

Freeport East

Responses to Bid Questions

FINAL 04.02.2021

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

Short text box

Check against other possible/similar names.

Response:

Freeport East

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

NB: This will be the key point of contact for the government.

Short text box; email; tel.

Response:

Mark Taylor, Hutchison Ports UK

taylorm@hutchisonlogistics.co.uk

+44 20 7350 5635

1.3 Please upload the following pdf files legible at A3:

- One map showing your Freeport outer boundary, no points on which should be more than 45km apart, and the locations of the tax site(s), customs sites, and any other sites which make up the bid (e.g. infrastructure projects)
 - One map per customs zone defining its boundaries
 - One map per tax site defining its boundaries (sites must be single and individual)
-

Upload pdf legible at A3

50MB max

The tax site or sites, the customs sites, and the planning, regeneration spending and innovation measures outlined in subsequent sections – must all be applied within the Outer Boundary.

Response:

Please refer to zip file also attached to email.

1.4 Please also email an ESRI Shapefile or Vector Geopackage version of each map uploaded at 1.2 to Freeports-MHCLG@communities.gov.uk

Email submission of ESRI Shapefile or Vector Geopackage

Presume this refers to 1.3, rather than 1.2

Response:

Developed and ready to be emailed.

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

Y/N

Tax site landowners to provide a statement that they agree to use of their site as a tax site.

Response:

This is a yes/no tick box on the survey form only. No letters are required from landowners of tax sites (only customs sites).

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. If the operator already has HMG customs authorisations they should state this in the letter.

File upload

Max 50MB

Written response required. Customs site must be approved by HMG subsequently.

Response:

Site/Landowner	Status	To be uploaded as
HPUK, PoF	Received	158376864_Site_Operator_1
PD Ports	Received	158376864_Site_Operator_2
HPUK, Harwich	Received	158376864_Site_Operator_3
Gateway 14	Received	158376864_Site_Operator_4
Port One Blakenham	Received	158376864_Site_Operator_5
Horsley Cross	Received	158376864_Site_Operator_6
Clickett Hill Road	Received	158376864_Site_Operator_7

1.7 Please upload written confirmation of support for your bid from your local authority or local authorities and (if you have their endorsement) 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 be also signed by the MCA and/or **LEP** to confirm their support for the bid and detail its **alignment with the delivery of the area's 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. "

File upload

Response:

Authority	Status	To be uploaded as
Tendring District Council	Received	158376864_LA_1
East Suffolk Council	Received	158376864_LA_1
Babergh and Mid Suffolk District Councils	Received	158376864_LA_1
Essex County Council	Received	158376864_LA_2
Suffolk County Council	Received	158376864_LA_2
NALEP	Received	158376864_LA_3
SELEP	Received	158376864_LA_3

1.8 Is your bid a cross-border bid? If so, is any of the land covered by your bid also subject to a Freeport bid in another nation

Y/N

Response:

N

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

Y/N

Response:

N

(This is a yes or no answer. Whilst conversations have been had with the West Midlands, specific sites as detailed within the questions below have not been included and therefore, we are selecting no on this occasion, however can allude to West Midlands connections elsewhere in the bid and via media)

1.10 Explain how your Freeport Outer Boundary represents a credible, coherent economic geography? Please provide clear rationale

Free text

500 word limit

Response

The Freeport East outer boundary is centred around two major ports – **Port of Felixstowe (PoF)** and **Harwich International Port (HIP)** - both of which are owned and operated by Hutchison Ports UK, a subsidiary of the CK Hutchison group, a significant foreign inward investor into the UK. This represents a dual-node or **dual port freeport** model.

In particular:

- The outer boundary was selected based on the need to capture the two ports, provide viable and sufficiently large potential tax and customs sites in the hinterland and to align with existing regional connecting infrastructure and economic geographies. These factors were also balanced with the need for a legible and easily understood boundary. Consequently, the boundary is a 45km diameter circle which contains the proposed tax and customs sites and the transport infrastructure linking them to the local ports and to one another.
- Given the **proximity** of the two ports to each other, common ownership and complementary operating models and environments, a dual node port proposition is logical and will enable advantage to be taken of **economies of scale** in operation, governance, connectivity, trade-related dynamics and local/regional industry value chains.
- The Freeport East outer boundary represents a **natural economic catchment area** around the two ports. The inland Gateway 14 tax site is highly integrated with the PoF through its proximity to the A14 which links Stowmarket with the coast. Bathside Bay is, in turn, linked to HIP via rail and the A120. In addition to the tax and customs sites, the boundary captures the primary freight arteries and growth corridors along the A14 and A12, which are highly integrated with the two ports and will also be the focus of longer-term growth in the area. This freeport zone has historically been viewed as a functional economic geography, demonstrated by the earlier establishment of bodies such as the Haven Gateway Partnership, formed specifically to promote economic and commercial development of the sub-region in a coherent way.
- The zone naturally extends into the communities of **East Suffolk, Tendring, Babergh, Colchester, Ipswich** and **Mid Suffolk** and a section of Braintree. This encompasses parts of the counties of Essex and Suffolk, therefore falling into both the South East LEP (SELEP) and New Anglia LEP (NALEP) areas. The majority of the tax and customs sites fall on the Suffolk side of the boundary. The overall population of the area is 652,000 (2019 ONS population projections) with a labour market catchment of approximately 388,000 working age residents within the Freeport East boundaries.
- The Freeport East outer boundary also includes numerous areas which suffer from high unemployment, low household incomes, low GDP per head and ingrained deprivation. These

are places where large-scale investment facilitated by freeport designation can have the most transformative effect. Ipswich, Felixstowe and Tendring in particular, contain a number of communities with significant levels of overall **deprivation**, as assessed in the 2019 English Indices of Multiple Deprivation. The freeport boundary also intersects Tendring 018A - the most deprived neighbourhood in England as of 2019.

[498 words]

1.11 Please provide rationale for the primary customs site and any subzones, including:

- **What you expect each customs site to be used for?**
 - **What outputs/benefits do you expect each site to generate?**
 - **How do they relate to each other and the wider Freeport?**
-

Free text- 500 word limit

Must have at least one customs site

- What you expect each customs site to be used for? Goods?
- What outputs/benefits do you expect each site to generate? Increased throughput of goods etc?
- How do they relate to each other and the wider Freeport? Transport and connectivity?

Response:

Seven customs sites are proposed, at:

- PoF Logistics Park (**primary customs site** and also a tax site);
- Parker Avenue, in close proximity to the PoF
- Clickett Hill Road, in close proximity to the PoF
- Bathside Bay (also a tax site), Harwich
- Gateway 14 (also a tax site), Stowmarket
- Port One, Great Blakenham
- Horsley Cross, Tendring.

The PoF Logistics Park and Parker Avenue are both located within the wider PoF area. Bathside Bay is connected directly to HIP by the A120 and rail links. These sites are anticipated to handle goods and to host industries closely linked to the ports.

The other three sites - Port One Great Blakenham, Horsley Cross and Gateway 14 (also a tax site) - are located immediately adjacent to major connecting roads (the A14 at Port One and Gateway 14 and the A120 at Horsley Cross) and existing freight corridors, which provide direct access to the ports as well as the other customs sites. Port One, Great Blakenham is already home to a consented and partially constructed logistics park along the A14, with an international cold chain operator expressing significant interest in the site for its operations.

Similarly, Parker Avenue is operated by PD Ports - a major UK shipping and logistics company - which hopes to expand its existing fulfilment and product-finishing activities in the wider PoF area. Similarly, the Clickett Hill Road site includes the Uniserve new “megawarehouse” providing ambient and freezer logistics. The pairing of new logistics operations in the immediate vicinity of a major global port with tariff inversion benefits has the potential to significantly increase throughput and trade with existing global partners.

In the case of the Logistics Park, Bathside Bay and Gateway 14, the tariff inversion benefits available for a portion of each of the overall sites will be paired with the benefits of tax site designation, providing an added incentive for the location of new and emerging industries. An additional benefit of the sites will be enabling the avoidance of double-duty for goods imported into the UK for finishing/processing before re-export to the EU that do not qualify for tariff-free entry to the EU

under the FTA. The longer-term impact of double duty in the wake of Brexit is yet to be seen and this exception to the new reality represents an added benefit and potential to onshore economic activity and safeguard existing jobs.

The location of developed, highly accessible and sufficiently large customs sites within the vicinity of the port will contribute to the facilitation of trade between Asia and the UK and between the UK and the EU, with emphasis on supporting the Government's Ten Point Plan for a Green Industrial Revolution by specialising in zero carbon energy.

The customs zones are anticipated to attract business from around the world looking to serve both the UK and EU markets. Having those investments in a freeport with the unrivalled location of Freeport East will give the UK the opportunity to be a leading international centre for these technologies.

[500 words]

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.

Free text

500-word limit

What steps will be taken to ensure that the customs sites and tax sites will be secure against illicit activity, including organised criminal activity, money laundering, smuggling and illegal immigration.

Response:

The security mitigations and management to be applied to Freeport East will be based upon a robust threat, vulnerability and risk assessment. This will consider both physical and cyber-security in a holistic way to remove the opportunity for crime, terrorism and illicit trading. The risk assessment will include all the relevant security stakeholders, including local and national Policing, Border Force, MHCLG, Home Office, HMRC and other relevant agencies. Principal to this will be the establishment of robustly controlled, and proactively monitored, perimeters for both physical and cyber intrusion to ensure the physical site and the systems utilised within are kept secure.

From the outcomes of the risk analysis, a Security Concept of Operations and a layered Protective and Criminal Activity Detection Plan will be developed, ensuring compliance with the OECD Code of Conduct for Clean Free Trade Zones. These plans will also ensure that all businesses operating within the Freeport East area will have mandatory minimum security and reporting requirements placed upon them.

This approach for Freeport East builds upon existing security arrangements already in operation, including at the PoF which in 2014 became the first port in the UK to receive Authorised Economic Operator (AEO) status. Additionally, the PoF has dedicated Emergency Services teams who comply with national and international regulations including the International Ship & Port Facility Security (ISPS) Code. This includes a statutory police force that provides direct security at the site, plus advice and oversight of security at other sites. The Port Police Unit is a statutory independent police force committed to the prevention, detection and investigation of crime at the port. Port Police Officers have the same status and powers as regular officers on, and within one mile, of the port boundaries. They work with other agencies and statutory organisations to provide a safe and secure environment and will continue to extend this service in line with the freeport boundary.

Building upon this police presence, the PoF is a designated Operator of Essential Services and is therefore subject to the Networks and Information Systems (NIS) Directive. As a result, the port is required to be compliant to stringent cyber security controls and to evidence these in an audit return to the DfT. HPUK works closely with the National Cyber Security Centre (NCSC) and partakes actively in the Maritime Information Exchange run by the NCSC. The Freeport, as an extension of the operations at the PoF, will be subject to the same controls and auditing rigour.

This coincides with the conducting of cyber drills which ensure protection from harm and recovery from unexpected incidents is practiced in order to ensure the lowest possible risk to data or the ongoing operation of the businesses. The existing operations at the PoF are protected from ransomware attack and use intelligent network tracing to identify nefarious behaviour that might

otherwise be hidden. These best practice approaches will be extended to the HIP, along with the tax and customs sites proposed as part of Freeport East.

[497 words]

1.13 Please provide clear economic rationale for the tax site, including: an explanation for the proposed location and why it represents good value for money, how tax measures will generate additional economic activity, how your proposed sites meet the criteria for being underdeveloped.

500-word limit

These points should be covered:

- an explanation for the proposed location and why it represents good value for money
- how tax measures will generate additional economic activity
- how sites meet the criteria for being underdeveloped
- how the proposed sites are “underdeveloped” - underutilised land with investment and job creation potential
- if any proposed sites are not a qualifying area as set out above, why their proposed site(s) needs regenerating
- how the Freeport tax measures will generate additional economic activity in the site(s)
- why the proposed site(s) are the optimal choice for the local area, representing good value for money

Response:

Three tax sites are proposed: Bathside Bay, PoF Logistics Park and Gateway 14. The sites are:

- Closely interlinked with the two ports and highly integrated with both a major, national east-west trade route and a global trade gateway. Bathside Bay and PoF Logistics Park are adjacent to the two ports and Gateway 14 is directly linked to PoF by the A14.
- Collectively large enough to have a significant economic impact on the surrounding area when developed. The three sites encompass a total of 223 hectares.
- Either in the partial ownership of a local authority (Gateway 14) or partially owned by Hutchison Ports Ltd. PoF Logistics Park and Bathside Bay tax sites both contain tracts operated by companies other than Hutchison Ports Ltd. The simplicity of the ownership arrangements compared to rival sites enables full or partial redevelopment within a five-year timeframe. In turn, this means that the tax and business rate benefits associated with freeport status can be fully realised, demonstrating a good return on public investment.

The three tax sites also encompass tracts of underdeveloped land in strategically important locations, which are less likely to be developed in the absence of freeport designation:

- Bathside Bay is a major undeveloped site next to Harwich Town Centre which has seen a number of stalled development proposals in recent years, including unrealised plans for a container port. The additional investment in renewable energy earmarked for the site and detailed in response to question 3.2 will deliver significant additional employment which would not be realised in the absence of further economic incentives.
- Gateway 14 was acquired by Mid-Suffolk District Council with the explicit intent to ensure the delivery of a stalled employment site in an area of anticipated housing growth.
- PoF Logistics Park involves the redevelopment of warehouse uses which were constructed 60 years ago and are now redundant, as part of the proposals for Phase 2.

Bathside Bay and PoF Logistics Park also fall within the boundaries of neighbourhoods ranked in the top 20% most deprived in the country, with the Dovercourt neighbourhood of Harwich which includes Bathside Bay ranking among the 10% most deprived neighbourhoods in terms of employment, income and overall deprivation (2019). Similarly, GDP per capita across the Haven Gateway areas significantly trails both the broader East of England region and England, with GDP in Essex Haven Gateway at £25,800 per head compared to £31,980 across England as of 2018.

Freeport status would provide a catalyst for additional development, new economic activity and inclusive job creation in areas which have the land and the labour market for large-scale development but need central government stimulus to fully realise their potential. Up to 13,500 direct and indirect jobs will be generated in the event of freeport designation, with a majority of new jobs located in the Haven Gateway area. The tax measures applied to these sites will generate further economic activity related to target sectors and their supporting services, such as renewable energy, advanced engineering and port-related activities.

[498 words]

1.14 How does the tax site's location mitigate displacement of local economic activity from deprived areas

Free text

500 word limit

Need to explain how selection of the tax site reinforces and extends existing economic activity with potential benefits for deprived communities.

Response:

The Freeport East tax sites were selected via a rigorous assessment of a long list of locations across the sub-region. Criteria ranging from the proximity of each site to the ports, planning and development status, strategic connectivity, proximity and access to deprived communities, as well as commercial attractiveness and innovation eco-system linkage have all been taken into account.

The three selected sites are considered capable of generating new, net 'additional' economic activity in the freeport area, at pace, and with consequent positive economic spill-overs into the wider sub-region. This is the starting point for ensuring that the overall freeport economic structure targets economic activity which is genuinely 'additional' and therefore avoids displacement.

In particular:

- The selected tax sites represent an extension or further deepening of existing economic activity and therefore an ability to use new freeport incentive mechanisms to quickly trigger additional, inclusive economic growth that extends and diversifies target industry supply chains.
- The three tax site locations are already perceived by the market as logical places for new economic activity, given their locational and physical characteristics, proximity to ports and existing commercial demand (as evidenced from the various planning applications and proposals for the sites). As such, they are not in competition with other emerging locations – activity will be extended and reinforced in clusters that are already nascent or evolving.
- In promoting these sites, the emphasis will be on economic and industrial activity that demonstrates 'additionality' i.e. is over and above what might have happened in any case. For example, facilities to finish goods and re-export to the EU will be new activities attracted in direct competition with Rotterdam, Antwerp and Hamburg and making the most of post-Brexit opportunities. Investment propositions to be taken to market will be designed explicitly with additionality in mind and will be carefully targeted at investor and occupier markets in key industry sub-sectors (e.g. Clean Energy and Agri-Tech) that will not replicate or replace existing economic activity.
- Economic development and regeneration decision-making will be guided by a series of agreed investment and design strategies that will be developed jointly by the local authorities hosting the tax sites (East Suffolk, Mid-Suffolk, and Tendring). Decision-making

criteria for economic growth will be developed with clear displacement and additionality guidance, metrics and tests. Our freeport governance arrangements will include monitoring and screening processes to ensure that displacement is avoided and economic additionality guaranteed as far as is possible.

- Complementary programming associated with skills development, local business development, inclusive growth and local/sub-regional supply chain extension will ensure that displacement is avoided through enabling additional new business formation, new skills development, additional employment generation and an increase in economic activity. Locations within the freeport area characterised by higher levels of deprivation, lower than UK average household income and UK average GDP will be targeted. Equally, tax revenues generated by growth on the site will be reinvested into further development of the sites and will also fund initiatives to create jobs and businesses in the most deprived parts of the area.

[500 words]

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.

Guidance: Innovate UK5, DFID 20116, DfT 20107, ODPM 20048

File Upload

50 MB max

The logic model should provide an overview of the links between the activities and inputs, outputs, outcomes and impact of the proposed Freeport model to show how their proposed Freeport will achieve the programme's objectives.

Credibility of each link in the chain will be assessed.

Submitted as a diagram, no obvious word limit

Response:

FREEPORTEAST - THEORY OF CHANGE & LOGIC MODEL- Revised

Baseline & Contextual Challenges

Lack of inclusive, transformative and productivity enhancing growth in the Haven sub-region, leading to:

- Persistence of local deprivation, lower than UK average productivity and incomes, and significant socio-economic inequalities - generating **negative externalities**
- Relatively high unemployment and economic inactivity across some communities; lack of access to good quality employment and limited creation of new jobs; correspondingly low skills levels in specific areas
- Sub-optimal investment in new industry-sectors; high & unforeseen business costs, exacerbated by COVID-19 impacts
- **Significant opportunity** - as yet unrealised - for high growth in leading-edge, productivity enhancing sectors - including Clean Energy, Maritime Technologies & Logistics, Agri-tech and other advanced Production & Manufacturing - driven by an extended, internationally focused trade, logistics and industry diversification; untapped potential within sub-regional innovation eco-system

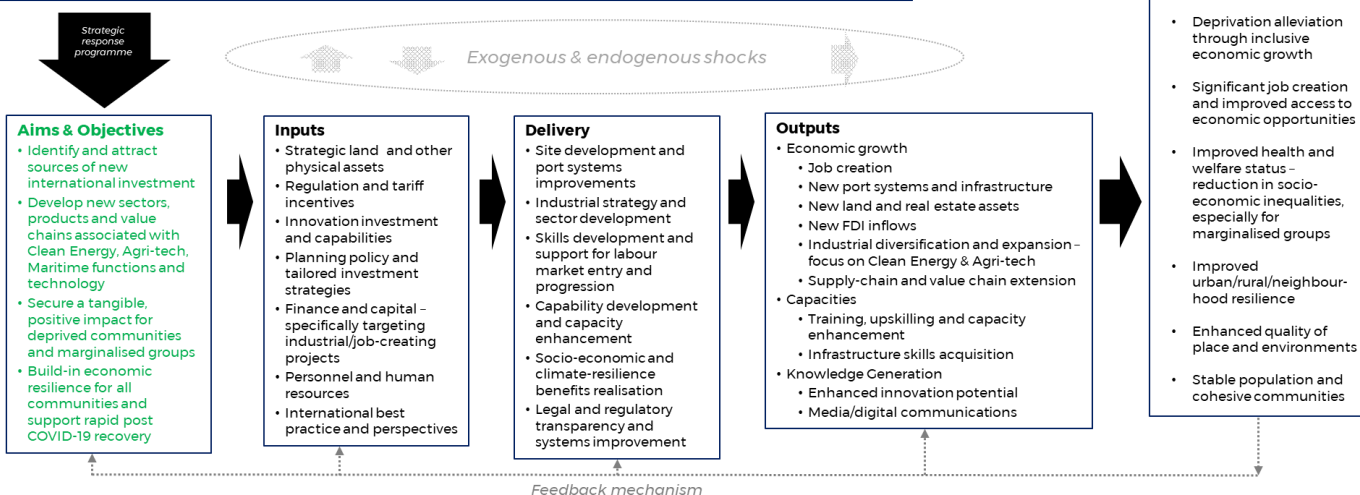
Rationale for Intervention & Market Failures:

Market mechanisms are not self-correcting due to barriers and constraints

- Coordination failures on the part of both public institutions and private entities; need to 'unlock' key sites and innovation assets
- Asymmetric information - significantly increases investment risk profile and leads to a limited private market activity
- Significant **positive externalities** possible - and as yet unrealised - through achieving productivity enhancing and inclusive growth

Outcomes and impacts act positively upon initial problem/context and associated market failures

Monitoring & Evaluation



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?

As part of your answer, please cover:

- **Why a Freeport is the right public intervention for your proposed location, including any local economic strengths or strategies that your proposal will build on and any identified economic needs or market failures you expect to remedy**
 - **How the outputs you expect your Freeport proposal to generate will support or enable the key outcomes associated with this objective**
-

Note - your answers to 1.10, 1.11, 1.12, 1.13 and 1.14 above will all be considered as part of the assessment of this answer in addition to this answer. You do not need to repeat information from those questions in this answer.

Free text

3000 word limit

Key objectives:

- a. establish Freeports as national hubs for global trade and investment across the UK
- b. promote regeneration and job creation – our lead policy objective
- c. create hotbeds for innovation

Response:

Introduction

Our proposition rests on a unique opportunity: to strengthen and deepen existing and future global trade patterns that will accelerate and strengthen national competitiveness, taking direct advantage of a rapidly developing innovation eco-system and making the whole process ‘just’ and meaningful to local communities through sustainable jobs and adaptable skills.

Freeport East will deliver strongly and directly on the key objectives set by HM Government for UK freeports:

-We will create, strengthen and extend the UK’s primary hub for global trade and investment.

Freeport East is centred upon two key UK seaports – Felixstowe and Harwich. Felixstowe is Britain’s largest and most important container port for long-distance deep-sea trade, while Harwich is a major gateway for local/short sea trade with Europe. Together these ports constitute one of the UK’s most significant ‘gateways to the world’, providing the basis for a future global trade system that can reach deeply into new markets and expand the UK’s global trade prospects. Our freeport will act as a springboard to Europe that avoids ‘double-dip’ tax liabilities.

-We will level-up the region. Freeport East is designed to bring economic growth to some of the most deprived parts of the UK, including the most deprived community in the country. And the East of England has been hit hard by the global COVID-19 pandemic. Freeport East will bring new specialised production and manufacturing jobs, as well as logistics, R&D and support service activities to the region, providing immediate job opportunities in expanding and emerging industries and a dedicated programme to upgrade skills across diverse communities.

-We will be driven by innovation. Freeport East will focus on high added-value industrial development by making the free zone and its hinterland an unparalleled innovation hub. The region hosts two of Britain's most important centres of innovation: BT's research centre at Adastral Park and Cambridge University. We will leverage and deepen this existing innovation eco-system to underpin development and clustering of leading-edge, technology-led industries including maritime technology, offshore wind energy, renewables related technologies, Agri-tech clusters as well as the country's primary Green Energy Hub.

In delivering these objectives, we will follow core guiding principles:

-We will attract new – net, additional - investment in nascent and emerging industries, focussed on successful delivery of a Net-Zero economy. Our freeport's proximity to significant new offshore wind and nuclear generation infrastructure means Freeport East will become a centre of technical excellence and new production and processing capability. The East Anglia coast already hosts 50% of the entire installed capacity for offshore wind in the UK and this share will remain constant to 2030 when 40GW of capacity is available around the UK. Our capacity to generate clean, renewable energy from multiple sources, and to create commercial critical mass for scale-up and roll-out, sets us apart.

-We will work in partnership. A freeport is a cross-sector and cross-industry development. Freeport East will be catalysed by partnerships and will trigger enormous investment from the private and public sectors. Our existing trans-boundary and cross-industry arrangements will be developed further with governance that rests on our substantial history of effective partnership working and joint approaches to tackling important economic and social challenges.

Why Freeport Designation?

We can deliver great economic benefits and facilitate major private investment, but freeport designation is a prerequisite. Developing Freeport East requires significant co-investment and commitments from long-term industrial occupiers. Attracting co-investment and commitments at scale will not be possible without freeport designation, the beneficial business environment this brings and associated opportunities for accelerating the planning process. Without this, the perceived risk will be too high to develop proposed sites in the absence of committed occupiers, and the occupiers in turn will not be attracted without viable, in-progress site development.

Bathside Bay, Harwich, has potential to become the southern North Sea's leading Green Energy Hub, winning business from competitors in Europe, deepening offshore wind expertise in the UK, and providing one of the main foundation points for the national industry. This requires joint investment from the site owner, an offshore wind manufacturer and an assembly hub. To 'unlock' and activate the investment will require seed capital to reduce risk profile and begin site development. Supporting Bathside Bay alone will unlock [REDACTED] of private investment, triggering long-term investment by the offshore wind supply chain.

Furthermore, our freeport proposition plays a vital role in an ambitious regeneration of the local economy and in creating sustainable new job opportunities in communities blighted by long-term inactivity and barriers to labour market entry, exacerbated by the sweeping negative economic impacts of COVID-19. These communities include what is actually the most deprived neighbourhood in the UK at Jaywick.

UK's Trading Gateway to the World

The East of England is home to unique maritime assets that can drive long-term sustainable growth in the region. The PoF is the UK's largest, busiest and most important container port, handling 36% of all UK container trade. Along with HIP, the PoF connects the UK with multiple destinations across mainland Europe with regular ferry crossings. There are few ports other than Felixstowe with approach channels deep enough to accommodate the world's largest and most efficient ships, and ongoing dredging makes the ports unique in the UK in their depth and access.

The East of England sits at the heart of the world's largest market for offshore wind, and HIP hosts the purpose-built £10m Operations and Maintenance Facility of Galloper Offshore 353MW Wind Farm. This is a globally significant industry with unprecedented growth potential. Highly efficient, state of the art import and export facilities and associated maritime functions are required to position UK industry and expertise at the heart of global energy and low carbon markets. Only Freeport East can 'meld' together our global trading reach with our renewable energy leadership.

Early investment opportunities could see 45 acres of developable land made immediately available in Freeport East for offshore wind manufacturers. Taking advantage of the vast amount of developable land at Bathside Bay offers a new opportunity to stimulate local supply chains and create jobs, as well as delivering against the Government's focus on 'green recovery' ahead of COP26 in December 2021.

Innovation Freeport

Innovations originating from Freeport East will have a global impact. HIP and the PoF already encompass a broad spectrum of maritime and logistics operations and handle trade from all corners of the world – their combined reach is greater than any other port cluster in the country and can be extended even further and at an accelerated pace with a freeport designation.

The UK aims to deliver 5 GW of low carbon hydrogen production by 2030 as part of its 10-point plan for a Green Industrial Revolution. Freeport East will spearhead this ambitious programme by providing 'shovel-ready' schemes addressing the barriers to deployment of hydrogen: upfront cost, scale and critical mass, and a reliable source of demand to underpin investment. Our potential interventions include:

-Cross-supply chain: our freeport proposition for hydrogen roll-out involves partners from across the supply chain, with [REDACTED] developing together as part of our Green Energy Hub.

-Green energy: we will deploy a hydrogen electrolyser powered by green electricity on a private line from Sizewell B.

-Reliable demand: with 350 items of mobile equipment, the PoF is the best location in the UK for off-highway trials of hydrogen vehicles. This can then be deployed into significant HGV activity nationally for road trials. With hydrogen the most viable zero-emissions fuel for ships, the future demand base at Felixstowe is unmatched anywhere in the UK.

-Cost reduction: Our proposed partnership with [REDACTED] will provide even greater opportunity, with additional electrolyser capacity powering hydrogen diggers, trucks and cranes to facilitate the world's first Net Zero Hydrogen Construction Zone.

This is an immense opportunity to establish one of the world's biggest hydrogen projects, tying together the entire supply chain. Freeport designation will trigger new investment and encourage

the development and deployment of new technologies by [REDACTED], and seed funding will de-risk site works for the demonstrator, providing the final push to ensure viability of this world-leading project. This will set the groundwork for the PoF to become the first net-zero carbon port in the UK by 2030.

This will also assist in accelerating other plans for the application of hydrogen power already in development. Key examples include Network Rail's considerations of the most appropriate routes for hydrogen-powered trains, with Hydrogen East currently lobbying for the 15km Ipswich to Felixstowe rail route –wholly within the Freeport East boundary - to be used as a pilot.

The region will also seek to reinforce its position as a major nuclear power hub with plans submitted for Sizewell C and Bradwell B. The proximity of multiple different energy sectors means that the area is clearly a central node for energy industry innovation. We will utilise our freeport designation, and the incentivization levers this provides, to target technologically advanced inward investor companies completely new to the UK market.

Freeport East will seek to maximise the utilisation of renewable energy to power the port itself, including provision of photovoltaic panels on all warehouses and zero-emission berth standards. This will coincide with integration of programmes such as the Department for Transport and Work Boat Association initiative for low-carbon work boats, leveraging existing manufacturers within the Freeport East boundary.

Another proven and growing industry in the freeport sub-region is Agri-tech, with its associated improvements to the profitability and sustainability of agriculture. Agri-TechE is the UK's leading membership organisation for specialised Agri-Tech, aiming to improve the international competitiveness and sustainability of plant-based agriculture and horticulture. It supports the growth of a world-leading network of innovative farmers, producers, scientists, technologists and entrepreneurs to create a global innovation hub in Agri-Tech. This global eco-system of expertise, product specialisation and service design will be a substantial beneficiary of freeport status, supporting further clustering of expertise through new inward investment flowing from key research and development centres around the world. Utilisation of new green hydrogen energy by the sub-regional Agriculture sector will also feature as a key initiative.

The overall commitment to innovation is underpinned by the 5G Create £1.6m award, bolstered by significant investment (£1.5m) directly from Hutchison Three UK and Hutchison Ports UK. Partnering with the University of Cambridge, the ambition to deliver an end to end efficient logistics solution, underpinned by an automated port operation and IoT capabilities will extend well beyond the Port boundaries. Hutchison Ports plan to further invest in 5G beyond the end of the trial creating a unique 5G Port Operation. Freeport East will benefit from the latest innovations, including driverless trucks, encouraging a new era of manufacture of associated components here in the UK.

Freeport East recognises that its success relies upon new talent. Attracting a wider, diverse mix of people from the local area and further afield to work in roles that previously were simply inaccessible, is essential to our collective success. We will harness the creativity of multiple businesses, creating new employment that plays a major part in producing the digitally capable workforce needed to drive forward the UK economy in the coming years. Our digital initiatives include:

- Use of IoT technology to identify the peaks and troughs of energy usage identifying energy needs and where savings can be made.
- The Destin8 Port Community System and other maritime digital technologies

-Piloting of driver-less port handling equipment, facilitating low-carbon transport opportunities.

-Building upon Harwich and the PoF to provide a testbed for start-ups, such as the [REDACTED] looking at encrypted 5G communications for driverless cars.

-Establishment of the Global Business Shipping Network, a not-for-profit joint venture between Hutchison, several of the world's largest shipping lines and leading supply chain software suppliers to accelerate the digital transformation of the shipping industry through the use of blockchain technologies.

These initiatives, extended further through freeport-incentivized inward investment, will leverage the existing innovation ecosystem evident in the local area, most notably through the presence of BT at Adastral Park and Innovation Martlesham, the latter representing the largest Tech incubation cluster in the UK.

Local Regeneration and 'Levelling Up'

Jobs growth and wider regeneration are central aims of our proposition. The freeport covers a diverse area with pockets of significant income and employment deprivation: 18% of LSOAs in Tendring and 14% of LSOAs in Ipswich were ranked among the top 10% most deprived in England in 2019 according to the English Indices of Multiple Deprivation, with four LSOAs in Tendring ranking among the top 1% most deprived areas in England and one area (Tendring 018A) ranking as actually the most deprived LSOA in the country.

GDP per capita across the Suffolk and Essex Haven Gateway areas trailed both the broader East of England region and the whole of England in 2018, with GDP in Essex Haven Gateway at £25,800 (ranked 140th out of 179 local areas) per head compared to £31,980 across England. Economic inactivity, skills deficiencies and suppressed household income are concentrated in and around Clacton/Jaywick, south Felixstowe, Harwich and parts of Ipswich.

Wage growth has been particularly weak in recent years, reflecting the rise of self-employment and less secure contracts, especially in lower skilled jobs. ONS data show that average weekly earnings in our proposed freeport area are often significantly below the national average. Weekly earnings in Tendring (£556) and Ipswich (£527) are below the GB average (£587) and also below locations such as Liverpool (£571), often considered more 'deprived'. Low incomes are widespread and entrenched across many of our communities and our freeport is designed specifically to create new economic opportunities to address this challenge head-on.

Freeport East will drive the recovery of the local economy following the COVID-19 pandemic. The rate of redundancy has been steadily increasing in the East of England, from 3.3 per thousand in March – May 2020 to 15.3 per thousand in September – November. This is up from 4.3 per thousand the previous year (2019) and is higher than the UK rate of 14.2 per thousand (Office for National Statistics, January 2021.). The highest redundancy rates have been in the services sector, on which the regional economy is heavily reliant.

The East of England's economy is largely built on SMEs and micro businesses; types of businesses that have been hardest hit by the pandemic and do not have the ability to cope with the long-term upheaval experienced over the past year. It is estimated that the pandemic could affect between 1-5% of the local labour force; local examples include Ipswich, where 3.4% of the total labour force have lost their jobs (2,518 jobs) and Colchester, where 3.7% of the total labour force have lost their

jobs (2,473 jobs). These figures highlight that the furlough scheme is only capable of saving so many jobs, and the rate of redundancy will continue to rise in the East of England once it ends.

The economic damage of COVID-19 risks 'levelling *down*' many places in the East of England. Its largest cities and towns have been disproportionately affected by the pandemic, on top of already low-income levels. Our initial estimates suggest that Freeport East, with fully developed and operational tax sites, could create up to 13,500 jobs over a 30-year period – new jobs that would otherwise not come forward without the triggering incentives and innovative development associated with freeport status. The Freeport would be the major tool in helping the sub-regional and regional economy recover well from the pandemic, building-in future resilience to the local economy and driving successful regeneration across the whole area.

Existing sectoral patterns show that economic centres, production, maritime and logistics industries across the UK depend on the PoF - it handles significant container traffic for the Midlands, for example. Industry has determined that PoF serves these regions' commercial needs well and this is not going to change. A strong, innovative gateway demonstrably supported by Government through the freeport policy will be vital in attracting further investment in manufacturing and export-orientated industries in the East and West Midlands regions, assisting levelling-up agendas beyond the East of England. Consequently, the benefits of Freeport East in addressing deprivation extend, on a macroeconomic scale, far beyond the immediate 45km boundary.

Freeport East – Key Outcomes

The full development of tax sites associated with the freeport as well as increased trade at the PoF and HIP could deliver more than 13,500 jobs over a 30-year period. These jobs will disproportionately benefit the local population of the Haven Ports sub-region, with a significant proportion providing employment opportunities for local communities and increase both levels of economic activity and household incomes.

Our freeport proposition overall therefore has potential to deliver the following outcomes:

- Up to an additional 1.3 million tonnes of international trade volumes as a result of incentivized increase in tradeable goods imports and exports
- Potential for £66.4 million of additional GVA as a result of enhanced international trade
- Up to around 13,500 additional jobs as a result of increased international trade and full activation of the freeport's designated tax sites, over a 30-year period.

Furthermore, these outputs and outcomes will support achievement of a series of broader impacts for the freeport area and surrounding sub-region:

- Enhanced regional and UK-wide trade - improved competitiveness and investment attraction, as well as new FDI flows into the East of England, The East Midlands and the West Midlands
- GDP/GVA improvement and productivity enhancements across key industries such as Clean Energy, Agri-tech & food production
- Enhanced innovation capability, investments and products
- Deprivation alleviation through inclusive economic growth
- Significant job creation and improved access to economic opportunities

- Improved health and welfare status – reduction in socio-economic inequalities, especially for marginalised groups
- Improved urban/rural/neighbour-hood resilience
- Enhanced quality of place and environments
- Stable population and cohesive communities.

[2,970 words]

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?

Free text

750-word limit

Consider how certain planning freedoms – in particular, **Local Development Orders (LDOs)** – could be used to support appropriate development in Freeport areas. These measures would help accelerate and provide greater planning certainty for defined types of development in Freeport locations. Measures would also empower local authorities to take a strategic approach to Freeports development.

Bidders should provide evidence on how their development plans could be supported by an LDO.

Input from: Planning Working Group

Response:

The Local Planning Authorities (LPAs) of East Suffolk, Mid Suffolk and Tendring commit to the creation of a collaboration network to ensure the provision of complementary and consistent advice to landowners as they progress development at the designated tax and customs sites. Through this collaboration network, links will be provided to other stakeholders to align overall strategic visions. This will include organisations such as Transport East to further promote sustainable, joined-up development across the region whilst recognising the important role to be played by the presence of Freeport East.

This strategic emphasis will continue in the development and review of Local Plans within which the freeport proposals will become embedded into the strategic priorities for economic growth across the region. Opportunities will be explored to further support the success of Freeport East through identifying sites and policies for complementary and supporting development types and uses, whilst capitalising on embedding the emerging higher development standards to achieve net zero carbon ambitions. This will recognise the important role of freeport designation as a mechanism for promoting the delivery of housing sites as designated within the Local Plans. By providing a strong economic base and job opportunities within the region, Freeport East will assist in attracting new residents to the local area, spurring development interest and positive gains in the local housing market.

The LPAs will also work together to explore the potential to prepare fast-track processes and LDOs for specific types of development within the freeport area, providing certainty and accelerating delivery. In an area of high environmental quality, the focus will by necessity be on the sites where LDOs can provide the greatest additionality and the development impacts can be mitigated and managed whilst at the same time promoting economic, social and environmental gains for the area. This will require an early focus on the issues relating to individual sites in discussion with statutory consultees and the potential to simplify the planning regime to achieve the desired ends, whilst delivering high quality, sustainable development.

Other mechanisms will also be implemented alongside LDOs enabling an accelerated approach to the granting of permissions to further ensure investor and developer security and to progress

development. This will build upon existing, long-standing relationships between landowners including HPUK and the LPAs, with the provision of advice prior to the pre-application stage of applications. As is the case currently, additional resources to facilitate development at these sites will be provided by the LPAs, along with the implementation of Planning Performance Agreements (PPAs). Through the collaboration network, agreements for timing of submission and determination along with early engagement and commitment from key statutory consultees will be made to ensure consistency in the pre-application process and a fast-tracked approach.

Another consideration will be the proactive review of legislation including permitted developments and associated criteria under the Ports Act 1991 to understand other mechanisms for accelerating the granting of permissions for sites already within port boundaries.

These provisions coincide with the pragmatic approach taken to the allocation of tax and customs sites within the Freeport East proposal. Through multi-criteria analysis undertaken to determine these sites, deliverability and planning status were considered primary. Consequently, the status of the proposed sites is as follows, noting that the majority are already well progressed and without considerable impediments to delivery:

- Bathside Bay – currently has permission for the development of a container terminal thereby requiring variation of relevant planning obligations to enable alternative usage. Associated land at Stanton Europark and Phoenix Industrial Park are also both allocated and protected for employment use in the Council's adopted and emerging Local Plans.

- Gateway 14 – Is currently allocated as a strategic employment site. Hybrid planning application validated for outline employment use redevelopment with detailed development infrastructure.

- PoF - planning consent granted for first phase of the Logistics Yard site. Additional land at Parker Avenue, Anzani Avenue and at the Clickett Hill Road facility will also fall within existing planning permissions.

- Horsley Cross – landowner commitments to commence preparation of planning application imminently.

- Port One Blakenham – full planning permission granted for employment purposes, along with being allocated as a strategic employment site.

The current status of the sites shows the deliverability of the freeport proposals, along with the commitment from the landowners of these sites to proactively promote development. This coincides with the commitments from the LPAs to recognise the importance of Freeport East as a nationally significant infrastructure project with extensive beneficial links to the local, regional and national economy.

[735 words]

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.

Table

Summarise the costs of delivering the proposal, as well as the source of funding (e.g. Freeport seed capital), and bidding partner responsible for that cost. As far as possible this should be broken down by financial year. Also outline proposals for how to spend the seed funding within the Outer Boundary.

Input from: Commercial Working Group

Response:

minimum viable version results in smaller innovation projects, delayed development and reduced likelihood of future phases for sites. The above investments are subject to securing revenues to substantiate the business case. We will continue to explore further opportunities for funds from public and private initiatives. We explain how we will make use of retained business rates in Question 3.5.

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.

Table

Summarise the costs of delivering the proposal, as well as the source of funding (e.g. Freeport seed capital), and bidding partner responsible for that cost. As far as possible this should be broken down by financial year. Also outline proposals for how to spend the seed funding within the Outer Boundary.

Input from: Commercial Working Group

Response:

Age Group	Male (%)	Female (%)
18-24	10	15
25-34	15	20
35-44	20	25
45-54	25	20
55-64	20	15
65-74	10	10
75+	5	5

Benefits expected: 100 words

Our preferred investment proposal requests an additional [REDACTED] seed funding. This will deliver all of the expected benefits of the minimum viable version, but in addition facilitate faster freeport development, additional phases for our tax and customs sites, larger innovation projects and an up to [REDACTED] additional private investment. The above investments are subject to securing revenues to substantiate the business case. We will continue to explore further opportunities for funds from public and private initiatives. We explain how we will make use of retained business rates in Question 3.5.

3.4 Please provide evidence of the commercial demand for the relevant outputs under your proposal

Free text

250 word limit

Provide evidence related to demand for port services, as well as land-side and other real estate. Which sectors is this demand coming from and how will freeport status accelerate and embed this activity and investment?

Input from: Commercial Working Group

Response:

The PoF is the UK's largest container port and facilitates a significant share of the UK's trade with Asia. Trade with China and other Asian markets has experienced expansive growth in recent years. Between 2018 and 2019, inward tonnage via Felixstowe from China grew from 4.7 million tonnes to 5.1 million tonnes (or 69% of the UK's total inward tonnage from China) with exports growing at a similar pace, indicating burgeoning demand for port services. Felixstowe is also a vital entry point for the resources underpinning the UK's automotive manufacturing and logistics industries, with 70% of inbound containers coming through the port delivered to locations in the 'Golden Triangle'.

The broader region's extensive freight rail, road infrastructure and innovation ecosystem contributes to not only the port's continued importance, but the large-scale demand for land from other sectors, such as Agri-tech and renewable energy, as evidenced from the sustained investment in local renewable energy seen in recent years.

Commercial demand is more directly evidenced by numerous statements in support of freeport designation. These come from a range of organisations in relevant target sectors, many with plans to expand operations in the event of secured freeport designation.

Letters of support include those from:

Age Group	Percentage
18-29	90%
30-49	85%
50-64	75%
65+	65%
18-29	55%
30-49	45%
50-64	35%
65+	25%

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[238 words]

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).

250 word limit

Input from: Commercial Working Group

Response:

None of the proposed tax and customs sites cross local authority boundaries, although not all sites fall within the same local authority area. As such, an approach to apportionment of income across local authority boundaries is set out here.

Business Rate revenue will be apportioned based on a bespoke hybrid model. Under this model a portion of the total income generated will be earmarked for:

- Reinvestment within the tax/custom site area;
- A portion will be retained by the local authority within which the tax/ custom site falls, as a compensation for otherwise lost income share, and;
- A portion will go into a pot to be reinvested across the wider freeport area.

The hybrid model aims to provide a means for improving and enhancing tax/customs sites, while ensuring that the benefits of freeport status are distributed evenly across the area. The final percentage breakdown of income apportionment between the different parties is yet to be agreed.

Business rate growth from new and existing businesses located in the tax sites will be modelled on existing forecasting systems set out by relevant local councils i.e. Tendring, East Suffolk and Mid-Suffolk. Established models currently apply to businesses located in Enterprise Zones, for example, and these can help inform a future arrangement. We would consider modifying existing arrangements to possibly include a range of factors such as variation in property values, size of the floor space and use classes.

[234 words]

3.6 Please set out how you would make use of the innovation levers, including:

- ambition and initial ideas for how innovation funding could be delivered as part of your Freeports proposals, including any industry commitment to invest in innovative activity or the testing of new technologies in Freeports
 - plans to work with academic institutions and link into existing innovation structures where appropriate to establish Freeports as collaboration hubs
 - how you would look to take advantage of the Freeports Regulatory Engagement Network
-

Free text

750-word limit

Plus:

- industry commitments to invest in innovative activity
- clear understanding and awareness of the local innovation ecosystem and its priorities, as well as how to engage with it
- Plans to establish new facilities, or link with existing facilities that apply new technologies and research
- Submissions are particularly encouraged that relate to port operations, customs procedures or the testing of green technologies

Input from: Innovation Working Group

Response:

Innovation proposals for Freeport East include:

-Development of a Green Energy Hub for the creation and deployment of hydrogen, a clear example of testing green technologies in port operations and other locally important sectors such as Agriculture and Agri-tech;

-Establishment of hubs supporting offshore wind and deployment of hydrogen in nuclear construction; and

-Creation of a digital port, leveraging technologies including 5G, blockchain and artificial intelligence, allowing the testing of new customs procedures.

Collaboration with the FREN will enable execution of ideas within port, tax and customs sites settings and will also facilitate the refinement of technologies for export to other sectors. This will seek to work collaboratively with other freeports across the country to share key findings and to enhance innovation potential. Immediate activities to accelerate with the FREN include:

-Review of issues surrounding hydrogen, including perception barriers to its wider adoption. This will consider issues associated with storage and transmission and alignment with the Government's forthcoming Hydrogen Strategy and provide an environment for testing the implementation of the proposed 'Hydrogen Neighbourhood' noted within the Energy White Paper 10 Point Plan.

-Considerations of data security via 5G networks and ways to enhance reliability, leveraging previous work undertaken between HPUK and the University of Cambridge.

-Resolution of issues associated with connected autonomous vehicles (CAVs) through technology trials within a port setting and other types of vehicles, leveraging research by Teledyne e2v in the Freeport East hinterlands and their existing relationships with BT at Adastral Park.

-Delivery of low-carbon technologies to facilitate the decarbonisation of the shipping industry, including through cold ironing solutions to be implemented for large vessels at the PoF.

-Review of measures to modify the existing sophisticated Port Community System, utilising learnings from the PoF Destin8 platform developed by MCP and part owned by HPUK as the leading Port Community System in the UK, enabling communication between terminal operators, shipping lines, agents and hauliers, as well as being directly connected to HMRC, the Port Health Live Interactive Information System and DEFRA.

This will be bolstered by the existing relationships with key academic institutions and members of the local innovation ecosystem to cement Freeport East as a collaboration hub, as highlighted through endorsement and letters of support received by organisations including:

-BT at Adastral Park, the premier R&D centre in the East of England

-Innovation Martlesham, the largest tech incubator of its kind in the country

-Gateway 14 Ltd, linking with emerging innovation cluster plans

-University of Cambridge

-Anglia Ruskin University, in collaboration with the University of Liverpool

██████

██████████

-Hydrogen East

██████████████████

-ORE Catapult

-Energy Systems Catapult

██████████

-Three UK

-Hethel Innovation

-Cambridge Norwich Tech Hub

-University of Essex (nationally recognised Institute for Analytics and Data Science).

Using the freeport status as a magnet for attracting specialised activity, Freeport East will link great ideas, start-ups and academic institutions with the industry expertise to make them a reality. This will also leverage the vast array of businesses associated with HPUK, as a major foreign investor in the UK. Additional new partnerships and opportunities for collaboration identified through active engagement include the following organisations:

- University of Birmingham and Aston University, further cementing our relationship with the West Midlands
- Cranfield University
- Brunel University London
- University of East Anglia
- University of Suffolk
- Norwich University of the Arts
- Colchester Institute
- East Coast College
- City College, Norwich
- College of West Anglia
- West Suffolk College
- Suffolk New College

Funding for innovation will also be sought through streams such as:

- Sunrise Coast (under Future Clean Energy Tech)
- Commercialising Quantum Technologies, to be applied to work aligning with the driverless vehicle pilot programme
- Smart Grants
- Angel funds, as available within Suffolk, Essex, Norfolk and Cambridge
- Additional funding streams to be identified through the upcoming release of information stemming from the Energy White Paper

The streams listed above are in addition to numerous others already applied for and awarded, including the £1.6 million via 5G Create, recently awarded for the roll-out of the Government's 5G Trials and Testbed Programme at the PoF.

In addition to these funding streams, discussions have been had with energy-based venture capital funds. Whilst the details of these are for finalisation once designation is received, the keen interest in Freeport East demonstrates the potential of the proposals. This will build upon existing relationships and will reinforce the Freeport East vision of promoting innovation in the local area, aligning with the Economic strategies and Local Industrial Strategies of NALEP and SELEP in providing tangible examples of the enhancement of local R&D capabilities.

[750 words]

3.7 What considerations and mitigating actions will be taken into account for potential negative externalities (including the displacement of local economic activity from nearby deprived areas) affecting your site and/or the surrounding area resulting from the introduction of the Freeport? Reference your answer to 1.17 if appropriate.

Free text

250 word limit

Explain how displacement will be minimised and/or avoided. Important here to talk about the 'value addition' of the freeport and the potential to enable new forms of economic activity by extending and deepening industry value chains etc

Response:

Potential negative externalities arising from the designation of Freeport East include impacts to the local environment, traffic effects and economic displacement. These are elaborated on as follows:

To prevent economic displacement and crowding out our focus will be on securing displacement from overseas, in particular the continent, not from elsewhere in the UK. We will carefully select target industry sectors that enable new business development locally. Our skills development programmes will specifically target relatively deprived communities and providing pathways into new opportunities generated. This focus on additionality recognises the freeport as a powerful tool to attract inward investment to the UK currently being lost externally in sectors such as renewable energy.

We will mitigate environmental impacts through traffic management planning, as well as a focus on movement to electric and hydrogen powered vehicles along with advocacy and business cases for relieving transport infrastructure where necessary.

This will be bolstered by the promotion of modal shifts from road to rail by working with Network Rail and the rest of the industry to increase intermodal capacity and use of low-carbon fuels. We welcome the Government's funding for the Ely Junction upgrade as well as the newly announced East West Rail.

Air quality decline will be mitigated through the HPUK Air Quality Management Plan which highlights processes to monitor and proactively improve performance. This builds upon a legacy positive outcomes, such as the revoking of an Air Quality Management Area by East Suffolk Council at PoF following collaboration with HPUK to reduce emissions.

[250 words]

3.8 Please describe how your Freeport proposal will support the delivery of the UK's Net Zero ambitions

Free text

500 word limit

Reference to the following:

- a. Making sure that carbon impacts of on-land freight distribution are minimised
- b. Making sure that vessels using the port operate in a low-carbon manner (e.g. reducing use of fossil fuels)
- c. Ensuring any construction work is sustainable or low-carbon
- d. Increasing use of low-carbon power within the Freeport
- e. If applicable, promoting the use of technologies like carbon capture and storage, and low-carbon hydrogen

Input from: Innovation Working Group

Response:

Freeport East will play a crucial role in meeting UK government's Net Zero 2050 ambitions. This will be multidimensional, incorporating green energy production for deployment across the country, the implementation of low-carbon operations and the promotion of international trade and manufacturing to further advance the UK's resources to advance the net-zero agenda. Freeport East will:

- Create the Green Energy Hub, producing green hydrogen for use both within the freeport and externally in locally important industries such as Agri-tech, alongside growing the hydrogen supply chain and supporting the construction and operation of offshore wind.
- Leverage the presence of forthcoming active nuclear power stations at both Sizewell and Bradwell sites to support hydrogen development, along with inducing further global investment and innovation.
- Implement a cold ironing solution for container ships, reducing energy consumption and making the PoF the first port in the UK and the second in Europe to implement this.
- Emphasise sustainable transport for freight movements and internal port handling. We will identify the potential for connected autonomous vehicles, low-carbon fuels and modal shifts from road to rail freight transportation, leveraging the critical mass of vehicle movements already present at the PoF.
- Develop a net-zero business park at Gateway 14, integrating a range of renewable heat and energy initiatives.

Through these initiatives, PoF will be the first net-zero carbon port by 2030. Importantly, this provides tangible responses to the Government's Energy White Paper, exploiting the strategic importance of the East of England geography in renewable energy generation, already the home to the largest concentration of offshore wind potential in the UK with over £6 billion invested in wind farms off the region's coastline. This is further bolstered by the significant nuclear capabilities in

close proximity to the Freeport East boundary, demonstrating the freeport area as a key node for the production and deployment of green and low-carbon energy, as elaborated on within Question 2.2.

Whilst these bespoke initiatives will support the clean energy agenda, construction phases pertaining to these will also seek BREEAM certification, further promoting low-carbon construction processes and operations as evidenced in development plans such as those for Gateway 14. This will be linked to the NALEP ambition to be the UK's clean growth region, as set out within the Local Industrial Strategy, alongside the NALEP and SELEP agendas to be 'Green Pathfinders' and the climate emergencies declared by Tendring, East Suffolk, Colchester, Babergh and Mid-Suffolk.

Freeport East has a broader role to play in enabling the UK to achieve its plans for a net-zero society, as many of the required green products and technologies are manufactured abroad and imported. Using existing international connections, Freeport East will facilitate post-Brexit trade in these goods with both Asia and the EU, along with enabling more opportunities for international companies to move manufacturing jobs to the Freeport East site. Key examples include the importation of photovoltaic panels, air and ground source heat pumps, and an array of specialist building materials for sustainable construction processes, including for the accreditation of the PassivHaus standard.

[500 words]

3.9 Please explain how your proposals will ensure compliance with all applicable environmental regulations and standards

Free text

250 word limit

Input from: Planning Working Group (plus HPUK contacts)

Response:

The existing operations at the PoF and HIP are delivered within an accredited ISO 14001 Environmental Management System to ensure compliance and to promote best practice in accordance with industry standards. Through this accreditation, regulations relevant to air and water quality, waste management and the protection of specific sites and species are managed and complied with, along with being regularly monitored and externally audited. This coincides with extensive Health and Safety management for risks involving the handling and use of chemicals.

The ISO14001 accreditation also includes commitments to proactive and positive relationships with key organisations and the regulations they enforce including:

- International Maritime Organisation
- DEFRA, including the Animal and Plant Health Agency (APHA)
- The Environment Agency
- Natural England
- Local Authorities
- Safety and Marine Departments

The development of Freeport East will continue to promote environmental best-practice through the undertaking of an extensive Environmental Impact Assessment following designation. This will place an emphasis on ensuring the area is bio-secure and that the Governance Board and delegates will proactively work with APHA to ensure SPS regulations are adhered to. As the UK's biggest port for trade outside the EU, the PoF is the most experienced port in biosecurity and ensuring robust adherence to SPS standards. Through the Port Infrastructure Fund, both HIP and the PoF intend to expand their capacity for SPS checks, building upon the expertise of East Suffolk's Port Health department which is one of the largest and most experienced Port Health teams in the UK.

[246 words]

3.10 Please outline the expected impact of your proposal on people with protected characteristics, using statistics where possible.

Free text

250 word limit

Explain how freeport status will advance the equality of opportunity and fostering of good relations for people of protected characteristics (age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation).

Input from: Planning Working Group

Response:

Freeport status will seek to capitalise on future-facing industries. Fundamental to this transition is the emphasis on attracting a diverse range of people into these 'industries of the future', with a key opportunity to develop unique programmes and initiatives to encourage people who may not previously have been included, or were indeed 'left behind', by traditional workplaces.

Stemming from the positive nature of the Freeport East proposal and the employment and economic opportunities it seeks to afford, the diversity and inclusion policies upheld by organisations such as Hutchison Ports and the constituent local authorities will form a critical foundation to harnessing opportunities related to the freeport. Drawing upon the 'Improving Diversity and Inclusion at HPUK' corporate paper, the HPUK ambition is to 'become a diverse and attractive employer, representative of the local population, with a strong employer brand'.

The activities of Freeport East will uphold this statement, thereby reflecting the unique makeup of the local area, whilst ensuring negative impacts to any particular group are avoided.

Furthermore, local authorities have processes in place to undertake Equalities Impact Assessments, with recent examples undertaken at both East Suffolk and Tendring District Councils. Through the use of these assessment processes and protocols, if any additional negative impacts might be identified as part of the Freeport East proposal, these can be addressed and mitigated accordingly.

[221 words]

3.11 Describe the governance arrangements for the delivery of the Freeport proposal.

Free text

750 word limit

Take into consideration:

- accountability structures and processes
- effective structure
- effective personnel
- effective functions
- capacity building and funding/support

Response:

Freeport East will have a two-tier governance arrangement, comprising a Supervisory Board and a Management Board.

In establishing our governance arrangements, we are committed to diversity in line with clauses 78 and 79 of the National Local Growth Assurance Framework. As part of this commitment, we will publish a diversity statement and an annual report to the Supervisory Board on progress in encouraging diversity and potential improvements. We will nominate a diversity champion from the board to embed diversity across Freeport East to ensure objectives are met.

The **Supervisory Board** will set the strategic direction of Freeport East. It will monitor and hold to account the Management Board for the effective delivery of the interventions and strategy and for receiving assurance about the effective management of the physical and fiscal security aspects of Freeport East. It will ensure that appropriate mechanisms are in place for the application and management of public funding through an accountable body, such as a County Council, which will hold all public money.

The **Management Board** will be responsible for the day to day operation of Freeport East and the discharge of its obligations regarding:

- marketing the freeport to domestic and international investors
- supporting investors in delivering investment, including through understanding planning, regulations and incentives
- a specific innovation function to coordinate and deliver submissions to innovation and challenge funds
- security and crime prevention, including an annual audit of security measures and working with relevant government parties
- monitoring and reporting to MHCLG on delivering our strategy, including data collection on economic performance

The **Supervisory Board** would be composed of a Chair, recruited through an open and transparent process and subject to the Nolan Principles of Public Life, the Chief Executive of Freeport East and seven non-executive directors. The non-executive members of Supervisory Board are nominated by the stakeholders on the basis of their knowledge and experience and in the case of local authorities to provide accountability:

- Chair – independent appointment as an ambassador for Freeport East with particular emphasis on attracting new inward investment

- Chief Executive Officer

- 2 non-executive directors appointed by HPUK Ltd representing the PoF and HIP

- 1 County Council elected member (Essex or Suffolk County Councils), with the other as an alternate member

- 1 District Council elected member (East Suffolk, Mid-Suffolk or Tendring District Councils) with the others as alternate members

- Representative of commercial organisations operating within the freeport

- HE representative with responsibility for the Innovation Strategy (Cambridge University/University of Essex)

- 1 representative from of a LEP (New Anglia or South East) with the other as an alternate member subject to any conflicts of interest.

The rotation of the Board will ensure representation of each region (authorities within Essex and Suffolk) at any given time.

Alternate members and representatives of commercial organisations operating within the freeport will have the right to attend Board meetings and to join committees and groups. The Supervisory Board will have the power to constitute committees to cover specific areas including business rates, planning, inward investment, innovation and skills, amongst others.

All Supervisory Board members will be actively engaged in attracting investment and ensuring strategies to do so are linked into the work of their own organisations.

Decisions of the Supervisory Board shall be by consensus and unanimity and a scheme of delegation shall be devised for the Chair and Chief Executive and approved by the accountable body.

Local Members of Parliament (Suffolk Coastal and Harwich & North Essex) shall have the right to attend meetings of the Supervisory Board and shall be bound by rules covering commercial confidentiality. Departmental representatives (HMT, MHCLG, DIT) shall have similar rights.

The **Management Board** is described under Question 3.12.

Corporate structure

It is proposed that Freeport East adopt a formal corporate structure as a company limited by guarantee (FPE) with a membership of businesses, institutions and organisations with a demonstrable and evidenced interest in the activities of Freeport East. This will widen the reach to local businesses and ensure the project receives the widest support for its success. Membership will extend to local authorities which may have an interest in the success of Freeport East on behalf of their working residents or local businesses but may be outside the immediate freeport boundary.

The members of FPE will be responsible for the appointment/renewal of Board Membership of the Chair and of the Chief Executive, it will meet at least once annually to receive the performance report of the delivery of the strategy at an Annual General Meeting which shall be open to the public.

[749 words]

3.12 Please describe the management arrangements for the delivery of the Freeport proposal, this should include any key staffing appointments.

Free text

250 word limit

[REDACTED]

Response:

The **Management Board** will be responsible for the day to day operation of Freeport East and the discharge of its obligations regarding security, crime prevention and for executing the strategy agreed by the Supervisory Board under delegated powers. It will be responsible for submitting regular reports to Government.

The **Management Board** will be made up of a small team of executives reporting to the Chief Executive Officer responsible for the delivery and subsequent operation of the freeport but also to support some of the functions of the Supervisory Board, and will include the following executive functions:

- An executive responsible for tax oversight and liaison with HMRC, customs issues and security and reporting to the accountable body in respect of any public funding received

- An executive responsible for land use planning in close liaison with the landowners, including HPUK, liaison with Highways England, local Highways Authorities and Network Rail to ensure delivery of sites at speed

- An executive responsible for inward international investment and economic development, supported by the partners existing connections.

The members of the Management Board may not be sole function executives but may be senior managers whose day-to-day activities already cover some of the responsibilities outlined above.

Hutchison Ports UK is a signatory to the 'Commitment to Sustainable Freeports' published by the UK Major Ports Group, covering environmental, social and economic sustainability as well as being a guarantor of security and integrity for the operation of the freeport.

[240 words]

3.13 Please provide a risk assessment of the barriers to implementation of your proposal.

Free text

250 word limit

Outline potential risks related to the implementation plan and how these will be mitigated.

Response:

We will manage risks using the principles of regular risk identification, analysis and control. This will not preclude risk taking. Risks relating to innovation, such as the Green Energy Hub, will be encouraged if appropriately managed. The Freeport Management Board will be responsible for the risk management framework. The following high-level risk register covers key risks and mitigations:

Tax and customs sites could be delayed. Sites have been selected specifically for their deliverability within tight timescales. The Freeport East partners have extensive experience in delivering major infrastructure projects (see Question 4.2).

Freeport East is cross-boundary, increasing complexity of governance and decision-making. Cross-boundary partnerships exist and work well, facilitated by the relevant LEPs and the Haven Gateway Partnership. The governance structure includes parties from across boundaries.

Local buy-in is crucial. We propose an ongoing programme for local communication, including a Freeport East website hosted online community.

Distribution of retained business rates is crucial. We propose a simple mechanism based on tax site location.

Economic benefits must not simply be displacement from other regions. We propose careful targeting of industry-sector activity that represents economic 'additionality' and the majority of displacement will be from outside of the UK.

Diversification of trade is key. Our marketing efforts will target investment propositions towards sectors in East Asia focussing on renewable energy and advanced/digital technologies.

Freeports must be committed to the process. CK Hutchison is a trusted major investor in the UK and can be relied upon to ensure the delivery of Freeport East following designation.

[250 words]

3.14 Please describe your Monitoring and Evaluation plans

Free text

250 word limit

Explain how data will be collected on reliefs and their realised outcomes, including monitoring the effectiveness of tax. Provide details on the plan for collecting this data.

This should include a point of contact, resourcing and funding to collect data in Freeports.

Relates to governance section.

Response:

The Freeport East Management and Supervisory Boards will have overall responsibility for monitoring and evaluation. To support this, Freeport East will set a series of target KPIs, which are likely to include the following:

- Import and export volumes (sectors/goods/locations)
- New investment volumes
- New infrastructure development
- New business formation (international/local/sub-regional)
- New jobs created – total/additional/accessed by deprived communities
- Business rates retained locally

We will report on these KPIs in our quarterly and annual reports. In addition, at the end of year 3 we will commission an externally tendered and independent evaluation of success to date. It will provide a view on areas that are less easy to assess quantitatively, for example innovation improvements.

In addition, the prospectus highlights two key areas for monitoring: ensuring new economic activity is not simply displaced from other areas and on effectiveness of relief measures. These both require direct inputs from parties active in the freeport. Therefore, we propose to require tenants to provide questionnaire responses on an annual basis as part of their contracts. These will provide us with a direct source of information on these topics. In addition, we will explore the options for a cross-industry freeport review, including how to share learning and disseminated knowledge, ensuring best practice from all freeports is applied across the industry. To support government's overall freeport understanding, we propose to discuss consistent approaches to data and knowledge capture across the industry.

We have assigned tgardiner@tendringdc.gov.uk as the point of contact for data collection.

[244 words]

3.15 Please upload an Implementation Plan covering milestones, timelines, critical interdependencies, and sequencing. This could take the form of a pictorial diagram, Gantt chart, timeline, flowchart or other graphical representation.

Upload 1 side legible at A3

50MB

Response:

Please see included within zip file attached to email.

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.

Free text

250 word limit

Freeport East will result in [REDACTED] of investment in new infrastructure, subject to securing revenues to substantiate the business cases. Our Implementation Plan includes more details on these investments. This includes:

[REDACTED] of private investment in the Bathside Bay and Felixstowe Green Energy Hub development.

This will deliver a state-of-the-art offshore wind hub to increase the UK's competitive advantage against the continental North Sea ports, form the basis of our hydrogen deployments and provide logistics and manufacturing space in a new tax and customs zone. The Green Energy Hub will mean Felixstowe is the first port in the UK to provide cold ironing for vessels calling at the port. This [REDACTED] will lead to additional substantial private investment from tenants

[REDACTED] of council investment in Gateway 14, providing a 215,000 square meter commercial and logistics park in a tax zone, on top of [REDACTED] already invested. This will lead to an estimated £90m additional private investment from tenants.

[REDACTED] of private investment in innovative solutions to delivering net zero ambitions, including trialling hydrogen fuelled vehicles, deploying a 5G hub at Felixstowe and upgrading digital infrastructure for freeport needs.

[REDACTED] of private investment in new digital infrastructure and management capability to operate Freeport East.

To support this, we are proposing the following seed funding activities:

[REDACTED] to allow the **[REDACTED]** Green Energy Hub investment to go ahead. This includes compensatory land works and site preparation works and internal road upgrades.

[REDACTED] in site preparation works for the Gateway 14 site

[249 words]

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.

Free text

1000-word limit

A freeport brings together ports, in-land transport, business activity and economic development. There is over **£6.8 billion investment** in these areas either secured over the past five years or currently under consideration; this demonstrates the appetite for, and success in, investment in freeport-related activities. Freeport East would create new opportunities with this strong existing investment and create a truly global gateway and a catalyst for wider economic growth. Below is a list of example investments by category.

Port Infrastructure [REDACTED]

[REDACTED] invested by CK Hutchison Group into various maintenance and improvement programmes at PoF and HIP

[REDACTED] harbour and channel improvement project by Harwich Haven Authority

[REDACTED] awarded to PoF and Harwich from the Port Infrastructure Fund

Freeport East builds on the investment that CK Hutchison Group, a major UK inward investor, has made since 1991 in Felixstowe. The [REDACTED] invested into PoF and Harwich since 2016 has included works to allow access for mega vessels and ensured the two ports remain the UK's most accessible global trade gateway. The [REDACTED] harbour and channel improvement project will further improve port efficiency and access for mega vessels, reduce congestion and reducing emissions.

Both ports have been awarded central government funding for the planned construction of inspection facilities to ensure continuation of seamless trade with the EU after July this year.

Land Development (£560m)

-£250 million North Felixstowe Garden Neighbourhood

-£300 million Brightwell Lakes residential development

-£10 million Galloper Wind Farm at HIP

North Felixstowe Garden Neighbourhood is currently being proposed by East Suffolk Council, which will include the development of 2,000 new homes across multiple sites and a commercial hub. A further 2,000 new homes are set to be developed in the Brightwell Lakes town at Martlesham Heath. In addition, Tendring/Colchester Borders Garden Community is a new settlement of 7,500 homes allocated in the Tendring and Colchester local plans, recently adopted. These developments will create thousands of jobs and provide better roads, new schools, employment and community centres. Integrated and sustainable developments such as these are key to attracting a workforce for the new business activities created by Freeport East and will be critical if the scale of port operations continue to increase with freeport designation.

Enterprise ([REDACTED])

Business and Enterprise Park at Gateway 14, with an additional infrastructure works underway and an £8m innovation centre proposed

reezer distribution centre at the Clickett Hill Road site

Orwell Crossing B8 development site

Covered Market and Workspace facility in Jaywick Sands

The redevelopment of Gateway 14 will create a to create a mix of business, logistics and commercial accommodation and an 'Innovation Centre' focused on research and development uses, estimated to generate circa 1,403 – 4,826 net direct full-time jobs and encourage further significant investment in the area. This area will be a tax and customs site in Freeport East.

Uniserve is due to open a state-of-the-art 750,000 sqft distribution centre this year, providing port-centric logistics at scale for customer requirements across sectors and commodities as a customs site within Freeport East.

As part of its efforts to grow the District's enterprise and associated business base, Tendring DC will establish a Covered Market and Workspace facility in Jaywick Sands funded by MHCLG's Getting Building Fund. This investment will foster economic growth through focussed business activity.

TRANSPORT INFRASTRUCTURE (£5.78bn)

-£1.5 billion A14 Cambridge to Huntingdon improvement scheme

-£50 million A12 East of Ipswich MRN improvements package

-£1.04 - £1.27 billion Highways England A12 Chelmsford to A120 widening scheme

-£500 million Network Rail Ely Area Capacity Enhancement (EACE) programme

-£1.4 billion Greater Anglia new franchise investment

-£60 million Felixstowe Branch Line Enhancement

-£1 billion East-West Rail major project

The ports provide a major international gateway, but they require reliable access to a national hinterland. East Anglia has seen significant investment in greater resilience and capacity on key strategic road and rail corridors. The £1.5bn A14 improvement scheme ensure the continued vital road transport corridor between the West Midlands and East Anglia, which sees approximately 85,000 vehicles per day, 26% being HGV traffic (against a national average of 10%). Similarly, Highways England are funding the £1.04 - £1.27bn A12 Chelmsford to A120 widening scheme, which is significant as it will bolster the ports' unparalleled connection to London and the South East.

Rail has great potential to decarbonise freight transport. There has been significant investment in the national rail network in the freeport area. Network Rail's EACE programme is upgrading the railway in Ely so that it can meet the future demand for more rail freight between PoF and the West Midlands and the north. The latest GA franchise is investing £1.4 billion into a new train fleet between London, Essex, Hertfordshire, Cambridgeshire and Ipswich, building a new workshop on the outskirts of Harwich that could integrate with development proposals at Bathside Bay.

REGENERATION (£74m)

-£20 million to regenerate Clacton Town Centre

-£29 million Towns Fund bid by Ipswich Borough Council

-£25 million Towns Fund bid by Colchester Borough Council

Essex CC and Tendring DC have jointly committed to investing £20m into the regeneration of Clacton Town Centre over the next five years. This incorporates Highways and Sustainable Transport improvements to enhance access to the Town Centre from across the District and improve access to employment, skills and social opportunities for residents. Tendring DC's regeneration plans at Dovercourt also include multiple development projects and the promotion of town centre activity.

Ipswich BC has also recently submitted a Towns Fund bid for almost £29 million across 12 projects targeting short and long-term development, focussed on generating jobs and improving skills and wages in the area. Ipswich's location on the A14 corridor has encouraged numerous port-related companies to occupy employment land along this strategic corridor and so the expansion of port-related industry would align with the freeport's ambitions to extend its impact beyond the immediate districts and address pockets of deprivation in the wider region such as in Ipswich.

[992 words]

4.3 Describe the primary types (including size and sector) of business:

- That are part of your bid
 - That you will aim to attract
-

Free text

500 word limit

What are the target/priority sectors for the freezone area and why? Why are they likely to invest in the area and expand as a result of freeport status?

Response:

Building on best practice from freeports and logistics zones globally, we will focus on key sectors to create economies of scale and synergy across the value chain. This necessitates companies of all sizes to maximise the value-adding benefits of customs sites. Therefore, we are targeting sectors that meet the following characteristics:

- Adding significant value at several stages across the value-chain
- Alignment with net-zero ambitions
- Synergies with existing innovation
- Developing export potential

Hydrogen and offshore wind are clear examples of this.

Hydrogen

Export of hydrogen generation equipment and fuel cells may add £0.5 billion to GVA and 3,600 jobs per annum. We will drive this growth developing a hydrogen ecosystem through our Green Energy Hub.

Offshore Wind

The UK is the world's largest market for wind. Before 2030, £16bn of capital expenditure is anticipated in East Anglia ONE North, TWO and THREE, Norfolk Vanguard and Norfolk Boreas: 35% of total investment in offshore wind in the UK. We intend to develop a renewable energy supply chain that exploits Freeport East's position at the heart of this industry.

Our Value Chain Proposition

Innovation

With the exceptional innovation within Freeport East (question 3.6) and the high value advanced manufacturing opportunities highlighted below, we will dedicate space to leading research, testing and demonstration facilities.

Manufacturing

Our tax and customs sites will attract leading hydrogen production OEMs and offshore wind generation and cabling OEMs. This is backed by letters of support from [REDACTED]

[REDACTED]

Deployment

These electrolyzers will be deployed in the freeport, powered by clean energy from local existing and future nuclear at [REDACTED] and offshore generation from the likes of [REDACTED]. At Bathside Bay we have planned laydown and construction areas for assembly and pre-installation opportunities for blades, turbine towers, nacelles and jacket substructures.

Exports

These hubs can leverage economies of scale and excellent export logistics to be a competitive exporter to the growing market in Europe.

End customers

Large scale investment in hydrogen needs secure demand; PoF and HIP have the most reliable truck volumes in the UK and are best placed for the implementation of a hydrogen-led logistics hub. PoF has 350 items of mobile equipment ready to be trialled with hydrogen alternatives. 50% of all offshore servicing spend is on suppliers within 30 miles of the offshore wind farm's port base.

Synergies

Offshore wind will be a primary input for hydrogen production, which will utilise excess offshore energy even at times of low demand. As the offshore sector develops, the hydrogen will fuel future offshore service fleets.

Other activities

Other key considerations are logistics activity and space for non-manufacturing businesses. We will create dedicated space for warehousing, parking and container handling to minimise logistics costs and have also identified space for commercial offices for smaller companies and start-ups to benefit. We also anticipate opportunities to host consolidation and export hubs for exporters that are currently considering relocating to the EU to avoid double customs duties.

[500 words]

4.4 Please choose from the following Sector list (SIC Codes) those business types:

- **That are part of your bid**
 - **That you will aim to attract.**
-

Select from the ONS SIC

https://onsdigital.github.io/dp-classification-tools/standard-industrial-classification/ONS_SIC_hierarchy_view.html

Maximum 10 to be selected from drop down list.

Response:

The following business types are part of our bid:

1. Division 27: Manufacture of electrical equipment
2. Division 28: Manufacture of machinery and equipment n.e.c.
3. Division 30: Manufacture of other transport equipment
4. Division 33: Repair and installation of machinery and equipment
5. Division 35: Electricity, gas, steam and air conditioning supply
6. Division 49: Land transport and transport via pipelines
7. Division 50: Water transport
8. Division 61: Telecommunications
9. Division 72: Scientific research and development
10. Division 85: Education

The following businesses are the types we will aim to attract

1. Division 32: Other manufacturing
2. Division 35: Electricity, gas, steam and air conditioning supply
3. Division 41: Construction of buildings
4. Division 43: Specialised construction activities
5. Division 49: Land transport and transport via pipelines
6. Division 50: Water transport
7. Division 52: Warehousing and support activities for transportation
8. Division 61: Telecommunications
9. Division 72: Scientific research and development
10. Division 85: Education

4.5 Please outline what specific trade and investment support measures you feel would benefit a Freeport in your area, and any support needed from existing DIT services to deliver this.

Free text

250 word limit

Bidders should outline what specific trade and investment support measures they feel would benefit a Freeport in their area, including the support needed from existing DIT services to deliver this.

Response:

To maximise the activity in Freeport East we will ensure tenants are aware of, and use, all available support. Our partners are well placed to support tenants through their existing experience. Currently HPUK maintains an open dialogue with DIT on its investment plans, principally through CK Hutchison Holdings' membership of DIT's Strategic Relationship Management programme. There is also ongoing dialogue in relation to trade policy, most recently through membership of the DIT Secretary of State's Trade Advisory Groups.

Freeport East will build on this approach and we propose to formalise arrangements, for example via an MoU, if appropriate.

DIT services could potentially assist in a number of ways: attracting co-investors; facilitating partnerships with innovative companies/start-ups; sharing knowledge and insight in relation to our cutting-edge Net Zero and IoT innovation projects.

Therefore, we will ensure tenants are aware of DIT support and help them access appropriate support measures. Likely areas of trade and investment support measures from DIT include:

- Ensuring new tenants are aware of **great.gov.uk** in maximising their export activity
- Considering opportunities for **UK Export Finance** to support the tenants' export
- Accessing **overseas posts** and **trade advisers** to support selling to specific markets overseas
- Creating business profiles on **find a supplier**

In addition, Freeport East will ensure to use DIT's support to identify inward investors via the **network of embassies and consulates**.

Freeport East will also assist DIT in disseminating or showcasing key projects, for example via their GREAT Campaign or at industry exhibitions.

[244 words]