PAUL HOLMES MP

Member of Parliament for Eastleigh



HOUSE OF COMMONS LONDON SW1A 0AA

<u>To</u>

The Rt. Hon Robert Jenrick MP

Secretary of State for Housing, Communities and Local Government

CC

The Rt. Hon Rishi Sunak MP Chancellor of the Exchequer

By email

8 February 2021

Dear Robert & Rishi,

We are writing in support of the Solent Freeport proposal which has been submitted to Government by the Solent LEP, and local authorities within the region, through the Solent Bidding Coalition.

The Solent Freeport project represents, in our view, one of the most exciting opportunities in a generation for our communities and it has the power to transform the Solent region. The Freeport would boost productivity and inward investment dramatically. It will help to level up and address longstanding social needs linked to the two cities of Portsmouth and Southampton as well as the Isle of Wight (IOW). It would also help the Solent region, Britain's gateway to the world, realise its full potential.

The benefits of a freeport for the Solent region were set out in clear terms by the Chancellor of the Exchequer, shortly before he was appointed to the role, when he visited the Port of Southampton to launch the consultation document. We agree with his assessment entirely when he said that:

"Visiting the great Port of Southampton brought home to me why our mission to boost every part of the UK is so crucial. Freeports will unleash the potential in our proud historic ports, boosting and regenerating communities across the UK. They will attract new businesses, spreading jobs, investment and opportunity to towns and cities up and down the country"

The full submission sets out an overwhelming business case for the Solent Freeport to be given approval by Ministers. We would like to draw your attention to the following key points:

1) A unique proposal combining seaports and airports

The Solent Freeport proposal encompasses seaports and airports as part of its plan, which is a unique feature of our local bid that will also deliver significant economic benefits. Over £77.5 billion worth of goods pass through the ports of Southampton and Portsmouth including, £42.8 billion worth of exports. 85 per cent of exports from the Port of Southampton are destined for non-EU trading partners.

The Solent is strategically positioned and well connected in relation to global trade routes and other regions of the UK. Freeport status will act as a catalyst for further growth and combining Southampton Airport with our seaports, will enhance our position as Britain's gateway to the world and a hub for international trade. Furthermore, as well as creating local benefits for the Solent region, it will also benefit the UK economy. For every £1 invested in the Solent region, UK PLC can see a return of up to £3.15.

2) Demonstrable social need which needs to be addressed

Although the Solent region sits within the South East, it faces many challenges which are analogous to other deprived parts of the UK. De-industrialisation has created significant social problems, and this is reflected in a variety of indicators from employment, to earnings and economic output.

To take just one measure, earnings for the local authorities covered by the freeport are all below the South East average with Portsmouth over 20 per cent below the regional average and Southampton over 10 per cent behind. Portsmouth, Southampton and the IOW are also below the England average by approximately 15 per cent and 5 per cent respectively. This highlights the need to 'level up' the Solent region.

3) Instant impact and long-term economic benefits

The Solent Freeport project can deliver an instant economic boost with the commitment from the Solent LEP that within four weeks of approval, the first phases of the project would be completed. Projects to facilitate the freeport are already underway. This will support our immediate economic recovery in the Solent region from COVID-19 as well as providing an enormous economic uplift over the long-term. The benefits of the Solent Freeport will help level-up the Solent region with the rest of the UK and make the region more prosperous for businesses and our communities. In total, the freeport will:

- Create over 26,000 jobs locally and 52,000 jobs nationally.
- Generate £2.0 billion in GVA and over £3.6 billion GVA nationally.

The proposal will also:

- Transform productivity and level up the Solent workforce productivity to match the UK average by 2025, adding up to £244 million GVA per year.
- Boost the earning potential of our workforce by £20m per year by 2030. This will close the existing
 wage gap to the South East and UK average while levelling up our regional economy.
- Regenerate our communities and reduce economic deprivation across the Solent. The opportunities created by the freeport will halve the proportion of our communities falling within the 20 per cent most deprived wards in the country, from 16 per cent to 8 per cent by 2030.

We believe this plan for a Solent Freeport delivers entirely on the Government's objectives to 'level up our country' and meet our international ambitions for Global Britain. There is clear social need and deprivation in the Solent region and a freeport will help us to overcome these challenges. We commend this proposal to Government and sincerely hope that there is no hesitation in approving the creation of a Solent Freeport.

Paul Holmes MP

Yours since

Member of Parliament for Eastleigh

Co-signatories

Suella Braverman - MP for Fareham

Steve Brine - MP for Winchester and Chandler's Ford

Caroline Dinenage- MP for Gosport

Flick Drummond - MP for Meon Valley

Maria Miller - MP for Basingstoke

Caroline Nokes - MP for Romsey & Southampton North

Bob Seely - MP for the Isle of Wight