs, the opportunity for substantial economic impact will be in the attraction of advanced manufacturing businesses to the region.

<b>Smartparc Derby:</b> Investment in key infrastructure for new high tech and	Improve advanced logistics innovation capacity through construction of new infrastructure	£230m total	2,500 new jobs directly from the D2N2 Investment	D2N2; Derby City Council; Smartparc	Start on Site August 2021, completion Early 2025	Derby	Creates thousands of new jobs on a nearby site with advanced logistics and innovative new processes.
innovative food production site							
<b>Infinity Park Derby:</b> Infrastructure supporting business park with focus on advanced manufacturing and logistics	Enhance advanced manufacturing and logistics capabilities through clustering effects	£31.5m	4,500 jobs	D2N2; Derby City Council	Delivering	Derby	The site brings together multiple advanced manufacturing businesses on a site close to the Freepport and is working to cluster these businesses.
<b>Rail Research Innovation Centre:</b> Supply chain development of rail businesses	Strengthen productivity in the rail industry with a focus on skills improvement	£1.39m	Supply chain development and upskilling	D2N2; University of Derby	Delivering	Derby	The project is providing SMEs in the rail supply chain with opportunities to develop their businesses and employees skills ultimately improving productivity and complementing EMF.
<b>Rolls-Royce University Technology Centre (UTC) at Loughborough University:</b> National Centre for Combustion and Aerothermal Technology (NCCAT)	Boost training and development of young engineers with a focus on practical education	£40m	Access for 17,800 students to both facilities and research expertise for industrial partners, critical to the development of next generation combustion systems	Rolls-Royce plc; Loughborough University; BEIS; ATI	Delivering	Loughborough	A training ground for current and future aerospace engineers in a critical skill area for the UK, and innovation hub, ensuring new technologies are translated from theory to practice as quickly and as efficiently as possible.
<b>UK Electrification of Aerospace Propulsion Facility:</b> New capital equipment supporting research and development of low carbon aerospace technologies	Enhance innovation in the regional aerospace industry through R&D	£16.9m	345 Jobs and 150 learners	D2N2; University of Nottingham	Construction completion September 2021	Nottingham	The project works with advanced manufacturing companies to develop new technologies and therefore become more innovative and productive in sectors which are complementary to the Freepport.

<b>Mira Technology Institute (MTI):</b> Centre for skills on the grounds of the MIRA Technology Park	Improve automotive manufacturing productivity through skills development	£9.5m +	<ul style="list-style-type: none"> <li>▶ 1,000 jobs</li> <li>▶ 4m sq ft of new space</li> <li>▶ Potential value of up to £500m</li> </ul>	Evans Randall Investors; LLEP; Growth Deal Fund; BEIS	Late 2021	East Midlands	Businesses operating within MIRA already form part of the innovation environment of EMF, and the MTI development will further improve skills availability and development in automotive manufacturing.
<b>Charnwood Campus:</b> a Life Sciences	Create clustering effects to strengthen innovation and	£20m	450,000 sq.ft of multi-purpose, specialist	Almac and ARM Holding	Delivering	Loughborough	Charnwood's owners expect the Campus to attract tenants from a number of sectors including pharmaceuticals, life sciences, healthcare, new
Technology Park situated in Loughborough (inc Life Science Opportunity Zone status), Leicestershire, at the heart of the Midlands Engine	productivity in Med Tech and Biopharma industries		laboratories and equipment, stability cabinets, a pilot plant, offices, warehousing Car parking - 1,500 vehicles.				technology, R&D, academia and the public sector, creating opportunities to bring jobs back to Loughborough and the East Midlands. As a Life Sciences Opportunity Zone (LSOZ), Charnwood Campus will foster an eco-system of local business, leading research institutes and government organisations; to promote business growth by simplifying access to support and accelerating the pathway from concept to commercialisation in the Med-Tech and Biopharma sectors.
<b>Automation and Robotics Training Centre:</b> A new centre delivering robotics and engineering qualifications	Boost advanced logistics capacities through focus on robotics and automation	£900,000	1,180 Learners	West Notts College; D2N2	Delivering	Nottingham	Delivers high quality training in advanced logistics for the future workforce and aims to help combat the risks to jobs from automation.
<b>Digital Advanced Manufacturing and Engineering Centre:</b> New capital equipment to deliver FE and HE qualifications in advanced manufacturing and construction	Upskill employees in the advanced manufacturing and engineering industries	£850,000	560 Learners	D2N2; Chesterfield College	Delivering	Nottingham	Delivers high levels of newly skilled workers in sectors which are complementary to the developments on the freeport.

<b>SportPark Pavilion 4 at LUSEP:</b> A Global Sports Hub centred at Loughborough University Science and Enterprise Park (LUSEP), as part of the Loughborough and Leicester Science and Innovation Enterprise Zone	Create new job opportunities in the sports science industry with a focus on innovation	£6m	165 jobs and additional 157 induced jobs in wider economy	LLEP	Delivering	Loughborough	The new floorspace will help to create both direct employment and induced jobs in the wider economy, contributing to the upskilling of the region.
<b>Mercia Park (J11, M42):</b> Will become home to Jaguar Land Rover and DSV Group, which are the two principle operators that will	Strengthen regional automotive industry capabilities and upskill local workforce	£350,000	<ul style="list-style-type: none"> <li>▶ 3,400 jobs, 170 construction jobs per year during the build phase,</li> </ul>	IM Properties; The Mercia Park Community Fund (which will be managed by	Commenced work on site in May 2020	Derby	The scheme will provide a high-quality home for leading international businesses including JLR and DSV Group. It will deliver a transport strategy that will minimise impact on local roads and improve accessibility to the site, and it will also include a commitment to working with local partners to deliver
occupy the majority of the new 238-acre employment park			<ul style="list-style-type: none"> <li>▶ More than £7 million per annum in business rates An additional £139 million GVA per year to the local economy.</li> </ul>	Leicestershire and Rutland Community Foundation).			skills and training benefits during the construction and operation of the site.
<b>Fairham:</b> Strategic allocation for new housing at the south of Clifton (Nottingham) alongside the A453	Provide high quality new housing close to the EMF sites	£800m (value of development scheme)	3,000 homes and 20 hectares of employment within three miles of the Ratcliffe site.	Rushcliffe Borough Council	Commenced, with the first homes expected to be available to occupy from the spring of 2022, and completion around 2036	Nottingham	The scheme will add substantially to the housing supply in close proximity to Freeport locations.



1d. iii. Project Pipeline

Project Pipeline								
Project Description	Strategy/Objectives	Estimated Cost (Capital)	Estimated Cost (Revenue)	Expected Outputs	Funding status	Target Delivery Timescales	Geographical Scope	How would the investment support the Freeport to realise its objectives?
<b>Manufacturing Research Centre Midlands:</b> Development of a new advanced manufacturing research centre on the Infinity Park EZ site	Boost innovation and productivity in the advanced manufacturing sector through R&D activity	£16.25m		<ul style="list-style-type: none"> <li>▶ Multiple KTPs and research opportunities</li> <li>▶ 75 new jobs</li> </ul>	Possible funder identified. Over £9m of funding awarded to Derby City Council (£6.875m from its 'Getting Building Fund' and £2.2m from its 'Growing Place Fund')	Start on site September 2021	Derby	The project will aid local businesses and potential new occupiers of the Freeport site to take part in research and development activities at a specialist site in close proximity by delivering R&D opportunities for supply chain and OEMs.
<b>DevCo:</b> Supports site transformation and governance across Toton & Chetwynd East Midlands Hub, East Midlands Airport Area, and Ratcliffe-on-Soar Power Station Site	Coordinate regional governance in order to provide comprehensive redevelopment of East Midlands	£235m		<ul style="list-style-type: none"> <li>▶ More than 84,000 jobs</li> <li>▶ £4.8 billion of GVA</li> <li>▶ 4,500 homes</li> </ul>	Possible funder identified. Formally backed by LCC, NCC, NWLDC, Broxtowe and Rushcliffe Borough Councils.	Delivering	East Midlands	Supports site development, transport infrastructure, and job growth in the Freeport area, as well as potentially providing governance structures to EMF

<b>EMERGE:</b> Energy recovery facility at Ratcliffe-on-Soar	Support decarbonisation of energy industry through renewable energy production	£330m		Anchor project for site energy hub supporting inward industrial investments on site, supporting reduced carbon footprint, and delivering up to 600 temporary construction roles and 45 permanent jobs once operational	Request made/Possible funder identified. Funding application submitted June 2021.	Expected 2025	Nottingham	Job growth delivered through corporate situation in the brownfield site, and net zero ambitions supported through the redevelopment of the coal power station site. Also an energy hub, delivering on-site sustainable energy solutions available to freeport businesses with complimentary mix of electricity from EFW, renewables, energy storage in addition to the provision of heat and hydrogen. Local clustering of high demand users creates synergies to increase energy efficiency, enabling further reduced costs and carbon emissions.
<b>South Derby Growth Zone (SDGZ):</b> Enabling infrastructure (new A50 junction and link road to Infinity Park Derby)	Provide new infrastructure to boost local housing provision	£50m (subject to funding requested from Levelling Up Fund)		Up to 2,400 homes and 5m sq ft commercial space within EMF Outer Boundary	Request made (£49.6m awarded from HMG Levelling Up Fund)	Provisionally programmed for delivery by March 2025 subject to (Levelling Up Fund) grant confirmation	Derby	Adds to housing offer and complementary/supply chain manufacturing and distribution
<b>Drakelow Park enabling infrastructure:</b> Walton-uponTrent bypass and Trent crossing	Increase housing supply to support transformation of site	£12m (provisionally funded from Getting Building Fund, subject to FBC approval)		Regeneration of the former Drakelow Power Station site enabling 2,200 homes and up to 30 acres of industrial and commercial use land.	Request made (£12m (provisionally funded from Getting Building Fund, subject to FBC approval)	Programmed for delivery Q3/Q4 2021/22	Nottingham	Adds to housing offer and complementary/supply chain manufacturing and distribution.
<b>Lutterworth East Strategic Development Area (SDA):</b> (3000 homes, 1m sq.ft employment)	Boost regional employment opportunities and strengthen housing provision	£1 billion		<ul style="list-style-type: none"> <li>▶ 2500 jobs</li> <li>▶ 1,260 new homes built by 2031, further after 2031</li> </ul>	Request made by Leicestershire City Council	After 2031, most likely 2040 - still in delivery phase	Leicestershire	Workforce availability to businesses impacted by EMF, and additional employment opportunities available to residents of the development as a result of EMF proximity.

<b>EMIP Hydrogen Station</b>	Improve environmental impact of advanced logistics industry	£6m		Supports advanced and low carbon logistics in the region	Possible funder identified (support from University of Nottingham)	No current delivery plan	East Midlands	Assists with zero carbon objective by facilitating hydrogen supply to bus and local authority fleets, with potential for expansion into rail rolling stock.
<b>Improvements to A6/A50 junction to accommodate Boulton Moor housing development (within Infinity Garden Village)</b>	Strengthen local transport infrastructure	£3.75m		Underpins Garden Village development within Outer Boundary	Request made (Derbyshire County Council request, HMG funding announced)	No current delivery plan	Derby	Assists with movement of goods and people within Outer Boundary.
<b>Transport solutions connecting SDGZ, EMIP and TMUK</b>	Support Net Zero target through provision of alternatives to car transport	£5m (cycle routes parallel to A50 (SDGZ to TMUK) and A38 (EMIP to Burton))	£0.25m per annum (contracted bus services)	Reduced demand for car travel	Request made (HMG funding announced)	No current delivery plan	Derby	Assists with zero carbon objective.
<b>Skills Development Funding</b>	Support regional innovation growth and skills development		£0.2m per annum	Would underpin the drive for local jobs and innovation. We will need investment for research in business skills needs plus funds potentially to develop and deliver bespoke training as well as development	No possible funder identified yet	No current delivery plan	East Midlands	Assist with skills developments for local residents and raising productivity.
				of new apprenticeships				

<b>Leicester and Leicestershire Institute of Technology:</b> partnership to deliver skills from level 3-to level 7 in advanced manufacturing & digital across University of Leicester, De Montfort and the county's FE colleges	Develop and upskill advanced manufacturing workforce	£13m		60,000 jobs	Request made (Joint bid made to DfE – now in second round of consideration)	Delivering	Leicestershire	The LLEP economic recovery plan identifies lack of digital skills and lower than average productivity levels as factors inhibiting the region's growth. The need for skilled jobs will only increase as plans to open a Freeport in the East Midlands move ahead.
<b>East / West train service improvements:</b> e.g. Leicester to Coventry	Boost regional transport connectivity	£100m		<ul style="list-style-type: none"> <li>▶ Benefits of over £170 million to the local economy</li> <li>▶ Inward and outward journey travel times to fall significantly</li> <li>▶ Creation of more than two million extra seats each year</li> </ul>	Possible funder identified	2025	East Midlands	Faster and more frequent services between Leicester and Birmingham and the return of direct services between Coventry and LeicesterNottingham feature in £2 billion proposals to improve rail links between the East and West Midlands; this includes Midlands Engine Rail.
<b>Automated Distribution &amp; Manufacturing Centre (ADMC)</b>	Enhance innovation in advanced manufacturing sector through focus on R&D	£20m		The centre will support the adoption, integration, and expansion of new automated technologies amongst local and regional businesses in order to improve	Request made (£1m pledged by Nottingham Trent University)	No current delivery plan	East Midlands	Centre to support: <ul style="list-style-type: none"> <li>▶ Research and development</li> <li>▶ New product development and testing</li> <li>▶ Education and skills development</li> <li>▶ Technology showcasing</li> <li>▶ Networking, collaboration and event hosting</li> </ul>

				productivity and competitiveness				
<b>Highway Schemes in Leicester/Leicestershire:</b> Plans for the A511 growth corridor, with improvements made to nine locations between the A42 Junction 13 at Ashby to the Field Head roundabout near junction 22 of the M1, including upgrading a section of Stephenson Way from a single to a dual carriageway	Boost regional transport connectivity	£49m		Improved connectivity between the M1 and A42, improved access to existing and new jobs in a deprived area, unlock further homes in the area, improved journey times and reliability for residents and users of the corridor, will support a logistics and freight network with more reliable journey times, and will improve safety for all road users.	Possible funder identified (Leicestershire County Council)	2025	Leicestershire	The scheme will help to improve congestion, unlock further homes and jobs in the area and improve journey times for residents and users of the corridor. It will also help to improve the resilience of the A42 and M1, which are 'gateways' to East Midlands Airport.

<p><b>A52/A606 junction improvements:</b> A package of improvements between the A6005 and A46 to support delivery of various strategic allocations to the south and east of Nottingham (within Rushcliffe)</p>	<p>Improve existing infrastructure to increase local housing provision</p>	<p>£61m (of which £51m has already been secured) . Most of the outstanding amount expected to be developer funded.</p>		<ul style="list-style-type: none"> <li>▶ Improvements to key junctions on the A52, particularly major works to Nottingham Knight (A52/A60) junction and Wheatcroft (A52/A606) junction</li> <li>▶ Support for delivery of around 11,000 new</li> </ul>	<p>Request made (Support from Highways England)</p>	<p>By 2025/26</p>	<p>Nottingham</p>	<p>The scheme will support the delivery of substantial new homes and new jobs to the south and east of Nottingham and within proximity of the Ratcliffe on Soar site. It will improve journey times for residents and users of the A52 corridor to the south and east of Nottingham. It will help improve strategic road network to the north east of the Freeport sites and destinations beyond there.</p>
				<p>homes and 40 hectares of employment development.</p>				
<p><b>Dualling of A52 Lings Bar between Gamston (A52/A6011) junction and Wheatcroft (A52/1606) junction</b></p>	<p>Increase housing supply to support transformation of region</p>	<p>£25-30m</p>		<p>Support for the delivery of up to 4,000 homes and delivery of 20 hectares of employment.</p>	<p>Request made (Support from Highways England)</p>	<p>Still in discussion – estimated between 2025 and 2030.</p>	<p>Nottingham</p>	<p>The scheme would support the delivery of substantial new homes and new jobs within eight miles of the Ratcliffe on Soar site, and improve journey times for residents and users of the A52 corridor to the south and east of Nottingham. It would help improve the strategic road network to the north east of the Freeport sites and destinations beyond there.</p>
<p><b>Extension of Nottingham Express Transit (Tram) through Fairham</b></p>	<p>Strengthen transport connectivity to support development of local area</p>	<p>Up to £50m</p>		<p>Extension of tram through strategic allocation.  Facilitates potential further extension to Radcliffe on Soar site</p>	<p>Request made by Nottingham City Council</p>	<p>No current delivery plan</p>	<p>Nottingham</p>	<p>Supports delivery of 3,000 new homes and 20 hectares of employment land on strategic allocation, which is in close proximity to the Ratcliffe on Soar freeport site. Facilitate potential further extension of tram from there to Ratcliffe on Soar site/East Midlands Parkway rail station, which would provide direct tram connectivity to Nottingham.</p>

<b>EMF Transport Mitigations Projects – Package Two</b>	Strengthen transport connectivity to support development of local area and Freepport as a whole	£85m		Improvements at key locations listed below.  See points (a-h) for specific improvements.	Request to be made	No Current delivery plan	East Midlands	Package of Transport Mitigations designed to specifically improve network around Kegworth, enhancing capacity in the surrounding area to indirectly help address congestion at M1 J24/24a.
a) M1 Junction 24/24a				<ul style="list-style-type: none"> <li>▶ Extend 3 lane section by 150m at Southbound off slip.</li> <li>▶ Upgrade of merge layout to reduce upstream A50 to a single lane.</li> </ul>				
b) Kegworth				<ul style="list-style-type: none"> <li>▶ New Eastern bypass.</li> <li>▶ Downgrade of London Road to Derby Road corridor to accommodate additional traffic calming measures</li> </ul>				
c) Ratcliffe-onSoar				<ul style="list-style-type: none"> <li>▶ All roundabouts at A453 grade separated junctions with widen of flares</li> </ul>				

d) A453 Clifton				<ul style="list-style-type: none"> <li>▶ Third lane/flare at northbound approach to junction on A453 Remembrance Way.</li> </ul>				
e) A453 Airport				<ul style="list-style-type: none"> <li>▶ Widening of A453 single carriageway road to dual carriageway in front of the airport.</li> <li>▶ Reinstate shuttle bus from EM Parkway Station to EMA.</li> </ul>				
f) Hathern				<ul style="list-style-type: none"> <li>▶ Realign Whatton</li> </ul>				
				<p>Road to meet A6006 Zouch Road to form signalised crossroads.</p>				
g) A5132				<ul style="list-style-type: none"> <li>▶ Discourage additional traffic through various traffic calming measures, reduce speed limits through Snakestone , Repton and Willington.</li> </ul>				



h) A60 Corridor				<p>▶ Gateway features on A60 Loughborough Road and Bradmore Lane.</p>				
-----------------	--	--	--	---	--	--	--	--

Other regional projects under consideration	
Project	Description and narrative
<p><b>Health and Safety Executive (HSE) – Buxton</b></p>	<p>One of the 4 key research themes within the Science Division is Future Clean &amp; Green Energy technologies – including the health and safety aspects of hydrogen as a fuel. HSE are working extensively on hydrogen and have been for a couple of decades. Live projects include:</p> <ul style="list-style-type: none"> <li>- HyDeploy: 20% in the NE gas grid.</li> <li>- HyTunnel: accident scenarios of hydrogen vehicles in tunnels.</li> <li>- MultHyFuel, H2 refuelling stations, partnered with ITM Power in Sheffield.</li> <li>- Also, marine and ammonia fuel; aviation: ATI Fly Zero for zero carbon emission air travel by the end of the decade.</li> </ul>

<b>TUV Risktec</b>	They aim to create a globally recognised hydrogen safety certificate which could be in collaboration with the HSE. Risktec Risk Management projects in Hydrogen systems include HAZOP, LOPA, COMAH Studies, Emergency Response Planning, Bowtie Risk
--------------------	--

*1d. Other regional projects under consideration*

	Assessment, DSEAR Assessment, ATEX Hazardous Area Classification. Clients include key electrolyser manufacturers to Oil and Gas majors. Expertise also extends to hydrogen generation and distribution systems, Risktec have also been involved in Risk Management projects on the sub surface Carbon Capture and Storage technologies currently in use in the clean energy industry. Working with TUV Risktec would catalyse the HSA in delivering on its aims.
<b>Centre for Logistics Education and Research (CLEAR)</b>	A unique research, innovation, education, and training facility based in Magna Park, Lutterworth. The scheme will provide skills training and professional development at all levels in logistics and supply chain roles, creating compelling employment opportunities in the region.
<b>Food and drinks-focused manufacturing zone</b>	Three locations on the edge of Melton Mowbray, as well as a centrally located site, have been identified as suitable locations for food and drink-focused manufacturing. The delivery of these 82 hectares of employment sites could potentially generate thousands of jobs and support innovation in the food sector.
<b>Strategic ‘garden village’ / sustainable urban extension (SUE) developments</b>	Across Whetstone Pastures, Broadnook, Garendon Park, Barwell and Thorpbury – primarily housing led but with significant employment elements.
<b>Hinckley National Rail Freight Interchange (HNRFI)</b>	At junction 2 of the M69, the scheme is being brought forward by Tritax Symmetry and is considered to be a Nationally Significant Infrastructure Project (NSIP). It will deliver 850,000 sq m of built logistics space.
<b>High Potential Opportunities (HPO) programme bids</b>	In response to a bid led by LLEP, DIT recognised Leicester and Leicestershire as a HPO area for investment in Life Sciences – Rehabilitation, and Connected and Autonomous Mobility (CAM).
<b>New Defence National Rehabilitation Centre (DNRC) and upcoming National rehabilitation Centre (NRC)</b>	Rehabilitation centre for members of the armed forces at Stanford Hall near Loughborough.
<b>Gigabit Cities</b>	A network of over 70km of full-fibre internet cables are already in place throughout Nottingham, linking many public buildings and key business clusters, and more are being laid all the time, extending reach and availability. Full-fibre connectivity will reach nearly every home and business in the town and provide a platform for a new generation of “smart city” applications and the roll-out of 5G mobile services.

## Annex S – Tax Site Suitability Analysis

### 1f. Proposed tax sites – regeneration need and underutilisation suitability analysis

Compliance requirement	Requirement detail	Ratcliffe-on-Soar (Ratcliffe)	East Midlands and Intermodal Park (EMIP)	East Midlands Airport and Gateway Industrial Cluster (EMAGIC)
<b>Compliance with the regeneration need requirement of a Freeport tax site</b>	Below average GDP per head over last five years  <i>Source:</i> Gross Domestic Product per head at current market prices (ONS)	Rushcliffe Borough Council vs. (UK)  <b>2019:</b> £27,729 (£50,041) <b>2018:</b> £26,321 (£50,855) <b>2017:</b> £23,547 (£51,514) <b>2016:</b> £22,689 (£51,995) <b>2015:</b> £22,228 (£50,665)	South Derbyshire District Council vs. (UK)  <b>2019:</b> £30,355 (£50,041) <b>2018:</b> £29,893 (£50,855) <b>2017:</b> £29,159 (£51,514) <b>2016:</b> £29,900 (£51,995) <b>2015:</b> £27,787 (£50,665)	North West Leicestershire Council vs. (UK)  <b>2019:</b> £41,153 (£50,041) <b>2018:</b> £40,251 (£50,855) <b>2017:</b> £37,982 (£51,514) <b>2016:</b> £37,708 (£51,995) <b>2015:</b> £36,268 (£50,665)
	Above average national unemployment rates currently or over the last 5 years  <i>Source:</i> Model-based estimates of unemployment (NOMIS) – Unemployment rate 16+	Rushcliffe Borough Council vs. (England)  <b>2020:</b> 3.8% (4.6%) <b>2019:</b> 2.4% (3.9%) <b>2018:</b> 3.4% (4.1%) <b>2017:</b> 3.5% (4.4%) <b>2016:</b> 3.2% (4.8%)	South Derbyshire District Council vs. (England)  <b>2020:</b> 3.6% (4.6%) <b>2019:</b> 2.3% (3.9%) <b>2018:</b> 3.3% (4.1%) <b>2017:</b> 2.8% (4.4%) <b>2016:</b> 2.6% (4.8%)	North West Leicestershire Council vs. (England)  <b>2020:</b> 4.8% (4.6%) <b>2019:</b> 3.3% (3.9%) <b>2018:</b> 4.2% (4.1%) <b>2017:</b> 2.8% (4.4%) <b>2016:</b> 3.5% (4.8%)
	Additional narrative	While Rushcliffe has a lower than-national average unemployment rate, its productivity is starkly below that of the national average and, as evidenced below, the site meets underdevelopment criteria. Additionally, the redevelopment of the Ratcliffe-on-Soar site could bring about greatly needed employment opportunities to the wider Nottingham region, which has seen its unemployment rate rise above the national average for the past 5 years, reaching a high of 8% in 2019.	As with Rushcliffe, South Derbyshire has a lower than- national average unemployment rate but, as evidenced below, the site meets underdevelopment criteria. Also, the EMIP tax site may be able to boost the lagging employment market in the region, with Derby County Council seeing a higher than national average unemployment rate for the past five years, growing from 4.5% in 2016 to 5.4% in 2020. <sup>23</sup>	North West Leicestershire has seen a recent rise in its unemployment rate, reaching 4.8% in 2020 compared to 4.6% across England as a whole. <sup>24</sup> North West Leicestershire has areas of the District (Coalville / Whitwick) that suffer from high levels of unemployment and deprivation. Additionally, its productivity has consistently been below that of the national average and, as evidenced below, the site meets underdevelopment criteria.
<b>Compliance with the ‘underdeveloped’ requirement of a Freeport tax site</b>	Detail of current land underutilisation	The areas nominated for freeport exclude the main powerplant buildings and structures, sub stations and engineering and training facilities on site. Freeport area to the south of the site has	The whole site is currently underdeveloped land. There are no existing businesses operating from the proposed tax site.	At present, the only operational facility in the SLPEMG site is the Maritime Transport Rail Freight Terminal. This currently has 59 employees who regularly

<sup>23</sup> NOMIS. (2020). *Model-based estimates of unemployment – Unemployment rate 16+*

<sup>24</sup> NOMIS. (2020). *Model-based estimates of unemployment – Unemployment rate 16+*

		<p>historically been used for ash storage to support power station operations and contains no significant existing buildings or structures. Freeport areas on the North of the site comprise of different land areas used for coal stocking, laydown areas or not previously developed. Coal yard will not be required following shutdown of the power station in 2024. Only a small number (&lt;50) of site staff are involved in work on the coal yard operation and wider site security/management functions involving freeport tax site areas. These staff typically commute from within a 50-mile radius of the site. Numbers will reduce significantly as the station moves to closure by Sept 2024. Employee wages are in excess of £25k+ p/head.</p>		<p>work within the tax site, most of whom commute via road from locally.</p> <p>The land in the EMA Operational Area is currently utilised for general aviation (private charter aircraft, flying school, aircraft maintenance), aircraft maintenance and airport passenger car parking, and has a very low employment density.</p> <p>Buildings on the EMA land are typically old, basic structures and are in need of significant refurbishment / renewal and the land is currently underutilised for a significant portion of the year as a result of seasonal nature of passenger aviation activity at EMA. Total employee numbers on this land are ~50, and it is estimated that these employees have an average wage of ~£25,000pa.</p> <p>The SEGRO South component is currently used as arable farmland.</p>
--	--	--	--	--

	<p>Use of 'underutilised' land</p>	<p>It is proposed that the land will be used for advanced manufacturing (including potential gigafactory development), advanced logistics, energy production &amp; circular economy (e.g. EMERGE)</p>	<p>The initial masterplan indicates that the site will deliver 10 buildings which can be occupied independently. However, there is flexibility of potential layouts and development will be on a build to suit basis only.</p> <p>These buildings will support:</p> <ul style="list-style-type: none"> <li>▶ Advanced manufacturing including automotive sector</li> <li>▶ Logistics, complex supply chain and e-commerce sector</li> </ul> <p>[REDACTED]</p>	<p>It is anticipated that between 1.5m and 1.8m sq. ft. of employment floor space could be constructed within the Tax Site boundary at SLPEMG.</p> <p>It is anticipated that post-development, the EMA land will be used for:</p> <ul style="list-style-type: none"> <li>▶ Aviation / cargo use - cargo transit facilities operated by major ground handler / freight forwarders / express cargo operators</li> <li>▶ High tech aviation operator of e-Vtol craft</li> <li>▶ Fixed Based Operator / Maintenance operations</li> </ul> <p>Technical work for the SEGRO South component is ongoing, but an initial development concept has been prepared which demonstrates that the site is capable of accommodating a range of plot and building sizes with a potential total floorspace of up to 3.2million sq. ft.</p>
--	------------------------------------	---	---	--

	<p>How will lead to additional investment and employment</p>	<p>Use of the site for proposed investments will bring significant employment numbers for the region, particularly given the existing regional strength in advanced manufacturing, energy and logistics.</p>	<p>The site will deliver:</p> <ul style="list-style-type: none"> <li>▶ Development of new commercial accommodation</li> <li>▶ development on land of strategic scale and in the right location to support a critical mass</li> <li>▶ new rail infrastructure and loading areas to enable the transfer of unitised freight between road and rail</li> <li>▶ Enhanced connectivity within the Freeport supporting a modal shift from road to rail transport</li> </ul>	<p>SEGRO Properties Limited's investment in the buildings in the tax site is anticipated to attract occupiers to take long leases and create employment.</p> <p>Meanwhile, redevelopment of the EMA sites with construction of new buildings and facilities for increased employment density of operations will facilitate the aforementioned sectoral investment and activities.</p>
--	--	--	--	---

	<p>Estimated benefits, including: - the anticipated investment in the tax site and the rationale for that estimate  - an estimate of the number of future businesses operating in each tax site and - an estimate of additional employment</p>	<p>Based on current commercial estimates, Uniper UK anticipates that 5-10 businesses will take residence in the site, which – depending on the final nature of the investors – could lead to the generation of approximately 10,000 jobs.  [REDACTED]</p>	<p>[REDACTED]</p> <p>It is estimated that businesses residing in the 10 buildings will yield up to 7,000 new employment opportunities locally when the scheme is developed (based upon Employment Density Guide, Homes and Communities Agency 2015), and over 2,000 temporary jobs during the construction stage.</p>	<p>[REDACTED]</p> <p>This is estimated to result in 1,500 new jobs within the SLPEMG area.</p> <p>Furthermore, at the SRFT in SLPEMG, with Tax Site status, Maritime will immediately look to bring forward the investment of the additional tracks of 750m in length each and the two Rubber Tyred Gantry Cranes required to straddle all five tracks and a roadway to service trucks directly, anticipating delivery in 2023-2024. The scale of this will, in effect, create a new Terminal, which will precede the anticipated uptick for demand in regional rail freight throughput and provide ample capacity for Freeportdriven development, encouraging acceleration of complementary developments across EMAGIC and the wider region.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] EMA estimates that driving this, 4-5 new businesses will</p>
				<p>operate on the tax site land, delivering up to 1,000 additional jobs.</p> <p>Finally, the SEGRO South component is forecast to deliver approximately 16 new businesses to the region, leading to potential job growth of 4,500 jobs.</p>

## Annex T – EMF emissions monitoring and reduction approach

### 1g. Net Zero – EMF approach

Freeport area emissions							Not reported																															
Freeport business sites and associated infrastructure emissions						Reported	Regional emissions: off site																															
Emission sources	Ratcliffe		EMAGIC		EMIP																																	
	<b>Primary industries:</b> <ul style="list-style-type: none"> <li>Low carbon &amp; renewable energy production and transmission</li> <li>Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment</li> </ul>		<b>Primary industries:</b> <ul style="list-style-type: none"> <li>Advanced logistics and warehousing</li> </ul>		<b>Primary industries:</b> <ul style="list-style-type: none"> <li>Advanced logistics and warehousing</li> <li>Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment</li> </ul>		<b>Primary industries:</b> <ul style="list-style-type: none"> <li>Advanced logistics and warehousing</li> <li>Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment</li> <li>Research and development</li> </ul>																															
	<b>Primary on-site emission sources:</b> <table border="1"> <thead> <tr> <th>Site operator/s</th> <th>Business operators</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>Scope 1</td> </tr> <tr> <td>Scope 2</td> <td>Scope 2</td> </tr> <tr> <td>Scope 3 (not reported)</td> <td>Scope 3 (not reported)</td> </tr> </tbody> </table>		Site operator/s	Business operators	Scope 1	Scope 1	Scope 2	Scope 2	Scope 3 (not reported)	Scope 3 (not reported)	<b>Primary on-site emission sources:</b> <table border="1"> <thead> <tr> <th>Site operator/s</th> <th>Business operators</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>Scope 1</td> </tr> <tr> <td>Scope 2</td> <td>Scope 2</td> </tr> <tr> <td>Scope 3 (not reported)</td> <td>Scope 3 (not reported)</td> </tr> </tbody> </table>		Site operator/s	Business operators	Scope 1	Scope 1	Scope 2	Scope 2	Scope 3 (not reported)	Scope 3 (not reported)	<b>Primary on-site emission sources:</b> <table border="1"> <thead> <tr> <th>Site operator/s</th> <th>Business operators</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>Scope 1</td> </tr> <tr> <td>Scope 2</td> <td>Scope 2</td> </tr> <tr> <td>Scope 3 (not reported)</td> <td>Scope 3 (not reported)</td> </tr> </tbody> </table>		Site operator/s	Business operators	Scope 1	Scope 1	Scope 2	Scope 2	Scope 3 (not reported)	Scope 3 (not reported)	<b>Primary emission sources:</b> <table border="1"> <thead> <tr> <th>Site operator/s</th> <th>Business operators</th> </tr> </thead> <tbody> <tr> <td>Off-site emissions – all scopes</td> <td>Scope 1</td> </tr> <tr> <td></td> <td>Scope 2</td> </tr> <tr> <td></td> <td>Scope 3</td> </tr> </tbody> </table>	Site operator/s	Business operators	Off-site emissions – all scopes	Scope 1		Scope 2	
Site operator/s	Business operators																																					
Scope 1	Scope 1																																					
Scope 2	Scope 2																																					
Scope 3 (not reported)	Scope 3 (not reported)																																					
Site operator/s	Business operators																																					
Scope 1	Scope 1																																					
Scope 2	Scope 2																																					
Scope 3 (not reported)	Scope 3 (not reported)																																					
Site operator/s	Business operators																																					
Scope 1	Scope 1																																					
Scope 2	Scope 2																																					
Scope 3 (not reported)	Scope 3 (not reported)																																					
Site operator/s	Business operators																																					
Off-site emissions – all scopes	Scope 1																																					
	Scope 2																																					
	Scope 3																																					
Approach	<ul style="list-style-type: none"> <li>EMF will undergo a baselining exercise, and review current plans and status.</li> <li>From this baseline, EMF expect identified freeport business sites to exceed the UK Government staged carbon emission targets for Scope 1 and Scope 2 emissions on a consolidate basis (emissions net of carbon removals).</li> <li>This will be managed by Freeport partners acting as Site operators, however the EMF Evaluation Partner (c.f. Section 5b) will hold responsibility for reporting progress on Net Zero to the board on an annual basis, as well as reporting to UK Government stakeholders as required.</li> <li>Double counting of emissions will be mitigated through the focus on Scope 1 and Scope 2 emissions monitoring.</li> <li>While Scope 3 emissions are initially unmonitored, plans to reduce these will be monitored and encouraged by partners.</li> </ul>						Regional emissions, both outside sites but inside the EMF area, and outside the EMF area will not be monitored, however the EMF is committed to supporting activities which will reduce emissions regionally, as evidenced by existing partner and infrastructure plans																															

## Annex V – Interdependency detail and mitigations

The EMF FBC sets out six strategic interdependencies of the Freeport, as follows:

- ▶ HMG energy policy and incentives
- ▶ Net Zero policy
- ▶ Alignment with the East Midlands Development Corporation (DevCo)
- ▶ Continued development of the HMG's planning regime
- ▶ Transport infrastructure and usage
- ▶ Funding to regional public bodies and educational institutions

Of these, EMF identified the EM DevCo, HS2, and energy policy / Net Zero policy as being the three areas of Government policymaking which are of most significant public interest and provide detail below of the nature of the implications of evolving policy in relation to these, and interpretation of EMFs applicable mitigating actions and circumstances.

### Integrated Rail Plan and HS2 (as part of “transport infrastructure and usage”)

A key tenet of the transport infrastructure policy interaction for EMF is in relation to rail transformation in the region, particularly rail freight transformation, supported by recent UK Government policy announcements such as the Integrated Rail Plan (IRP).

EMF believes that the IRP will support EMF in developing the long-term regional value proposition, delivering job growth and productivity benefits in future years. However, given timeframes and activities to date, EMF does not identify IRP and HS2 developments as a critical dependency for success of EMF's initiatives. Rationale for these two statements is set out below:

#### *IRP as an enhancer to the long-term regional value proposition*

The IRP announced on 18<sup>th</sup> November 2021 is highly complementary to EMF and can enhance the value proposition of the East Midlands region in the longer term, offering the opportunity for regional growth over and above that modelled as part of EMF's core scenarios, by improving transport infrastructure. This is due to two key factors: **East Midlands Freeport:**

1. The newly revised HS2 east leg utilising East Midlands Parkway – the station directly adjacent to the Ratcliffe tax site – is set to be a HS2 location providing a HS2 station into the heart of EMF which is connected to one of the three EMF tax sites. In the long term, this will enhance transport links for the growing workforce using rail to access employment in the tax sites, particularly Ratcliffe.

These improved passenger transport links can expand the travel to work area for EMF and associated sites, consequently facilitating the connection of potential employees to vacancies resulting from investment into the Freeport.

2. HS2 and other IRP investments facilitate the conversion of road freight to rail in the long term by transferring some passenger travel to high-speed lines, consequently releasing capacity on the existing rail network for additional rail freight.

This will enhance the long-term value proposition of the proposed rail freight developments at EMIP and EMAGIC (close to East Midlands Parkway) and the railhead at Ratcliffe-on-Soar by supporting increased volumes of freight capacity on the rail network.

Further to this, we note that the electrification of the Midland Mainline will enhance the decarbonisation of existing diesel services, strengthening EMF's strategic intent to reduce regional carbon emissions through the aforementioned transfer of road freight to rail.

#### *No EMF dependence upon HS2 developments*

Despite the complementary nature of IRP developments, the development and operationalisation timescales of each tax site are substantively earlier than those for proposed HS2 developments. Notably, new estimates for HS2 East indicate operationalisation from 2035 at the earliest, with less substantive IRP investments such as mainline electrification occurring beyond 2025.

Consequently, the substantive transformation resulting from the IRP is anticipated to be significantly beyond the 2026 limit for tax lever availability in tax sites, and as a consequence has not been factored into quantification of benefits delivered by EMF tax sites within a reasonable timeframe.

However, once operational, HS2 and accompanying developments will have an enduring impact, sitting alongside EMF initiatives in supporting the levelling up agenda in the East Midlands.

### **EM DevCo**

The strategic initiatives being planned via EMF are complementary to those of the DevCo, a council-owned company supporting regeneration of three identified "growth centres" in the East Midlands, being the Toton & Chetwynd East Midlands Hub ("Toton"), Ratcliffe-on-Soar Power Station area, and East Midlands Airport area, together with those of Midlands Engine and Midlands Connect.

The IRP states that 'plans for an East Midlands Delivery Vehicle will be accelerated'. This is welcome and taken to mean that a legislative timeslot will be identified with a view to the delivery vehicle being enacted.

Whilst the timescale remains to be confirmed and while EMF is not dependent on DevCo activity or progression, planning activities relating to the relationship with the DevCo are underway and will continue to ensure that EMF capitalises upon potential synergies with the proposed activity of a delivery vehicle.

Potential relationships with a delivery vehicle can be categorised into two groups – Site planning and investment support, and Regional governance alignment.

#### *Site planning and investment support*

The DevCo has been designed as a means of managing and releasing funding for planning and development in the region, focused upon the three aforementioned sites. The DevCo states that its proposed activities will enhance-

- ▶ Regional planning and land acquisition;
- ▶ Investment;
- ▶ Capacity and capability; and
- ▶ Promotion, branding and co-ordination

Consequently, a delivery vehicle could assist developers of growth centres sites in obtaining planning consent and attracting inward investment, and impacted EMF landowners may continue to engage with the DevCo to ensure that this is leveraged. Notably, this is a potential opportunity for development timescale risk mitigation, as a delivery vehicle can assist with the expediting of planning activities on relevant sites.

However, there is no specific contingency on the establishment of a delivery vehicle for delivery of EMF activities - while planning acceleration and complementary investment could result at "growth centres" such as Ratcliffe, the EMF- driven investment is not foreseen to be dependent upon this. Consequently, the potential outcomes set out in EMF FBC do not include contingency upon the DevCo and accompanying investment - EMF economic modelling is independent from investment delivered through the DevCo, and EMF economic benefits were not forecast to be impacted should the DevCo not proceed.

#### *Regional governance alignment*

Whilst EMF designation and the accelerated establishment of a delivery vehicle are expected to be on different timescales, it had been noted that synergies may be achieved through alignment of governance structures through facilitating coordination of spend and development, and reduction of any governance duplication, recognising the requirements of the Freeport Board as set out in Government guidance.

Consequently, EMF has drawn up and progressed scenario-specific concepts for Freeport governance which covered multiple DevCo outcomes. EMF will be considering implementation of these moving forward to make best use of identified synergies.

At present, the EMF board has an observer from the DevCo, and this is reciprocated to ensure visibility over activities and key decisions.



Across already identified scenarios, there has been no identification of any risk to EMF activities as a result of the eventual DevCo model. Proposals for the delivery vehicle will be carefully reviewed by the EMF board as the EMF governance structure progresses into delivery phase, in order to ensure that opportunities for cooperation are capitalised upon.

### **Net Zero policy, Energy policy, and incentives**

#### *Interdependency detail*

Success and completion of a number of proposed investments into EMF sites are impacted by UK Government policymaking on both Energy and Net Zero. These investments include the EMERGE and proposed Gigafactory development at the Ratcliffe site, in addition to proposed hydrogen developments in the East Midlands Hydrogen Innovation Zone (EMHIZ)

While EMF will facilitate and amplify these developments, there is a risk that negative UK Government policy with respect to support and incentives for renewable and alternative energy generation and storage would delay or deter such investments from coming forth, reducing the effectiveness of EMF.

#### *Risk mitigation activities*

To mitigate the aforementioned risks, EMF will take an active part in engagement as part of the Freeport Regulatory Engagement Network (FREN), an effort targeted via the EMF subcommittee structure. Additionally, EMF is ensuring that external-focused communication successfully expresses the benefits available through Freeport levers to encourage sectoral investment despite policy uncertainty. Finally, EMF is engaging proactively with regional Universities and other stakeholders to ensure that levers are best connected to beneficial target investments and other regional initiatives such as the EMHIZ to maximise regional growth in the sector.

### **Annex W – Flood risk at EMF tax sites**

<b>Location</b>	<b>Ratcliffe-on-Soar (Ratcliffe) tax site</b>	<b>East Midland Intermodal Park (EMIP) tax site</b>	<b>East Midlands Airport</b>	<b>SEGRO Logistics East Midlands Gateway</b>	<b>SEGRO South</b>
Flood risk (according to HMG postcode flood risk website)	Very low risk	Very low risk	Very low risk to very high risk (building dependent)	Very low risk	No postcode data available, but the site's totality is located within a <i>Flood Zone 1</i> area, so is at low risk of flooding.

The above information is based on the surface water flood risk and rivers and the sea flood risk according to the HMG post code flood risk website <sup>1</sup> <https://check-long-term-flood-risk.service.gov.uk/postcode>. For each tax site, the post code contains multiple addresses and the range of risk ratings for these addresses is illustrated above.

#### *Post codes for each tax site:*

**Ratcliffe-on-Soar:** NG11 0EE

**EMIP:** DE65 6DX

**East Midlands Airport:** DE74 2SA

**SEGRO Logistics East Midlands Gateway:** DE74 2BB **SEGRO South:** N/A

The maps below are taken from the HMG post code flood risk checker website and illustrate the extent of flooding risk in the wider location in which each tax site is situated. These illustrate the low levels of flood risk by tax site. [Flood risk maps by site: Ratcliffe](#)

**Surface water flood risk**



Extent of flooding from surface water

● High ● Medium ● Low ● Very low ⊕ Location you selected

**Rivers and the sea flood risk**



Extent of flooding from rivers or the sea

● High ● Medium ● Low ● Very low ⊕ Location you selected

**Flood risk maps by site: *EMIP***

**Surface water flood risk**



Extent of flooding from surface water

● High ● Medium ● Low ● Very low ⊕ Location you selected

**Rivers and the sea flood risk**



Extent of flooding from rivers or the sea

● High ● Medium ● Low ● Very low ⊕ Location you selected

**Flood risk maps by site: *EMAGIC***

**Surface water flood risk**



Extent of flooding from surface water

● High ● Medium ● Low ● Very low ⊕ Location you selected

**Rivers and the sea flood risk**



Extent of flooding from rivers or the sea

● High ● Medium ● Low ● Very low ⊕ Location you selected

## Annex X – Target markets and job growth breakdown: EMF tax sites

EMF is anticipated to generate over 50,000 new jobs across a variety of sectors, with a particular focus on Advanced Logistics and Manufacturing, Renewable Energy Production, and Research and Development. This will be a catalyst for sustainable and innovative growth in the region, addressing the existing skills shortages and empowering the East Midlands to be a key participant in the levelling up agenda. The methodology and assumptions used for calculating the job figures can be found in Annex I. Tax Site sectoral focus by SIC code is set out in a table at the end of this annex. Meanwhile, further narrative on “Minimising displacement risk” can be found later in this response.

### ***Ratcliffe-on-Soar***

#### Target Sectors and investment

Jobs generated at Ratcliffe will primarily fall within the Renewable Energy Production, Advanced Manufacturing, and Advanced Logistics sectors. This will be driven by the construction of around 2.2m sq ft of industrial space on the North site and development of the South site covering 3.4m sq. ft. Most of the investment across the site will be in the manufacturing sector, with a total of 4.4m sq ft of development. There will be a further 970,000 sq ft of logistics development and 215,000 sq ft of development in the energy sector.

The focus on creating new solutions to achieve Net Zero, such as the EMERGE facility on the North site and the proposed Gigafactory on the South site, will produce jobs that will support the site’s credentials as a pillar for innovation and skills development, furthering collaboration with local universities and other regional research and development initiatives.

[REDACTED]

#### Job creation

Our modelling estimates that the designation of Freeport status will create 29,928 jobs in the Ratcliffe-on-Soar tax site, of which 12,939 will be direct and 16,989 indirect/induced. Of the direct jobs created, it is modelled that 556 will be in the energy sector, 995 in the logistics sector, and 11,389 in Advanced Manufacturing.

Development of both the North site and South site are expected to be completed by 2026 and subsequently the majority of jobs are estimated to be created by 2028.

### ***EMIP***

#### Target Sectors and investment

Employment opportunities in EMIP will primarily be generated in the Advanced Manufacturing and Advanced Logistics sectors, with proximity to the Toyota UK facility anticipated to drive particular investment into the automotive sector.

Total site development [REDACTED] will see the development of new commercial accommodation, new rail infrastructure and loading areas to enable the transfer of unitised freight between road and rail, and enhanced connectivity within the Freeport, supporting a modal shift from road to rail transport.

This is based on our modelling that the site can accommodate 5.2m sq.ft of floorspace [REDACTED]. Investment across the site will largely be split between logistics, with 3.3m sq ft of development and manufacturing, with 1.65m sq ft of development. There will be a further 256,000 sq ft of commercial space developed.

#### Job Creation

Our modelling estimates that 18,983 jobs will be created at EMIP, of which 9,217 will be direct and 9,766 will be indirect/induced. Of the direct jobs created, 4,266 will be in the manufacturing sector, 3,394 in the Advanced Logistics sector and 1,557 will be in the commercial industry.

The development of employment floorspace for manufacturing and logistics will initially lead to the creation of 2,000 temporary jobs during the construction stage, while the majority of jobs will be generated after site occupancy begins in 2025.

### ***EMAGIC***

#### Target Sectors and investment

Jobs at EMAGIC are expected to be generated in the Advanced Logistics sector as well as the Advanced Manufacturing sector.

[REDACTED]

Moreover, East Midlands Airport (EMA) land in the site will benefit from the development of 26ha of land for expansion of aviation operations within the next 5-7 years.

### Job creation

Our modelling estimates that 12,223 jobs are expected to be generated at EMAGIC, of which 6,807 will be direct and 5,416 will be indirect/induced. Of the direct jobs created, 5,807 will be generated in the Advanced Logistics sector across the SEGRO Logistics Park East Midlands Gateway site and EMA and SEGRO land to the south of the site and 1,000 will be in the aviation operations sector in EMA.

The jobs in the Advanced Logistics industry will start to be created from the end of 2023 and the majority will have been generated by 2030.

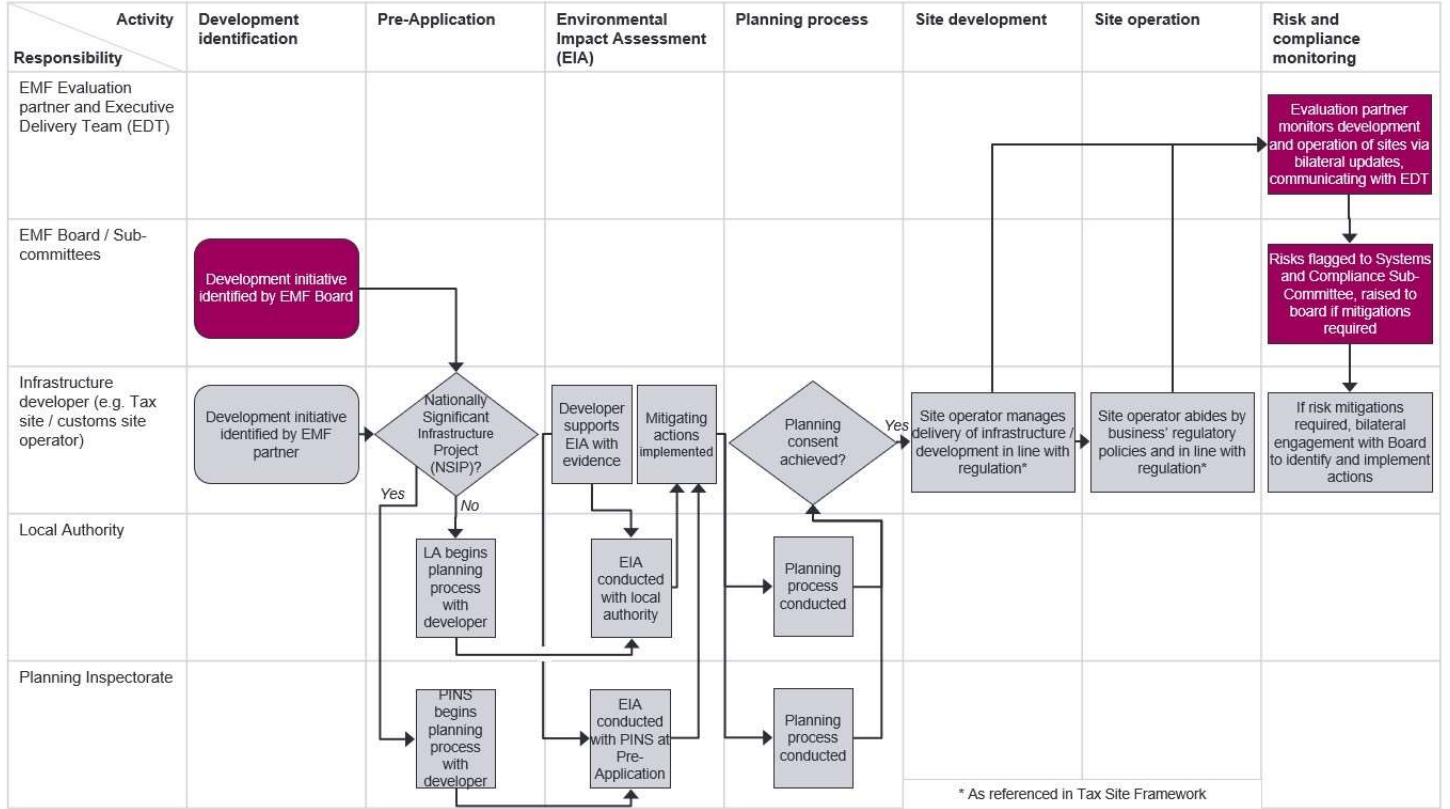
In the aviation sector jobs will begin to be produced in 2026 and the majority will have been created by 2029.

### Tax site sectoral focus by SIC code

Tax Site	Sector grouping	SIC code	SIC code name
Ratcliffe-on-Soar	Advanced logistics and warehousing	43	Specialised construction activities
		51	Air transport
		52	Warehousing and support activities for transportation
		68	Real estate activities
	Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment	27	Manufacture of electrical equipment
		28	Manufacture of machinery and equipment
		29	Manufacture of motor vehicles, trailers, and semi-trailers
		30	Manufacture of other transport equipment
Low carbon & renewable energy production and transmission	35	Electricity, gas, steam, and air conditioning supply	
Research and development	72	Scientific research and development	
East Midlands Intermodal Park (EMIP)	Advanced logistics and warehousing	43	Specialised construction activities
		52	Warehousing and support activities for transportation
		68	Real estate activities
	Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment	27	Manufacture of electrical equipment
		28	Manufacture of machinery and equipment
		29	Manufacture of motor vehicles, trailers, and semi-trailers
		30	Manufacture of other transport equipment
	East Midlands Gateway and Industrial Cluster (EMAGIC)	Advanced logistics and warehousing	43
51			Air transport
52			Warehousing and support activities for transportation
68			Real estate activities
Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment		27	Manufacture of electrical equipment
		28	Manufacture of machinery and equipment
		29	Manufacture of motor vehicles, trailers, and semi-trailers
		30	Manufacture of other transport equipment

## Annex AA – Regulatory Compliance Approach

The below approach illustrates the division of responsibilities for regulatory compliance and relationship with the Planning Process for EMF sites and Infrastructure:



## Annex AC – Glossary

Acronym / Term	Definition
ADMC	Automated Distribution & Manufacturing Centre
ATI	Advanced Training Institute
Annex	Annexure
BAU	Business As Usual
BEIS	Department of Business, Energy and Industrial Strategy
Bn	Billion
BCR	Benefit Cost Ratio
CAM	Connected and Autonomous Mobility
CBA	Cost Benefit Analysis
CLEAR	Centre for Logistics Education and Research
CO2	Carbon Dioxide
Core EMF Partners	The organisations comprising the Interim Set Up Board (being the membership set out in Section 5a. vi.)
CCS	Crown Commercial Service
CNS	Community Network Services
CSF	Critical Success Factors
CV	Curriculum Vitae
DevCo	East Midlands Development Corporation
D2N2 area	Derby, Derbyshire, Nottingham, Nottinghamshire
DCO	Development Consent Order
DLUHC	Department for Levelling Up, Housing & Communities
DIT	Department of International Trade (within HMG)
DBC	Darlington Borough Council
DNRC	New Defence National Rehabilitation Centre
DWP	Department for Work and Pensions
DHL	DHL International GmbH
EM	East Midlands
EMF	East Midlands Freepport
EMA	East Midlands Airport
EMAGIC	East Midlands Airport and Gateway Industrial Cluster
EMIP	East Midlands Intermodal Park
ECA	Enhanced Capital Allowance
ERA	Energy Research Accelerator
ERS	Employer's (NIC)
ERDF	European Regional Development Fund
ESF	European Social Fund
EV	Electric Vehicle
£	Pound Sterling
FREN	Freeports Regulation Engagement Network
FBC	Full Business Case
FE	Further Education
FY	Financial Year
FTE	Full Time Employment
GVA	Gross Value-Added Output
GB	Great Britain
GHG	Greenhouse Gas
HS2	High Speed Rail 2
HGV	Heavy Goods Vehicle
HMG	The UK Government / Her Majesty's Government
HMT	Her Majesty's Treasury
HMRC	Her Majesty's Revenue and Customs
HPO	High Potential Opportunity
HE	Higher Education

IST	Investment Services Team (for the DIT)
IT	Information Technology
KTP	Knowledge Transfer Partnership
KPI	Key Performance Indicator
'k	Thousands
LDO	Local Development Order
LLEP	Leicester and Leicestershire Enterprise Partnership
LEP	Local Enterprise Partnership
LUSEP	Loughborough University Science and Enterprise
Ltd	Limited
MHCLG	Ministry of Housing, Communities and Local Government
MW	Mega Watt
£m	Millions
'm	Meters
MTI	Mira Technology Institute
M&E	Monitoring and Evaluation
MAG	Manchester Airport Group
Med	Medium
MCP	Maritime Cargo Processing plc
MoU	Memorandum of Understanding (also referred to as the "constitution")
NIC	National Insurance Contributions
NCA	National Crime Agency
NSIP	Nationally Significant Infrastructure Project
NCCAT	National Centre for Combustion and Aerothermal Technology
NPV	Net Present Value
NRC	National rehabilitation Centre
ONS	Office for National Statistics
OE	Oxford Economics
OBC	Outline Business Case
OEM	Original Equipment Manufacturer
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
PAS	Publicly Available Specification
'pa	Per Annum
PV	Present Value
PDR	Personal Development Reviews
Q	Quarter
Q&As	Questions and Answers
Ratcliffe	Ratcliffe-on-Soar
R&D	Research & Development
RBC	Rushcliffe Borough Council
SDA	Strategic Development Area
SIC	Standard Industrial Classification
SIA	Security and Illicit Activity
SRFI	Strategic Rail Freight Interchange
SME	Small and Medium Enterprises
SBA	Structures and Buildings allowance
SLPEMG	SEGRO Logistics Park East Midlands Gateway
SDLT	Stamp Duty Land Tax relief
sq. ft.	Square Foot
sq. m.	Square Meters
STEM	Science, technology, engineering and mathematics
SUE	Sustainable Urban Extension
SWIEt	Smart Wireless Innovation Facility

SDGZ	South Derby Growth Zone
TMUK	Toyota Manufacturing United Kingdom
ToR	Terms of Reference
TBC	To be confirmed
TBD	To be determined
UK	United Kingdom
UTC	University Technical College
VTOL	Vertical take-off and landing
VfM	Value for Money
V High	Very High
Yrs	Years





 East Midlands  
**Freepoint**