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FREE TO GROW

Unlocking the potential of England's Freeports

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Groundwork Research

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About Groundwork Research

Groundwork Research is a non-partisan, mission-driven research consultancy working at the intersection of policy, practice and place. We tackle complex policy challenges, with expertise spanning public service reform, devolution, local government and place-based regeneration.

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Foreword

The Government's renewed commitment to devolution, place-based growth and reindustrialisation presents an opportunity to rethink how we strengthen local economies and raise living standards. Giving local leaders greater influence over the decisions that shape their economies, and bringing together public institutions, businesses and investors around a shared economic mission, will be central to that ambition.

Freeports have an important role to play and the case for Freeports has become more compelling as the UK confronts a changing economic landscape. Greater international competition, geopolitical instability and the need to strengthen domestic supply chains have reinforced the importance of attracting investment into strategically important industries.

Meanwhile, many Freeports operate in communities that have experienced decades of industrial decline but retain considerable economic potential, with established strengths in advanced manufacturing, clean energy, logistics and other strategically important sectors. Since their establishment, Freeports have attracted billions of pounds of private investment, supported the creation of thousands of jobs and helped bring forward industrial sites that would have otherwise remained undeveloped.

However, there remains a gap between what Freeports are expected to achieve and the tools available to them. While they benefit from fiscal incentives and public investment, they have comparatively limited influence over the wider conditions that affect investment decisions. With the powers currently available to them, Freeports have limited ability to accelerate planning decisions or finance the enabling infrastructure at the scale required.

Freeports should be given greater certainty over their future, greater autonomy to overcome barriers to investment and a more clearly defined role in the Government's plans to 'rewire the state'. With these changes, Freeports can build on what has already been achieved and realise their full potential. Now is the moment to capitalise on that progress and strengthen their contribution to the Government's ambition to deliver growth in every postcode.

Rt Hon Ruth Kelly
Chair, Thames Freeport

Mark Lemmon
Chair, Freeport East

Introduction

Freeports are entering a new phase. When they were first announced in 2020 and established in England the following year, the policy was framed principally around the Government's priority to tackle regional inequalities — through attracting investment, creating jobs and supporting regeneration — and capitalising on the trade opportunity presented by the UK's departure from the European Union.

The international context in which Freeports operate has changed considerably since their establishment. Rising trade tensions, including the introduction of tariffs by the United States, alongside conflict in the Middle East and Russia's war in Ukraine, have disrupted global trade and energy markets. At the same time, rapid advances in artificial intelligence are reshaping economic activity and patterns of investment. Together, these developments have brought economic security, supply chain resilience and domestic industrial capacity to the forefront of economic policymaking.

The domestic economic and political landscape has also evolved. Sluggish productivity and stubborn interest rates have been persistent features of the economy. National policymakers have oscillated between ambivalence and full-throated enthusiasm toward Freeports since they were established, but they have now successfully become an established part of the UK's economic development landscape, even if they are still maturing. As the Business and Trade Select Committee concluded in its inquiry, there are now "broad levels of support" for Freeports policy.[1]

The arrival of Andy Burnham as Prime Minister marks another shift. His administration has placed economic growth "in every postcode" at the centre of what Burnham described in his first speech in the House of Commons as a "theory of power".[2] That approach draws heavily on his decade as Mayor of Greater Manchester and combines a renewed emphasis on reindustrialisation with a significant expansion of devolution, as strategic authorities are set to assume greater responsibility for housing, transport, skills, infrastructure and economic development.

In this context, there is a need to re-examine the role that Freeports — and Special Economic Zones (SEZs) more widely — should play in a new devolved landscape as well as whether the tools available to them have kept pace with the ambitions placed upon them.

This report highlights the gap between the policy ambition for Freeports and the reality of their operating environment, which continues to constrain their potential. There is an opportunity to close that gap by treating the success of Freeports as a collective national endeavour, recognising their central role in promoting the UK's regions internationally and showcasing the distinctive economic opportunities offered by our coastal communities.[3]

The Government can accelerate their contribution by equipping Freeports with greater autonomy and a stronger mandate to attract investment, create jobs and support economic growth.



What are Freeports?

There has been significant confusion about how Freeports function in the UK. The reason is in part the considerable variation between Freeport models internationally, many of which place much greater emphasis on customs benefits and operate privately, without the democratic oversight built into the UK model. In practice, UK Freeports are better understood as vehicles to support economic development, combining tax and customs incentives with investment in infrastructure and employment support. Freeports operate within an outer boundary of up to 45 kilometres in diameter, covering an area of 1,590 square kilometres. However, the designated tax and customs sites within those boundaries, where Freeport incentives apply, occupy a much smaller area.[4]

Given the differences between Freeports models internationally, the term is something of a misnomer in the UK and they have much in common with the Enterprise Zones established in the UK from the 1980s rather than the 'Free Zones' that have been established in the Middle East or Asia. It also explains, in part, why the previous administration brought Freeports and Investment Zones together under the collective nomenclature of Industrial Strategy Zones.[5]

When Freeports were established in 2021, starting with Teesside Freeport in November, they were tasked with three objectives:

1. Establishing national hubs for global trade and investment;
2. Fostering hotbeds for innovation; and
3. Creating high-skilled jobs in the surrounding areas to promote regeneration.[6]

Those objectives remain salient today. Freeports are typically located next to major port infrastructure and often focus on industrial development.[7] Thames Freeport, for example, provides direct access to 130 ports across more than 65 countries through DP World, London Gateway and the Port of Tilbury, supported by extensive rail, road, river and sea connections.[8] Its neighbouring Freeport East includes one of the UK's busiest container ports, Felixstowe. Between them, they are a gateway to London, the Oxford-Cambridge Growth Corridor and European markets.

Many Freeports are also located in communities with high levels of deprivation and relatively low incomes. All eight English Freeports have a Gross Disposable Household Income (GDHI) below the England average at £26,490 per capita, while five have a greater concentration of neighbourhoods in England's most deprived quartile than the national average. In the areas covering Liverpool City Region and Teesside Freeport, almost half of their neighbourhoods fall within the most deprived quartile — nearly twice the national rate. Freeports are, as a result, well positioned to support the Government in delivering on its renewed commitment to reindustrialisation.

Figure I: Deprivation and income across England's Freeports

FREEPORT	LOCAL AUTHORITY[9]	PERCENTAGE OF LSOAS IN MOST DEPRIVED QUARTILE	GDHI PER CAPITA
East Midlands Freeport	North West Leicestershire, Rushcliffe, South Derbyshire	**4.2**	**£25,518**
Freeport East	East Suffolk, Tendring, Babergh, Mid Suffolk	**17.9**	**£25,951**
Humber Freeport	Hull, East Riding, North Lincolnshire, North East Lincolnshire	**32**	**£21,118**
Liverpool City Region Freeport	Liverpool, Halton, Knowsley, Sefton, St Helens, Wirral	**47.5**	**£21,630**
Plymouth and South Devon Freeport	Plymouth, South Hams	**25.4**	**£25,896**
Solent Freeport	Southampton, Portsmouth, New Forest, Eastleigh, Havant	**20.8**	**£24,921**
Teesside Freeport	Middlesbrough, Redcar and Cleveland, Stockton-on-Tees, Hartlepool, Darlington	**44.7**	**£19,977**
Thames Freeport	Thurrock, Barking & Dagenham, Havering	**26.1**	**£24,034**
England average			**£26,490**

Lower layer Super Output Areas (LSOAs) are made up of groups of Output Areas (OAs), usually four or five. They comprise between 400 and 1,200 households.

Source: Groundwork Research analysis of Ministry of Housing, Communities and Local Government, *English Indices of Deprivation: 2025*, 2026. Office for National Statistics, *Regional Gross Disposable Household Income: 1997–2024*, 2026.[10]

Within their business cases, Freeports have set out plans to create 214,000 direct and indirect jobs over the next two decades across England.[11] Thames Freeport alone anticipates that it will create 21,000 jobs and attract over £4.5 billion in inward investment by 2045, while Freeport East estimates that it will create 11,350 new jobs and generate £5.5 billion for the sub-regional economy.[12]

In theory and practice, reducing the cost of doing business makes it more attractive for employers to invest within Freeports. Tax incentives are available in English Freeports until September 2031, alongside customs benefits for businesses operating within designated customs sites. Local authorities can also retain 100 per cent of the growth in business rates generated within designated Freeport tax sites for 25 years, enabling the proceeds to be reinvested in infrastructure and other activities supporting Freeport economic and social objectives.

Yet there is a deficit between what the Freeport model in the UK is expected to deliver — its policy intent — and the levers it is equipped with to do that. The UK model relies heavily on financial incentives to attract private investment, but gives Freeports themselves comparatively few powers to shape the conditions in which that investment takes place, as Figure II illustrates. While Freeports can deploy seed capital to unlock development sites, they have limited control over land assembly, planning, infrastructure, grid connectivity and skills.

There are similar constraints on their ability to innovate. The Freeport Regulation Engagement Network was established to strengthen engagement between Freeports and regulators and identify opportunities to address regulatory barriers. However, Freeports have no formal powers to trial or prototype new regulatory approaches. Their capacity to intervene directly is further constrained by the relatively modest public funding available to them, which accounts for just 0.04 per cent of UK Government spending on economic development.[13]

Figure II: Comparison between Freeports and Development Corporations

	DEVELOPMENT CORPORATION	FREEPORT
Land assembly	Purchase land by agreement or via Compulsory Purchase Order; manage, dispose and lease land.	None. The Local Planning Authority retains responsibility.
Direct delivery	Remediate land, including constructing buildings, engineering works and infrastructure.	None, though finances infrastructure via seed capital available to Freeport.
Planning	Access to plan-making, development management and neighbourhood planning functions.	None. The Local Planning Authority retains responsibility.
Commercial	Enters into Joint Ventures (JVs) and can establish new businesses.	Can establish JVs and subsidiaries, but these may be reserved matters requiring unanimous local authority approval.
Fiscal incentives	None.	Freeport activity is supported by £25 million in seed capital. Qualifying businesses can access Business Rates Relief, Stamp Duty Land Tax Relief, enhanced National Insurance Contributions Relief for eligible employees, and 100 per cent first-year capital allowances for investment in plant and machinery.
Customs measures	None.	Simplified customs documentation, suspension of duties and VAT on imports (until they enter the UK market outside of Freeports' customs sites), and the ability to process and re-export qualifying goods without paying UK import duties.

Source: Groundwork Research analysis of MHCLG, *UK Freeports Programme Report*, 2025. MHCLG, *Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny*, 2025.[14]

How are Freeports performing?

Across the UK, in their first few years of operation Freeports attracted £6.4 billion in private investment, 89 per cent of which is Foreign Direct Investment. That figure is now higher, given it covers the period until the end of 2024.[15] This is healthy progress given that some Freeports only became operational in 2024. The first was established in November 2021, meaning no Freeport is more than five years old. That also makes it difficult to see the long-term benefits because, as the World Bank highlights, well-designed Freeports take up to ten years to mature.[16] Given the significant churn in regional economic policy over recent decades, Freeports require strategic patience if their long-term benefits are to be realised.

Early evidence demonstrates the significant potential of Freeports to generate employment. Across the UK, Freeports have already supported the creation of 6,000 jobs, with more recent figures from Thames Freeport illustrating the pace of progress. Investment attracted by Thames Freeport alone has created over 1,400 jobs, with a further 1,290 people now employed across its designated tax sites.[17] These early achievements provide a strong foundation for further growth, with Freeports expected to support the creation of 214,000 jobs by 2045. Realising this ambition will require Freeports to build on their initial success and significantly scale up their contribution to local and national economic growth.

Given their governance arrangements and close relationships with local authorities and the communities they serve, Freeports are well placed to deliver wider economic and social benefits beyond their core objectives or designated boundaries. These include strengthening the financial resilience of local authorities and supporting investment in their wider economies. For example, Freeport designation and support from Freeport East have accelerated the growth of Gateway 14, wholly owned by Mid Suffolk District Council, enabling it to generate dividends for the authority. These returns are being reinvested in local priorities beyond the Freeport area, including a £1.5 million fund to support the regeneration of Stowmarket town centre. Meanwhile, Thames Freeport is launching a Public Sector Demonstrator Programme to help local authorities pilot emerging technologies and test innovative approaches to public service delivery.

In many cases Freeports operate a ‘payment by results’ model. If they do not attract investment, employers will not be able to access tax subsidies. Conversely, any increase in the provision of reliefs could be reflected in higher levels of investment in Freeports and their local economies.

There is evidence that the effectiveness of SEZs has historically been mixed. These offer important lessons for maximising the economic benefits of Freeports. There are legitimate concerns that some of the economic benefits of Freeports are a result of displacement, where neighbouring employers relocate activity to take advantage of incentives, or deadweight, where subsidised projects would have taken place regardless of government intervention. Research into Enterprise Zones from 1981 until 1993 suggests that at least half of the new employment opportunities came from displacement or deadweight.[18] It is therefore important to create the right conditions for Freeports as well as equip them with the tools they need to drive regeneration.

This underlines the importance of creating the right conditions for Freeports to generate additionality and has led academics such as Dr Peter Holmes to call for Freeports to be equipped with "broader" incentives.[19] There is widespread support for that approach among the officials, employers and elected representatives interviewed for this report. The previous administration also recognised the opportunity to strengthen the model, introducing the Industrial Strategy Zone Action Plan last year to address some of the constraints facing Freeports and Investment Zones. While these measures were incremental, they provide a foundation on which the Government can strengthen the UK's competitiveness.



CASE STUDY I

Gateway 14

In 2017, Mid Suffolk District Council established a limited company, Gateway 14 Ltd, to acquire and develop a major employment site near Stowmarket. Gateway 14 Ltd appointed a development manager to provide the expertise required to deliver the development. Mid Suffolk invested £38 million in acquiring 156 acres of land and delivering the infrastructure required to bring the site forward. This was financed through a combination of short-term borrowing, primarily from other local authorities, and longer-term borrowing from the Public Works Loan Board.

In 2021, Gateway 14 became part of Freeport East, building on its earlier designation as an Enterprise Zone. Freeport designation strengthened the site's investment proposition by providing new tax incentives for prospective occupiers, helping to attract businesses and accelerate development. Gateway 14 became the first major development site within Freeport East to commence construction.

Gateway 14 has since secured several major investments, including a 1.17 million square foot distribution facility, providing 1,650 jobs. The building is one of the largest in South East England, has achieved a BREEAM Excellent rating for its sustainability and has been designed to accommodate solar panels across its entire roof, although grid capacity constraints have initially limited installation to less than 25 per cent. The advanced manufacturing sites across Gateway 14 are built to the highest standards, incorporating air source heat pumps and electrical charging infrastructure. These include a new £45 million manufacturing facility for Assan Panel, a sustainable building materials company owned by Turkish industrial group Kibar Holdings. Gateway 14 secured the investment against competing sites across Europe, supported by its strategic proximity to the Port of Felixstowe, Freeport designation and commitment to sustainability.

The development has also delivered Stowmarket Innovation Gateway, a 35,000 square foot innovation centre funded by Freeport East and Mid Suffolk. The centre provides space for start-ups and scale-ups and strengthens links between education providers, local employers and employees.

The authority has recovered its original investment and generated a further £26 million in profit, with additional returns expected from the remaining land. These returns are being reinvested in local priorities, including a £1.5 million fund to bring vacant or under-utilised properties back into use in Stowmarket town centre, £1 million to support the refurbishment of historic buildings and further investment in sports and community facilities.

Gateway 14 demonstrates the added value of Freeport designation. By strengthening the site's attractiveness to investors and supporting new innovation infrastructure, Freeport East helped accelerate development, attract major employers and create opportunities for local businesses. The result is a growing employment site generating jobs, investment and financial returns that are being reinvested in the local economy.

There is considerable scope to build on the Freeport model. Many of the barriers to realising their full potential sit beyond their existing powers and responsibilities. Thames Freeport, for example, identifies grid capacity, shortages in technical and industrial skills, and fragmented land ownership among the principal constraints on its growth.[20] Meanwhile, local authorities are showing renewed interest in the potential of SEZs to support regeneration. Essex County Council, for example, is exploring the establishment of new Enterprise Zones in areas of relatively low economic activity, particularly coastal communities, where an extension of the existing Freeport model could offer an effective approach.[21]

Together, these developments make a compelling case for the Government to revisit the role of Freeports and the wider SEZ landscape, with a view to giving them greater responsibility for place-based economic development and regeneration.

The case for change

The case for change rests on strengthening the Freeport model in five key areas. Freeports need greater certainty to attract investment, more autonomy to overcome barriers to investment, including over innovation, stronger integration with strategic authorities and support to operate collectively at greater scale. Realising their potential will require a collective effort, with the Government, Freeports, local partners and the private sector each playing their part.

CLARITY AND CERTAINTY	Give Freeports a clearer mandate to deliver the Government's reindustrialisation agenda and the long-term certainty needed to achieve it.
AUTONOMY	Give Freeports greater operational, financial and statutory autonomy to accelerate regeneration and address barriers to investment.
INNOVATION AND EXPERIMENTATION	Establish Freeports as testbeds for innovation, with greater access to innovation funding and regulatory freedom to attract, build and retain innovative companies.
GOVERNANCE	Embed Freeports more firmly within the architecture of devolution by transferring accountability to strategic authorities, strengthening their capacity through secondments and better aligning their oversight within Whitehall.
SCALE AND INTERNATIONAL INVESTMENT	Support Freeports to work collectively, strengthen their links with the UK's international trade network and develop joint investment propositions to attract investment at greater scale.

01 Clarity and certainty

Freeports are well placed to support the Government's reindustrialisation agenda. Their sectoral priorities already align closely with those in the Industrial Strategy White Paper, particularly advanced manufacturing, renewables and defence.[22] Most are also located in areas characterised by low incomes and high levels of deprivation, providing an opportunity to ensure that the benefits of reindustrialisation reach communities that need them most. Even in relatively less disadvantaged areas, such as those served by Thames Freeport and Freeport East, investment in nationally significant infrastructure can create opportunities for employers in more disadvantaged communities beyond their boundaries.

The Government should build on these strengths by giving Freeports an explicit mandate for reindustrialisation, positioning them as key vehicles for unlocking major industrial sites, strengthening regional industrial clusters and developing domestic supply chains.

Figure III: Sectoral priorities for each Freeport

FREEPORT	ADVANCED MANU-FACTURING	CLEAN ENERGY	ADVANCED LOGISTICS	DEFENCE / AEROSPACE	LIFE SCIENCES	DIGITAL / R&D
East Midlands	✓	✓	✓	✓	—	✓
Freeport East	✓	✓	✓	✓	—	✓
Humber	✓	✓	—	—	✓	—
Liverpool City Region	✓	✓	✓	✓	✓	—
Plymouth & South Devon	✓	✓	—	✓	—	✓
Solent	✓	✓	✓	✓	—	✓
Teesside	✓	✓	—	—	✓	✓
Thames	✓	✓	✓	—	—	✓

Source: Groundwork Research analysis of MHCLG, *UK Freeports Programme Report*, 2025. MHCLG, *Industrial Strategy Zones Action Plan*, 2025.[23]

This clarity of purpose should be embedded in each Freeport's Growth Plan and reinforced by a consistent approach to measuring and reporting outcomes. For example, there are inconsistencies in how Freeports define and report the creation of 'local' jobs. Some Freeports define and report job creation across Travel to Work Areas (TTWAs), while local authorities want to understand how many jobs are created within their boundaries. Disaggregating these figures is difficult, particularly where TTWAs cut across administrative boundaries. In Thurrock, for example, 30 per cent of the authority falls within a TTWA shared with Southend rather than the East London boroughs participating in Thames Freeport.[24] The absence of a consistent definition of 'local' jobs makes it difficult to compare the performance of Freeports and assess their contribution to local economies, which creates friction between partners. To address this, the Government should review and update the existing Freeports monitoring and evaluation framework, establishing a consistent definition of 'local' job creation. It should also consider more detailed reporting on pay, career progression and upskilling opportunities. This would enable Freeports' economic and social impact to be assessed more consistently across different geographies.[25]

Yet delivering on this mandate requires more than better measurement. Investment incentives are central to the Freeport model, but maintaining their international competitiveness requires greater long-term certainty. Major industrial investments have long development horizons, but the existing Freeport tax window is poorly matched to that reality. The current sunset date to qualify for Freeport tax reliefs in England is September 2031, compared with September 2034 for Welsh and Scottish Freeports, as well as Investment Zones across the UK.

Given the time required to secure investment, obtain planning permission, establish grid connections, construct facilities and commence operations, prospective investors may struggle to take full advantage of the remaining window, which is now less than five years. This risks weakening the investment proposition of Freeports precisely when the Government is seeking to accelerate industrial development.

At a minimum, the Government should align the sunset dates for Freeports and Investment Zones, extending the qualifying period for England's Freeports by three years. There is already precedent for this as the Government extended the tax relief period from five to ten years at the Autumn Statement in 2023.[26] Employers would be entitled to the same amount of tax relief, but it would give them more time to invest in order to benefit from it.

There is also a compelling case for going further, extending Freeport tax incentives until 2040 to provide a longer investment horizon. Doing so would provide Freeports with a 15- to 20-year horizon from the point at which they became operational. This would better reflect the time required for industrial clusters to develop and mature, while providing greater certainty for businesses making long-term capital decisions.[27] It is also consistent with international and domestic experience of major regeneration programmes. The London Docklands Development Corporation, for example, operated for 17 years. This should be accompanied by an extension to the 25-year Business Rates Retention period, allowing local authorities to capture and reinvest more of the financial benefits generated by Freeport investment in their communities. For their part, Freeports would reconfirm that site phasing assumptions are robust and locally evidenced, and work with the Government on appropriate additionality and conditionality to ensure the package creates inclusive growth.



02 Autonomy

Despite their ambitions, Freeports have relatively little autonomy of their own. These constraints fall into three broad categories:

OPERATIONAL AUTONOMY	Freeports have limited discretion over how they operate and deliver their objectives, constraining their ability to respond to local priorities and investment opportunities.
FINANCIAL AUTONOMY	Freeports have limited control over their financial resources and incentives, including tax site designations, tax reliefs and borrowing, restricting their ability to unlock investment.
STATUTORY AUTONOMY	Freeports lack statutory powers over planning, land assembly and development, leaving them dependent on local authorities and other public bodies to exercise these functions.

Together, these constraints limit Freeports' ability to act independently, overcome barriers to development and deliver their long-term objectives. The current package is not strong enough to consistently influence investor decisions or compete internationally for priority-sector investment.

Operational autonomy

While Freeports should work closely with their local partners, the current model gives them limited influence over the businesses that locate within their boundaries. This can make it difficult for Freeports to shape the quality and composition of investment in line with their long-term economic objectives.

There is also a potential tension between the interests of Freeports and their constituent local authorities. Local authorities have a strong incentive to maximise retained business rates, particularly given the financial pressures they face. Although government guidance encourages local authorities to establish additional eligibility criteria for accessing Business Rates Relief, the prospect of generating additional revenue can take precedence over attracting investment aligned with Freeport sectoral priorities. The Government should therefore amend its guidance to require Freeports and their constituent local authorities to agree common eligibility criteria for Business Rates Relief, giving Freeports a stronger role in assessing prospective investments.[28]

There are already examples of this approach. Plymouth and South Devon Freeport has developed a Gateway Policy, shared with its constituent local authorities, to encourage investment in priority sectors and minimise displacement.

There is also an opportunity to strengthen the relationship between Freeports and wider employment standards. Liverpool City Region, for example, plans to align its Freeport with the city region's Fair Employment Charter. This is consistent with the recommendations of the Thames Freeport Social Value Commission, which sought to put high-quality, well-paid employment at the centre of Freeport-led growth.[29] However, these arrangements remain uneven across England, not least because only three of the eight of England's Freeports operate entirely within strategic authorities. Welsh Freeport policy went further from the outset, requiring bidders to demonstrate how they would deliver fair employment and contribute to the seven wellbeing goals established under the Well-being of Future Generations (Wales) Act 2015.[30]

Financial autonomy

Freeports should have greater flexibility to deploy tax incentives where they can deliver the greatest economic benefit. Tax site boundaries were established when local circumstances and national industrial priorities were different, and no longer necessarily reflect the most viable or strategically important investment opportunities. Some sites have progressed more quickly than anticipated, while others face significant barriers to development, including landowners unwilling to bring forward investment and unforeseen remediation costs. As a result, tax incentives can remain tied to sites with limited development prospects, while more promising investment opportunities fall outside designated boundaries.

The Freeport network is now better placed to identify sites with the greatest potential to attract investment and support the Government's industrial priorities. The Government should therefore allow Freeports to propose changes to designated tax site boundaries, including replacing existing sites or designating new ones where there is a compelling economic case. Changes should remain within the original Freeport framework of three tax sites per Freeport, covering up to 600 hectares in total. Proposals could be considered through a formal adjustment process, agreed by the Freeport Board, including elected representatives, and subject to approval by the Government. Where necessary, the Government should make provision for these changes through secondary legislation.

This flexibility could help unlock investment at Adastral Park in Suffolk, a nationally significant technology and research campus, and Dagenham Dock in east London, a major brownfield regeneration site adjacent to Ford's existing Thames Freeport tax site.

CASE STUDY II

Adastral Park

Adastral Park, near Ipswich, is home to BT's global research and development operations and more than 150 technology companies, employing approximately 4,000 people. The campus is a nationally significant centre for research into artificial intelligence, quantum communications, cyber security and telecommunications, with considerable potential to support the UK's sovereign technology ambitions and attract inward investment.

However, parts of the campus face longstanding infrastructure constraints. Previous assessments have identified ageing buildings, limited electricity capacity and transport infrastructure as barriers to further development. Modernising the campus and expanding its research and commercial facilities will require significant investment.

Designating Adastral Park as a Freeport tax site could help improve the commercial viability of that investment. Enhanced capital allowances would allow businesses to claim tax relief more quickly on qualifying construction and renovation costs, as well as new research equipment and machinery. Business Rates Relief could reduce the costs of establishing or expanding operations on the campus, while stamp duty land tax relief could support commercial property transactions. Together, these incentives could make redevelopment more attractive to investors and encourage technology businesses to establish or expand their operations at Adastral Park.

This would also build on Freeport East's existing Innovation Strategy, which seeks to attract £750 million in investment and 30 new businesses by 2033, strengthen regional innovation clusters and accelerate the commercialisation of emerging technologies.[31] Extending tax site designation to established innovation assets such as Adastral Park could help translate these ambitions into investment in physical infrastructure, supporting the UK's domestic technological capabilities and attracting high-value employment.

CASE STUDY III

Ford Dagenham

The Ford Dagenham tax site illustrates the potential value of giving Freeports greater flexibility over their designated tax boundaries. While the existing tax site supports the transformation of Ford's manufacturing estate, extending tax incentives to neighbouring industrial land at Dagenham Dock could support a broader programme of industrial regeneration, bringing forward investment in advanced manufacturing, logistics and low-carbon industries.

The Ford Dagenham site covers over 100 hectares, forming one of three designated tax sites within Thames Freeport, alongside Tilbury and London Gateway. It was intended to support Ford's transition from traditional engine manufacturing towards commercial vehicle conversion, low-carbon mobility and associated logistics activities. The diesel engine plant is expected to cease production in 2031. The Freeport's original business case identified opportunities for vehicle upfitting, electric vehicle infrastructure, battery repurposing and improved rail and river freight facilities.[32]

However, the economic opportunity extends beyond Ford's estate. The surrounding Dagenham Dock has been designated by the Mayor of London as Strategic Industrial Land (SIL). It has access to the A13, rail infrastructure and the River Thames. Barking and Dagenham's Local Plan identifies the area as a major regeneration opportunity, with ambitions to expand employment floorspace, attract sustainable industries and strengthen rail, maritime and road connections.[33]

Thames Freeport's business case recognised the importance of integrating Ford's estate with the wider Dagenham Dock. It proposed using government seed capital to improve connections between Ford, neighbouring industrial sites and Dagenham Dock station, alongside investment in freight and transport infrastructure. Yet the tax incentives remain geographically concentrated within the designated Ford site.

Extending or reconfiguring the tax site to include suitable land at Dagenham Dock could strengthen the investment proposition in three ways.

First, it could make neighbouring industrial sites more attractive to investors. Second, it could support the development of a larger, integrated industrial cluster, connecting Ford's automotive sector with broader advanced logistics and manufacturing. Third, additional development could generate retained business rates to reinvest in infrastructure, connectivity and regeneration across the footprint.

Freeports also face significant constraints in financing the infrastructure needed to unlock investment. The Government initially allocated up to £25 million in seed capital to each English Freeport, which has supported investment in enabling infrastructure. Thames Freeport, for example, co-funded Beam Park, around the Ford Dagenham site, as a priority for investment. However, while seed capital has helped Freeports begin addressing infrastructure constraints, it is insufficient to meet the scale of investment required.

The scale of these requirements is illustrated by Freeport East. Its Transport Masterplan, developed with Transport East, identifies 14 infrastructure priorities that could help unlock up to £5.5 billion in Gross Value Added (GVA) and more than 10,000 jobs.[34] These include improvements to strategic transport connections serving the Port of Felixstowe, which handles 40 per cent of the UK's container traffic, while Ely Junction could increase rail freight capacity, improve connectivity to the Midlands and reduce the volume of freight transported by road.

Beyond their initial seed capital, Freeports are often reliant on their Accountable Body to borrow on their behalf, including through the Public Works Loan Board (PWLB). This leaves Freeports dependent on the borrowing capacity, financial position and risk appetite of their local authority partners, even where anticipated growth in retained business rates could in principle provide a future revenue stream to support borrowing. These constraints can delay the infrastructure investment needed to unlock development.

The Government should, therefore, adopt a more proportionate appetite to risk and give Freeports greater autonomy to borrow to finance infrastructure. This could include mechanisms to bring forward infrastructure investment against future revenues, subject to appropriate safeguards and robust assessment of financial risk. There is precedent for this approach, such as the Greater London Authority’s partial financing of the Northern Line Extension through Tax Increment Finance.

Working with the Government, billing authorities and financing partners, Freeports could develop a TIF model that enables local authorities to borrow against future retained business rates revenues. This would require agreement on revenue forecasts, governance arrangements and risk-sharing, with the aim of establishing a replicable model that could be deployed across the Freeport network.

The potential is significant, although necessarily dependent on the scale and pace of development. Modelling by Thames Freeport suggests that, if 66 per cent of forecast development materialised over the next five years, borrowing against future revenues could unlock approximately £230 million for infrastructure investment, rising to £550 million under a more optimistic scenario.[35]

Statutory autonomy

While Freeports work closely with local planning authorities, landowners, developers and investors, they have few formal powers of their own. Their ability to unlock development depends largely on their convening power and the willingness of partners to cooperate, rather than direct control over land, planning or infrastructure.

There is precedent for a more interventionist approach. The designation of the Isle of Dogs as an Enterprise Zone in 1982 helped transform London's former docklands through a combination of tax incentives, simplified planning arrangements and investment in infrastructure. Its success demonstrated the importance of combining fiscal incentives with the powers and resources needed to bring forward development.

The regeneration of the former steelworks at Teesside provides a more recent example. Established in 2017, the South Tees Development Corporation was subsequently complemented by the designation of Teesworks as part of Teesside Freeport in 2021. This brought together statutory regeneration powers, land assembly and tax incentives to support the redevelopment of one of England’s largest industrial sites. While its governance and delivery arrangements have attracted scrutiny, the model demonstrates the potential benefits of combining financial incentives with stronger powers over land assembly and regeneration.

Rather than creating overlapping institutions, the Government should give Freeports a clearer route to acquiring the powers currently held by a Mayoral Development Corporation, or where strategic authorities don’t exist, a Locally-Led Development Corporation. These powers could include land assembly and compulsory purchase, stronger development management responsibilities, the ability to undertake infrastructure works and greater flexibility to establish joint ventures with landowners and developers. These hybrid SEZ arrangements should be established selectively, rather than automatically across every Freeport, and given that they may span more than one strategic authority this change may require bespoke governance arrangements.

This autonomy should also be accompanied by stronger mechanisms to overcome infrastructure constraints. Limited grid capacity and poor transport connectivity, including the bottleneck at Ely Junction, which undermines rail connectivity across the South East, have become significant barriers to investment. These constraints are particularly acute for Freeports seeking to attract energy-intensive manufacturing, renewable energy industries and investment in port electrification.

The challenge is that infrastructure provision is reactive rather than anticipatory. Freeports are expected to attract major investors, but cannot provide certainty over whether the infrastructure those investors require will be available. This makes them less attractive to investors, particularly where competing international locations can provide greater certainty over infrastructure availability and delivery timescales.

In instances when Freeports have played an important role in identifying and co-ordinating strategic infrastructure requirements, the timescales for delivery remain a significant constraint on investment. Since 2023, Freeport East has worked to establish future energy demand across its area, developing evidence to support the case for an additional 500 megawatts of electricity grid capacity at Harwich and Felixstowe. Following extensive engagement with the local Distribution Network Operator (DNO) and the National Energy System Operator (NESO), these requirements have been incorporated into the transitional Regional Energy Strategic Plan. However, delivery remains subject to regulatory approval and is unlikely to take place before the next electricity distribution price control period, covering 2028–2033.[36]

Addressing this requires a more proactive approach across agencies. Network operators need to bring forward investment in transmission and distribution infrastructure in strategically important Freeport locations, rather than waiting for individual investment proposals to trigger network upgrades. Multimodal connectivity, including road, rail and river access, to unlock industrial investment and strengthen domestic supply chains should be prioritised. Improvements to rail freight capacity serving ports would strengthen supply chains and support businesses outside of the South East, as well as help the UK better serve European markets.

The Government has already recognised the importance of infrastructure co-ordination through its Connections Accelerator Service and reforms now being taken forward by the National Energy System Operator, despite ongoing concerns about the pace of change. However, these initiatives do not provide Freeports with a single mechanism for resolving the range of infrastructure constraints affecting major industrial investments.

To address this deficit, the Government should establish a formal cross-government forum, led by the Department for Business, Innovation, Science and Trade (DBIST) through which strategically important Freeport investments can secure co-ordinated infrastructure support. This should bring together relevant agencies, regulators and network operators, including Great British Railways, Great British Energy, National Highways, National Grid, electricity distribution network operators, Ofgem, Ofwat and water companies.

Alongside this, the Government should issue a clear direction to agencies and regulators, requiring them to give explicit weight to the Government's long-term policy commitments to Freeports and Industrial Strategy Zones when making investment and infrastructure decisions. This should recognise both the public investment already committed to these areas and the infrastructure required to realise their economic potential, ensuring that regulatory and investment decisions support, rather than inadvertently constrain, the delivery of national economic priorities.



03 Innovation and experimentation

Innovation policy is becoming increasingly spatial. In October, the Prime Minister announced a commitment to invest £1 billion through UK Research and Innovation (UKRI) over four years to develop world-leading regional innovation clusters. Alongside this, the Government announced plans to devolve innovation funding to Established Mayoral Strategic Authorities (EMSAs) from 2028, giving local leaders greater influence over investment in their economies.[37]

Freeports are well placed to contribute to this agenda. Their sectoral specialisms, access to major industrial sites and relationships with businesses provide opportunities to support applied research, commercialisation and industrial innovation. Unlike Investment Zones, which were designed around partnerships with universities and research institutions, Freeports have principally focused on attracting industrial investment through tax and customs incentives. This provides an opportunity for the two programmes to perform complementary roles, with Freeports supporting the commercial application of new technologies and their adoption by industry.

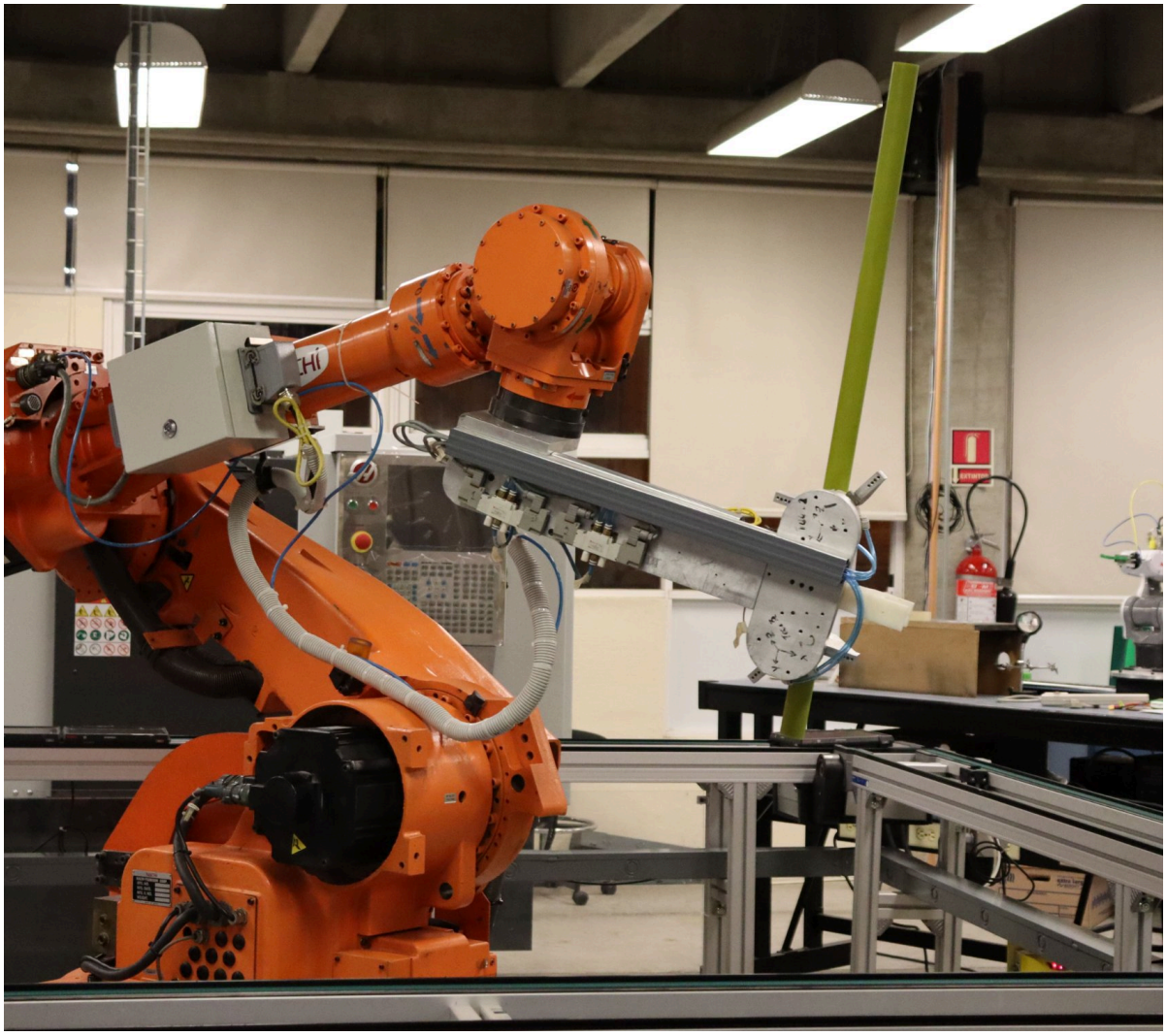
However, Freeports have limited access to dedicated innovation funding, constraining their ability to develop programmes around their sectoral specialisms. With more than half of England's Freeports located outside established strategic authorities, there is an opportunity for them to develop innovation capabilities that can subsequently be integrated into regional innovation programmes or transferred to strategic authorities as they are established.

UKRI and Innovate UK should establish dedicated opportunities for Freeport-led innovation partnerships within existing and emerging funding programmes, particularly where projects support the Industrial Strategy's priority sectors. This could include demonstrator projects, applied research, commercialisation and collaboration between businesses and research institutions. Giving Freeports greater access to innovation funding would strengthen their ability to attract innovative businesses, support their growth and encourage them to remain within established industrial clusters. It would also create greater 'stickiness' between Freeport fiscal incentives and wider innovation policy.

Alongside this integration with innovation policy, the Government should also establish a new 'Power to Innovate' for Freeports, giving them a formal mechanism to request regulatory flexibilities where existing requirements constrain the development or commercialisation of new technologies. The Freeport Regulation Engagement Network was intended to provide a mechanism for businesses to engage regulators, but it has had limited impact to date and Freeports have limited powers to undertake regulatory experimentation.

This Power to Innovate should allow Freeports to propose regulatory sandboxes, pilot agreed flexibilities with regulators and access support through programmes such as the Regulators' Pioneer Fund, which they can only access through partnerships with eligible authorities. There is already precedent for what this can achieve. Plymouth and South Devon Freeport worked with the Maritime and Coastguard Agency, local authorities and research institutions to address regulatory barriers to testing autonomous vessels. With funding from the Regulators' Pioneer Fund, partners developed a regulatory framework for maritime autonomy and clean propulsion technologies. Similar approaches could support innovation in hydrogen, clean energy and advanced manufacturing, where regulatory uncertainty can delay investment and commercialisation.

Scaling these arrangements across the Freeport network would position Freeports as test-beds for new technologies and novel regulatory approaches. Successful innovations could subsequently be adopted nationally and the Freeports' international relationships could provide ready access to export markets.



04 Governance

Under the current rules, a Freeport's Accountable Body is typically a constituent local authority or a strategic authority. The process by which a strategic authority becomes the Accountable Body is opaque, but the East Midlands Combined County Authority's oversight over the East Midlands Freeport has coincided with its progression to Established status.

There is a strong rationale for strategic authorities assuming greater responsibility for Freeports. The Government's Rewiring the State statement commits to establishing Local Accounting Officers with responsibility for significant public expenditure.[38] This is reinforced by the Business and Trade Select Committee, which recommended that strategic authorities take responsibility for Freeports and Investment Zones within their areas where they exist, to more closely align economic growth strategies.[39]

The Government should establish a clear expectation that strategic authorities assume Accountable Body status within 24 months of their establishment, irrespective of whether they have secured Established status. This would provide sufficient time to develop the institutional capacity required while avoiding the unnecessary continuation of parallel accountability arrangements. It would also enable Freeports to be integrated into Local Growth Plans and wider decisions on transport, infrastructure, skills, innovation and capital investment at an earlier stage. Where Freeports span more than one strategic authority, as is the case for Thames Freeport and Freeport East, the authorities concerned should have flexibility to determine the most appropriate governance arrangements, including agreeing which institution should act as Accountable Body.

Freeports also need stronger relationships with Whitehall. There are two opportunities to strengthen these arrangements: extending the Government's proposed secondment programme to Freeports and reconsidering where responsibility for the programme sits within central government.

First, Freeports operate with relatively limited institutional capacity, despite being responsible for co-ordinating complex industrial investment programmes. One interviewee described their Freeport as a "battleship with a skeleton crew", illustrating the mismatch between the scale of their ambitions and the resources available to deliver them. Freeport East, for example, operates with a team of around 11 staff.

The Government has already committed to strengthening the capacity of strategic authorities through secondments from Whitehall, providing access to expertise that may otherwise be difficult to recruit or retain. However, though little detail has been published about how the programme will operate, secondments are not expected to extend beyond central government departments and strategic authorities.

The Government should extend its proposed Whitehall secondment programme to Freeports, including secondments from relevant public bodies and agencies. Organisations such as Homes England, the National Wealth Fund and the British Business Bank possess specialist expertise in land development, infrastructure financing, commercial investment and financial transactions that could support Freeports to bring forward complex industrial projects.

Access to these capabilities would be particularly valuable where Freeports are seeking to assemble investment packages, structure borrowing against future revenues or negotiate with major international investors. Secondments could also strengthen expertise in planning, regulation and international trade, enabling Freeports to develop their institutional capacity without substantially expanding their permanent staffing.

Second, the Government should reconsider where responsibility for Freeports sits within Whitehall. Freeports are currently overseen by the Ministry of Housing, Communities and Local Government (MHCLG), reflecting their origins as a place-based regeneration initiative. However, their strategically important role in industrial strategy, inward investment and reindustrialisation raises questions about whether these responsibilities should remain concentrated within a department principally responsible for housing and local government.

There is precedent for a more integrated approach. The former Cities and Local Growth Unit brought together the sectoral expertise of the business department with MHCLG's place-based policymaking capabilities. The Government's recent Machinery of Government changes have further altered the institutional landscape, including the transfer of responsibilities for local economic growth and devolution from MHCLG and HM Treasury to Number 10 North.[40]

These changes weaken the rationale for retaining responsibility for Freeports within MHCLG alone. Instead, there is a stronger case for shared oversight between MHCLG and DBIST, potentially involving Number 10 North. This would build on the model established by the Office for Investment, which operates across HM Treasury, DBIST and Number 10 to overcome the bureaucratic friction that can impede major domestic and international investment. It would also be consistent with international practice, such as in Singapore, where Free Trade Zones fall under the Ministry of Trade and Industry.

05 Scale and international investment

Despite their international trade and investment objectives, Freeports are not sufficiently integrated into the UK's overseas trade and investment network. Engagement with Whitehall, HM Trade Commissioners, Trade Envoys and the wider diplomatic network remains fragmented, limiting opportunities to identify prospective investors, develop international partnerships and promote Freeports internationally.

The Government should address this by integrating Freeports with DBIST and the Foreign, Commonwealth and Development Office's overseas network, including HM Trade Commissioners and Trade Envoys. Doing so would enable Freeports to identify opportunities in priority international markets, develop targeted investment propositions and connect with prospective investors. This should include clearer guidance for overseas posts on the Freeport programme, its fiscal incentives, sectoral specialisms and investment opportunities, enabling them to promote Freeports more effectively and connect prospective investors with relevant opportunities. Designated Freeport leads in priority international markets could provide a consistent point of contact, strengthen co-ordination and support the development of targeted investment propositions.

This would form part of a wider effort to strengthen the relationship between the UK's diplomatic network and local economies. Strategic authorities are increasingly developing relationships with overseas posts, providing an opportunity for Freeports to align their international investment activity with wider regional priorities.[41] Freeports could also work with strategic authorities, DBIST and their respective Chamber of Commerce to help existing businesses access export markets, particularly small- and medium-sized enterprises (SMEs) seeking to scale and enter international supply chains.

Separately, there is considerable scope for Freeports to collaborate more closely with one another. While individual Freeports have developed investment propositions around their respective sectoral strengths, greater collaboration could enable them to combine complementary assets, develop propositions at greater scale and compete more effectively for international investment.

Strategic authorities are already beginning to demonstrate the potential of this approach. The Great North partnership, for example, has undertaken a joint trade and investment mission to India, bringing together England's mayors and the UK Government to promote shared economic opportunities.[42] A similar approach could enable Freeports to develop joint investment propositions around sectors such as port decarbonisation, advanced manufacturing, renewable energy and industrial supply chains.

Thames Freeport and Freeport East, for example, could develop a joint international investment proposition around the East of England's industrial and logistical strengths. Their proximity to London, Cambridge and European markets, combined with major port infrastructure and established industrial clusters, provides a potentially attractive proposition for businesses seeking access to both UK and European markets.

There are already examples of international partnerships that could benefit from this approach. Norfolk, Suffolk and Essex have already established a partnership with Virginia Beach to explore trade and investment opportunities, including collaboration on offshore renewable energy and introductions between businesses. Such arrangements could provide a foundation for closer co-operation between Freeports, local authorities and international partners.

The Government should support Freeports to develop joint international investment propositions, with DBIST and the Office for Investment responsible for promoting them through the UK's overseas network. These propositions should focus on complementary sectoral strengths and investment opportunities that would be more difficult for individual Freeports to promote independently.

This should be underpinned by a more co-ordinated national Freeports network, enabling Freeports to pool expertise. This would strengthen the UK's international competitiveness and enable Freeports to make a greater contribution to export-oriented growth.



Conclusion

Freeports are now an established part of the UK's economic development landscape. Their achievements provide a strong foundation on which to build, although the full economic benefits of the programme will take time to materialise.

However, there remains a fundamental mismatch between the ambitions placed on Freeports and the powers and resources available to them. While they have been equipped with fiscal incentives to attract investment, they have comparatively little influence over the wider conditions needed to secure that investment.

The Government has an opportunity to address this mismatch and strengthen the contribution of Freeports to its economic priorities. Realising their potential will require a collective effort across central government, strategic and local authorities, businesses and investors, alongside a willingness to give Freeports greater responsibility and the means to exercise it.

The recommendations in this report set out a practical programme of reform, providing Freeports with greater certainty over their future, more autonomy over investment and regeneration, and closer integration with the Government's industrial strategy and devolution agenda.

With these reforms, Freeports can play a greater role in the UK's reindustrialisation and international competitiveness. The decisions taken now will shape their contribution over the coming decades and determine how far the investment they attract translates into lasting economic benefits for the communities they serve.

Recommendations

CLARITY AND CERTAINTY

1 **Reindustrialisation:** Give Freeports an explicit mandate to deliver the Government's reindustrialisation agenda, positioning them as key vehicles for unlocking regeneration and strengthening industrial clusters. This should be embedded within each Freeport Growth Plan.

2 **Long-term certainty:** Extend the qualifying period for Freeport tax incentives until 2040 to provide greater certainty for investors, alongside an extension to the 25-year Business Rates Retention period. At a minimum, the Government should align the qualifying period with Investment Zones by extending the current deadline from September 2031 to September 2034.

3 **Reporting:** Review and update the existing Freeports monitoring and evaluation framework with a consistent definition of local recruitment and consider more detailed reporting on pay, career progression and upskilling opportunities.

AUTONOMY

4 **Operational autonomy:** Require Freeports and their constituent local authorities to agree common eligibility criteria for Business Rates Relief, giving Freeports a stronger role in assessing prospective investments and aligning them with their sectoral priorities.

5 **Tax site flexibility:** Allow Freeports to propose changes to existing tax site boundaries, including new, expanded or replacement sites where there is a compelling economic case, subject to agreement with the Government.

6 **Borrowing powers:** Develop a model enabling Freeports and their local authority partners to borrow against forecast retained business rates revenues to bring forward infrastructure investment, subject to appropriate safeguards.

7 **Regeneration powers:** Establish a route for Freeports to acquire powers comparable to Mayoral or Locally-Led Development Corporations, including land assembly, compulsory purchase and development management.

8 **Infrastructure:** Establish a DBIST-led cross-government forum bringing together relevant departments, agencies, regulators and network operators to co-ordinate infrastructure support for strategically important Freeport investments. Require agencies and regulators to give explicit weight to Freeports in relevant investment and infrastructure decisions.

INNOVATION AND EXPERIMENTATION

9 **Innovation funding:** Establish dedicated opportunities for Freeport-led partnerships within UKRI and Innovate UK funding programmes, prioritising demonstrator projects, applied research and commercialisation in sectors aligned with the Industrial Strategy.

10 **Power to Innovate:** Establish a new Power to Innovate, enabling Freeports to propose regulatory sandboxes, pilot regulatory flexibilities and access dedicated support for regulatory experimentation.

GOVERNANCE

11 **Strategic authority oversight:** Establish an expectation that strategic authorities assume Freeport Accountable Body responsibilities within 24 months of their establishment, irrespective of whether they have secured Established status. Freeports spanning multiple strategic authorities should have flexibility to determine appropriate governance arrangements.

12 **Secondments:** Extend the Government's proposed Whitehall secondment programme to Freeports, including placements from national agencies such as Homes England, the National Wealth Fund and British Business Bank to strengthen their specialist capabilities.

13 **Whitehall responsibility:** Establish shared responsibility for Freeport policy between MHCLG, DBIST and, where necessary, Number 10 North. Doing so would better align Freeports with industrial strategy, economic development and inward investment.

SCALE AND INTERNATIONAL INVESTMENT

14 **International markets:** Integrate Freeports into DBIST and the FCDO overseas networks, providing HM Trade Commissioners, Trade Envoys and overseas posts with guidance on Freeport incentives, sectoral specialisms and investment opportunities. Appoint designated Freeport leads in priority international markets to connect prospective investors with Freeports and co-ordinate investment propositions.

15 **Collective investment:** Support Freeports to pool expertise and develop joint international investment propositions around complementary sectoral strengths, working with strategic authorities, DBIST and the Office for Investment to promote these opportunities and support businesses seeking access to export markets.

ANNEX I

The evolution of Special Economic Zones in the UK, 1946–2026

YEAR	DEVELOPMENT	LEGISLATION OR POLICY
1946	**First generation of New Towns** — Development Corporations introduced to plan, assemble land and deliver new settlements. Stevenage becomes the first designated New Town.	New Towns Act 1946
1955–1964	**Second generation of New Towns** — Programme expands to accommodate population growth and support industrial regeneration, including Cumbernauld, Skelmersdale, Telford and Runcorn.	New Towns Act 1946
1965	**New Towns legislation updated** — Consolidates and updates the statutory framework for establishing and operating New Town Development Corporations.	New Towns Act 1965
1967–1968	**Third generation of New Towns** — Larger-scale settlements and urban expansion, including Milton Keynes, Northampton, Warrington and Peterborough.	New Towns Act 1965
1980	**Urban Development Corporations introduced** — New statutory bodies established to regenerate declining urban areas, with land acquisition and planning powers.	Local Government, Planning and Land Act 1980
1980–1981	**Enterprise Zones introduced** — New model offering tax incentives, simplified planning arrangements and other measures to stimulate private investment.	Finance Act 1980; Local Government, Planning and Land Act 1980
1981	**First Urban Development Corporations established** — London Docklands and Merseyside become the first examples of the new regeneration model.	Local Government, Planning and Land Act 1980
1981	**New Towns legislation consolidated** — Existing legislation consolidated into a single statutory framework governing New Town Development Corporations.	New Towns Act 1981
1987–1993	**Urban Development Corporations expanded** — Further corporations established in former industrial areas, including Teesside, Trafford Park, Sheffield and Birmingham Heartlands.	Local Government, Planning and Land Act 1980
1995	**Coalfield Enterprise Zones introduced** — Enterprise Zone incentives extended to former coalfield communities, including the Dearne Valley and East Durham.	Enterprise Zone designations under existing legislation
2011	**Mayoral Development Corporations introduced in London** — Mayor of London granted powers to establish Development Corporations. London Legacy Development Corporation established in 2012.	Localism Act 2011

YEAR	DEVELOPMENT	LEGISLATION OR POLICY
2011–2012	**Enterprise Zones programme relaunched** — Government introduces a new generation of Enterprise Zones across England to attract private investment and create employment.	Budget 2011
2016–2017	Enabled combined authority mayors to establish Development Corporations where powers were conferred by the Secretary of State. South Tees Development Corporation became the first outside London in 2017.	Cities and Local Government Devolution Act 2016
2018	**Locally-led New Town Development Corporations enabled** — Local authorities given a route to oversee New Town Development Corporations, subject to government approval.	New Towns Act 1981 (Oversight Authority) Regulations 2018
2020–2021	**English Freeports programme introduced** — Eight Freeports selected in England, combining tax and customs incentives, seed capital and locally-led governance arrangements.	Freeports policy announced in 2020; Finance Act 2021
2023	**Scottish Green Freeports and Welsh Freeports announced** — Two Green Freeports selected in Scotland in January and two Freeports in Wales in March, extending the model across the UK.	UK-Scottish and UK-Welsh Government agreements
2023	**Investment Zones introduced** — New programme combining tax incentives, infrastructure investment, skills and innovation support to stimulate private investment and develop industrial clusters in priority sectors.	Investment Zones Programme, 2023
2023	**Locally-led Development Corporations introduced** — New statutory framework enabling local authorities to propose locally-led Urban Development Corporations.	Levelling-up and Regeneration Act 2023
2024–2026	**New Towns programme revived** — Government establishes a New Towns Taskforce to identify potential locations for a new generation of large-scale settlements.	New Towns Taskforce established 2024; New Towns Act 1981
2025	**Industrial Strategy Zones introduced** — Freeports and Investment Zones brought together under a shared nomenclature to support the Government's Industrial Strategy.	Industrial Strategy Zones Action Plan, 2025
2026	**Mayoral Development Corporation powers standardised** — Extends MDC powers to all Mayoral Strategic Authorities, replacing the previous requirement for individual conferral of powers and strengthening the role of mayors in development and regeneration.	English Devolution and Community Empowerment Act 2026

Source: Groundwork Research analysis of the New Towns Act 1946; New Towns Act 1965; Local Government, Planning and Land Act 1980; New Towns Act 1981; Housing and Regeneration Act 2008; Localism Act 2011; Cities and Local Government Devolution Act 2016; New Towns Act 1981 (Local Authority Oversight) Regulations 2018; Finance Act 2021; and Levelling-up and Regeneration Act 2023. See also Ministry of Housing, Communities and Local Government, *Enterprise Zone Prospectus*, 2011; MHCLG, *Freeports Bidding Prospectus*, 2020; and MHCLG, *New Towns Taskforce: Report to Government*, 2025.

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Image credits

Page 6: Freight barges on the River Thames. Pexels.

Page 12: Logistics development, aerial view. Pexels.

Page 18: Industrial site at sunset. Pexels.

Page 26: Freight train under overhead electrification. Pexels.

Page 28: Industrial robot arm. Pexels.

Page 32: Container ship at anchor. Pexels.



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