

# THE I M J

## INVESTMENT GUIDE TO THE UK

A special supplement to coincide with the UK Real Estate and Investment Infrastructure Forum, May 16-18, Leeds

### FEATURING:

- THE STATE OF THE NATION'S ECONOMY ■ THE NEW INVESTMENT ZONES
- LATEST ON LEVELLING UP ■ WHAT DO THE FREEPORTS MEAN?
- A GUIDE TO THE UK'S GOVERNANCE



**03 Foreword** Lord Dominic Johnson (Minister for Investment, Department for Business and Trade)  
**Welcome to Leeds** Tom Riordan (Chief Executive, Leeds City Council)

**04 An overview of investment in the UK**  
 Commercial development is high on local authority's priority list as latest figures show an increasing interest in international companies investing in the UK.

**06 A local governance breakdown of the UK**  
 For the benefit of investors wanting to understand the UK's often complex local governance structure the investment guide provides a breakdown.

**08 Boost for levelling up**  
 After an unexpectedly high number of 'quality applications' ministers have boosted the second round of levelling up funding from £1.7bn to £2.1bn. It takes overall investment delivered through the fund to £3.8bn since 2021.

**10 Freeports and their potential for the future**  
 The Government's freeports policy aims to boost trade and investment in every corner of the UK as the nation seeks to benefit from lighter regulation outside the EU.

**11 Unlock new investment opportunities: UK Freeports**  
 The Department for Business and Trade sets out how the Government's freeports initiative will unlock new investment opportunities in the UK.

**14 Zoning in on regeneration**  
 The UK Government wants its new investment zones – which will focus on priority sectors and bring local government and research together – to follow in the footsteps of former successful regeneration projects such as Canary Wharf.

**15 Attracting investment to the UK**  
 The UK is building on its long-standing reputation for low tax, flexibilities and incentives for inward investment as cutting edge initiatives come to the fore.

# A welcome from the Minister for Investment



**Lord Dominic Johnson**  
Minister for Investment, Department for Business and Trade

For some people, investment may be a fairly simplistic notion of capital, returns and bottom lines. But that is only one part of a much bigger picture. Investment supports and creates jobs, enhances productivity and boosts average wages. It drives the regeneration and reinvigoration of towns and cities across Britain, improving living standards and levelling up left behind communities.

And it is a crucial tool for fostering collaboration, nurturing innovation, and driving the economic growth that will see the UK prosper well into the future. That is why this Government is absolutely

determined to harness the opportunities of Brexit to make the UK the top investment destination in Europe.

Our world class institutions, highly skilled labour force, and reputation for innovation, mean that investors from across the world already rate the UK highly. Inward international investment stock broke £2 trillion for the first time last year and domestic investment was up nearly 10%.

We attract more Foreign Direct Investment than any other country in Europe and are home to more unicorn companies (billion-pound start-ups) than

anywhere else on the continent.

And this year's annual PWC survey of global CEOs ranked the UK the third most important country for investment, behind only the US and China. This is all a fantastic vote of confidence, but I know we can do so much more. From clean growth to life sciences to tech and advanced manufacturing, Britain possesses world-leading capabilities in precisely the areas investors are looking at.

There are countless opportunities on offer here for the long term investor. Prime amongst these are real estate and infrastructure, so I am delighted that the UK Real Estate Investment and Infrastructure Forum event in Leeds will bring together key players and decision makers to shine a spotlight on the sector. Real estate remains a popular choice for international capital and investment into the UK, with overseas buyers accounting for 52% of 2022 investment.

International investment in projects such as the long-awaited Co-op Live Arena in East Manchester and the £5 billion Liverpool Waters redevelopment are already supporting the rejuvenation of sites and local communities around the country. There are also plenty of exciting infrastructure projects for investors to sink their teeth into.

In January, the Government's Levelling Up Fund announced £2.2 billion funding for 100 public projects stretching from Blackpool to Gateshead to Cornwall. The Chancellor made clear in the Autumn Budget our commitment to huge infrastructure projects such as Sizewell C, Northern Powerhouse Rail and gigabit broadband rollout.

And we have put finance support in place through the UK Infrastructure Bank, with £22 billion of financial capacity to crowd-in £40 billion in private sector infrastructure investment.

So I am confident to say that there has never been a better time to invest in the UK.

Only by attracting and embracing investment, can we build an economy that is competitive, globally connected and fit for the future – forged by free enterprise, fuelled by innovation and driven by trade and investment. ●

# Welcome to Leeds from Tom Riordan

I would like to extend the warmest Yorkshire welcome to the thousands of UKREIF 2023 delegates who have travelled from all over the UK and abroad to join us in Leeds.

Hosting the largest real estate conference of its kind in the UK is a brilliant opportunity for both Leeds and Yorkshire to really showcase the wealth of exciting and innovative work happening here.

Leeds is in vogue as a dynamic hub for innovation, business and investment – with the likes of Channel 4, the Bank of England, UKIB and a host of global and home grown tech companies choosing to call our city home. This year we will be showcasing our plans for inclusive innovation through the £1.5 billion Innovation Arc, our new city centre science park that will act as a test bed to solve big global problems in a city with the ability to deliver whole system change at scale. The best example of this is our ambitious journey to net zero and our plans through green projects that are the largest of their kind in the UK and even Europe, such as Leeds Pipes the district

heating network decarbonising our city centre, and our Flood Alleviation Scheme that stretches from Malham Cove to the heart of our South Bank regeneration scheme, which is now peppered with a record number of cranes. You'll also be able to enjoy our increasingly green, walkable and clean city centre, with lively bars, restaurants and an enviable cultural offer celebrating our year of culture LEEDS 2023.

You will not find a more inclusive, ambitious and collaborative city than Leeds.

I look forward to seeing everyone as Leeds take centre stage to welcome national debate around investment in our towns and cities with ministers, leaders, mayors and the next generation of professionals sharing their big ideas of how to tackle and change the world. Team Leeds can't wait to welcome you! ●

**Tom Riordan**  
Chief Executive, Leeds City Council



# The UK is a global leader for investment

Despite the recent uncertainty caused by the pandemic lockdown and Brexit the UK is now well placed to attract international investment and the figures back up this success. The value of the UK's international trade as at February 2023 was £1,743.5bn, up 25% on the previous year.

In his foreword to this supplement investment minister Lord Johnson writes: 'Inward international investment stock broke £2 trillion for the first time last year and domestic investment was up nearly 10%. We attract more foreign direct investment (FDI) than any other country in Europe and are home to more unicorn companies (billion-pound start-ups) than anywhere else on the continent.'

The proportion of businesses reporting that their turnover had increased compared with the previous calendar month continued to climb in March 2023, with nearly one in five (19%) trading businesses reporting this compared with 16% in February 2023.

According to trade department figures there were 2,072 foreign direct investment projects in 2017 to 2018, 1,782 in 2018 to 2019, 1,852 in 2019 to 2020, 1,538 in 2020 to 2021 and 1,589 in 2021 to 2022. Out of the 1,589 FDI projects that landed in 2021 to 2022, 596 (38%) were made by new investors to the UK, and 993 (62%) were made by existing investors in the UK.

The Office for National Statistics (ONS) says that the value of the UK's inward foreign direct investment at £1,929.2bn was higher than that of the outward position (£1,660.9bn) in 2020. London and the South East had the highest levels of FDI.

ONS figures showed that UK business investment rose by 4.8% in Quarter 4 (Oct to Dec) 2022 and is 13.2% above where it was in the same quarter the previous year. The level of business investment in Quarter 4 2022 has neared that of Quarter 4 2019, the quarter before the coronavirus pandemic.

Positive contributions from information and communication technology (ICT) equipment

## Commercial development is high on local authorities' priority lists as latest figures show an increasing interest in international companies investing in the UK

and other machinery and equipment, transport equipment, and other buildings and structures caused business investment to exceed pre-coronavirus levels after 11 quarters below this level.

The primary drivers of growth in Quarter 4 2022 were transport, ICT equipment and other machinery and equipment, and other buildings and structures. Transport made the largest contribution to growth this quarter, driven by the air and water transport industries as well as vehicle rental. Other machinery, and buildings investment also increased this quarter, with increases being seen across all industries.

The UK's local authorities are key to attracting inward investment and are eager to lever in new regeneration to their areas. Councils are increasingly reliant on commercial activity to fill the gap in their





# Forward investment

funding. Fifty-two percent of respondents to a survey by the Local Government Information Unit said they would be increasing commercial activity this year, primarily through local housing and commercial developments and asset sales. The most popular options were local housing and commercial developments, with close to 30% of respondents saying they were pursuing these options.

The government is also keen through its 'levelling up' strategy to ensure that investment and economic growth are spread evenly across the UK other than the prosperous regions of London and the South East. For statistical purposes the UK is divided into nine English regions plus the devolved countries of Scotland, Wales and Northern Ireland. The imbalance between the regions is shown by the UK's total public-funded expenditure on research

and development (R&D) which was £14.5bn in 2020/21. Half of the UK's public-funded R&D expenditure was in London, the South East and the East of England in the financial year ending 2021. These three regions accounted for 49.9% of total UK public-funded expenditure on R&D in the UK in 2020/21. The former Ministry of Housing, Communities and Local Government has even been renamed the Department for Levelling Up, Housing & Communities (DLUHC). In January, the Government's Levelling Up Fund announced £2.2bn funding for 100 public projects stretching from Blackpool to Gateshead to Cornwall.

The Department for Business and Trade cites 'a highly-skilled, diverse workforce' as the foundation of the UK's strong, international, dynamic economy. It adds that 'the UK holds a globally recognised higher

education system, allowing businesses to have access to the sorts of transferable, critical thinking skills that drive innovation and business growth.

The UK is home to four of the world's top 10 universities: Cambridge, Oxford, Imperial College London and University College London. There are also 9 UK institutions in the Global MBA Rankings 2022 produced by the Financial Times. Overall, the Global Talent Competitiveness Index (GTCI) ranks the UK second in the world for both the quality of its universities, and its pool of global knowledge skills.

Whole economy investment (technically known as gross fixed capital formation (GFCF)) increased by 1.5% in Quarter 4 (Oct to Dec) 2022 following a 0.3% increase in the previous quarter.

Compared with Quarter 4 2021, GFCF increased by 7.8%, while business investment increased by 13.2% as the disparity between business investment and GFCF decreased. GFCF is now 3.7% above where it was in Quarter 4 2019 (the pre-coronavirus quarter).

## INFORMATION

### INVESTMENT FIGURES

UK business investment rose by 4.8% in Quarter 4 (Oct to Dec) 2022 and is 13.2% above where it was in the same quarter the previous year. The level of business investment in Quarter 4 2022 has neared that of Quarter 4 2019, the quarter before the coronavirus (COVID-19) pandemic.

- Business investment increased by 9.9% in 2022 following a 0.9% increase in 2021.
- Whole economy investment (technically known as gross fixed capital formation (GFCF)), which includes business and public sector investment, increased by 1.5% in Quarter 4 2022 and was 7.7% above where it was in the same quarter a year previous.
- GFCF in Quarter 4 2022 was 3.7% above its pre-coronavirus (Quarter 4 2019) levels.

Source: Office for National Statistics

### NEW PROJECTS & JOBS FROM FDI INTO THE UK 2021/22

Regions	FDI projects	New jobs
Scotland	119	4,408
Wales	43	1,793
Northern Ireland	32	2,112
England (excluding London)	888	37,572
London	444	18,125
English regions (excluding London)	FDI projects	New jobs
North East	71	5,843
North West	145	5,480
Yorkshire and The Humber	104	3,738
East Midlands	99	6,888
West Midlands	143	5,571
East of England	81	3,421
South East	149	4,098
South West	96	2,533

Source: Department for International Trade. June 2022.

### KEY FACTS

- The UK employment rate was estimated at 75.8% in December 2022 to February 2023, 0.2% higher than September to November 2022. This increase was driven by part-time employees and self-employed workers. The unemployment rate for December 2022 to February 2023 increased by 0.1% on the quarter to 3.8%.
- Annual growth in UK house prices has continued to slow, as the average cost of a home fell for the third consecutive month in February 2023. Average house prices in the UK increased by 5.5% in the year to February 2023, down from 6.5% in the year to January 2023. House prices grew the least in Scotland at a rate of 1.0% in the year to February 2023. This was lower than all English regions and lower than the overall rate seen across England (6.0%). Of all English regions, London saw the lowest annual growth in house prices (2.9%) and the West Midlands saw the highest (8.6%). Meanwhile, private rental prices paid by tenants in the UK increased by 4.9% in the 12 months to March 2023. This is the eleventh consecutive month of record-breaking growth in UK rental prices.
- The business population has remained fairly steady over the last two years, while GDP fell sharply, year-on-year into the first quarter of 2021, then rose sharply into the first quarter of 2022. It appears that the end of business support schemes did not lead to a fall in the business population.

# A local governance breakdown of the UK

For the benefit of investors wanting to understand the UK's often complex local governance structure the investment guide provides a breakdown below



The UK's local elected governance system has been dubbed a 'patchwork quilt' having developed over years of fudging by politicians reluctant to impose structures that could stir a hornet's nest of angry voters.

The structure in Scotland and Wales is relatively straightforward. All the local authorities there – 32 in Scotland and 22 in Wales – are single tier, i.e. responsible for all local government services, having been created in 1996 after a bout of reorganisation which abolished the previous two-tier system and reduced the number of councils. Northern Ireland's 11 councils were created in 2015 after its own reorganisation.

The complex area is England where local governance is made up of two-tier areas of districts and county

councils, the latter responsible for strategic services like education, waste disposal and social services, and single tier councils. In the 1990s some two-tier areas became single-tier or unitary. The reason this reorganisation was not widespread across England, as it was in Scotland and Wales, was because of the fierce local political rows over which councils should be abolished and ministers backed away from imposing unitaries across the country.

The new single tier councils joined the existing single tier, or unitary, councils in the Midlands and the North (where they are called metropolitan district councils) and in London (where they are boroughs). But some two-tier areas remained. Since then there have been piecemeal efforts to merge districts and counties into single tier

councils. The process has gathered pace more recently. For example this year the seven councils (six districts and a county) covering Cumbria in the North West became two single tier councils while in North Yorkshire the seven districts and one county council became one single tier council.

Overlaying this mix of unitaries, counties, districts, metropolitan districts and London boroughs are new combined authorities (CAs) currently standing at ten, which have taken on some devolved functions from central government along with extra budgets.

The CAs are the government's response to local government's demand for more devolved Whitehall powers in a highly centralised system.

## INFORMATION

In total there are 317 local authorities in England made up of five different types:

### Two tier

- 21 county councils
- 164 district councils

### Single tier

- 62 unitary authorities
- 36 metropolitan districts
- 32 London boroughs

### Plus

- 10 combined authorities
- 9,000 parish and town councils

### Unitary authorities

There are 62 unitary authorities. They provide all local government services in their areas. These are mainly in the cities, urban areas and larger towns although there are now six shire county councils that are unitary (ie have no district councils beneath them).

### London boroughs

There are 32 London boroughs. They provide nearly all the services in their area. However, the Greater London Authority (GLA) provides London-wide government, including special responsibility for police, fire, strategic planning and transport.

### Metropolitan districts

There are 36 metropolitan district councils which

together cover six large urban areas: the counties of Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands, and West Yorkshire.

Metropolitan districts are responsible for all services in their area, although certain conurbation wide services such as fire and civil defence, police, waste disposal and passenger transport are provided through joint authorities (the districts acting jointly).

### County councils

There are 21 county councils in two-tier areas, providing services such as education, social services and waste disposal.

### District councils

In two-tier areas, each county council area is subdivided into districts, for which there is an independent district council. There are 164 district councils.

District councils are responsible for local services such as rubbish collection, housing and planning applications.

### City of London

The City of London Corporation provides local government and other services for the 'Square Mile'. These include economic development, education, environmental health, highways management, housing, libraries, the Barbican Arts Centre, policing, social services, waste collection and town planning.

### Isles of Scilly

The Council of the Isles of Scilly is a unitary authority, but with some local government services being provided in conjunction with Cornwall Council. It also has its own water authority, airport authority and other powers, including running its own Sea Fisheries Committee.

### Town and parish councils

There are also around 9,000 town or parish councils in England. These operate at a level below district councils and unitary authorities. Parishes do not generally have statutory functions, although they are often responsible for smaller local services such as allotments, parks and community centres. They may provide other services with the agreement of the county or district council.

### Combined authorities

A combined authority can be set up by two or more local authorities. The government devolves various powers and funding to an area. A combined authority does not replace the existing local authorities.

## INFORMATION

There are 10 combined authorities:

- Cambridgeshire and Peterborough
- Greater Manchester
- Liverpool City Region
- North East
- North of Tyne
- South Yorkshire
- Tees Valley
- West Midlands
- West of England
- West Yorkshire

In the devolved countries of Scotland, Wales and Northern Ireland there are 32 single tier councils in Scotland, 22 single tier councils in Wales and in Northern Ireland 11 councils. ●

# Doncaster: The Location for Business

As the newest city in the North of England, Doncaster's drive for economic growth means that the opportunity to hear about Doncaster's range of investment sites at UKREiiF is one not to be missed.

Across the city, there is a requirement for further commercial and industrial space to support our thriving priority sectors and more residential provision to support a growing population. Accordingly, Doncaster is seeking developers and investors with shared ambitions to create quality, sustainable places and neighbourhoods through a blend of new-build and repurposed properties across the borough and the city centre. We are confident we have a range of interesting opportunities to attract any developer or investor.

Decades of innovation and diversification means that Doncaster is not afraid to do things differently. Working together, in conjunction with the private sector, we are determined and passionate about achieving the very best for our place. Our aspirations are high and our development opportunities are vast. We have the location, connectivity and people alongside a prime investment portfolio.

Testament to Doncaster's ambition is the recognition of the City being named as a Levelling up Partner. This programme will assist business leaders in gathering a whole place picture of its unique challenges and opportunities and identify cross-Government interventions to unblock obstacles to regeneration. We welcome this opportunity for additional funding.

Key to Doncaster's success over the years has been

the ongoing growth of our key sectors, building on the heritage of rail and manufacturing. Going forward, Doncaster is proud to be at the forefront of emerging opportunities pertaining to the world of creative, cultural and digital technologies alongside low carbon industries such as hydrogen power and green aviation.

The advancement in these areas are intrinsically linked to the strategic employment sites that have been developed recently such as Doncaster's inland port known as iPort. A site of 337 acres, iPort is the UK's most advanced multimodal logistics hub.

Doncaster North and Unity Yorkshire are two brand new development sites with activity underway. As one of the UK's largest mixed-use regeneration schemes at over 600 acres, the Unity development provides exciting opportunities for businesses, residential, retail and leisure developments.

Doncaster North alone aims to create around 8,500 jobs for local communities within Doncaster and South Yorkshire.

GatewayEast, continues to present development opportunities. The site includes Doncaster Sheffield Airport (DSA) and the City of Doncaster Council continues its mission to retain the strategically important and much-loved asset, to see it redeveloped under the South Yorkshire Airport City programme. Our city centre has seen transformational change in

recent years and current plans are set to continue this trend with significant public and private sector developments underway.

Doncaster is a great place to do business, and we are looking to share our mission to enable thriving people, places and planet. Together we can realise trailblazing opportunities that are simply hard to beat. ●

## INFORMATION

Doncaster's attendance at UKREiiF offers investors, developers and occupiers the chance to meet the Doncaster team and discuss opportunities.

- For further information: visit us on Stand E44 and/or attend the Doncaster Showcase event taking place on Wednesday 17th 1-2pm at the Rethinking Places Stage.
- Alternatively visit: [www.businessdoncaster.co.uk](http://www.businessdoncaster.co.uk) contact Alex Dochery ☎ 01302 736528 or ✉ [alex.dochery@doncaster.gov.uk](mailto:alex.dochery@doncaster.gov.uk)

# Doncaster: *the Location for Business*



City of  
Doncaster  
Council

1. iPort Doncaster
2. City Gateway
3. Unity Yorkshire
4. Doncaster City Centre
5. Doncaster North
6. GatewayEast



As the newest city in the North of England, we are not afraid to do things differently.

We are ambitious, forward thinking and passionate about our place. Our aspirations are high and our opportunities are vast. We have the location, connectivity, people and a prime investment portfolio.

Contact us to find out why Doncaster is THE place to do business, and how you can share our mission to enable thriving people, places and planet.

Business Doncaster can support your plans.

- Incentives available
- Recruitment support
- Property and planning guidance
- Supply chain support
- Marketing and PR

Contact the team on 01302 735555  
[info@businessdoncaster.com](mailto:info@businessdoncaster.com)  
[businessdoncaster.co.uk](http://businessdoncaster.co.uk)

# Round 2 of levelling up fund boosted with extra £400m

The Government demonstrated its commitment to investment across the UK this year by bumping up its latest round of levelling up funding by £400m.

This second round of funding through the initiative was expected to see £1.7bn earmarked for projects across the UK, but ministers decided to raise this to £2.1bn after receiving 'such a high number of quality applications' from different regions.

In total 111 communities are set to benefit, with £672m allocated to improving transport, £821 for regeneration schemes and £594m to restore heritage sites.

It follows on from the £1.7bn allocated to 105 projects as part of the initial round of levelling up funding in 2021. Ministers have also confirmed there will be a further round of funding through the initiative.

## INFORMATION

Among the successful projects to be awarded funding in the latest round are:

- Eden Project North – which will receive £50m to transform a derelict site on Morecambe's seafront in Lancashire into a world class visitor attraction.
- Blackpool Council and Wyre Council - receiving £40 million to deliver a carbon-neutral, education campus in the Talbot Gateway business district.
- A total of £20 million to help regenerate Gateshead Quays (pictured) and the Sage in the North East, which will include a new arena, exhibition centre and hotels.

**After an unexpectedly high number of 'quality applications' ministers have boosted the second round of levelling up funding from £1.7bn to £2.1bn. It takes overall investment delivered through the fund to £3.8bn since 2021.**

Following the announcement Prime Minister Rishi Sunak said: *'Through greater investment in local areas we can grow the economy, create good jobs and spread opportunity everywhere.'*

*'That's why we are backing more than 100 projects with new transformational funding to level up local communities across the United Kingdom.'*

*'By reaching even more parts of the country than before, we will build a future of optimism and pride in people's lives and the places they call home.'*

The total allocation from the levelling up fund so far stands at £3.8bn. It comes on top of other significant investment initiatives launched around the country by the Government, including plans for 14 freeports, a swathe of devolution deals and provision of £25m of funding to 101 locations as part of the Towns Fund.

## INFORMATION

In addition to developing better transport links and restoring local heritage, £760m from this latest round of funding will focus on the regeneration of towns and cities across the country. This includes:

- £20m to regenerate Accrington town centre in Lancashire, which will see the renovation of the Grade 2 listed Accrington Market Hall into a bustling food hall and trading space.
- £18m for the transformation of Cleethorpes seafront in Lincolnshire, including the historic market square and the regeneration of Pier Gardens.
- £20m towards the construction of Willenhall Garden City in the Midlands near Walsall, which will unlock a £210m regeneration plan for new homes, parks and a railway station.
- More than £17m for the refurbishment of Leek Town Centre in Staffordshire, including the upgrading of the old market halls for new business use & the regeneration of the library and museum.

Levelling up secretary Michael Gove said the Government was **'firing the gun' on 'transformational projects in every corner of the UK' to 'revitalise communities that have historically been overlooked but are bursting with potential.'**

**'This new funding will create jobs, drive economic growth and help restore local pride.'** ●





# HEMEL HEMPSTEAD

At Hemel Hempstead we are  
growing a fresh new future!



James Doe,  
Strategic Director  
Place



Phillipa Zieba,  
Programme Director,  
Hemel Garden  
Communities



Sara Whelan,  
Hemel Place  
Strategy Programme  
Manager



Diane Southam,  
Assistant Director,  
Place Communities  
and Enterprise



**Come and meet us at stand J30.**

[www.thinkhemel.com](http://www.thinkhemel.com)

#ThinkHemel

#LifelsGreener



@ThinkHemel

# THE MJ



**GET THE MJ DELIVERED STRAIGHT TO YOUR DOOR**

Stay connected with what's happening and what people are thinking in the ever-changing and challenging world of local government with *The MJ*.

## SUBSCRIBE TODAY

To subscribe simply: **Visit:** [subscribe.themj.co.uk](http://subscribe.themj.co.uk) **Call:** 01371 853625 **Email:** [themj@hgluk.net](mailto:themj@hgluk.net)



# Freeing up trade in post-Brexit Britain

The Government's freeports policy aims to boost trade and investment in every corner of the UK as the nation seeks to benefit from lighter regulation outside the EU

There can be little doubt about the Government's enthusiasm for freeports as an essential ingredient in UK regeneration and renewal.

Current Prime Minister Rishi Sunak first put his name to the freeport cause in 2016 while still a backbench MP.

Having launched the programme as Chancellor of the Exchequer, freeports continue to spring up with Mr Sunak now in Number 10.

It was announced in March that Wales will host two more – Celtic Freeport and Anglesey Freeport – bringing the total to 14.

them in 1984 and they remained in operation until David Cameron's coalition quietly dropped them. However, Rishi Sunak has been inspired to reintroduce them with Brexit freeing the UK of state aid rules.

The Government says its freeports model includes *'a comprehensive package of measures, comprising tax reliefs, customs, business rates retention, planning, regeneration, innovation and trade and investment support'*.

*'Eligible businesses in freeports will enjoy a range of tax incentives,'* it says. *'Such as enhanced capital*

development orders. Beneficiaries of the initiative are enthusiastic. Vaughn Gething, the Welsh Assembly Government's minister for economy says: *'The Celtic Freeport in Milford Haven and Port Talbot and Anglesey Freeport presented a compelling narrative about how they will use their freeport status to regenerate their respective local communities, embed fair work, establish hubs for global trade and foster an innovative environment.'*

For the UK Government, freeports are 'crucial' to helping 'drive clean growth' and 'to realising the levelling up agenda'.

## INFORMATION

The new Welsh freeports pair join two Green Freeports for Scotland – Firth of Forth and Inverness & Cromarty Firth and eight freeports in England:

- East Midlands – the only inland freeport in the country, which is creating a globally connected, world-leading advanced manufacturing and logistics hub.
- Freeport East (Felixstowe & Harwich) – a major trade, manufacturing and green energy hub.
- Humber – aiming to build on the existing strengths of the region for renewable energy, clean growth and advanced manufacturing.
- Liverpool – a low carbon, multi-modal, multi-gateway trade platform.
- Plymouth & South Devon – harnessing the power of high-value manufacturing sectors within marine, defence and space.
- Solent – the UK's most important gateway to European and global markets, providing the closest direct access to over 70 world ports.
- Teesside – Britain's biggest freeport and expected to bring a £3.2bn boost to the economy.
- Thames – Served by first-class onward road, rail and marine connections.

The ports offer lower tax and lighter regulation for businesses to import goods and turn around a final product for export without paying tariffs, if they don't want to import into the UK under normal tax rules.

But they are not a new concept for the UK. Margaret Thatcher's Government introduced

*allowances, relief from stamp duty and employer national insurance contributions for additional employees.'*

They also benefit from a 'supportive planning environment' for the development of tax and customs sites through an extension of permitted development rights and incentivising use of local

The core objectives of Britain's freeport model include:

- Establishing freeports as 'national hubs' for global trade and investment by focusing on delivering a diverse number of investment projects.
- Creating 'hotbeds of innovation' by focusing on private and public sector investment in research and development.
- Promoting regeneration through the creation of high-skilled jobs in ports linked to the areas around them, ensuring sustainable economic growth and regeneration for communities that need them

This final objective is echoed by Ben Houchen, Conservative mayor for Tees Valley, who said: *'Freeports could be the great locally-led revolution of 21st century Britain. They represent a new way of doing things and a chance for some of the most deprived towns in the UK to be at the vanguard of a reinvigorated and outward-looking trading nation.'* ●

# Unlock new investment opportunities: UK Freeports

The Department for Business and Trade sets out how the Government's freeports initiative will unlock new investment opportunities in the UK.

Freeports across the UK are now open for business. These national hubs for global trade and investment are helping businesses grow, driving cutting edge innovation and acting as a launchpad for trade with the world. Generous **tax relief, customs simplification, and support for planning and innovation** are creating fantastic opportunities for global investors looking to use the UK as a springboard to access the UK and European markets, and beyond.

From clean energy to advanced logistics, Freeports have opportunities in a variety of key sectors allowing you to find the right fit for your business. They share a strong focus on decarbonisation and innovation. They build on the **existing strengths and expertise** of the regions they sit within and the rich **transport connections** of the ports which they encompass. In combination with the tax and customs facilitations, and planning and innovation support, Freeports make it easy for businesses to establish themselves in the UK.

Freeports are exploring different ways of supporting decarbonisation; from smarter logistics in **Liverpool City Region Freeport and East Midlands Freeport**, supporting manufacturing and the roll-out of offshore wind in **Humber and Teesside Freeports** or exploring opportunities for hydrogen in **Freeport East and Thames Freeport**. Harnessing the power of high-value manufacturing sectors to provide high-quality future-proof jobs, **Plymouth and South Devon and Solent Freeports** are committed to tackling climate

change and to decarbonising the maritime industry while generating new jobs and upskilling the local workforce. These are just some of the ways in which UK Freeports are helping drive the UK's shift to a dynamic, low-carbon economy that will underpin our journey to Net Zero.

There is **strong support at local and national level** for the new economic activity and high paying jobs that successful businesses in Freeport are creating. These firms are well placed to have a transformative effect on the communities they locate in, and this type of private sector led regeneration is at the heart of the Government's Levelling Up agenda. The UK Government is further supporting this success by committing £25m in seed funding to each Freeport to ensure the appropriate infrastructure is in place to enable businesses to thrive.

Businesses in Freeports enjoy a range of tax incentives to lower the cost of establishing their new or expanded operations. This includes enhanced capital allowances, business rates relief, relief from Stamp Duty Land Tax and partial relief from Employer National Insurance Contributions for additional employees.

The **customs facilitations** of Freeports offer simplified declaration procedures, as well as flexibility on how duty is calculated. This can be beneficial to businesses looking to export for the first time as well as to seasoned traders seeking to optimise their

processes. Freeports build on their ports' connectivity with markets around the world, making them ideally placed to attract global investors looking to use the UK as a springboard to access European markets and beyond.

Businesses have already started to take advantage of the opportunities that UK Freeports provide. SeAH Wind Ltd are investing £400 million in the **Teesside Freeport** to build an offshore wind manufacturing facility that will create around 1,500 jobs. Customs sites are already starting to support UK trade, for example the first UK Customs Site Operator, Casper Shipping Ltd, received its first shipment of steel at the end of September. Finally, Freeport status has enabled **Humber** to secure a £195 million investment to establish Europe's first rare earth processing hub at Saltend, which is expected to represent 5% of the world market by 2025. ●

## INFORMATION

- There are live investment opportunities across UK Freeports. To find out more information, or if you are interested in a particular Freeport, please contact the Department for Business and Trade at [great.gov.uk/invest](https://great.gov.uk/invest).



# ACHIEVEMENT AWARDS 2023

THE MJ

## Celebrate the stars of local government

We believe everyone deserves recognition for  
their incredible achievements.

That's why we host the biggest annual  
awards ceremony in the local government sector!

### Sponsors of this year's awards



Commercial  
Services Group  
Interim & Executive Search



Gatenby  
Sanderson



Hampton's  
Resourcing

IMPOWER



ORACLE



Penna



[awards.themj.co.uk](https://awards.themj.co.uk)

LIMITED SEATS  
AVAILABLE

Join us on Friday 23<sup>rd</sup> June at the Park Plaza  
in Westminster for a day of celebrations.

**Book your table now!**



**Book  
Your  
Table  
Now**

Supporting sponsors





# Zoning in on regeneration

The UK Government wants its new investment zones – which will focus on priority sectors and bring local government and research together – to follow in the footsteps of former successful regeneration projects such as Canary Wharf.

Government plans for 12 new investment zones are set to turbo-charge regeneration opportunities across the UK.

Chancellor of the Exchequer, Jeremy Hunt, used his Budget in March to reveal the new investment zones - which will be partnerships between local government and a university or research institute - would benefit from low tax and low regulation regimes. Five priority sectors have been identified as the focus for the zones: Digital and Tech; Green Industries; Life Sciences; Advanced Manufacturing; and Creative Industries.

Areas will be able to tailor their investment zone plans to local circumstances.

The tax offer for the zones will match that for freeports, consisting of enhanced rates of capital allowance, structures and buildings allowance and relief from stamp duty land tax, business rates and employer national insurance contributions.

There will also be flexible grant funding to support skills and incentive apprenticeships, provide specialist business support and improve local infrastructure.

Areas will be able to choose the number and size of tax sites within the £80m envelope, up to a maximum of three sites totalling 600 hectares. The amount of grant funding will depend on the number and size of tax sites.

To access the funding, areas will be required to

funding and use the local planning system to support growth. In line with its levelling up agenda, the Government has said the investment zones will be set up in places with 'significant unmet productivity potential' and aim to 'catalyse' growth clusters across the UK.

Plans will also need to demonstrate how the investment zones will support the UK reaching net zero by 2050 as well as the Government's new long-term targets to protect and enhance the natural environment and make it resilient to the effects of climate change.

Mr Hunt likened the new investment zones to two highly successful regeneration projects from the past, which were also championed by the Conservatives.

*'Canary Wharf and the Liverpool Docks were two outstanding regeneration projects.'*

*'They showed what's possible when entrepreneurs, government and local communities come together.'*

The Government plans to agree details for the English zone with areas by the end of the year and partnerships bidding to secure the deals will be invited to discuss their plans with the Department for Levelling Up, Housing and Communities (DLUHC) and the Treasury.

At the same time, DLUHC will work with the devolved administrations to establish the remaining investment zones in Scotland, Wales and Northern Ireland. The final design choices and agreement on a zone in Northern Ireland will be subject to the restoration of the Northern Ireland Executive. ●

INFORMATION

While the four zones across Scotland, Wales and Northern Ireland have yet to be identified ministers have revealed eight English regions which have been shortlisted to host the others:

- The proposed East Midlands Mayoral Combined County Authority
- Greater Manchester Mayoral Combined Authority
- Liverpool City Region Mayoral Combined Authority
- The proposed North East Mayoral Combined Authority
- South Yorkshire Mayoral Combined Authority
- Tees Valley Mayoral Combined Authority
- West Midlands Mayoral Combined Authority
- West Yorkshire Mayoral Combined Authority

Each of the areas that makes a successful application to become an investment zone will be given access to £80m of support over five years.

produce plans that detail how local partners will use the powers available to boost growth in the five priority sectors, identify private sector match



# Attracting investment to the UK

The UK is building on its long-standing reputation for low tax, flexibilities and incentives for inward investment as cutting edge initiatives come to the fore.

In addition to a corporation tax rate of 25%, the lowest in the G7, the UK offers a range of tax reliefs and incentives which make it a highly attractive location for investors.

Alongside the Enterprise Investment Scheme and the Venture Capital Trusts, which offer relief for those investing in small businesses, there are also generous incentives for companies investing in research and development in the UK to promote fast-growing, innovative services and products.

The internationalist instincts of the UK mean half of the nation's research and development (R&D) expenditure comes from foreign-owned companies. And it is a location that boasts a world-class intellectual property regime to protect innovative ideas. With 75 Nobel Prize winners, only the USA has more.

There is also the offer of a corporation tax of just 10% on profits from inventions patented in the UK. While R&D expenditure tax credits provide generous incentives of up to 230% for companies investing in relevant projects.

With the best superfast broadband service of any major European economy, the UK's digital infrastructure network supports a software and technology sector larger than the rest of Europe combined.

The UK ranked in the top 10 of the World

Economic Forum's Networked Readiness Index in recent years; a measure of the nation's capacity to use information and communication technology to promote growth and social wellbeing.

Additionally, the UK invests £6bn each year in research councils and universities, while supporting a network of Catapult Centres helping emerging technologies become commercially viable.

Some of the world's biggest and most dynamic companies – including Google, Facebook, Amazon and Coca-Cola – have already chosen the UK as their European headquarters.

Further attractions include the UK being home to four of the top 10 universities in the world and a highly educated workforce, which ranks in the top 10 of OECD countries for the proportion of adults with a tertiary education.

A highly flexible labour market also allows businesses to hire staff in a way that suits them so they can react to changing circumstances.

Minister for Investment Lord Dominic Johnson said: 'The UK remains open for business. Our low-tax, high-skill economy is unrivalled in offering strong returns, innovative businesses and a rule of law that is emulated around the world.'

With a commitment to tackling climate change, the UK has developed a world-leading offer for investors across the clean growth economy.

The Government has accelerated the opportunities for investment across renewable energy, zero-emission vehicle technologies, sustainable consumption, infrastructure and green finance.

The nation's low carbon industries already support over 460,000 jobs from electric vehicle manufacturing in the Midlands and the North East to a thriving offshore wind industry centred on the Humber and the Tees.

Having become the first major economy to adopt a legally binding obligation to reach net zero greenhouse gas emissions by 2050, the UK Government has generated 68,000 green jobs since 2019 and £22bn in private investment, laying the foundations for a green industrial revolution.

The aim is for 95% of Great Britain's electricity to be low carbon by 2030, with clean power generated through offshore wind farms, nuclear plants and the investment of up to half a billion pounds into new hydrogen technologies.

The UK will use this technology to operate transportation and for heating and the Government is also pioneering a new industry dedicated to carbon capture, usage and storage.

From aerospace and augmented reality to agri-tech and creative industries the UK is leading the way on investment opportunities from around the world. ●

