



METROMAYOR
LIVERPOOL CITY REGION

LCR Freeport and Parkside

a) Parkside as a tax site

Liverpool City Region Combined Authority (LCRCA) is the accountable body for the LCR Freeport.

LCRCA can confirm that its successful bid submission to Government identified Parkside (St Helens) as one of three designated tax sites that will be included within the Freeport. The two other LCR Freeport tax sites are Wirral Waters (Wirral) and 3MG Widnes (Halton).

Government has allowed each Freeport to include up to three tax sites, each within a 45km Outer Boundary (this applies to all tax/customs sites within the Freeport). A map of the Freeport which illustrates this boundary and each of the sites – together with further information on the Freeport - is available on this link <https://www.liverpoollep.org/freeport/>

Freeport status is subject to the successful production of a business case, to be developed with Government and local stakeholders in the coming months.

b) Tax site benefits

As a designated Freeport tax site, Parkside is set to benefit from the ability to offer businesses a range of incentives which have been specifically created by Government for the purpose of delivering their Freeport policy and vision. These Freeport tax incentives will include:

- Stamp Duty Land Tax Relief
- Enhanced Structures and Building Allowance
- Enhance Capital Allowances
- Employer National Insurance Contribution Rate Relief
- Business Rates Relief & Local Retention of Business Rates

The tax measures will offer important incentives to prospective occupiers, accelerating development and supporting investment in on-site infrastructure.

All Freeport tax sites across the UK will receive the same benefits. Further details can be found within HM Treasury's 'Freeports – Bidding Prospectus (November 2020). All proposed incentives are subject to confirmation and future change).

c) Customs site benefits

As well as being selected to become a Freeport tax site, Parkside was also designated in the LCR Freeport submission as a customs site (hence why it is labelled as a Tax and Customs Site on the map in the above link). Subsequently in addition to the proposed tax site benefits, business operating within the Parkside site are also set to receive a range of customs focussed benefits including:

- Tariff benefits including duty deferral while the goods remain on site, and duty inversion if the finished goods exiting the Freeport attract a lower tariff than their component parts.
- Customs duty exemption on goods that are imported into a Freeport, processed into finished goods and subsequently re-exported.
- Import VAT suspension.
- Simplified import procedures.

As with the tax sites, all proposed customs benefits are subject to confirmation.

d) Government seed capital funding

The Government is planning for the successful bidders to have the opportunity to access a share of £175 million national seed capital funding. The amount accessed will depend on the submission of an outline business case and is to be determined. The Government expects the resource to be focused primarily on land assembly/infrastructure development, site remediation, and transport infrastructure. The funding will be intended to assist with delivery of Freeport objectives through catalysing development and unlocking further private sector investment.

Given the importance of the tax sites to the success of the Freeport model, it will be expected that LCR will utilise a significant allocation of its seed capital funding across its three sites. The plans for how this would be invested are to be further set out in the development of the business case.

e) Parkside's strategic importance to the LCR Freeport

Parkside represents the single largest strategic commercial development site within the LCR, holding substantial potential for future industrial space growth. The potential scale of future development, and subsequent economic impact at the Parkside site, played a significant part in its selection as a Freeport tax site during an independent appraisal process.

In addition to this, Parkside, through a potential future rail head, is important in the development of the LCR Freeport's ambition to create a multi-modal, multi-gateway proposition that supports LCR's Net Zero 2040 ambitions.

Parkside was judged to have a strong existing and long-term investor proposition for future development and investment which was both ambitious and achievable. Within this, it has significant potential in attracting innovative firms to locate on site, and therefore creating a wide range of new employment opportunities.

f) Next Steps

Freeports are a long-term national policy, Government have accepted the initial bid from LCR, and LCRCA is committed to developing the set-up phase before Freeport status is confirmed and operations begin.

Outline and full business cases will soon begin to be developed, in line with upcoming Government guidance. Within this, LCRCA and its consultancy team will work closely with Langtree and St Helens over the coming months to further articulate Parkside's investment offering and how this contributes to the LCR Freeport's delivery on its objectives.