

## Essential Information (Pass / Fail)

1.1 Please submit a proposed name for your Freeport. This should clearly distinguish it from any other potential Freeport proposals.

East Midlands Freeport: The UK's Green Gateway for Growth

1.2 Provide name and contact details for the Senior Responsible Officer for the programme.

First Name: Sajeeda

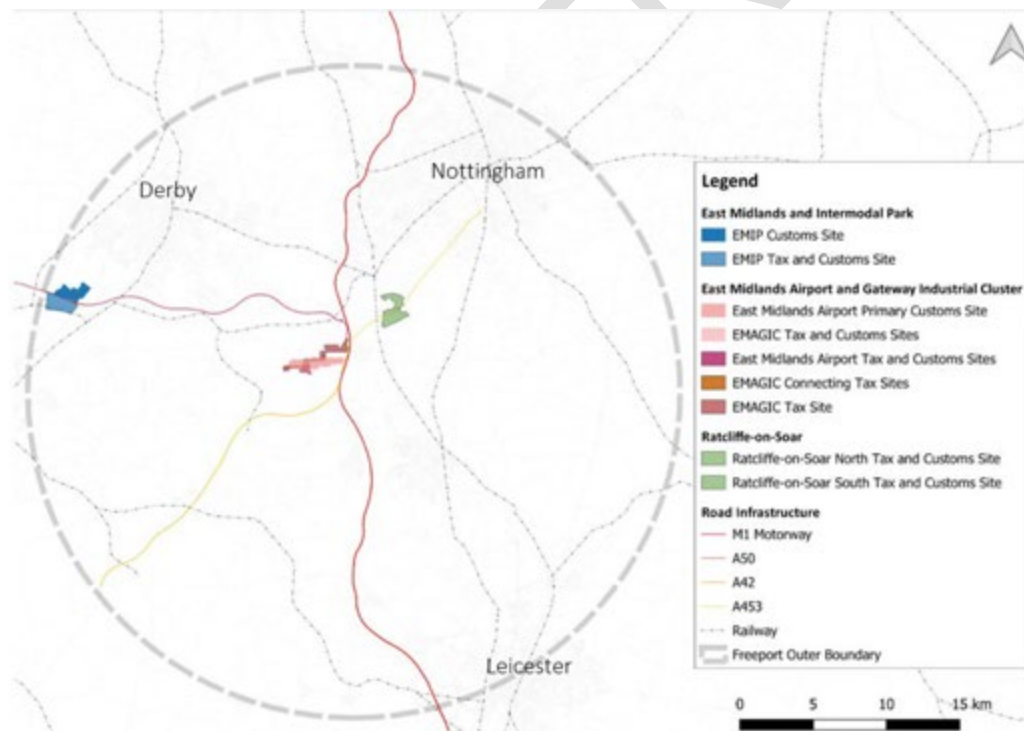
Last Name: Rose

Email Address: Sajeeda.rose@d2n2lep.org

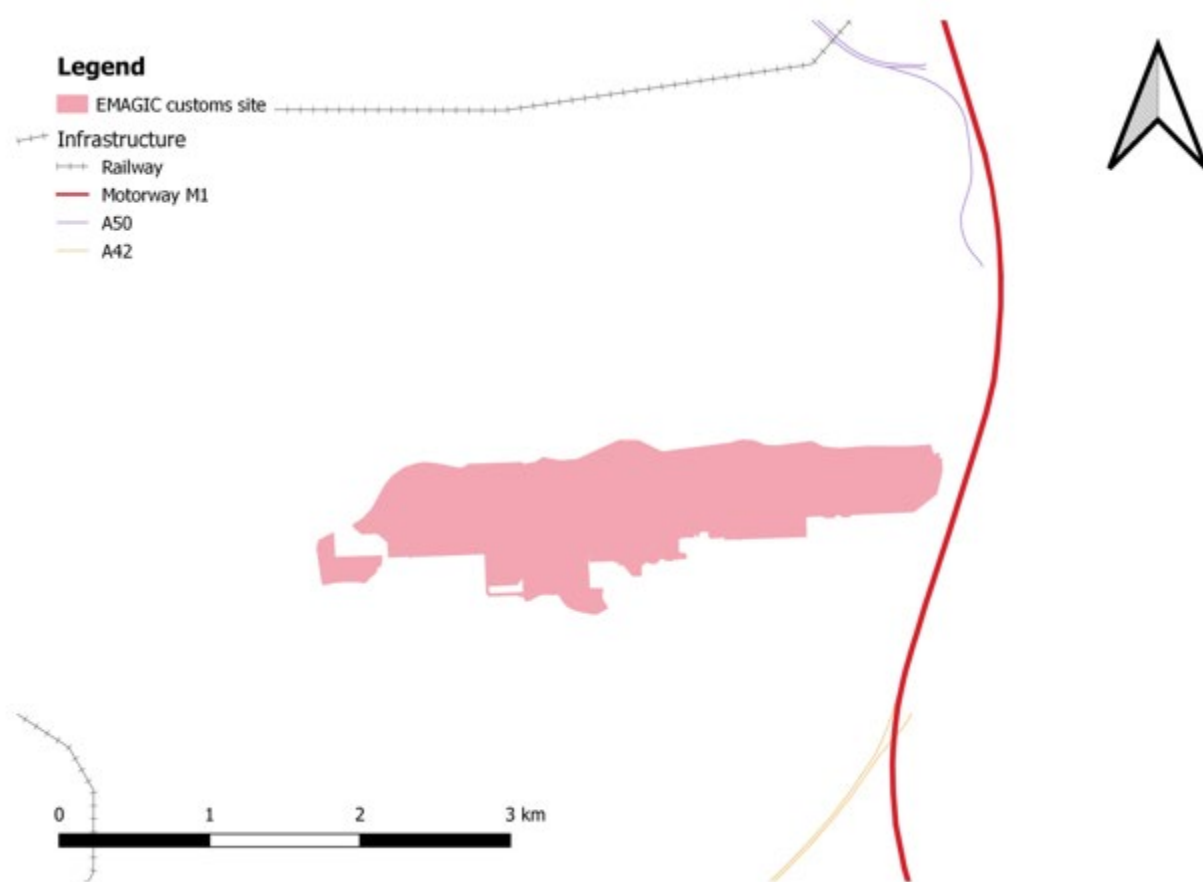
Telephone Number: [REDACTED]

1.3 Please upload the following pdf files legible at A3:

- One showing your Freeport outer boundary, no two points on which should be more than 45km apart, and the locations of the tax site, customs sites, and any other sites which make up the bid (e.g., infrastructure projects)



- One map per customs zone defining its boundaries



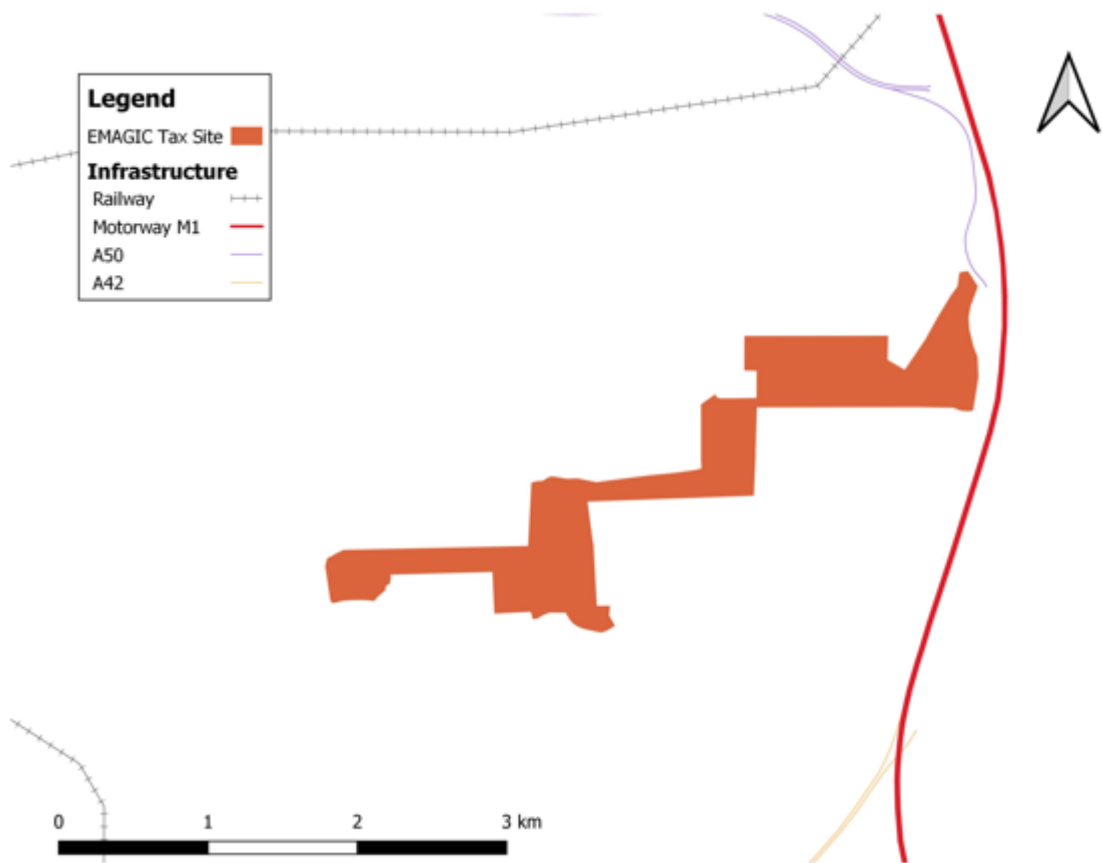
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- One map per tax zone defining its boundaries



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1.4 Please also email an ESRI Shapefile or Vector Geopackage version of each map uploaded at 1.3 to Freeports-MHCLG@communities.gov.uk with the subject line 153262723.

Yes

1.5 Please confirm you have communicated your plans to the landowners impacted by your proposed tax site.

Yes

1.6 For each customs site, please upload a signed letter from the site operator confirming that:

- They are willing to be included in the bid.
- They are aware that, should the bid be successful, as site operator, they will be required to obtain the relevant authorisations from HMG before the site can be designated as a customs site.
- They are willing to undergo the authorisation process.

Yes

1.7 Please upload written confirmation of support for your bid from your local authority or local authorities and Local Enterprise Partnership (LEP).

- The letter must be signed by the leader of each Local Authority that is responsible for planning and business rates collection in whose area any of the proposed Freeport sites will sit. The letter should

commit their full support and agreement to the proposed bid specifically those areas for which they have statutory responsibility including planning and business rates to ensure the delivery of the proposal.

- The letter should also be signed by the MCA and/or LEP to confirm their support for the bid and detail its alignment with the delivery of the areas prevailing economic strategy.
- Where relevant, the letter should be signed by the leader of each Local Authority that is responsible for transport. For example, the County Council or MCA.

Yes

## 1.8 Cross-border bids

Is your bid a cross-border bid? **No**

Is any of the land covered by your bid also subject to a Freeport bid in another nation? **No**

## 1.9 Does your Freeport propose any secondary customs sites outside the Outer Boundary?

**No**

### 1.10 Explain how your Freeport Outer Boundary represents a credible, coherent economic geography? Please provide clear rationale (max 500 words)

**Word Count: 498**

The East Midlands is taking a major step to build back better from Covid-19 by creating an inland multi-modal and green Freeport to unlock and accelerate significant economic growth. We have a unique proposition based around East Midlands Airport (EMA) to deliver the UK's first and best connected inland freeport and a green-based industrial cluster.

The East Midlands is located at the heart of the UK's strategic economic corridors providing strong air, rail, freight, and road connectivity, with the ability to reach most of the country more quickly and easily than from any other port. The East Midlands provides the perfect conditions for a global hub for international trade and investment and can readily connect and complement coastal ports across the country.

The Freeport Outer Boundary creates coherence between industrial clusters, transport infrastructure, world-class research facilities, and investment opportunities to support the levelling up of a region with significant areas of deprivation, and economic underperformance (see 2.2 for data).

The outer boundary is based on robust economic evidence and opportunities for future growth. The East Midlands has a proud and continuing heritage of an internationally competitive manufacturing-based economy, centred around advanced manufacturing, automotive, and aerospace, supported by outstanding logistics. The Freeport will capitalise on existing sectoral strengths and create opportunities in new sectors to generate large-scale inward investment.

The outer boundary covers three tax and customs sites, supporting existing and future interwoven supply chains, transport modal shifts, and complementary investments: the EMA and Gateway Industrial Cluster (EMAGIC), Ratcliffe-on-Soar, and the East Midlands Intermodal Park (EMIP). It includes key industrial clusters, including the Toyota (a proposed customs site) and Rolls-Royce manufacturing plants. Other major employers within the boundary include JLR, DHL, Boots and Bombardier Rail.



The synergies from the spatial concentration of innovative firms within the Outer Boundary will generate significant economic spill overs. The Freeport will significantly boost employment and skills opportunities across travel-to-work and learn areas, including the major urban centres of Derby, Leicester, Loughborough and Nottingham and key towns such as Coalville, Swadlincote, and Ilkeston.

The Freeport benefits from world-leading, public, and private research facilities, universities, and FE institutions who will ensure that knowledge-sharing, upskilling, and innovation will drive the region's success.

The outer boundary encompasses strategic economic and transport corridors and will unlock growth enabled by the M1, A6, A38, M42/A42, A46, A50/A500, A52, and A453. Existing and planned strategic infrastructure encouraging freight modal shift from road to rail has been identified as vital for connecting the East Midlands and the UK to foreign markets. Key infrastructure includes EMA, the UK's largest express freight airport with an ambition to decarbonise air freight, Maritime's Strategic Rail Freight Interchange, the Uniper railhead, the future HS2 station at Toton, and potential regional-scale hydrogen fuelling facilities.

We have considered future growth in the outer Freeport area and will work in partnership with industrial clusters, firms, underdeveloped areas, infrastructure assets, and partnerships that align with the strategic objectives of this bid and could provide enhanced benefits in the long term.

#### **1.11 Please provide rationale for the primary customs site and any subzones, including (max 500 words total):**

**Word Count: 496**

The proposed customs sites have strong connectivity, supply chain, and logistics relationships with one another, and will benefit from the existing Maritime-operated rail facility at East Midlands Gateway, and existing and proposed railheads at Ratcliffe and EMIP respectively. We have engaged widely with UK ports and other potential Freeport operators, including those at Solent, Felixstowe, and the Thames, to ensure that the proposed customs arrangements would allow for the seamless flow of goods from the UK's maritime ports and direct rail freight services from Europe and China.

Primary customs site: East Midlands Airport

The primary customs site is at the East Midlands Airport (EMA), a major international gateway generating £300 million in direct GVA annually. It hosts the UK's largest dedicated air cargo operation, handling 370,000 tonnes of goods per year. The airport is a critical node in regional and national supply chains that rely on timely shipment of high value goods. Global businesses, such as DHL and UPS operate within the Airport's boundaries. The site has direct access to Maritime's railhead and to the airport's apron, facilitating customs-controlled movement and storage of goods. Enhanced Freeport customs procedures will lower the frictions to trade for logistics and manufacturing companies, working capital requirements, and boost their productivity. Together with the benefits of tax site status and the excellent national and international connectivity by air, rail, and road, the site will be able to compete for international investment and support the growth of this international trade hub.

Subzones have been selected based on their potential economic relationship with the EMA. Two subzones are integrated into our proposal:

Customs subzone: Ratcliffe-on-Soar

The customs zone at Ratcliffe will support customs efficient trade in the supply chains of advanced manufacturing and clean energy investments, particularly for those relying on imports through EMA or moved

between Freeports by rail. It is one of the UK's key sites for a Gigafactory and has potential for advanced manufacturing including fuel cells and hydrogen production. Combined with a tax site, Freeport status will boost its competitiveness, accelerating inward investment, and the regeneration of the decommissioned power plant into an industrial centre for low carbon led growth.

Customs subzone: East Midlands Intermodal Park (EMIP)

The customs zone at EMIP will integrate Toyota's major manufacturing centre, supporting customs efficient movement of goods through the automotive supply chain, and agglomeration of OEM manufacturing. UK policy to phase out internal combustion engines and local content requirements for electric vehicles, and to promote local supply chains, will see opportunities to reshore component and battery manufacturing, which can benefit from enhanced customs procedures. Freeport will enable customs-controlled movements between EMA and EMIP. The site is proposed as a consolidated customs and tax site, which, integrated with Toyota's facility, creates a compelling investment location for OEM and other manufacturing and logistics.

All customs sites have committed to securing relevant authorisations, with implementation driven by market demand as sites are developed and investment attracted, including flexibility to support individual plots to access customs benefits.

**1.12 Please set out how you will meet the minimum standard of security and infrastructure required in customs and tax sites before being able to operate as a Freeport, as referred to in the prospectus (max 500 words).**

**Word Count: 499**

Freeport customs site operators are committed to meeting the standards stipulated, including the OECD Clean Free Trade Zone Code of Conduct. The Governing Body will establish common security standards, including exploration of voluntary enhanced standards and accreditation. Customs site operators will be expected to adhere to these, which will be monitored through the Operational Body. Each site operator and/or business will be individually liable for HMRC compliance and operation. The Freeport will operate an 'umbrella' community system, allowing for secure and HMRC-compliant inventory management of goods entering and exiting the customs sites. This system will integrate with existing customs and inventory management systems, such as CCS and DHL's proprietary system. The Freeport has already engaged leading firms, including CNS and MCP, and formal procurement will commence during business case development.

Where individual businesses want to access Freeport customs incentives, the operators will work with them to ensure that necessary requirements are met, including the use of an approved community system that meets HMRC requirements. Critically, the East Midlands Freeport includes stakeholders that have a track record in meeting security standards, exceeding requirements outlined in the prospectus.

East Midlands Airport (EMA) maintains enhanced security processes and infrastructure. EMA will champion and disseminate security best practice throughout the Freeport. Airports are highly experienced with managing security, and airport security infrastructure is fully compliant with HMRC, APHA and Border Force requirements. Aviation Security is regulated by the Department for Transport (DfT) and overseen by the Civil Aviation Authority (CAA). Security operates at the highest levels required by HM Government.

Airside areas are designated as a Critical Part, accessed via controlled gatehouses and pedestrian-only entry points, including the passenger search area within the Terminal Building. Each search area is equipped with X-rays, archway metal detectors, hand metal detectors, and body scanners for person, baggage, and vehicle checks. EMA has a 24-hour patrol strategy in place with each area individually assessed to determine the frequency and nature of the patrol. Extensive CCTV is also in place around the site which is monitored 24/7

by a control room. Access to all airside areas is authorised and monitored through an electronic access control system. Individuals required to go airside for business purposes undergo a vetting procedure, which includes DBS checks, security interviews, background checks, and security training.

Security is overseen by two multi-agency forums, the Risk Advisory Group (RAG) and the Security Executive Group (SEG). EMA has a multi-layered assurance programme to review and assess effectiveness and compliance and report monthly to the Senior Leadership Team.

Security of aircraft cargo is the responsibility of the individual operators and is overseen by the DfT and CAA. The service level agreements between EMA and these operators may serve as a model for standards set within the East Midlands Freeport.

Partners within the East Midlands Freeport have proven expertise in delivering against multi-agency and departmental standards regarding security. The Freeport will utilise this best practice to ensure the minimum requirements are met, whilst setting best-in-class standards for UK Freeports.

**1.13 Please provide clear economic rationale for the tax site(s), including: an explanation for the proposed locations and why they represent good value for money, how tax measures will generate additional economic activity, and how their proposed sites meet the criteria for being underdeveloped (max 500 words).**

**Word Count: 496**

Three tax sites provide 523ha of largely underdeveloped land within 15km of the Primary Customs Site and have exceptional access to strategic road and rail networks. The sites all sit in travel-to-work areas for areas of high deprivation and unemployment. Tax sites will accelerate development and an investment pipeline of over £600 million, creating jobs across skill levels, providing value to the taxpayer, and supporting the national economic recovery. Pipeline investors have already expressed interest in the East Midlands Freeport, growing existing clusters of logistics and automotive manufacturing, and new opportunities from low carbon fuel.

**1. Ratcliffe-on-Soar (Ratcliffe)**

The site's prominent position next to the A453, a mile from the M1, adjacent to East Midlands Parkway Station, provides easy access to passenger and freight rail services. The on-site coal power plant is due for decommissioning by 2025, leaving the site primed for regeneration. Plots within the site are adjacent to existing powerplant infrastructure and are available for redevelopment now.

Uniper's ambition is to redevelop the site as an industrial centre housing advanced manufacturing powered by regionally significant hydrogen infrastructure. It is a key site for a Gigafactory and has potential for advanced manufacturing, including fuel cells and hydrogen production. The East Midlands Freeport will work with businesses, utilities, and universities to investigate a network of low carbon energy supply and adoption across the region. The site south of the A453 will be developed in conjunction with the East Midlands Development Corporation (EMDC).

At full build out, the Freeport site is expected to generate 16,900 on site jobs, and another 15,000 through supply chains, and add £1.27bn in GVA annually (£840 million direct and £430 million indirect).

**2. East Midlands and Intermodal Park (EMIP)**

Located adjacent to the Toyota manufacturing plant, the undeveloped site is masterplan-ready and accessible through the trunk road (A38/A50) and rail freight networks. A Strategic Rail Freight Interchange would be provided, representing the next generation of rail connected distribution parks, with a focus on hydrogen and innovation in green fuel. It will support modal shifts for businesses, including Toyota, Nestle, and JCB, from road to rail freight, reducing carbon emissions. The integrated customs and tax site creates an attractive investment location for OEM and other manufacturing and logistics.

### 3. East Midlands Airport and Gateway Industrial Cluster (EMAGIC)

EMAGIC consists of underdeveloped land within the adjacent East Midlands Airport and East Midlands Gateway estates. The site has direct access to the strategic highway network (M1/A453/A42/A50), the airport apron, and includes Maritime's Rail Freight Terminal opened in 2019. EMAGIC is a proven logistics location that will attract investment in high-tech air logistics, smart warehouses, and advanced manufacturing. The land at East Midlands Gateway is fully serviced and immediately available for development.

The site is expected to contribute £600 million in GVA annually, and 9,900 jobs (with £390 million and 5,300 jobs on-site).

#### 1.14 How do the tax sites' locations mitigate displacement of local economic activity from deprived areas (max 500 words)?

**Word Count: 499**

The tax sites have been selected for their ability to attract new, international, investment to the UK and domestic investment to the region that would not otherwise locate in the East Midlands due to limited availability of suitable land with infrastructure connectivity (including to the airport). It will support reshoring of supply chain activities in the automotive sector to help meet the Rules of Origin requirements of the new EU agreement, which imposes rising minimum thresholds for UK/EU content in electric and hybrid vehicles and in EV batteries. Through the benefits of agglomeration, this will induce and catalyse further investment and job creation in productive sectors such as advanced manufacturing and advanced logistics.

The specific focus of each site in niche activities will minimise displacement. EMAGIC will attract businesses in advanced, just-in-time, logistics that require adjacent and airside access to the airport and rail freight terminal. Ratcliffe will build on Uniper's energy expertise to attract advanced manufacturing, with a focus on energy intensive industries requiring large scale, reliable, low carbon power unavailable elsewhere. EMIP benefits from adjacency to the Toyota facility creating an environment to attract logistics and advanced manufacturing investment.

The presence of a large, specialised, local labour pool reduces the risk of displacement and provides an ideal platform to attract businesses, grow businesses, and deliver reskilling and upskilling opportunities. Tax sites are located within wider travel-to-work areas that include pockets of deprivation and reduced productivity, meaning that jobs created will support, rather than offset, levelling up. Acute deprivation has worsened in parts of our region since 2015. Nottingham is the 10<sup>th</sup> most deprived and 14<sup>th</sup> least socially mobile council area in England. Parts of Charnwood, Derby, Erewash, Leicester, Nottingham, and North West Leicestershire are amongst the 10% most deprived in the country. Despite some improvements, 6 of the 20% worst districts for social mobility are wholly or partly within our Outer Boundary, with 6 more within Derbyshire, Nottinghamshire, and Leicestershire. The economic effects of Covid-19 are widening and worsening this

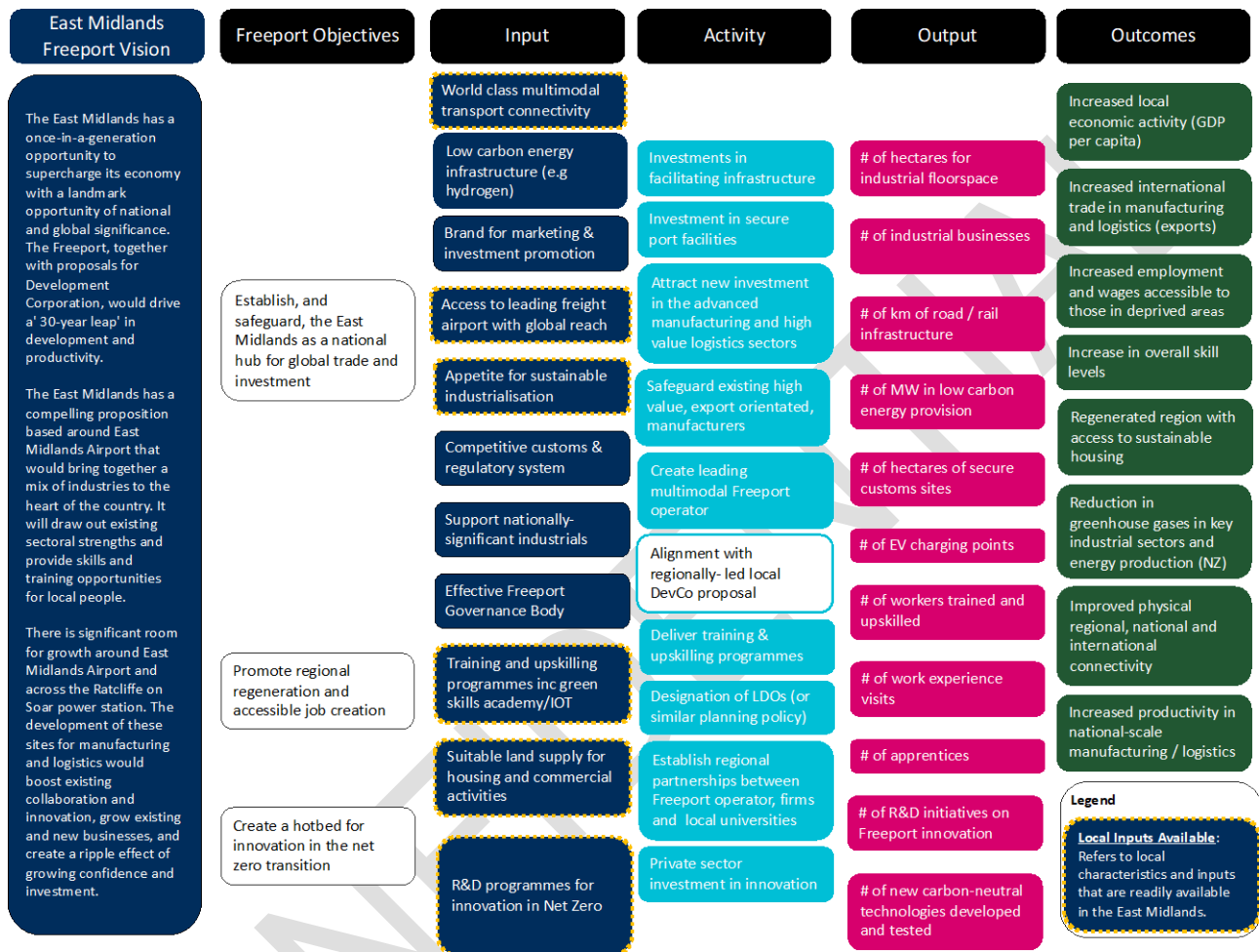
picture. The East Midlands Freeport is in the travel-to-work range of these and other deprived communities along the M1 corridor. The sites are well connected and the development at East Midlands Gateway provides a model with public transit ensuring a matching of those seeking employment to job opportunities.

Displacement will be monitored by Local Authorities and LEPs represented on the Governing Body and, where necessary, business rates and LEP support from our proposed Employment and Skills programmes will prioritise the mitigation of these effects. The East Midlands Freeport will place a heavy emphasis on upskilling of the workforce, building on its partnerships with leading universities, colleges and business, and training and retraining those with little or no qualification, supported by public investment (see 2.2). This will ensure that any residual risks of displacement are mitigated by creating new economic and upskilling opportunities for communities. Investments in supporting infrastructure will enhance the productivity and competitiveness of enterprise in the outer boundary, and better connect residential and employment areas.

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## Criteria A, B and C: Ability to deliver against the objectives

2.1 Please supply a diagram of a logic model which gives an overview of the links between the activities and inputs, outputs, outcomes, and impact of your proposed Freeport model.



## 2.2 Referring to the logic model, please explain how your Freeport proposal will meet the objectives of the policy and achieve the desired outcomes listed in this prospectus (max 3000 words).

### Word Count: 3000

Based on the logic model we have set out below how our proposal meets the policy drivers of the Freeport policy.

Our bid brings together leading global and national businesses, LEPs, Local Authorities, EMDC, Universities, Colleges, and Midlands Engine to deliver a Low Carbon Freeport for the UK. It is backed by our MPs, the East Midlands Chamber, FSB, CBI, and IOD.

Through the Freeport our objectives to support low carbon economic growth are:

- Promoting the East Midlands' status as a national hub for trade and investment across the UK.
- Levelling up the region through regeneration, upskilling, and accessible job creation.
- Building the UK's centre for low carbon innovation and technology.

We will build on our strengths in manufacturing and logistics to attract investments to unlock thousands of jobs, support underserved communities, create skills and training opportunities, and boost productivity. Freeport status will accelerate growth across these sites and support levelling up across the region.

Our Freeport will enhance existing collaboration between universities, colleges, businesses, and public agencies to grow research and industrial clusters, increasing productivity through agglomeration, boosting R&D, and attracting new investment. Our partners include six world-class universities with expertise across green energy, transport, and manufacturing: Derby, Leicester, Loughborough, de Montfort, Nottingham, and Nottingham Trent University.

East Midlands Freeport will secure our standing as the advanced manufacturing and logistics hub of the UK.

### Baseline analysis

The East Midlands is the UK's advanced manufacturing centre. In 2018, the region delivered £75 billion in GVA, up 4.5% on 2017. Major sectors driving economic growth include manufacturing, wholesale and repair of motor vehicles, real estate, health, and education. These five sectors accounted for over half of the region's economy in 2018.

The East Midlands contributes 5% of the UK's workforce, with over 1.6 times as many jobs in manufacturing than the UK average, employing over 180,000 people in 2018. This concentration of jobs in manufacturing and engineering is driven mainly by automotive, rail, and aerospace, 25% of whose UK activity occurs here.

However, the region, and some sectors, experience low productivity and educational attainment. Productivity is 13.5% below the national average. Our population is less skilled than the national average, providing an opportunity to reskill and upskill people to access higher skilled jobs at the Freeport. In 2019, fewer than 33% of East Midlands residents held higher level qualifications, compared to over 40% nationally. We have proportionately fewer managerial, director, senior professional, and associate professional roles than average, with more roles in elementary occupations and skilled trades. This balance towards lower skilled jobs is reflected in earnings, which are below national levels across the region, leading to many of the issues around deprivation laid out in section 1.10.

Objective 1: Establishing a national hub for global trade and investment



## Investment in world-class multimodal transport connectivity to leading freight airport with global reach

Our world-class multimodal transport hub comprises air, rail, and road infrastructure, providing business with global freight services, reaching large markets across Europe, Asia, and the Americas cost-effectively. Proximity to the M1 and the Strategic Road Network puts 91% of the UK population within a four-hour drive, giving the East Midlands Freeport an outstanding comparative advantage. This makes the region a preferred site for new investors in advanced manufacturing and high value logistics. Multimodal transport will be crucial in attracting private sector investment to unlock industrial floorspace, create and agglomerate new industrial businesses, and encourage further investments in infrastructure.

The East Midlands Freeport will integrate key economic assets under a common growth strategy and incentive framework. At its heart is the primary customs site, East Midlands Airport, the UK's major express freight airport, and the seventh busiest port for exports in the UK; £40bn of cargo is handled annually by EMA. Adjacent to EMA, and within East Midlands Gateway, sits Maritime's rail terminal, connecting our tax and customs sites to deep-sea ports. The East Midlands Intermodal Park located next to Toyota could provide the next generation of rail connected distribution.

## Working with internationally significant businesses to enhance impact

The East Midlands is a global manufacturing centre with some of the most significant and strategic industries in the UK. The Freeport will strengthen our industrial base and boost its competitiveness.

Freeport incentives can minimise trade frictions and costs, sustaining and enhancing the attractiveness of the region as a location for investment. The aim is to strengthen existing industrial clusters in the advanced logistics and high value manufacturing sectors, and to create new clusters around the zero-carbon transition. For example, a Gigafactory is an ideal occupier for the Ratcliffe site alongside advanced manufacturing, including fuel cells and hydrogen production, while the EMIP site is expected to draw automotive supply chain manufacturing. The site offers value-added accommodation for automotive suppliers creating a more resilient supply chain and the potential to attract more of the supplier base into the local area, especially given the requirement to meet Rules of Origin requirements under the new EU agreement, which imposes rising minimum thresholds for UK/EU content in electric and hybrid vehicles. The EMAGIC site will build on the airport's role as a global trade hub and new development will attract innovative market entrants in cargo, logistics, and advanced transportation technologies.

Businesses in the Freeport will benefit from localisation effects including specialised supply chains and a skilled labour pool. Close proximity to clusters of firms in similar or related sectors, such as Infinity Park and the Manufacturing Technology Centre, and to world-leading research facilities, will stimulate knowledge spill overs and innovation. Industrial clustering and the incentives packages provided by the Freeport will establish and strengthen the East Midlands as a national hub for strategic, competitive, and forward-looking industries that are fully integrated in global supply chains, resulting in significant productivity gains.

## Boosting trade with a competitive customs and regulatory system

Given our diverse economic base and multimodal infrastructure, the East Midlands has huge unrealised economic potential. Agglomeration economies could be maximised by attracting investment in sectors where the East Midlands has a competitive advantage, resulting in productivity gains, improving competitiveness, and setting the regional economy on a more dynamic and robust growth trajectory.

Freeport sites will be part of a coherent system of fiscal, financial, and infrastructure incentives that will offer a step change in facilitating business development.



Tax and tariff relief measures on import duties, corporate tax, and business rates will reduce input costs for Freeport businesses, thereby improving cashflow and boosting competitiveness. The ease of doing business and development of new activities will be enhanced through simplified procedures to support export-orientated businesses.

#### Brand for marketing and investment promotion

Freeport status will help the East Midlands brand to stand out. Together with EMDC and the Alchemy Project, the Freeport brand will signal an investor-orientated, forward-looking, highly competitive place for businesses and investors. In today's highly connected world, zone branding is critical to promote inward investment and to attract talent. The combination of a Freeport with a DevCorp will be unique amongst Freeports and attractive to investors, enabling the East Midlands to move faster with fewer obstacles than other Freeports. The Freeport brand will be part of a wider marketing strategy, magnifying our unique assets and identity on an international stage. It will help minimise the risk of displacement by attracting new industries and reshoring overseas supply chains.

#### Objective 2: regeneration and accessible job creation and levelling up

##### Supporting our emerging low carbon energy and manufacturing clusters

As noted in 1.10, the East Midlands has a thriving low carbon sector with a clear ambition for sustainable growth. The Freeport will accelerate regional decarbonisation and contribute to the UK's Net Zero target and Ten-point Green Plan for Growth. Anchor manufacturers, including Rolls-Royce, Porterbrook, and Bombardier, are sector leaders in driving efficiencies through low-carbon technology. Toyota operates 100% on green energy and has an ambition to go Beyond Zero. EMA was the first UK airport to be certified carbon neutral for ground operations. Freeport tax and customs sites together offer over 500ha of land and nearly 1.5 million sqm of employment floorspace. As low carbon businesses signal appetite in Freeport sites, new floor space will be developed, including secure customs sites.

Opportunities for green investments in the Freeport are plentiful, and access to low carbon and renewable energy will attract clean industry. EMIP, due to its scale and location with the Trent Valley, will provide a significant opportunity for new green infrastructure. Its new rail freight terminal provides an opportunity for Toyota logistics to shift from road to rail freight. Redevelopment aspirations for Ratcliffe-on-Soar will see it transformed from fossil fuels into a low carbon energy centre of excellence. A range of technologies, including battery and solar, would combine to provide reliable low carbon energy and reduce greenhouse gas emissions. The site's unique combination of attributes could enable a Gigafactory development. Uniper's plans for a combined heat and power ready energy recovery facility ("East Midlands Energy Re-Generation (EMERGE) Centre") are well underway. Whilst initially generating energy from non-hazardous, non-recyclable waste, EMERGE would ultimately drive forward circular economy initiatives including waste-to-fuel applications. SEGRO, a developer at EMAGIC, is trialling smart warehouses to analyse energy use to aid the efficient management of buildings and improve workforce wellbeing.

Other energy innovation assets include:

- Energy Research Accelerator: testing the market for co-locating energy-from-waste plants alongside industrial clusters.
- Centre for Renewable Energy Systems Technology: R&D in renewable energy technologies, including wind and energy storage.
- Energy Technologies Institute: developing affordable, clean, secure technologies

- Energy Holdings: clean energy solutions for the distributed energy, diesel replacement, automotive, and aerial drone markets, amongst others.

Significant tree planting and other habitat creation needed to integrate the sites into their wider landscapes, and natural flood management, could be located outside of the secure customs areas. This will provide significant green spaces to benefit local communities and local workers.

## Regeneration

The Freeport presents opportunities for regeneration and inclusive growth. Our sites are strategically connected to areas of population within urban and more deprived communities. By connecting the opportunities from the economic growth in the Freeport to local people, through co-ordinated skills and employment programmes and improved connectivity, the Freeport will support much wider regeneration in the region.

In addition, North West Leicestershire District Council has committed, in principle, to reinvest rates to support development of Coalville, one the region's most deprived communities. South Derbyshire District Council will use rates income to deliver the South Derby Growth Zone and other priorities. Rushcliffe will use additional rates income to support the delivery of the work and aspirations of the Development Corporation.

The Outer Boundary also includes Staveley, Long Eaton, Loughborough, and Stapleford whose economic underperformance has led to them being invited to develop Town Investment Plans by Government. Freeport partners are working with these towns, for example, ensuring better low-carbon transport options to our tax sites. The Freeport will help to address pressing levelling up issues including:

- Regeneration in town centres impacted by Covid-19 and declining high streets, through provision of low carbon networking hubs to support innovation, and the creation of new businesses.
- An increase in employment, providing business starts ups and growth as part of new and increased supply chain activity.
- Creating new, high skills, high wage jobs to level up the region and to tackle a key weakness of our area - retaining graduates
- Stimulating new homes to accommodate employment, retaining staff within the area ensuring locally generated income stays local.

As summarised in our logic model, inputs to help tackle deprivation and social exclusion and deliver new green growth:

- Ensuring capital investments across the region promote low carbon developments to stimulate low carbon innovation, skills, and business and to show clear leadership.
- Ensuring businesses within the Freeport have access to skills and employment services targeted to their needs, and that businesses outside the Freeport have access to the skills and employment programmes they need to take advantage of supply chain opportunities.
- Continuing to bring businesses together with schools, colleges, and universities to inspire young people about the low carbon jobs of the future and making the Freeport a hub for low-carbon work experience and apprenticeship creation.
- Ensuring that we use the Green Book to its fullest extent to ensure we invest proportionately in rural areas as well as our towns and cities, and in developments that prioritise growing new, low carbon sectors to de-risk them for future investors.

## Labour and Skills Supply

The publication of the government's Skills for Jobs White Paper reinforces the need to address the significant skills gaps in higher level technical skills. The Freeport will act as a catalyst to implement the White Paper, putting employers front and centre to feed into both Local Skills Improvement Plans and the development of fit-for-purpose employer-led standards. It backs both LEPs' existing approach to ensuring employer leadership in skills, through a collaborative approach with a local Institute of Technology, and access to courses developed through the Skills Value Chain for manufacturing.

We are already planning for the significant growth in demand for skills that we anticipate: from logistics, rail, security, and customer service, to a new generation of higher-level skills in hydrogen power and advanced manufacturing including motor vehicle manufacture. We will ensure both current and future skills in these areas can be met. We will also provide a consistent, underpinning focus on early careers interventions to secure longer term labour supply and cross cutting digital and low carbon skills across all sectors, roles, and levels. Our existing programmes on re- and upskilling of our workforce to support transition to a digital, low carbon economy will prioritise developing a workforce with the skills needed for our low carbon sectors.

### Services for employers

A bespoke employment service for the EM Freeport and surrounding areas will have a working knowledge of the Freeport and its operations and understand what employers need in potential candidates. Building on the work of the East Midlands Enterprise Gateway Skills Partnership, the service will have a database of work ready candidates at all skills levels. This service means that all candidates are pre-screened, saving employers' resources and speeding up the recruitment process.

Services include:

- Vacancy advertising and candidate matching service
- Bespoke skills and training sourcing
- Candidate screening, interview, and pre-employment support
- Linkage to place marketing service and local schools to attract and secure future talent

### Skills Infrastructure

The Freeport will enable us to build upon a strong foundation of specialist skills in advanced manufacturing to increase the overall level of skills across the region, supported by our high performing skills infrastructure with its track record of collaborative working. Our six universities have an annual combined graduate output capacity of 33,610 and post graduate output of 16,810 (HESA 2018/19 data). Higher skills and graduate retention programmes across both D2N2 and LLEP areas will be strategically focused to maximise graduate-level retention and provide a dynamic loop to inform higher level skills provision. D2N2, Leicester, and De Montfort Universities are piloting graduate retention utilising ESF Funding, and lessons learned will be applied to ensure that the Freeport is a key aspect of graduate retention in the area.

Our strong FE infrastructure comprises 8 GFE colleges, 2 university-led specialist FE resources, and a range of specialist technical providers including Toyota, JCB, Uniper, and EMA academies. The capacity to flex and grow skills infrastructure and provision is secured, particularly across specialist settings. Leading businesses are providing a range of technical training:

- EMA Academy: pre-employment training, job-search support, work experience, interview skills and CV development.
- EMA's support and investment of some £3m in a public transport network to ensure affordable access to work for those in hard-to-reach communities.

- Uniper's Engineering Academy: technical skills training, nationally recognised qualifications, and apprenticeships.
- Toyota's on-site Academy: high-level training in automotive engineering and maintenance, logistics and warehousing.
- Toyota: partners with the Derby Manufacturing University Technical College, helping train a high value, highly skilled workforce.
- Toyota and Uniper: industry partners of the Institute of Technology bid from Derby and Loughborough for low carbon and digital skills for manufacturing and construction.

#### Local Strategic Coordination

We will work with planning authorities to secure skills, employment, and inclusion outcomes as part of the planning phase. We will draw on the expertise of our colleges to maximise the benefits gained from the delivery of T-Levels in Construction, apprenticeships offer, and the Nottingham Construction Skills Access Hub. Lessons learned from inclusion of skills and employment in other large-scale construction projects from across the region, e.g., East Midlands Gateway and the Derby Southern Growth Corridor, will be applied to the development of the Freeport.

Longer term, employment and skills partners will develop centres of specialism, enhanced referral processes, and flexible skills pathways to meet the changing needs of Freeport employers. The region has an excellent track record in successfully delivering collaborative FE/HE and employer-led skills interventions, most notably the MIRA Technology Institute. On the MTI skills escalator, learners can progress from Level 2 apprenticeships up to higher and degree level apprenticeships through to doctorate level. The recent Institute of Technology bid spanning the entire Freeport geography, if successful, will be a key delivery vehicle for the higher-level skills required for the Freeport.

#### Objective 3: Creating a hotbed for innovation

##### R&D programmes for innovation in Net Zero

The East Midlands aims to become a leader in decarbonised fuels of the future, leveraging established regional expertise in energy, logistics, and transport. For example, the Development Corporation's proposal for a major zero carbon focussed research centre at Ratcliffe would pull industry and academic excellence from across the country to develop and commercialise innovation in low carbon technologies. Industry is already leading innovation on low carbon tech, including Toyota's pioneering work on hydrogen. Alternative fuel installations at EMA will demonstrate how innovative technologies can be applied in a heavily regulated operational environment.

In partnership with the Energy Research Accelerator, we will develop a 'living lab' demonstrator. Proposals include:

- Converting Freeport waste from the sites into energy.
- Developing sustainable fuels such as hydrogen and bio- and synthetic-fuels.
- Low carbon campuses: developing sites with excellent energy management and charging infrastructure for low carbon vehicles and reduced reliance on fossil-fuel energy.

## Criterion D: Deliverability of proposal effectively at pace

### 3.1 Describe how the Local Authority will create an appropriate planning environment to ensure the quick and efficient delivery of the Freeport proposal, including delivery of key investment proposals within this bid (max 750 words)?

**Word Count: 675**

The local authorities and the site promoters for the proposed tax sites have been working closely before and since the publication of the Freeport Prospectus. The planning authorities have developed a good understanding about the sites and their infrastructure planning and environmental constraints that will need further refinement and assessment to understand the impact of, and the mitigations for, the Freeport proposal. The planning process will determine the off-site infrastructure needed and its associated costs, although indicative costs are included in 3.2 and 3.3. Transport assessment work will be required to fully understand the impacts of inter-site movements and new traffic generation and, therefore, its impact on the local and strategic highways networks and may necessitate substantial investment.

#### Ratcliffe-on-Soar tax site (Ratcliffe)

The local planning authority has designated Ratcliffe as a Centre of Excellence and the site is noted within the current Local Plan for its strong economic development potential. Rushcliffe Borough Council (RBC) intends to encourage redevelopment of the landholding specifically for employment use. The preference and emphasis is on innovation, advanced manufacturing, and other high-tech industries. The planning designations to promote development at the sites are being actively looked at as part of preparing the Greater Nottingham Strategic Plan which will form part of RBC's Local Plan and is expected to be completed in 2022. Uniper intends to submit an application for planning consent to the Planning Authority ahead of, but aligned with, publication of the revised Local Plan. The aim is to facilitate both the Freeport development programme and regional aspirations through direct application to RBC before the end of 2021, which could also accelerate Development Corporation ambitions

Anticipated build out of the site is between 2023 and 2030 based on the scale of the site and target sector tenants.

#### East Midlands Intermodal Park (EMIP) tax site

EMIP is an emerging strategic rail freight interchange and is identified as a pipeline Nationally Significant Infrastructure Project (NSIP). As an NSIP, the main policy basis stems from the Government's National Policy Statement for National Networks, this details that the need for the development of such interchanges along with HM Government's policy for addressing that need. Extensive pre-application discussions have taken place in respect of the DCO between Goodman, Derbyshire County Council, and South Derbyshire District Council, focussing on the necessary information required to inform the consultation process and assessment of the proposals.

The Local Authorities have a strong understanding of the site and the key infrastructure, planning and environmental constraints that will need to be addressed and mitigated to progress the latest proposals for the EMIP scheme through the DCO process.

#### East Midlands Airport and Gateway Industrial Cluster (EMAGIC) tax site – including EMA and SLPENG sites

##### East Midlands Airport

East Midlands Airport is within the district of North West Leicestershire. The North West Leicestershire District Council has already created an appropriate planning environment with an up to date (2017) Local Plan which supports growth and development at the airport. The adopted planning policy recognises the international links that the Airport provides, and it identifies the East Midlands Enterprise Gateway (the Airport and its adjacent East Midlands Gateway) area as a focus for economic and employment activity. The Airport site is identified in the 2017 North West Leicestershire Local Plan and, in line with the National Planning Policy Framework, applications for planning permission should be determined in accordance with the development plan (unless material considerations dictate otherwise).

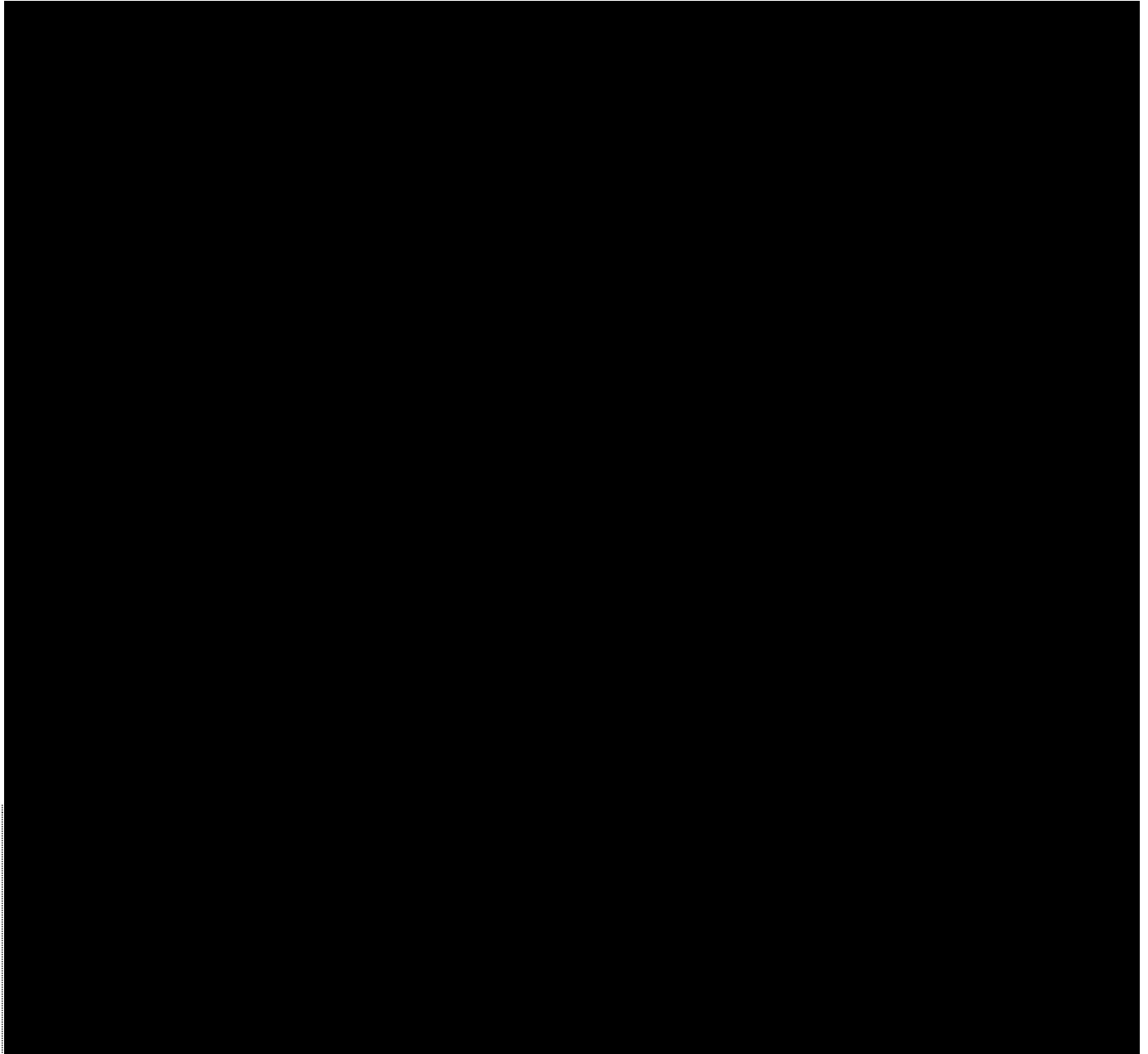
The proposed Freeport developments within the East Midlands Airport can be expected to be built out and occupied by 2023 – 2025.

#### SEGRO Logistics Park East Midlands Gateway

SEGRO Logistics Park East Midlands Gateway (SLPEMG) is a 700-acre development with planning consent for up to 6,000,000 sq. ft of logistics accommodation. The development incorporates a 50-acre Strategic Rail Freight Interchange (SRFI) which includes a rail freight terminal, capable of handling up to sixteen 775m freight trains per day, container storage, and HGV parking.

The land at East Midlands Gateway is immediately available and there are no offsite infrastructure constraints, based on the proposals in the currently consented planning application.

3.2 Please outline the minimum viable version of your investment proposal, including costs, the sources of funding that will meet those costs (for any borrowing please identify who will undertake the borrowing), and the expected outputs/benefits. Please show how you will make use of retained business rates.



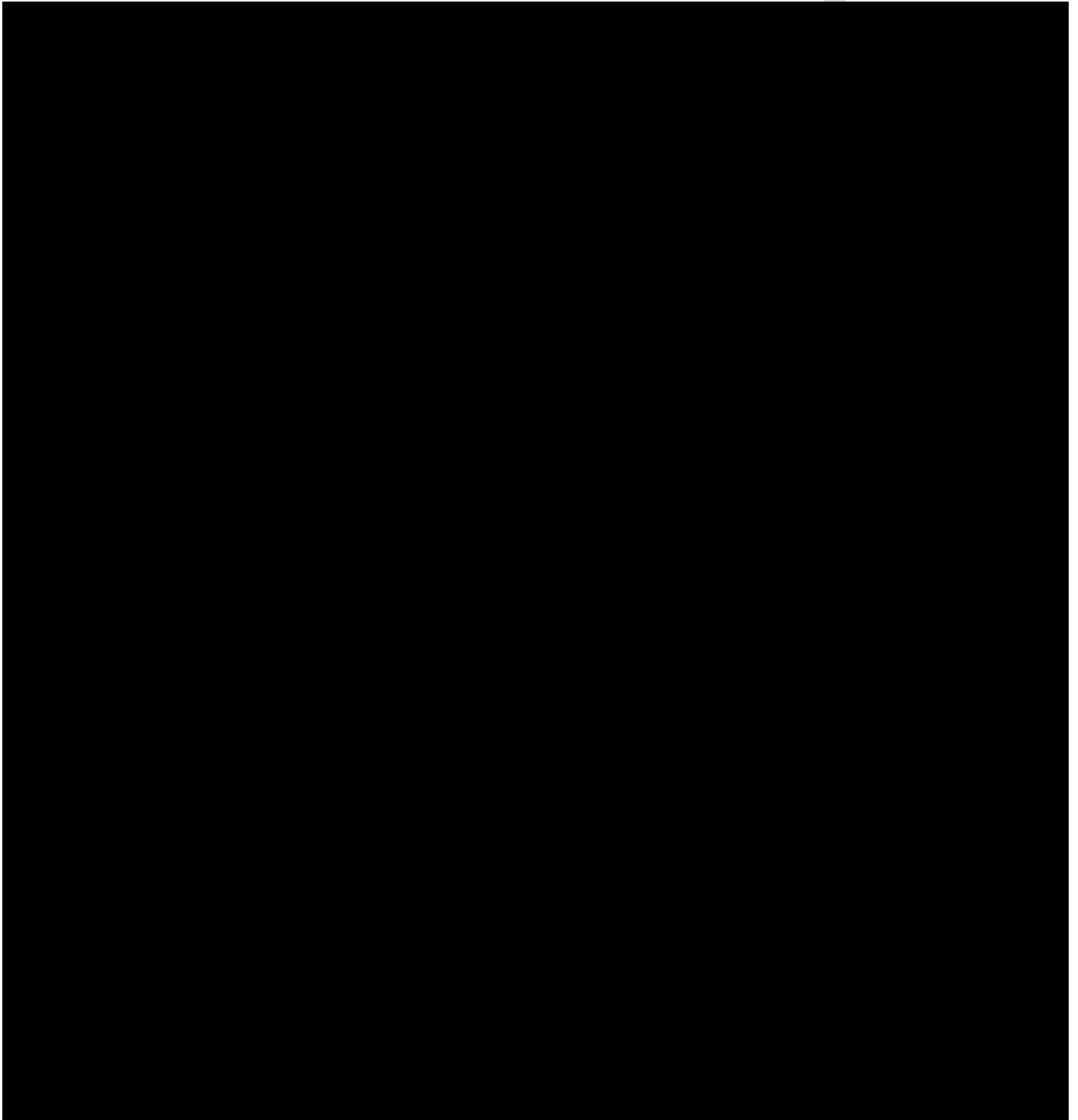
Please briefly state the expected outputs/benefits of your minimum viable proposal (max 100 words):

Word count: 61

The minimum viable investment proposal will deliver 60,000 jobs and add £2.7 billion GVA to the UK economy. It will generate between £420 million and £740 million in additional business rates over 25 years for

reinvestment in regional regeneration. It will contribute to a reduction in unemployment, an increase in the number of apprenticeships, and increasing the level of skills qualifications.

3.3 Please outline your preferred investment proposal, including costs, the sources of funding that will meet those costs, (for any borrowing please identify who will undertake the borrowing) and the expected outputs/benefits. Please show how you will make use of retained business rates.





Please briefly state the expected outputs/benefits of your preferred proposal (max 100 words)

Word count: 72

The preferred investment proposal will deliver 60,000 jobs and add £2.7 billion GVA to the UK economy. It will generate between £420 million and £740 million in additional business rates over 25 years for reinvestment in regional regeneration. It will contribute to a reduction in unemployment, an increase in the number of apprenticeships, and increasing the level of skills qualifications. It will support a greater use of clean fuels and reduce emissions.

**3.4 Please provide evidence of the commercial demand for the relevant outputs under your proposal (max 250 words).**

Word Count: 248

The East Midlands is a national hub for logistics and advanced manufacturing with a historically strong demand for industrial space. Property transactions within the industrial sector in the East Midlands amounted to nearly 300,000 sqm in mid-2019, a decline of 17% from 2018 but a 32% increase on the 10-year average. The region benefits from the availability of large, consented development sites with a combination of 'build to suits' (34%) and speculative build (40%) driving take-up through 2019.

Planning permission at East Midlands Gateway was granted in 2016 for 557,400 sqm of warehousing, of which 344,000 sqm has been developed to date. Over 150,000 sqm has been developed at the East Midlands Distribution Centre north of Castle Donnington and a further 53,000 sqm has permission. Aldi has developed a national distribution centre of 56,710 sqm with permission for phase 2 for a further 14 hectares. At East Midlands Airport, DHL has expanded its distribution hub by 22,400 sqm whilst UPS has developed a 43,500 sqm logistics hub.

Derby city is host to key firms such as Kuehne + Nagel, DHL, and Yodel who opened new, large distribution units in 2019, whilst in Nottingham, industrial demand has outstripped new supply by over five times over the last six years. In Leicester, demand over recent years has been driven by retailers and delivery specialists, with almost 200,000 sqm, absorbed between mid-2018 and mid-2019. Sales volume also grew throughout 2018 and 2019, driven by robust investor appetite and sharp yield compression.

**3.5 Please tell us how you are modelling future income from locally retained business rate growth and how you will apportion it (of particular importance if your tax site crosses multiple local authorities) (max 250 words).**

Word Count: 243

Each relevant Billing Authority will assess existing and expected hereditaments to establish an indicative baseline position. This will be assessed against the development outputs to identify the uplift, ensuring a principle of no detriment to each partner.

Outputs are based on the estimated Gross Floor Area (GFA) of employment land brought forward in each tax site.

Authorities agree to the reinvestment of retained business rates against the baseline, ensuring no detriment. This will extend to the agreement with the proposed East Midlands Development Corporation (EMDC) allocation enabling delivery of its infrastructure programme.

Initial projections suggest circa £420m - £740m business rates revenue can be generated over the 25-year period (after deductions by the Local Authorities in recognition of the 'no detriment' agreement) to be used by the Development Corporation and Freeport to deliver regeneration and public infrastructure.

These will be reinvested with private capital in site development and infrastructure. Local Authorities will forward fund through prudential borrowing, subject to business cases and due diligence. Business rates uplift (after no detriment) will be used to support:

1. Delivery of infrastructure and connectivity needs in line with local and regional strategies.
2. Maximising carbon neutral ambitions and credentials of developments.
3. Supporting “levelling up” objectives, particularly in deprived communities.

For Ratcliffe (and any future EMDC sites), the Freeport benefits and outcomes will be complementary and interlinked with the EMDC. Freeport areas that overlap with EMDC may allow for acceleration of EMDC ambitions and delivery timelines.

### **3.6 Please set out how you would make use of the innovation levers, including (max 750 words total):**

**Word Count: 749**

The East Midlands Freeport will be a demonstrator of high productivity and clean growth, accelerating the development of new UK technologies in a dynamic, frictionless, and productive environment that integrates innovation from the UK and globally. It will be a beacon for innovation, benefitting the region by improving mobility, connectivity, and green growth, unlocking development across existing Enterprise Zones and high-growth development sites.

The Freeport will accelerate innovation by enhancing well-established collaboration between our universities, major OEMs, key sectors, and public agencies and facilitate research and industrial clusters. This could increase productivity through knowledge spill-overs and agglomeration, boosting R&D and investment.

#### **Innovation at East Midlands Freeport**

The Freeport will be pivotal in stimulating green investment including ambitious plans to create a Zero Carbon Industrial Zone as part of the Development Corporation-supported regeneration of the Ratcliffe site, driving excellence in circular economy, energy exchange, and decarbonisation.

As the UK's largest energy partnership, the Energy Research Accelerator (ERA) believes the East Midlands Freeport will fundamentally boost energy innovation by utilising state-of-the-art facilities and trials to enable cutting-edge energy R&D. ERA-2 will enhance this capability with the Freeport offering a National Demonstrator in alternative fuels for haulage and air transport, and energy-from-waste. This will help to create

7,000 new jobs and bring an estimated £1.5 billion GVA to the region, unlocking a further £1.4 billion of investment.

The Freeport will require new physical and digital infrastructure to enable efficient, secure, and low-carbon mobility, enhanced through “living lab” demonstrators drawing on regional capabilities including:

- University of Nottingham’s (UoN) Driving Electrification Revolution programme (Midlands Hub) and the UKPIF Power Electronic Spoke for the National Advanced Propulsion Centre.
- The proposed TransMid Strength in Places programme focused on the scale up of electrification technologies through a catapult-style manufacturing research programme and facilities.
- Loughborough University’s Automation Centre could lead on AI approaches to autonomous goods handling through intelligent ground vehicles, cranes, and cargo-handling equipment.
- University of Leicester’s (UoL) AI research into digital/IoT technology and data-driven Artificial Intelligence systems for security.
- De Montfort University’s (DMU) Cyber Technology Institute provides specialist research in digital security and training in industrial control systems for manufacturing supply chains.
- University of Derby’s (UoD) Data Science Research Centre undertakes innovation in Digital Twin, supporting businesses with real-time models of systems to support evaluation, maintenance, and training; and,
- Nottingham Trent University (NTU) Smart Wireless Innovation Facility supports businesses develop new products utilising 5G and other network technologies.

#### Regulatory Sandboxes

EMA will directly benefit from the Freeports Regulation Engagement Network, which can help navigate CAA regulatory sandboxes applicable to vertical take-off and landing (VTOL), vertiports, and autonomous aircraft technology. EMA is already engaging with businesses on utilising drones and autonomous aircraft technology in the logistics sector. There is appetite to expand this to develop a manufacturing and operating base for VTOL vehicles within the EMAGIC tax site, requiring review of aviation and transport regulations. The ambition is to create a VTOL hub with direct synergies with cargo and logistics operators for the distribution ‘Sort’ to ‘Fulfilment Centres’.

#### Sector-focused partnerships with academia

The Freeport will build on the region’s capability in supply chain/logistics technology including:

- The Aerospace UP programme (UoN/EMA).
- DMU Logistics, Supply Chain, Digital & AI, and Environmental Data research capacity.
- UoL Logistics and Transportation Analytics Research Group (SBE); and,
- UoD supply chain research using lean-green techniques to deliver economic and environmental benefits.

The Freeport will be an exemplar in developing industrial digital technologies to drive productivity and the shift to zero carbon transport and manufacturing, utilising regional academic excellence including:

- UoL Institute of Digital Engineering - leading research in Combustion and Aerothermal Technology supporting Rolls-Royce to impact the carbon footprint of freight aviation.
- UoD Rail Research and Innovation Centre - tackling decarbonisation of rail freight through smart materials and improving propulsion; and,
- UoL is leading development of Intelligent Transport Systems to optimise urban traffic flow and minimise pollution, focusing on Air Quality monitoring.

#### Innovation in the Freeport Outer Boundary

The Freeport will provide a catalyst for innovation-led productivity gains across the region's existing clusters and innovation sites, such as:

- Space Park Leicester - Low-Cost Access to Space (LoCAS) manufacturing facility spearheading satellite design, engineering, and manufacturing.
- MIRA Technology Park – clustering excellence in automotive technologies and mobility.
- NTU Medical Technologies Innovation Facility at the Boots Enterprise Zone.
- Infinity Park Derby – focusing on advanced manufacturing and logistics, and home to iHub Centre for Supply Chain in Transport Engineering; and,
- Derby's Smartparc – a revolutionary future food manufacturing and logistics centre.

### **3.7 What considerations and mitigating actions will be taken into account for potential negative externalities (including the displacement of economic activity) affecting your site and/or the surrounding area resulting from the introduction of the Freeport (max 250 words).**

**Word Count: 246**

To minimise displacement the Freeport has targeted sites with capacity in the local labour market, which is underpinned by an existing skills and employment coordination system formed to support development of the East Midlands Enterprise Gateway. Based on lessons learnt we will work with local schools to ensure early employer engagement, and address barriers to access and travel, which will all be incorporated into an expanded service model to mitigate against displacement.

The Freeport Governing Body will develop a proactive employment and business support offer to mitigate displacement and maximise local economic benefits. The employment and skills services, including DWP, will benefit a wider geography than the Freeport. This will strategically facilitate both employment within and outside the Freeport boundary, avoiding displacement, by providing targeted employment services, redeployment, employment readiness for people furthest from the labour market, and talent pipeline development.

Displacement will be reduced by maximising the potential for spill overs from tax and customs sites to the local area, through supply chain opportunity-mapping, enabling local SMEs to supply into Freeport businesses, transport planning to ensure people can access labour market opportunities, and codes of conduct set by the Governance Body to encourage community-focused growth and avoid displacement of existing businesses from outside the Freeport

Other negative externalities may include infrastructure reaching capacity, increased congestion, and growth of sectors not aligned to the region's economic development aspirations which will all be monitored and plans put in place to mitigate by the Governance Body.

### **3.8 Please describe how your Freeport proposal will support the delivery of the UK's Net Zero ambitions (max 500 words).**

**Word Count: 498**

The ambitions of the Government's "Ten Point Plan" are at the heart of the East Midlands Freeport. It will be a national exemplar for low carbon mobility and zero carbon technologies. It will grow clusters of Net Zero manufacturing, drawing investment in batteries, electric vehicles, and clean fuel production. Investment in these emerging technologies can only be unlocked and scaled up with Freeport designation.

There is a strong shared interest in decarbonisation of energy and road, rail, and air transport, and in particular hydrogen production, distribution, and use, reflecting interest from the region's transport and logistics cluster. The fiscal benefits and collaboration possible in Freeports will support the region to become a leader in H2 production and use. EMA intends to become a hydrogen hub, working in synergy with cargo operators, airlines, handling agents, and tenants to develop hydrogen-based solutions, including logistics vehicles, public transport solutions, ground support equipment, and fixed electrical ground power, underpinned by a generation facility.

EMA is the first UK airport certified as carbon-neutral for its ground operations and aims to achieve net zero carbon by 2038. SEGRO has launched an electric shuttle bus and bike hire scheme and is exploring implementation of solar PVs and trialling smart building technology at East Midlands Gateway, including data capture on energy use, CO2 levels, noise, light, temperature, and plant efficiency.

The Freeport will seek to significantly increase renewable generation, including heat pumps and roof-top solar. Increased collaboration between partners can significantly enhance associated renewables growth. A clear vision for Ratcliffe has circular economy, energy exchange, and decarbonisation at its centre. The site's infrastructure and connectivity will support transformational, critical, supply chain developments including a Gigafactory, and could host hydrogen production and distribution. The low carbon heat and electricity energy hub will service Freeport manufacturing with the possibility of achieving carbon negative over the longer term. Freeport status will help attract and accelerate these investments.

Good mainline connections will allow diversion of road freight to rail. Toyota's Environmental Challenge 2050 aims to achieve zero carbon emissions and a net positive environmental impact for new vehicles, plant, and life cycle, with a focus on developing electric and hydrogen-based solutions to transform mobility services. It has an exemplary track record in biodiversity planting. The proposed construction of a bridge over the A50 would enable Toyota to move more vehicles and parts by rail, whilst the Freeport creates the opportunity to reshore production reducing carbon footprint of the supply chain.

These aspirations are underpinned by existing regional strengths in R&D and innovation within local universities and a strong training capability already working to ensure that the workforce can meet the net zero challenge. Development Corporation is proposing an international decarbonisation centre (now branded "ZERO") working with the Energy Research Accelerator to accelerate high level skills in green technologies. It will enable a lower level of carbon emissions from power generation, improving the long-term health of communities; create new job opportunities in digital, manufacturing, construction, and facilities roles; and increase carbon sequestration.

### **3.9 Please outline how your proposals will ensure compliance with all applicable environmental regulations and standards (max 250 words).**

**Word Count: 250**

Freeport sites will comply with all mandatory environmental regulations and standards and support the transfer of best practice through active monitoring and coordination of environmental standard compliance by the Governing Body. Site developers have expertise in managing the environmental impacts of development and subsequent operations, meeting and significantly exceeding regulatory standards. This expertise will support new investments ensuring environmental management standards are not compromised.

The Airport's environmental management programme is ISO-14001 certified and energy management will be certified to ISO-50001. East Midlands Airport (EMA) was the first UK airport to receive ISO-14001 certification, which requires demonstration of continuous improvement in environmental performance. EMA holds

accreditation and audit from the Carbon Trust and certification to the Airport Council International Carbon Accreditation Scheme.

Uniper and Toyota are similarly ISO-14001 accredited. Toyota was the UK's first car manufacturer to receive this certification and to achieve zero waste to landfill and was the first overseas Toyota plant to use waterborne paints. Environmental Challenge 2050 provides direction to the company in its bid to reduce its environmental impact on society. Future investment decisions take into account the potential environmental impact with the goal to going beyond zero and actually improving the environment. Uniper's site is a lower-tier COMAH site due to the nature of some of the materials used in the electricity generation process, and they have the expertise and experience to successfully operate complex plant and processes subject to high degrees of scrutiny, coordinating closely with relevant regulatory authorities, emergency services and regional stakeholders.

### **3.10 Please outline the expected impact of your proposal on people with protected characteristics, using statistics where possible (max 250 words).**

**Word Count: 248**

Inclusion, equality, and diversity are priorities for the Freeport with specific programmes and activities to mitigate barriers to economic participation by individuals with protected characteristics. A range of programmes exist ensure the benefits of the Freeport deliver for them:

- Careers inspiration for all pupils with focus on deprived areas and learners in SEND settings.
- Digital and technical skills bootcamps to increase participation from females and those with health and disability barriers or autism.
- Bespoke employment support for people with multiple barriers to employment.
- Rural-specific employment support (e.g., Work:Live Leicestershire).
- Targeted interventions to tackle barriers into careers in digital roles, food and drink and construction sectors.
- The University of Nottingham's Women in Enterprise network.

In addition to response 3.7, the Freeport will work with LEPs, FE, HE and DWP to provide a tailored recruitment service to Freeport employers and pre-employment training and recruitment with a focus on local jobseekers. This will include pivoting the forthcoming D2N2 ESF programme on supporting groups furthest from the labour market to have a particular place and sector focus on the freeport. The vision will be to tackle the issues of rising unemployment and meet the HM Government agenda of Building Back Better and improving social mobility, where South Derbyshire and North West Leicestershire perform particularly poorly.

Outputs will include dedicated training, education, careers support and apprenticeships for people with protected characteristics. Outcomes will include people with protected characteristics being represented at least as well as their peers in new and higher paid jobs.

### **3.11 Describe the governance arrangements for the delivery of the Freeport proposal (max 750 words).**

**Word Count: 496**

It is the intention of all partners to ensure that the East Midlands Freeport governance is simple and does not duplicate but adds value and complements structures across the region. Our approach makes a clear distinction between the strategy/oversight and operation/delivery functions:



- EM Freeport Board to lead strategy/oversight; and,
- Landowners/operators to focus on operations/delivery.

Functions of the Freeport governance body will include:

- Setting Freeport strategy.
- Alignment and coordination with regional economic development plans.
- Oversight and management of public monies.
- Reporting progress to HM Government through effective monitoring and evaluation.
- Coordination function regarding investment promotion and marketing, business support, innovation, and skills.
- Coordination with planning authorities, highway authorities and rail authorities to expedite delivery; and,
- Standards-setting related to the customs Community System and physical/digital security.

As per the Prospectus and Clarifications, customs security and compliance will remain the responsibility of individual Freeport customs sites operators.

We propose to align governance with that of the East Midlands Development Corporation (EMDevCo) and wider regional Alchemy Board through consultation and engagement with all key stakeholders. As Freeport operations and governance matures, and the EMDevCo becomes a statutory vehicle, we will work closely with EMDevCo and the Alchemy Board to ensure coherence and alignment of strategies and objectives.

#### The EM Freeport Board

The EM Freeport Board will be underpinned by a partnership agreement, with terms of reference setting out its membership, roles, responsibilities, voting, decision-making processes, and the relationship with EMDevCo, including reserved matters between the two bodies. The governance body will adhere to HM Government's National Local Growth Assurance Framework (NAF).

The EM Freeport governance will be built on an appropriate number of board members with an independent Chair. There is a strong desire that it is a truly private-public partnership, reflective of the demography and geography of the East Midlands region. The governance board will comprise representatives of local authorities, landowners/customs operators, the 2 LEPs, higher education, business and the EMDevCo who will work collaboratively to ensure decisions are made in the interests of promoting and accelerating the delivery of the Freeport.

Membership will provide for a private sector majority. The Prospectus offers the opportunity to expand permanent membership beyond 12 members in exceptional circumstances. This will be explored further with Government officials given there are three tax sites under separate ownership with each site in different upper tier county and lower tier district authorities, and a Development Corporation which will be private sector led with an independent chair. Although the Board should not be unwieldy, it will include flexibility for co-opted members, such as MPs, or experts to provide strategic advice.

Decisions will be made by simple majority voting. Individual board members will serve for a term of three years, with the option to extend for a further three years. The membership will adhere to the NAF best practice, including ensuring gender balance. The Board will be accountable for commissioning and updating the strategy, business plan, and adoption of policies that will govern the delivery of the Freeport.

### **3.12 Please describe the management arrangements for the delivery of the Freeport proposal, this should include any key staffing appointments (max 250 words).**

**Word Count: 223**

The Local Enterprise Partnerships, the Local Authorities and private sector partners are committed to supporting the delivery of the Freeport. We will draw from a range of skill sets and disciplines including within the Growth Hubs and Place Marketing Organisations. On confirmation of Freeport status, a project team will be assembled, drawing on a broader collective set of skills and resources, to optimise project delivery and to provide effective secretariat support for the governance body. Additionally, consultancy support will be commissioned to draw on specific specialist resources to develop a detailed business case and respond flexibly to project delivery requirements.

We will use the Government's Freeport capacity funding to immediately appoint a programme co-ordinator and administrator with a long-term view of developing dedicated capacity, seconded from, or jointly funded by partners and from retained business rates. We will also ensure clear alignment and collaboration with the East Midlands Development Corporation (EMDC) to maximise local capacity and expertise.

Regular progress and monitoring reports would be provided to the outlined governance structures and to MHCLG. Wherever possible we will build and align with existing resources and structures including within the LEPs and EMDC.

The operational aspect of the Freeport would need to be administered by the landowners in collaboration with several service providers such as customs agents, freight forwarders, security personnel and back office administration.

### **3.13 Please provide a risk assessment of the barriers to implementation of your proposal (max 250 words).**

**Word Count: 249**

The Freeport is creating a major, new delivery partnership with key risks identified:

- Governance: Speed of establishing and embedding strong working relationships between members of the Governance Body potentially delaying strategic decision-making. Freeport standards and clear terms of reference, including audit and scrutiny functions, will be drafted jointly, and approved by the public-private Governance Board to mitigate this risk.
- Planning and development: Delays in the planning process linked to the strategic nature of proposed infrastructure, including the critical interdependencies of Government departments such as DfT and BEIS to facilitate and expedite delivery. Mitigation includes strong governance with robust programme management and oversight processes to coordinate engagement during bid preparation, highlight escalation issues and target remedial activity.
- Funding: Difficulties in attracting private sector investment making the 'minimum' proposal unviable. Difficulties in generating predicted business rate uplift due to slow investment, resulting in funding gap. Risk will be mitigated through active accountable body role and DIT-facilitated (response 4.5) brand, marketing, and inward investment strategy.
- Environmental: Damage to local ecosystems and health impacts during site development and business operations. Mitigation includes strong biodiversity gain proposals across the site, development of low carbon industries and compliance with all environmental safeguards. Monitoring and evaluation of impact via robust performance management framework.
- Security: Breaches resulting in leakage of Freeport goods into the domestic market and/or other illegal activities, such as money laundering. Mitigation includes ensuring customs sites meet HMRC's security standards using an appropriate Community System, fencing, and supporting businesses abiding to additional Freeport frameworks.



### 3.14 Please describe your Monitoring and Evaluation plans (max 250 words).

**Word Count: 247**

The East Midlands Freeport will develop a monitoring and evaluation plan to promote data-sharing amongst businesses, researchers, landowners, and public-sector entities to collect information on the indicators set out in the logic model. Focal points across each tax site will be identified and strategic partnerships established with local universities to compile the data needed to assess progress on the following outputs and outcomes:

Objective 1: Establish and strengthen the East Midlands as a national hub for global trade and investment.

- Outputs: number of hectares for industrial floorspace; number of industrial businesses; number of km of road / rail infrastructure; # of MW in low carbon energy provision; number of hectares of secure customs sites.
- Indicative outcomes: GVA; exports; total jobs, trade intensity

Objective 2: Promote regional regeneration and accessible job creation

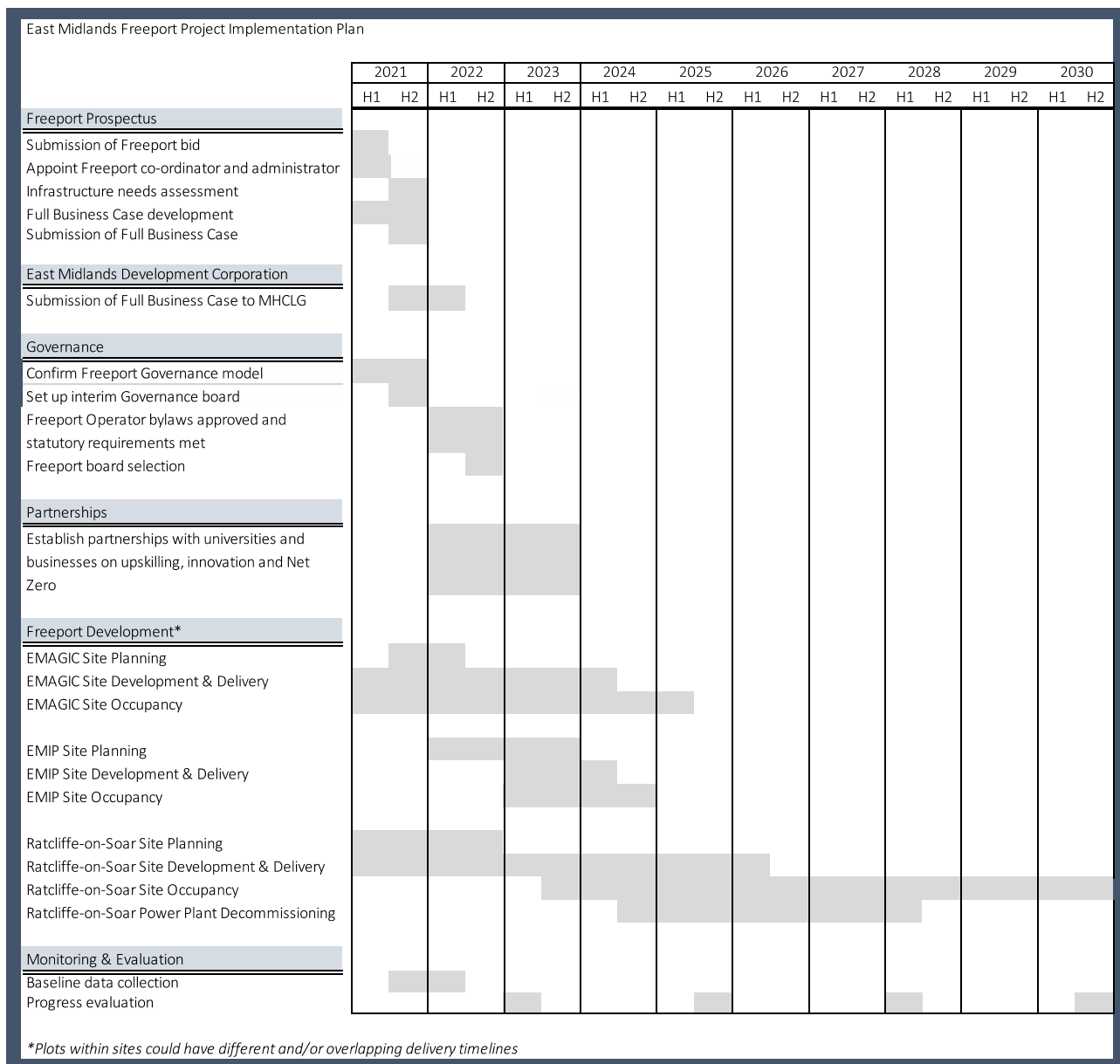
- Outputs: number of workers trained and upskilled/reskilled, number of apprentices and work experience visits
- Indicative outcomes: unemployment, number apprenticeships/training opportunities; worker output per hour
- Number of new businesses started
- Number of businesses supported

Objective 3: Create a hotbed for innovation in the net zero transition

- Outputs: number of R&D initiatives on Freeport innovation, and new carbon-neutral technologies developed and tested
- Indicative outcomes: emissions million metric tons of CO2 equivalents; carbon intensity, worker output per hour; R&D spend; innovation multiplier

The Freeport will commission annual independent evaluations from an external body as part of an annual audit, in line with HM Treasury's Magenta Book. The audit will also review the financial and operational performance of the Freeport.

### 3.15 Please upload an Implementation Plan covering milestones, timelines, critical interdependencies, and sequencing



## Criterion E: A high level of private sector involvement in the proposal

4.1 Please describe the main investments you will make to deliver the Freeport, including requests for Freeports seed capital, council borrowing, private investment and any other strategically aligned public investment made by the LEP, council or national government (max 250 words).

Word Count: 250

[REDACTED]

[REDACTED]

4.2 Please detail any complimentary investments that have been secured over the past 5 years or are currently under consideration from external funders, that support the delivery of your proposal (max 1000 words).

Word Count: 787

The Freeport sites and surrounding impact areas have benefited from significant amounts of public and private investment in recent years, ensuring they are well placed to maximise the Freeport incentives to bring forward further development and associated benefits. Over £570 million has been invested by the private and public sectors over the past five years. These investments include:

Ratcliffe-on-Soar

The Uniper site presents a ready-to-deliver prime site for a pioneering Gigafactory with excellent regional and national transport links, existing grid connectivity and proximity to the region's global original equipment manufacturers (OEMs) such as Rolls-Royce, Toyota, JLR, and Bombardier, and to world leading universities and R&D institutions. Uniper is working with D2N2 LEP and local investment promotion agencies to further

develop the offer and is keen to work with Government to demonstrate the suitability of the site in delivering the ambition of creating a world leading EV supply chain at the centre of the UK's manufacturing heartland.

Uniper has also lodged a planning application to develop an energy from waste plant within the Freeport boundary as the first step towards turning a major source of carbon emissions to a site specialising in low carbon futures. A bid from local partners to the UKAEA's STEP Fusion programme is under consideration, given the region's outstanding expertise in nuclear power (e.g., Rolls-Royce, University of Nottingham) and in low carbon technologies (e.g., Porterbrook, Loughborough University). The development of low carbon electricity generation, storage and distribution within the Freeport is a key element of the pitch to the low-carbon businesses the region aims to attract.

#### EMIP

- In 2017, Toyota invested £240 million at its manufacturing site at Burnaston, including capital investments in new equipment, technology, and systems.
- Significant investments at the Toyota Burnaston plant to enable the production of Toyota New Global Architecture platform vehicles.
- Investment in light-weighting technologies, innovative low-VOC plastic painting line and other technologies have taken place to enable the manufacture of new generation, electrified vehicles.
- Complementary investments to support bringing forward the EMIP site, just south of the A50, have been undertaken over several years, including site investigations and transport modelling.
- A collaborative bid for an Institute of Technology has been submitted by Derby and Loughborough universities and colleges. With both Toyota and Uniper as partners to the bid, the IoT will provide coordinated skills delivery across the entire Freeport geography with a complementary focus on low carbon and digital skills for manufacturing and construction.

#### EMAGIC

- SEGRO has invested over £100 million in infrastructure to deliver the consented East Midlands Gateway site, including £10 million on a new bypass around the village of Kegworth and £20 million on offsite highways including a major upgrade to Junction 24 of the M1.
- Investments of over £232 million have been made at East Midlands Airport to upgrade airport infrastructure to extend passenger and cargo facilities. The principal investments are:
  - Extension to DHL Hub Building - £90 million
  - New UPS Cargo Hub - £114 million
  - HV upgrades to facilitate UPS extension - £3.5 million
  - East Apron Extension (four aircraft stands) - £4.8 million
  - Runway Refurbishment - £16 million
  - Immigration Hall Extension - £3.8 million
- Maritime has invested £6 million to support and expand its rail head operations at the East Midlands Gateway Terminal:
  - Five Reach Stackers - £2 million
  - Thirty HGV and trailers – £3.3 million
  - Gatehouse - £0.2 million
  - Infrastructure (lighting and concrete upgrades) - £0.5 million

#### Wider Public Sector Investment

While known direct infrastructure costs are included in 3.2 and 3.3, road and rail transport assessment work will be required to fully understand the cumulative impacts of inter-site movements and new traffic generation and may necessitate substantial off-site investment. That assessment, once complete, will provide more detailed understanding of impacts and, where mitigation is required, the consequential costs and delivery timescales.

A comprehensive approach will be taken to transport assessment involving all local authority partners, private sector and govt departments (Highways England, Network Rail etc) to ensure existing investment programmes such as RIS 2 and 3, planning mechanisms such as s106 and other regional funding sources are co-ordinated and maximised to facilitate and mitigate development. In the event substantial off site investment is required, current estimates suggest that this would occur in the period 2025-30 and beyond.

The outer boundary area has already seen significant regional investment, e.g. £150m smart motorways from j23a north, which will help ensure the potential of the Freeport operation is maximised in the initial development phase. While the HS2 Phase 2b will not be operational for over a decade, this infrastructure investment which will run immediately adjacent to the Ratcliffe on Soar site would further enhance the strength and ensure continued growth of the Freeport.

#### 4.3 Describe the primary types (including size and sector) of business (max 500 words total):

**Word Count: 455**

The East Midlands Freeport integrates existing businesses and will attract new investment from both large, international businesses and SMEs in their supply chains in the following sectors:

**Air travel and cargo:** SIC Codes(s): 51. Covers commercial activities from the East Midlands Airport, an international passenger airport and freight hub. This is the UK's leading express freight airport, carrying over 370,000 tonnes of cargo a year with a value of around £40bn.

**Logistics and warehousing:** SIC Code(s): 43,52, and 68. Includes SEGRO's Logistics Park at the East Midlands Gateway - a 700-acre development with planning consent for up to 6,000,000 sq. ft of logistics accommodation. The development incorporates a 50-acre Strategic Rail Freight Interchange (SRFI), including a rail freight terminal, capable of handling up to sixteen 775m freight trains per day, container storage and HGV parking.

**Electricity production and transmission:** SIC Code(s): 35. Includes Uniper's coal-based power plant at the Ratcliffe-on-Soar Power Station, which has a generating capacity of 2,116 MW. The plant will be decommissioned by 2025 in accordance with UK coal closure legislation.

**Manufacture and assembly of motor vehicles:** SIC Code(s): 29. Includes Toyota's manufacturing plant at Burnaston. Activities at this site include stamping, welding, painting, plastic mouldings, and assembly of motor vehicles. This plant produces hybrid cars containing both internal combustion engines and battery-powered motors.

**Research and development:** SIC Code(s) 72. Includes several renowned universities and research facilities such as University of Leicester, De Montfort University, Loughborough University, University of Nottingham, Nottingham Trent University, and University of Derby.

The East Midlands Freeport aims to attract businesses that build on the region's competitive advantages and support regional and national development plans, including Net Zero and innovation. This includes:

**Advanced logistics and warehousing:** SIC Code(s): 43,51, 52, and 68. There is large potential to expand two existing logistics and smart warehousing clusters in the East Midlands, mainly at the East Midlands Airport and Gateway, and next to Toyota's existing manufacturing plant. Developments here aim to build innovative real estate that contributes to Net Zero, and support air freight / cargo activities at the airport.

**Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment:** SIC Code(s): 27, 28, 29, 30. The Freeport will attract firms engaged in the production of motor vehicles that use battery-powered motors develop innovative vertical take-off and landing aircraft, such as drones and other autonomous aircraft technology, and manufacture lithium-ion batteries for the automotive industry.

**Low carbon & Renewable energy production and transmission:** SIC Code(s): 35. The Freeport will support the decarbonisation of the region through the redevelopment of Ratcliffe-on-Soar power station to a decarbonised energy & industrial hub. This includes facilities to generate energy from recycling residues, low carbon hydrogen production, renewables, and potentially the development of fusion technology.

**4.4 Please choose from the following Sector list (SIC Section and Division Codes) those business who are part of your bid and that you aim to attract (max 10 each).**

Existing industries (Code)	Description	Target industries (Code)	Description
29	Manufacture of motor vehicles, trailers, and semi-trailers	27	Manufacture of electrical equipment
35	Electricity, gas, steam, and air conditioning supply	29	Manufacture of motor vehicles, trailers, and semi-trailers
43	Specialised construction activities	30	Manufacture of other transport equipment
51	Air transport	35	Electricity, gas, steam, and air conditioning supply
52	Warehousing and support activities for transportation	43	Specialised construction activities
68	Real estate activities	51	Air transport
72	Scientific research and development	52	Warehousing and support activities for transportation
		68	Real estate activities

**4.5 Please outline what specific trade and investment support measures you feel would benefit a Freeport in your area (max 250 words).**

**Word Count: 248**

The East Midlands Freeport will seek a site-specific, integrated trade and investment support package which builds on the region's strong Inward Investment offer and promotes the benefits of the location. The region already has excellent trade links with Europe, India, and China with sectoral strengths in high-value manufacturing and logistics, well placed to attract increased foreign direct investment. To expand global reach requires targeted DIT promotion overseas with the Freeport as a focal point for the developing LEP-level trade strategies. Specific support measures to be developed in conjunction with DIT will include:

- Establishment of a coherent place marketing strategy and investment proposition including a Freeport HPO.
- Joint campaigns in domestic and overseas markets, utilising DIT's global advisory network and supporting a presence at international events.
- Provision of bespoke support for potential investors and engagement with supply chains;
- Focused advice and support on enabling agglomeration of businesses operating and manufacturing in the Freeport through targeted marketing activities focusing on manufacturing and low carbon businesses.

The recent round of successful HPO bids will see Leicestershire's leading space and life sciences sectors strengthened and we will seek HPO status for sectors within the Freeport focusing on low carbon and advanced manufacturing.

Business support will be facilitated through a dedicated Freeport gateway, providing key account management level support to coordinate and integrate Growth Hub and partner assistance with DIT Trade Advisers to deliver client focused interventions, and will be proactive in identifying specific opportunities for innovation, growth, and collaboration within the area.