

**Solent Freeport**

**Resources and  
Transformation  
Overview and Scrutiny  
Panel**

**18 September 2025**

# About Freeports

“Freeports are special areas within the UK’s borders where different economic regulations apply. By delivering investment on specific sites benefitting from tax and customs incentives, Freeports will create thousands of high-quality jobs in some of our most disadvantaged communities. These sites have been carefully selected for their suitability for development by local authorities and key private partners and sit within an outer boundary.”

Freeport Guidance – October 2021

## Freeport Objectives:

- National hubs for global trade and investment
- Creating hotbeds for innovation
- Promoting regeneration and ensuring sustainable economic growth



# Freeport – key tools

**Tax Sites** - Eligible businesses will have access tax reliefs including Business Rates, Stamp Duty, Employer National Insurance Contributions, and Building Allowance and Enhanced Capital Allowances (until 2026 originally, Nov 23 budget agreed to extend to 2032).

**Business Rates Retention** - The council area in which tax sites are located will retain 100% of business rates growth above an agreed baseline for 25 years allowing Councils to borrow and to invest in regeneration and infrastructure to support further growth.

**Seed capital:** Each Freeport will be granted up to £25m of seed capital funding, primarily to be used to address infrastructure gaps in tax and/or customs sites that are holding back investment.

**Customs Sites:** Businesses operating within Freeport customs sites will have access to simplified customs arrangements.



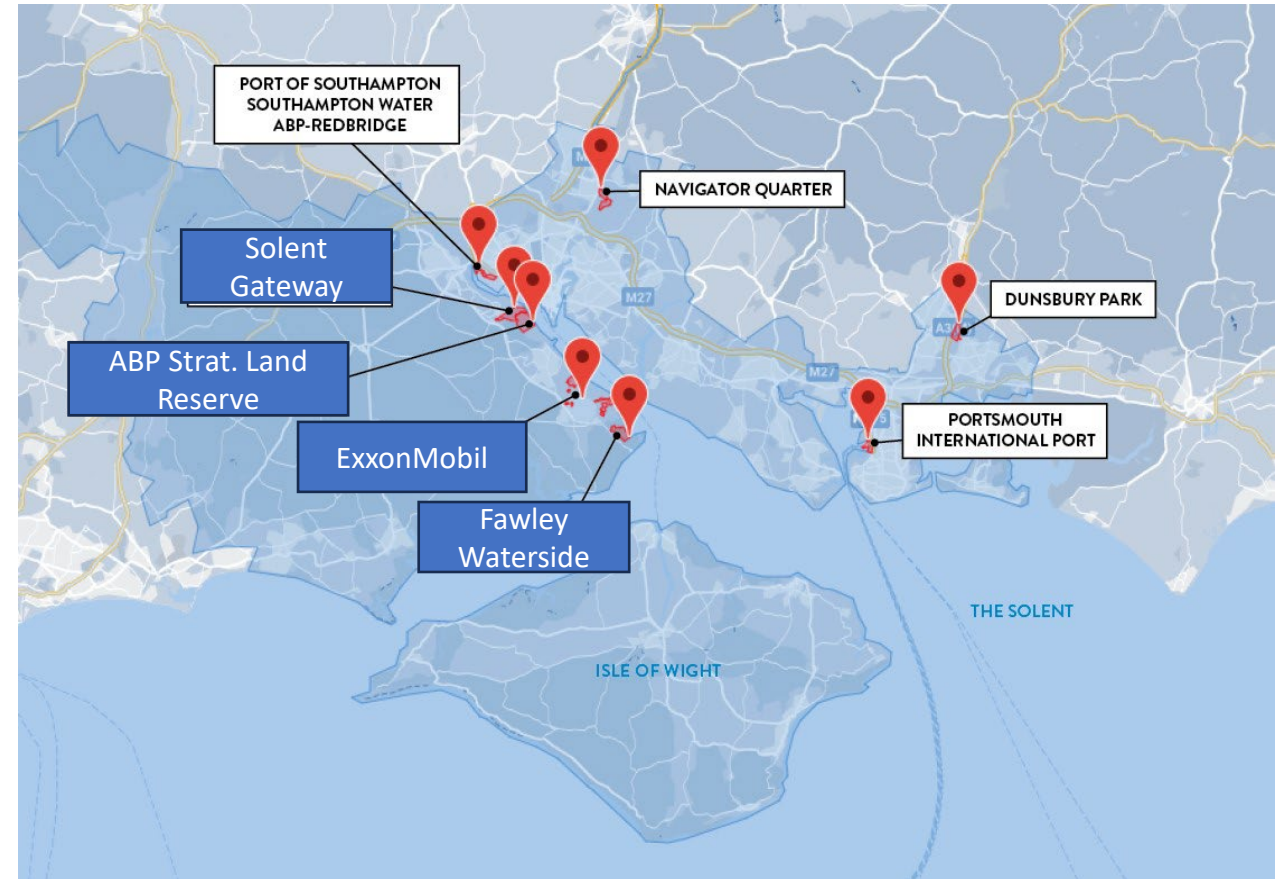
# Solent Tax sites, customs sites and seed capital

## Solent Water Tax Sites

- Solent Gateway/Marchwood Port (also a Customs site)
- ABP Strategic Land Reserve
- The Fawley Complex – Exxon Mobil
- Fawley Waterside

Of 430ha of developable land, 303 ha in NF (70%)

Tax site benefits extended to 2032.

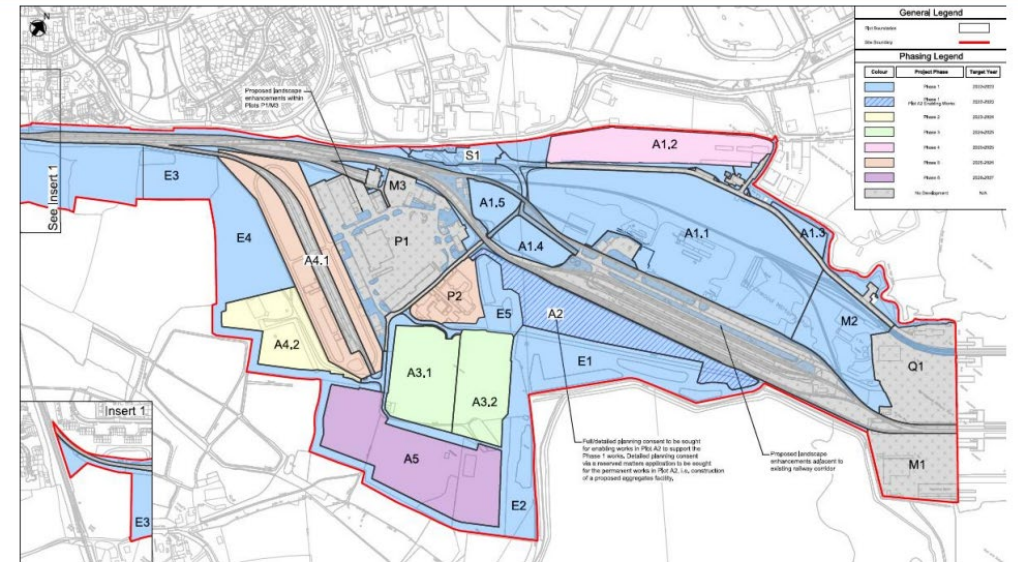


# New Forest Tax Site Updates

## Solent Gateway

- Phase 1 (hardstanding) now completed
- Phase 2 (jetty works) now completed
- Phase 3 (explosive section) to commence in 2026
- Phase 4 (30 acres of hardstanding) to commence in 2026

## Consented Development Summary



# New Forest Tax Site Updates

## ABP land reserve

- ABP have started to scope out proposals
- Expected to be a National Strategic Infrastructure Project (NSIP)
- Non-statutory consultation expected shortly
- Further Member briefing to give clarity on proposals and next stages expected in Autumn 2025
- Focus expected to be on automotive to free up space in Southampton for cruise and containers



# New Forest Tax Site Updates

## Fawley Complex (Exxon)

- Large investment in FAST project
  - an £800 million expansion of the Fawley refinery, designed to increase low-sulphur diesel production by 40% and reduce UK imports by 25% by 2025
- New plant being commissioned into use now
- Currently awaiting Valuation Office assessment
- Discussions taking place regarding potential uses for external investment on tax site plots



# New Forest Tax Site Updates

## Fawley Waterside

Currently devising new masterplan, with regular engagement taking place with NFDC Planning Officers



# Seed capital

- All Freeports were given £25m of capital funding to help unlock growth.
- Funds must be spent by March 2026.
- Good progress being made, but unlikely to have spent all £25m by March 2026
- Most recent call for projects:
  - Must be capital expenditure – the creation, acquisition or enhancement of an asset.
  - Must deliver Freeport outputs – jobs, skills innovation, added GVA



# Use of retained business rates

- Retained business rates – pooled across the region. Use of funding determined by the Solent Freeport Retained Rates Investment Committee.
- Retained Rates have started to accrue from the Dunsbury Park tax site, with more to come from Solent Gateway and ExxonMobil soon.
- Current overall forecast is >£1m annually by 2025/26, increasing to >£4m annually by 2028/29

Theme	Indicative Funding Share
Skills	15%
Net Zero	7.5%
Hotbeds of Innovation	7.5%
Regen and Enabling Activity	60%
Local Investment Priorities	10%

# NFDC Freeport Priorities

April 2024 – Cabinet agreed to develop a New Forest Freeport Delivery Plan focused on the following priorities:

- **Transport and wider infrastructure** – A326 planning application expected by end of 2025
- **Employment and Skills** - Skills Action Plan approved July 2025
- **Prosperous Communities** – Totton Masterplanning work well underway
- **Environmental Sustainability** – various workstreams underway including in areas of decarbonisation and improving ecological connectivity of area



# Governance

- Freeport Board (NFDC represented)
- Finance Resources and Audit Committee (NFDC represented)
- Retained Rates Investment Committee (NFDC represented)
- Accountable Body – Portsmouth City Council
- LGR context
  - It has been confirmed that Freeport governance will be taken into the Mayoral Combined Authority





New Forest  
DISTRICT COUNCIL