



Oversight and Governance

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BREXIT, INFRASTRUCTURE AND LEGISLATIVE CHANGE OVERVIEW AND SCRUTINY COMMITTEE

Supplement Pack

Wednesday 23 February 2022

2.00 pm

Council House

Members:

Councillor Bingley, Chair

Councillor Dr Buchan, Vice Chair

Councillors Coker, Corvid, Dr Cree, Hendy, Jordan, Patel, Penberthy and Salmon.

Please find attached information for your consideration under agenda item 12 on the agenda.

Tracey Lee

Chief Executive

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee

12. Plymouth and South Devon Freeport

(Pages 1 - 32)

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee



Date of meeting:	23 February 2022
Title of Report:	Plymouth and South Devon Freeport
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Kevin McKenzie
Contact Email:	kevin.mckenzie@plymouth.gov.uk
Your Reference:	KM 11/02/2022
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Plymouth and South Devon Freeport is the result of a successful bid submitted by Plymouth City Council in February 2021. The report provides members with an update on our progress and our intention to secure a formal decision endorsing our Full Business Case.

Recommendations and Reasons

Members are asked to: -

Recommend to Cabinet that they endorse submission of our Full Business Case subject to the Cabinet report setting out: -

- The business case for Oceansgate, the capital requirement and how it will be met
- Governance arrangements and the legal status of the Freeport Authority
- The operating model and staff recruitment
- The contractual commitments to landowners that will be set out in Site Specific Agreements
- The revenue commitment required from Plymouth City Council as a landowner
- Legal obligations arising from the customs sites

Reason - As the accountable body for the Freeport we are required to take a formal decision endorsing our Full Business Case.

Alternative options considered and rejected

The only alternative option at this stage would be to withdraw from the Freeport Programme. This would cause the council to suffer significant reputational damage.

Relevance to the Corporate Plan and/or the Plymouth Plan

Our free port will help us to achieve strategic objectives from the Plymouth Plan: -

SO2 - Strengthening Plymouth's role in the region

SO3 - Delivering the international city

SO11 – Delivering high quality development

SO12 – Delivering infrastructure and investment

And strongly supports the priorities we have set in our Corporate Plan: -

- economic growth that benefits as many people as possible
- quality jobs and valuable skills

Implications for the Medium Term Financial Plan and Resource Implications:

- Our preferred option anticipates a £25m capital grant from Central Government, which is subject to local match.
- We will raise the local match requirement through service borrowing (repaid using the retained business rates), private sector contributions and other funding streams, e.g. Levelling Up.
- The uplift in NNDR and rental income from designated Freeport Tax and Customs sites will be retained and ring fenced for a period of 25 years and used to service borrowing and support revenue costs.
- Landowner contributions and a specific grant from the Department for Levelling Up, Homes and Communities will underwrite our revenue requirement for the first 5 years.
- The MTFP has allocated additional funding to support Freeport delivery.
- For financial risk, please see Financial Risk section.

Financial Risks

Detailed in the financial risk section below.

Carbon Footprint (Environmental) Implications:

Our Full Business Case will set out our ambitious plans to ensure that the Freeport contributes positively to our Climate Emergency Action Plan setting an overarching target that is consistent with our commitment to achieve a carbon net zero position by 2030.

Our Freeport will act as a catalyst, helping us to accelerate the implementation of existing technologies (such as electric vehicles and hydrogen) as well as pioneering new solutions through our Innovation Hotbed. Similarly, our investment in port infrastructure will facilitate carbon savings from short sea shipping.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Sign off:

Fin	pl.21. 22.2 74.	Leg	MS/1 7.02. 21.	Mon Off	LS/38 149/A C/21/ 2/22.	HR		Assets		Strat Proc	
Originating Senior Leadership Team member: David Draffan, Service Director for Economic Development											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 11/02/2022											
Cabinet Member approval: The Leader, Councillor Nick Kelly Date approved: 14/02/2022											

Introduction and background

In September last year (2021), the scrutiny committee received an update about our progress in delivering the Plymouth and South Devon Freeport. This report delivers on the commitment we gave then to provide a further opportunity for scrutiny of our developing proposals before we submit our Full Business Case.

Government has been clear from the outset about its expectation that we will deliver at pace and that pressure inevitably means that any update can only be a snapshot that quickly loses currency. Officers will therefore present the latest information to the members of the scrutiny committee on the day.

OBC Submission

We passed another milestone when we submitted our Outline Business Case setting out our Freeport plans in November. This document ran to over 61 pages, supported by 25 annexes, representing the culmination of months of effort by a small team of dedicated officers from Plymouth City Council, Devon County Council and South Hams District Council, supported by a cast that spanned the local public and private sector.

Prepared to Treasury green book standards, and responding to guidance issued by the Department for Levelling Up, Homes and Communities it consists of five separate elements; the strategic, economic, financial, commercial and management cases. An executive summary of the content is appended as an annexe to this report.

HM Treasury presentation

We aim to establish three tax sites at South Yard, Langage and Sherford. Maps indicating the boundaries of our proposed sites are appended. The tax sites at Langage and Sherford encompass Customs sites, and in order to meet HMRC requirements we may bring forward an additional customs site at Burrington Way.

In December, a team of officers drawn from the three partner authorities and led by our Strategic Director for Place presented our plans for delivering our Tax sites to Treasury officials. The team set out the development status of each of our tax sites utilising a mix of Google maps fly throughs and traditional slides.

Following this presentation, we were tasked to provide additional information covering some aspects of the tax sites, which we duly submitted in early January. We anticipate further discussion with the Treasury over the next few weeks. Locking down our Tax site boundaries will trigger the tax site designation process, which will require a statutory instrument to give it legal force. The plans appended to this report indicate their current extent.

Critical actions

In common with every other Freeport that has submitted their Outline Business Case we were given a number of critical actions which we were required to respond to by 11 February. These included an expectation that we would have agreed heads of terms with our landowner partners. This deadline brought forward a requirement that we had not expected to have to meet until we were ready to submit our Full Business Case in April.

Thanks to an effort described as “extremely impressive” by the Department for Levelling Up, Homes and Communities by a team led by our Service Director for Economic Development, in a matter of just a few short weeks, we have reached an agreed position. We have extensively engaged with all our landowners co-designing and then issuing a series of bespoke Heads of terms, a gateway policy, site benefits analysis, a new revenue budget and a detailed delivery programme. We have reached an agreed position with Princess Yachts Board and agreed all the key principles with Babcock, Langage, Sherford, Unit Build and we are currently in discussion with MOD.

We are now confident of generating sufficient income through these agreements to meet the cost of our core Freeport team for the next 5 years.

Landowner Agreements

There is a separate agreement for each landowner, Langage Energy Park Ltd, Princess Yachts and the Sherford Consortium. The Heads of Terms define the parties to each of the agreements, the Landowner, relevant Local Authority and the Freeport, and commit them to work together to developing the site in accordance with the Plymouth and South Devon Freeport vision. The boundaries of each the tax sites are defined and the indicative capital sums to be invested in the site by each of the parties.

The agreements also encompass a commitment to implement our gateway policy, which aims to ensure we secure investment in the key sectors we need to support our Freeport vision, i.e. advanced manufacturing and engineering with a particular focus on marine, defence and space, including low carbon applications.

The Gateway Policy will form the basis for agreements between the PASD Freeport Board, private sector landowners and tenants who will ultimately be the beneficiaries of the tax site levers. Compliance with the gateway policy will be the trigger for the application of Business Rates Relief for a period of 5 years, which Central Government will fully underwrite. These agreements will ensure that we have adequate control over the development of our Freeport tax and customs sites.

Financial Model

Finalisation of the financial model is dependent on the successful conclusion of the landowner agreements.

Capital requirements will be met primarily from Freeport seed capital allocated by central government and service borrowing which will be repaid through retained business rates generated by Freeport activity. There will be no impact on our Medium Term Financial Plan beyond the funds already allocated for this purpose through the agreed council budget.

Landowner contributions, including those made by Plymouth City Council and South Hams District Council, supplemented by central government revenue support grants, which are available for the next 3 years will underwrite our operating costs for the first five years.

Plymouth City Council will need to contribute £50,000 per year over the first five years as the relevant landowner for Oceansgate, A reduction of 50% is applied to first year contributions from all landowners so the commitment will be £225,000 over the five years.

Financial Risk

Risk	RAG	Mitigation	RAG (Post Mitigation)
Success of Freeport depends on wrap around innovation service, funded externally from Freeport budget.		Funding strategy in place to secure Shared Prosperity funding and Innovate UK funding	
Funding model agreement is dependent on final signing of landowner agreements		Direction of travel agreed won Heads of Terms with all major Landowners.	
Financial model is dependent on final HMT sign off re Tax Site demarcations.		Round table discussion arranged with HMT to finalise site demarcations. Detailed evidence base pulled together in collaboration with Landowners and supported by wider (Government) Freeport Team.	
Levelling up funding required for the capital build of the innovation centre.		Funding strategy in place with experienced bid team.	
Local authority exposure to underwriting 1/3 rd of the Freeport Company Limited by Guarantee. Total liability circa £130,000 per annum for a period of 5 years.		Offset by grant from HMT and retained business rates.	

Governance

Our governance arrangements continue to evolve as we move forwards from submission of our Outline Business Case. We have implemented the second phase of that evolutionary process by inviting key private sector partners to join the Plymouth and South Devon Shadow Freeport Board as full members.

The full members now include the Local Authority partners, the Heart of the South West Local Enterprise Partnership, the University of Plymouth (on behalf of the Universities of Plymouth and Exeter), Babcock International, Princess Yachts and Langage Energy Park Ltd. Our Strategic Director for Place continues to serve as Chairperson.

In our Outline Business Case, we set out our intention to establish the Freeport as a legal entity, with our preferred option being a Company Limited by Guarantee. We will firm up our plans before we seek a formal decision and set out a timeline for implementation on our Full Business Case.

Next steps

We have achieved a great deal in a very short space of time, there is however a great deal more still to do before we are ready to submit our Full Business Case.

Key work streams include:-

- Finalising our capital requirement and the debt envelope required to bring this forward and how this will be serviced, including any further anticipated grant income.
- Developing a business case for our investment in Oceansgate, Princess Yachts and Babcock and addressing subsidy control considerations.
- Providing granular detail about how we will use retained business rates to support Freeport delivery and a supporting policy framework.
- Establishing a legal identity for the Freeport in its own right through a suitable company model, most likely a company limited by guarantee.
- Finalising our operating model and developing role profiles and a recruitment schedule.
- Completing the work necessary to get site specific agreements in place with our landowners.
- Bringing forward a primary custom zone and customs operator and achieving HMRC authorisation for both site and operator.
- Providing detailed delivery plans for each tax and customs site, which must include plans for the delivery of highways and other essential infrastructure.
- Ensuring we have plans and strategies in place to deliver against policy expectations, e.g. Innovation, Trade and Investment, Carbon Net Zero and Skills.

In order to expedite delivery of this crucial work we intend to appoint an additional temporary project manager to supplement our existing capacity.

Appendix one - An executive summary of our Outline Business Case.

Appendix two – A draft Equality Impact Assessment

Appendix three site master plans.

EXECUTIVE SUMMARY

The Freezone represents a unique opportunity to level up, addressing historical challenges and leveraging exciting new opportunities to transform the economy of Plymouth and South Devon (PASD).

The PASD area has strong advanced manufacturing and engineering clusters with key specialisms in marine and defence where we can capitalise on major growing global markets. Spaceport Cornwall provides a new substantial prospect to establish a space cluster alongside these core regional capabilities. There are a range of opportunities within these sectors to put the area on the map as a science superpower, for example in autonomy and renewables, contributing to key national net zero agendas including short sea shipping within a smart port, autonomous and clean propulsion setting.

The area benefits from a range of natural and physical assets including:

- A natural harbour and sheltered water with deep water access to the English Channel and Atlantic Ocean for prototype testing, ocean trials and offshore renewable support;
- One of the largest naval bases in Europe with unique nuclear defence capabilities that allows for new applications, shipbuilding, transformative refits and on-shoring of specialist supply chains;
- The UK's first marine Enterprise Zone (EZ) at Oceansgate, underpinned by the Oceans Futures regional programme for sub-sector specialisms and focused marine innovation;
- World class businesses and research assets in marine autonomy and marine renewables with a plethora of high value and innovative civil and defence applications;
- The UK's first 5G connected ocean trialling area (Smart Sound) with plans to expand along coast and to subsea obstacle course and testbeds;
- Established freight routes through the Port of Plymouth with scope for growth with new routes and further rotations;
- Valuable waterside development sites with the potential to support marine/defence innovation and high value shipbuilding;
- Significant development sites within the Eastern corridor and favourable planning policies through the Joint Local Plan;
- A relatively uncongested major arterial road (A38 Devon Expressway) linking to the M5; and,
- In neighbouring Cornwall, Spaceport Cornwall providing the first and only horizontal launch site in mainland Europe allowing for a satellite high value manufacturing and system integration cluster to form.

With a proactive knowledge base including the universities of Plymouth and Exeter and a range of local colleges, there is a strong commitment to skills development, innovation and maximising R&D opportunities. However, despite these assets, there are comparatively low numbers of exporting businesses, low levels of innovation/R&D currently and skills deficits in key disciplines within the workforce. Additionally, there is a lack of modern workspace for businesses: the area suffers from major viability constraints which inhibit the private sector from bringing forward employment land. This lack of investment in infrastructure and space impedes business clustering opportunities for sub-sector specialisms and focused innovation. This in turn holds back our plans to transform the economy through clean and inclusive growth.

The Freezone provides a unique opportunity to overcome these issues through:

- **Physical regeneration** – by delivering infrastructure to unlock key employment sites and innovation assets, supporting business clustering and clean growth opportunities;
- **Economic regeneration** – by delivering inward investment, supply chain opportunities and productivity gains within our identified growth sectors; and,
- **Social regeneration** – by delivering a pipeline of jobs across the spectrum of employment from entry level to higher skilled/high value with upskilling opportunities.

It builds on existing investments and assets, dating back to the City Deal and will specifically enable us to undertake land remediation, core infrastructure and supporting transport works to develop three core sites that have long remained undeveloped and underutilised. These will create the opportunity for businesses to benefit from customs breaks and tax breaks in order to achieve a post-tax return on capital through the supply chain and economy:

- **The South Yard site** – located near the Port, incorporates the existing Oceansgate EZ and will be further developed as a tax site, forming the centrepiece of our innovative hotbed. Focusing on marine and defence sectors, the site will include an innovation centre and a mobility hub to unlock further development. Anchor tenant, Princess Yachts, will develop a new factory on land which they already own within the site and Babcock will also redevelop two key buildings 'behind the wire' of MOD owned land on the site for new manufacturing capacity;
- **The Langage site** – located on greenfield land within the Eastern corridor of the city, in close proximity to the A38 Expressway, is a strategic employment allocation. It will be developed as a tax site with a customs zone incorporated within it and will provide industrial and manufacturing as well as light industrial units for high value manufacturing/ engineering companies, focusing primarily but not exclusively on the marine, defence and space sectors. The site will also be home to a hydrogen plant being developed by landowner Carlton Power and a mobility hub to deliver sustainable and low carbon transport options; and,
- **The Sherford site** – located on the opposite side of the A38 Expressway to Langage forms part of the employment allocation of the Sherford new community. It will be developed as a logistics hub with a coterminous tax and customs site boundary, providing integrated warehousing, storage and engineering space for a single marine/defence contractor (Babcock). Babcock will also, in the shorter term, bring forward a smaller customs zone on the Burrington Way Industrial Estate in the North of Plymouth. Though sitting outside of our tax site boundaries, it will nevertheless form part of the Freezone footprint, enabling Babcock to meet their immediate needs whilst also serving other early Freezone tenants.

Seed capital will also support enhancements at the Port to enable the value and tonnage of cargoes to be expanded, thus supporting short sea shipping and an associated modal shift.

Underpinning the above, we will work with the Department for International Trade (DIT) on national and global strategic marketing to attract investment into the area and stimulate exporting through the DIT Export Academy. Our gateway policies will ensure that businesses

locating in the Freezone are not displaced from elsewhere in the UK, thus delivering additionality.

A bespoke Research and Innovation Strategy will be developed, engaging with the Freeports Regulation Engagement Network (FREN) on regulatory flexibilities and freedoms. An Employment and Skills Strategy will also underpin all activities, ensuring that partners can accelerate higher value employment and training opportunities whilst also enabling new employment and inclusion opportunities, education and career options and wider supply chain innovation activity. Subject to securing additional funding, a marine skills academy will provide specialist facilities capable of delivering the volumes of relevant training required in key disciplines.

The Freezone has strong alignment with local and regional agendas and will deliver tangible outcomes in core government policy areas:

- **Creating a national hub for trade and investment** – delivering an increase in trade throughput and piloting short sea shipping, reducing freight transport emissions, improving regional connectivity, increasing FDI and investment, as well as increasing the number of businesses exporting;
- **Promoting regeneration and job creation** – increasing economic specialisation, delivering an increase in employment and average earnings, tackling deprivation and enhancing skills facilities; and,
- **Creating a hotbed for innovation** – increasing R&D spend, boosting GVA through increasing high value economic activity, increasing productivity, contributing to net zero research and innovation agendas and extending regional, national and international networks.

Our proposals deliver 3,547 jobs, represent good value for money, are commercially viable and are underpinned by sound governance and management structures. They are also backed by businesses with key anchor tenants having committed to investing in the Freezone and a strong pipeline of interest in the opportunity having been established.

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EQUALITY IMPACT ASSESSMENT

Plymouth and South Devon Freeport



STAGE I: WHAT IS BEING ASSESSED AND BY WHOM?

<p>What is being assessed - including a brief description of aims and objectives?</p>	<p>Introduction</p> <p>The Plymouth and South Devon Freeport is committed to equality and diversity and to ensuring that residents feel the benefit of this initiative. This high-level equality impact assessment explores the potential impacts for people with protected characteristics as well as other disadvantaged groups (e.g., those from deprived areas). The equality impact assessment (EIA) has also considered the wider social impacts which the Freeport may have in the Plymouth, South Hams and Devon areas.</p> <p>The shadow board have adopted the Equality and Diversity Statement and are committed to ensuring that residents and local people, especially those from deprived areas and marginalised groups, are able to reap the benefits of the Freeport. This EIA builds upon the commitment made by the shadow Freeport board to mainstream equality and diversity within the Plymouth and South Devon Freeport.</p> <p>This EIA will be periodically reviewed and monitored within the wider Plymouth and South Devon Freeport monitoring and evaluation framework.</p> <p>To minimise risks from the Freeport, a security and illicit risk assessment has been carried out separately to this EIA. The security and illicit risk assessment will be monitored separately and covers potential issues such as modern slavery and human trafficking.</p> <p>Where additional formal decisions are required to inform the delivery and development of the Plymouth and South Devon Freeport, an EIA will be completed where required in line with the Council's usual EIA process.</p> <p>The data and commitments included within this EIA will be reviewed before final publication.</p>
<p>Author</p>	<p>Kevin McKenzie, Deputy SRO, Plymouth and South Devon Freeport</p>
<p>Department and service</p>	<p>Policy and Intelligence Team</p>
<p>Date of assessment</p>	<p>August 2021</p>

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information	Any adverse impact	Actions	Positive impacts
<p>Age</p>	<p>Plymouth The population of Plymouth in 2020 was 262,800, of which 165,900 were aged between 16 and 64. The average age in Plymouth (39 years) is about the same as the rest of England (39.3 years) but less than the Southwest (41.6 years).</p> <p>Devon The average age in Devon (43.7 years) is higher the rest of England (39.3 years) and older than the Southwest (41.6 years).</p>	<p>Noise and disturbance – impacts Evidence has shown that both younger and older people are likely to have their physical and mental wellbeing negatively impacted by increased noise. For young people, for example, increased noise may impact on their ability to meet their educational potential. For older people noise disturbances can cause increased anxiety and exacerbate conditions such as dementia and tinnitus.</p> <p>Noise and disturbance – Plymouth Port The Freeport will increase the number of ships using the Plymouth Port and it is likely that this will increase noise and disturbance.</p> <p>Noise and disturbance – Increased traffic The Freeport will increase the amount of traffic on Plymouth roads, especially on roads near to the Freeport and within the Freeport itself. A new link road is planned in response to increased demand - spine roads are going to connect to the A38 to improve connectivity.</p> <p>Noise and disturbance – construction It is likely that the Freeport will result in an increase in noise from both construction and business as usual. Increases in noise have been linked to poorer health outcomes</p>	<p>Noise and disturbance – Plymouth Port As the port needs to operate at the time that the tide allows, it is not possible to mitigate against this impact given its nature. Although there is the potential for the increase in freight traffic to increase noise and disturbance for local residents, the parts of the Port that will be used are largely away from residential areas. The additional tax/customs sites will be on under-developed land, thus minimising impact to the extent that is possible. Langage, the largest site, is partly greenfield and is not directly near housing.</p> <p>Noise and disturbance – Increased traffic Consider the potential to issue fixed penalty notices to reduce 'idling' in the areas neighbouring the Freeport and Plymouth</p>	<p>The Freeport will provide extensive employment and educational opportunities.</p>

		<p>including negatively effecting both mental and physical health.</p> <p>Emissions Poor air quality and pollution has negative consequences for health and the local environment. In particular, a high quantity of particulate matter is linked to poorer health outcomes including negatively effecting both mental and physical health. This negative impact is more likely to effect young people as their lungs are still developing.</p> <p>Emissions – Plymouth Port The Freeport aims to significantly increase the volume of freight through the Port of Plymouth. Increasing the volume of freight brought in through the Port of Plymouth, rather than more distant UK ports, will reduce national emissions from the transport sector, as well as reducing congestion on trunk roads elsewhere.</p> <p>Emissions – Freeport (onsite) The increase in freight traffic and associated traffic within the Freeport will likely increase local traffic and thus local emissions.</p>	<p>Port. Consider the possibility to explore noise monitoring and reduction initiatives in the vicinity. Any noise complaints will be monitored for trends.</p> <p>Noise and disturbance – construction Buildings on our sites will exceed basic building regulations and aim to be zero carbon. Our approach will require buildings to be built using sustainable materials, be well insulated and have renewables (such as solar or heat pumps) integrated. All construction will be delivered in line with local guidance to ensure minimal disruption to the local area.</p> <p>Increased emissions – Plymouth Port The Plymouth Port is committed to high air quality and has a Port Air Quality Strategy and action plan in place.</p> <p>Emissions – Freeport (onsite) Within the Freeport we will use a combination of</p>	
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			<p>electric and hydrogen powered vehicles to move cargo between the port and customs sites (funded through the Green Energy Fund). There is already an EV charge point at Oceansgate and by 2025, all support vehicles will be low carbon. Charging infrastructure will also be put in place to encourage wider port users (including RORO traffic) to use low carbon fuels. Emissions from commuter transport will be minimised through a Green Transport Plan, which will include public transport options (including park and ride) as well as walking and cycling, which build on existing infrastructure such as cycle ways.</p> <p>The Freeport will establish an Environmental Management System to provide a framework for managing compliance with environmental legislation. An Environmental Impact Assessment will be used to identify the environmental risks to be managed through the EMS. Key proposals include the development of an Air</p>	
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			<p>Quality Plan to reduce emissions from diesel engines. Measures may include the introduction of an Air Quality Management Area within Plymouth Sound (linked to Smart Sound) in which vessels are required to switch to clean propulsion systems when they enter and adoption of low carbon freight in the landside operation. This work may also include site specific air quality monitoring and subsequent data analysis to monitor pollution levels.</p>	
<p>Disability</p>	<p>Plymouth 10 per cent of the Plymouth population have their day-to-day activities limited a lot by a long-term health problem or disability (2011 Census).</p> <p>Devon One in five (20 per cent) people are disabled. 8.6 per cent of people say their day-to-day activities are limited a lot. While 10.9 per cent of people say their day-to-day activities are limited a little.</p>	<p>Noise and disturbance – impacts Evidence has shown that people with disabilities and underlying health conditions are more likely to have their physical and mental wellbeing negatively impacted by increased noise. For example, one study found that people living in areas with high levels of traffic noise were 25 per cent more likely than those living in quieter areas to develop depression.</p> <p>Noise and disturbance – Plymouth Port The Freeport will increase the number of ships using the Plymouth Port and it is likely that this will increase noise and disturbance.</p> <p>Noise and disturbance – Increased traffic The Freeport will increase the amount of traffic on Plymouth roads, especially on roads near to the Freeport and within the Freeport itself.</p>	<p>Noise and disturbance – Plymouth Port As the port needs to operate at the time that the tide allows, it is not possible to mitigate against this impact given its nature. Although there is the potential for the increase in freight traffic to increase noise and disturbance for local residents, the parts of the Port that will be used are largely away from residential areas. The additional tax/customs sites will be on under-developed land, thus minimising impact to the extent that is possible. Langage, the</p>	<p>The sites are the optimal choice for the area and offer the best value for money because they:</p> <ul style="list-style-type: none"> Are located in identified growth areas. Are already fully or partially serviced, thus reducing infrastructure costs. Langage also has discounted hot water, high pressure gas and electricity from the adjacent power station and green energy from the adjoining solar park. Have excellent road connectivity, minimising the

		<p>A new link road is planned in response to increased demand - spine roads are going to connect to the A38 to improve connectivity.</p> <p>Noise and disturbance – construction It is likely that the Freeport will result in an increase in noise from both construction and business as usual. Increases in noise have been linked to poorer health outcomes including negatively effecting both mental and physical health. This negative impact is more likely to be felt by people with disabilities, however this is not limited to this cohort</p> <p>Emissions Poor air quality and pollution has negative consequences for health and the local environment. In particularly, a high quantity of particulate matter is linked to poorer health outcomes including negatively effecting both mental and physical health. This negative impact is more likely for people with disabilities due to the increased likelihood that they may have an underlying health condition related to their breathing or lungs.</p> <p>Emissions – Plymouth Port The Freeport aims to significantly increase the volume of freight through the Port of Plymouth. Increasing the volume of freight brought in through the Port of Plymouth, rather than more distant UK ports, will reduce national emissions from the transport sector, as well as reducing congestion on trunk roads elsewhere.</p> <p>Emissions – Freeport (onsite)</p>	<p>largest site, is partly greenfield and is not directly near housing.</p> <p>Noise and disturbance – Increased traffic TBC</p> <p>Noise and disturbance – construction Buildings on our sites will exceed basic building regulations and aim to be zero carbon. Our approach will require buildings to be built using sustainable materials, be well insulated and have renewables (such as solar or heat pumps) integrated. All construction will be delivered in line with local guidance to ensure minimal disruption to the local area.</p> <p>Increased emissions – Plymouth Port The Plymouth Port is committed to high air quality and has a Port Air Quality Strategy and action plan in place.</p> <p>Emissions – Freeport (onsite)</p>	<p>need for large-scale transport costs. Enable us to deliver the Freeport at pace.</p> <p>The Freeport will use the gateway criteria to encourage businesses operating in the Freeport to sign-up to initiatives such as Disability Confident Employer. The employment and skills plan will include engagement with the Department for Work and Pensions and other partners working with people with disabilities to ensure they are able to access the benefits of the Freeport. Engagement will also take place with local voluntary and community sector partners working with people with disabilities to raise awareness of the employment and education offer available.</p>
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		<p>The increase in freight traffic and associated traffic within the Freeport will likely increase local traffic and thus local emissions.</p> <p>Accessibility</p> <p>The large majority of buildings within the Freeport will be closed to members of the public. Where buildings are open to members of the public accessibility compliance with building regulation M is important.</p>	<p>Within the Freeport we will use a combination of electric and hydrogen powered vehicles to move cargo between the port and customs sites (funded through the Green Energy Fund). There is already an EV charging point at Oceansgate and by 2025, all support vehicles will be low carbon. Charging infrastructure will also be put in place to encourage wider port users (including RORO traffic) to use low carbon fuels. Emissions from commuter transport will be minimised through a Green Transport Plan, which will include public transport options (including park and ride) as well as walking and cycling, which build on existing infrastructure such as cycle ways.</p> <p>The Plymouth and South Devon Freeport will establish an Environmental Management System to provide a framework for managing compliance with environmental legislation and an Environmental Impact Assessment will be used to identify the environmental risks to be</p>	
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			<p>managed through the EMS. Key proposals include the development of an Air Quality Plan to reduce emissions from diesel engines. Measures may include the introduction of an Air Quality Management Area within Plymouth Sound (linked to Smart Sound) in which vessels are required to switch to clean propulsion systems when they enter and adoption of low carbon freight in the landside operation.</p>	
<p>Religion or belief</p>	<p>Plymouth Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917). 32.9 per cent (84,326) of the Plymouth population stated they had no religion (2011 Census). Those who identified as Muslim was just under 1 per cent while Hindu, Buddhist, Jewish or Sikh combined totalled less than 1 per cent (2011 Census).</p> <p>Devon 61.5 per cent of the population identified their religion as Christian making it the biggest faith. 1.6 per cent identified as having another religion including Buddhists, Muslims,</p>	<p>No adverse impacts are anticipated.</p>	<p>Not applicable</p>	<p>Not applicable</p>

	<p>Hindus and Jews. 28.5 per cent of people stated that they have no religion or belief.</p>			
<p>Sex - including marriage, pregnancy and maternity</p>	<p>Plymouth 50.2 per cent of the population are women and 49.8 per cent are men. The proportion of men working in the manufacturing sector in Plymouth is currently higher than the proportion of women (19.1 per cent, compared to 6.9 per cent). Devon 51.4 per cent of the population are women and 48.6 per cent are men. Nationally According the recent UCAS data provided by HESA, 35 per cent of STEM students in higher education in the UK are women. The science, technology, engineering and mathematics (STEM) sector is continuing to grow; however, females continue to be underrepresented in STEM at both employment and education level. Nationally, 23 per cent of the people working in science, technology, engineering and mathematics</p>		<p>The Freeport will use the gateway criteria to encourage businesses operating in the Freeport to sign-up to initiatives which encourage women to participate in STEM employment and education. The employment and skills plan will include engagement with the Department for Work and Pensions, universities, schools and other partners working with young women and girls to promote STEM career and education pathways. Engagement will also take place with local voluntary and community sector partners working with women and girls to raise awareness of the employment and education offer available and communication materials will be shared. The Freeport will use the Gateway Criteria to encourage businesses to increase the proportion of females working in STEM sectors. We will also work</p>	<p>The Freeport will provide extensive opportunities for females to gain experience in STEM subjects through apprenticeships, internships and jobs. Encouraging female representation in STEM subjects (and employment in high paying jobs) will likely positively impact any gender pay gaps within companies.</p>

	roles in the UK were female, while only 15.8 per cent of the current generation of engineering and technology graduates were female (PWC Women in Technology 2017).		with our education and skills partners to encourage females to participate in STEM education and employment.	
Gender reassignment	There are no official estimates for gender reassignment. However, the Gender Identity Research and Education Service (GIREs) estimate around 1 per cent of the population has some form of gender variance and about 0.2 per cent may undergo gender reassignment.	No adverse impacts are anticipated.	Not applicable	Not applicable
Race	<p>Plymouth</p> <p>92.9 per cent of Plymouth’s population identify as White British. 7.1 per cent identify themselves as Black, Asian or Minority Ethnic (BAME) with White.</p> <p>Devon</p> <p>94.9 per cent of Devon’s population identify as White British. 2.5 per cent identify as White Other and 2.6 per cent identify as Black, Asian, or another minority ethnic group.</p>		The Freeport will use the gateway criteria to encourage businesses operating in the Freeport to sign-up to initiatives to people from Black, Asian and Minority Ethnic backgrounds have access to the benefits of the Freeport to participate in STEM employment and education. The employment and skills plan will include engagement with the Department for Work and Pensions, universities, schools and other partners working with people from black, Asian and minority ethnic backgrounds to	It is anticipated that the Freeport will increase the size of the catering sector in Plymouth due to increased demand from local businesses. If this were to happen it is likely that this will disproportionately benefit people from Black, Asian and Minority Ethnic backgrounds due to their overrepresentation in the catering and hospitality industries.

			<p>promote career and education pathways.</p> <p>Engagement will also take place with local voluntary and community sector partners working with this cohort and in particular refugees and asylum seekers to raise awareness of the employment and education offer available.</p> <p>Key information within the Freeport will be available in different languages, recognising the diversity of people using and passing through the Freeport.</p> <p>Staff employed by the Freeport will be trained in cultural awareness and cultural accessibility.</p>	
Sexual orientation - including civil partnership	There are no official estimates for sexual orientation at a local level.	No adverse impacts are anticipated.	Not applicable	Not applicable

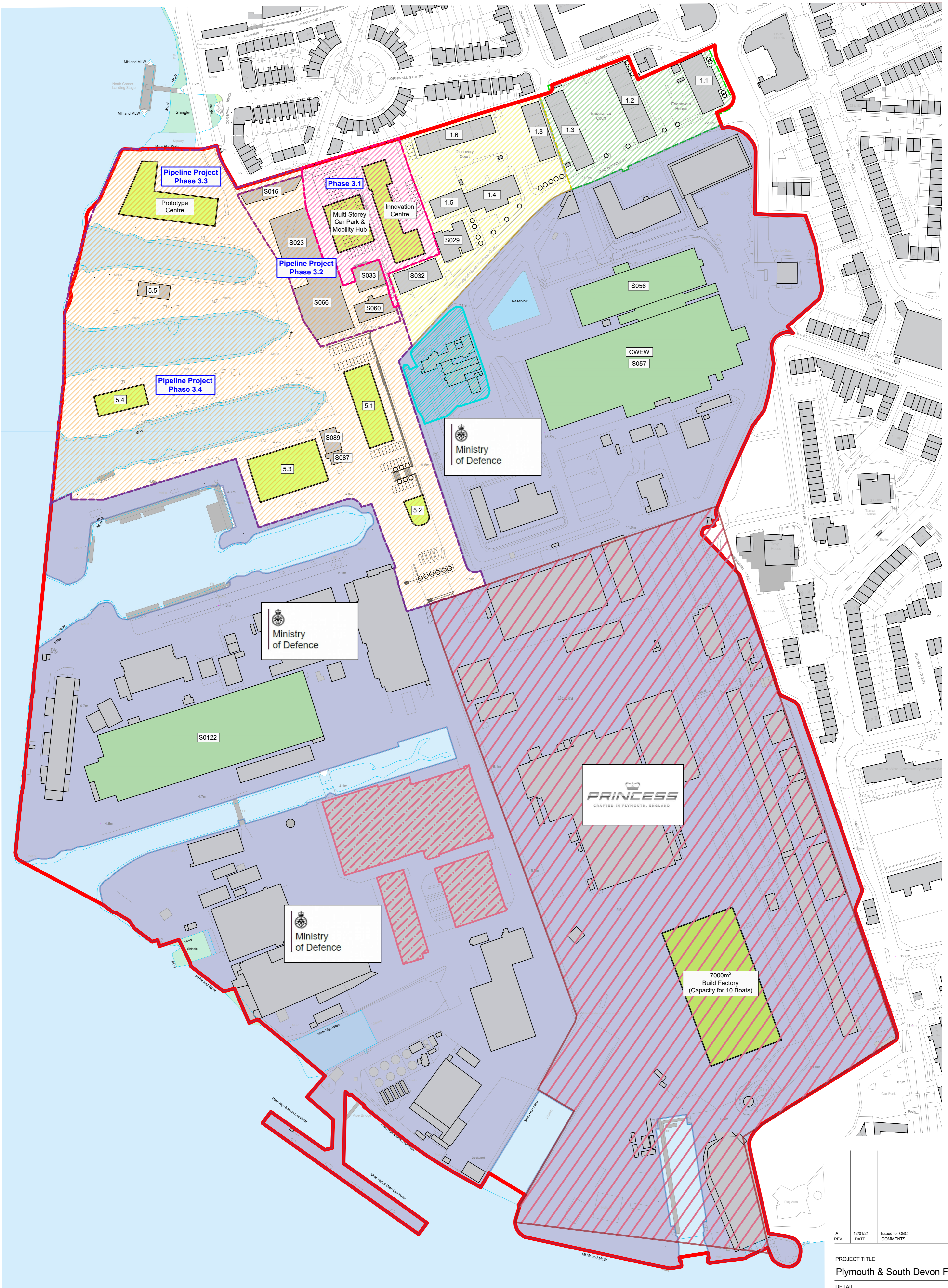
SOCIO AND ECONOMIC IMPACTS

	Evidence and information	Any negative impact	Actions (including timescale and lead)	Positive impacts
Deprivation	<p>Plymouth</p> <p>According to the IMD 2019 Plymouth has two local super output areas</p>	Due to the skills gap in Plymouth, which is more evident in deprived areas, there is a risk that people from deprived areas may not feel the benefits of the Freeport	An employment and skills plan will help to ensure that people from protected and disadvantaged groups are able to access all opportunities within the	We are keen to ensure that people from Plymouth's most deprived areas benefit from the Freeport. Businesses will be

	<p>(LSOAs) (1.2 per cent) in the most deprived 1 per cent in England. These LSOAs have a combined population of 3,617 (1.4 per cent of Plymouth’s population). In total, 28 LSOAs (17.4 per cent) are in the most deprived 10 per cent in England. These LSOAs have a combined population of 46,075 (17.6 per cent of Plymouth’s population).</p> <p>Of the 151 upper-tier local authorities in England Plymouth ranks the 50th most deprived when looking at the average score summary measure.</p> <p>Devon</p> <p>There is only one area within Devon included in the most deprived 20 per cent nationally.</p> <p><i>Additional data to follow</i></p>	<p>due to a lack of education and opportunity.</p>	<p>Freeport. This will include a targeted skills/jobs brokerage programme to link people from deprived communities with opportunities. The Marine Academy will assist with the development of apprenticeship and internship opportunities through and during construction phases. A local job club will be developed in Devonport in partnership with local communities to ensure that local residents have access to new employment opportunities. Communications and engagement plans will be shared to raise awareness of these initiatives.</p>	<p>encouraged to sign up via the gateway criteria to initiatives which enhance social mobility.</p> <p>Devonport, the location of the Freeport has one of the lowest cohesion scores in the city. There is strong evidence which shows that reducing deprivation through employment and education can improve cohesion. It is thus likely that the Freeport will indirectly improve the cohesion score in Devonport and in doing so, contribute towards meeting one of Plymouth City Councils equality objectives - Plymouth is a city where people from different backgrounds get along well.</p>
<p>Employment</p>	<p>Plymouth</p> <p>With an economy of £5.56bn and supporting 111,500 jobs in 2019, Plymouth is the most significant urban agglomeration on the South West Peninsular. Compared to other city economies, Plymouth has a relatively large public sector as</p>	<p>Workers' rights</p> <p>Although there are concerns for workers' rights within the Freeport, there are no differences between employment rights between those employed within the Freeport and those outside of it. There is one exception as employers within the Freeport are given a national insurance holiday for three years employed within the Freeport. We have spoken to</p>	<p>Employment and skills</p> <p>An employment and skills plan will help to ensure that people from protected and disadvantaged groups are able to access all opportunities within the Freeport. This will include a targeted skills/jobs brokerage programme to link people from deprived communities with</p>	<p>Employment and skills</p> <p>The Freeport will increase the number of high-quality well-paid jobs in the city.</p> <p>In total the Freeport is expected to create more than 1,000 new jobs. Jobs will be created at all levels (e.g. from warehouse operatives through to</p>

	<p>well as healthcare and manufacturing sectors.</p> <p>The latest ONS Annual Population Survey data shows Plymouth as having the same rate of economic activity as nationally as well those in employment. However, the rate of unemployment is higher than both the South West average and national average.</p> <p><i>Additional data to follow</i></p> <p>Plymouth</p> <p>Gross weekly pay for full-time workers in Plymouth for 2021 stood at £542.4. This is lower than both the gross weekly pay for Great Britain (£612.8) and the South West (£572.5) (NOMIS, 2021).</p> <p>Devon</p> <p>Gross weekly full-time pay for Devon (as a whole) was £566.9 (NOMIS, 2021).</p>	<p>stakeholders including trade union representatives who are happy with this approach.</p> <p>Displacement</p> <p>There is little risk within the city from economic displacement and this includes movement from wealthier areas to more deprived areas and from business moving into the Freeport from outside of its boundaries. This is because there are few benefits for businesses moving into the Freeport from outside the Freeport boundary area.</p>	<p>opportunities. The Marine Academy will assist with the development of apprenticeship and internship opportunities through and during construction phases.</p> <p>Displacement</p> <p>To mitigate any potential negative impacts the Freeport has a clear policy on moving into the Freeport if not in local area (including wider geography and outer boundary). For example, the Freeport gateway criteria means that businesses cannot relocate to the Freeport purely to get tax/tariff exemptions.</p> <p>We will further mitigate any potential displacement by putting in place a gateway policy at all our tax sites. Businesses that express interest in the Freeport will need to demonstrate their status/plans, ensuring that the sites attract foreign direct investment and/or enable the expansion of companies (either foreign or UK owned) rather than the simple relocation of local businesses.</p> <p>Businesses will also be required to demonstrate additionality when applying for the benefits on offer. We will create an index to</p>	<p>management and technical specialists), of which 400 will be high value jobs. This will help to address Plymouth’s lower than average wage profile. Through aligned activity, 600 people will be up-skilled to take advantage of those jobs. Working with our educational providers we will establish a Marine Skills Academy and by 2027 will also create at least 60 new apprentices and 10 internships annually. There is a possibility that this may include targeted skills development work with the local refugee and asylum seeker population.</p>
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			<p>qualify new Freeport businesses to ensure they are making high use of the incentives and monitor them during their stay. Equally, by implementing the tax measures proposed by Government, we will minimise displacement, as the measures have been designed to do so. More than 70 local businesses are anticipated to benefit from the Freeport, which is forecast to bring in over £100m investment in the next six years.</p>	
<p>Local Services</p>	<p>Plymouth City Council and Devon County Council deliver a range of services to local people.</p>	<p>It is not possible to indicate potential impacts on local services until the modelling is complete.</p> <p>It is not anticipated that the Freeport will negatively affect housing availability and it is unlikely that the Freeport will increase demand for local social housing (dependent on modelling). Dependent on the numbers of people relocating to Plymouth there may be increased demand for local services such as dentists, primary care services and housing. It is not possible to quantify these figures until modelling has been confirmed.</p>	<p>The Plymouth Plan topic paper 'Housing need and supply' sets out the strategy for housing provision in the city. The plan works towards supporting the ambitions within the Plymouth Plan of a 'growing city'. The Freeport is one component of the plan to grow the city and its economies.</p>	<p>The Freeport will help to accelerate the Sherford housing development, further enhancing the availability of good quality private housing stock.</p>



REV	DATE	ISSUED FOR OBC COMMENTS	MOJGD AUTHOR / CHECKED
A	12/01/21		

PROJECT TITLE
Plymouth & South Devon Freeport

DETAIL
South Yard Proposed Masterplan Scenario C

DRAWING NUMBER
(PROJECT-ORIGINATOR-ZONE-LEVEL-TYPE-ROLE-NUMBER)
21086PF -LHC -00 -00 -DR -AR -0112

STATUS
S2

REVISION	DATE	SCALE
A	31/08/21	1:1250 @A1

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Key:

Tax Site Boundary	MOD Land Ownership	Phase 3.1 Innovation Centre & Multistorey Carpark	Princess Yachts Long Lease Boundary
Proposed Buildings	Phase 1	Phase 3.2 Skills/Tech	Pipeline Historic building regeneration. Listed Buildings Identified as opportunities subject to feasibility appraisal
Existing Buildings	Phase 2	Phase 3.3 Prototype	
Building to be refurbished	Phase 3	Phase 3.4 Visitor Centre	
Heritage Center Relocation	Phase 3.1		

***Note:**
1. City Deal Phase 1 and 2 delivered previously
2. Phase 3 Service Re-Provision is a behind-the-wire that facilitates phase 3 pipeline projects by the private sector

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A	12/01/21	Issued for OBC	MOJCD
REV	DATE	COMMENTS	AUTHOR / CHECKED

PROJECT TITLE
Plymouth Freeport Masterplan

DETAIL
South Yard Site - Local Planning Areas

DRAWING NUMBER
(PROJECT-ORIGINATOR-ZONE-LEVEL-TYPE-ROLE-NUMBER)
21086PF -LHC - 00 - 00 - DR - AR - 0122

STATUS
S2

REVISION	DATE	SCALE
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LHC PROJECT NUMBER
21086PF

Key:

- Tax Site Boundary
- Planning Application local & adjacent site boundaries

*Note:- Where the Customs site and Tax site/Freeport boundaries coincide, the Customs Site boundary has been drawn inside the Freeport boundary site for clarity on the Drawings. The Actual Customs Site will extend to the Tax Site/Freeport boundary line

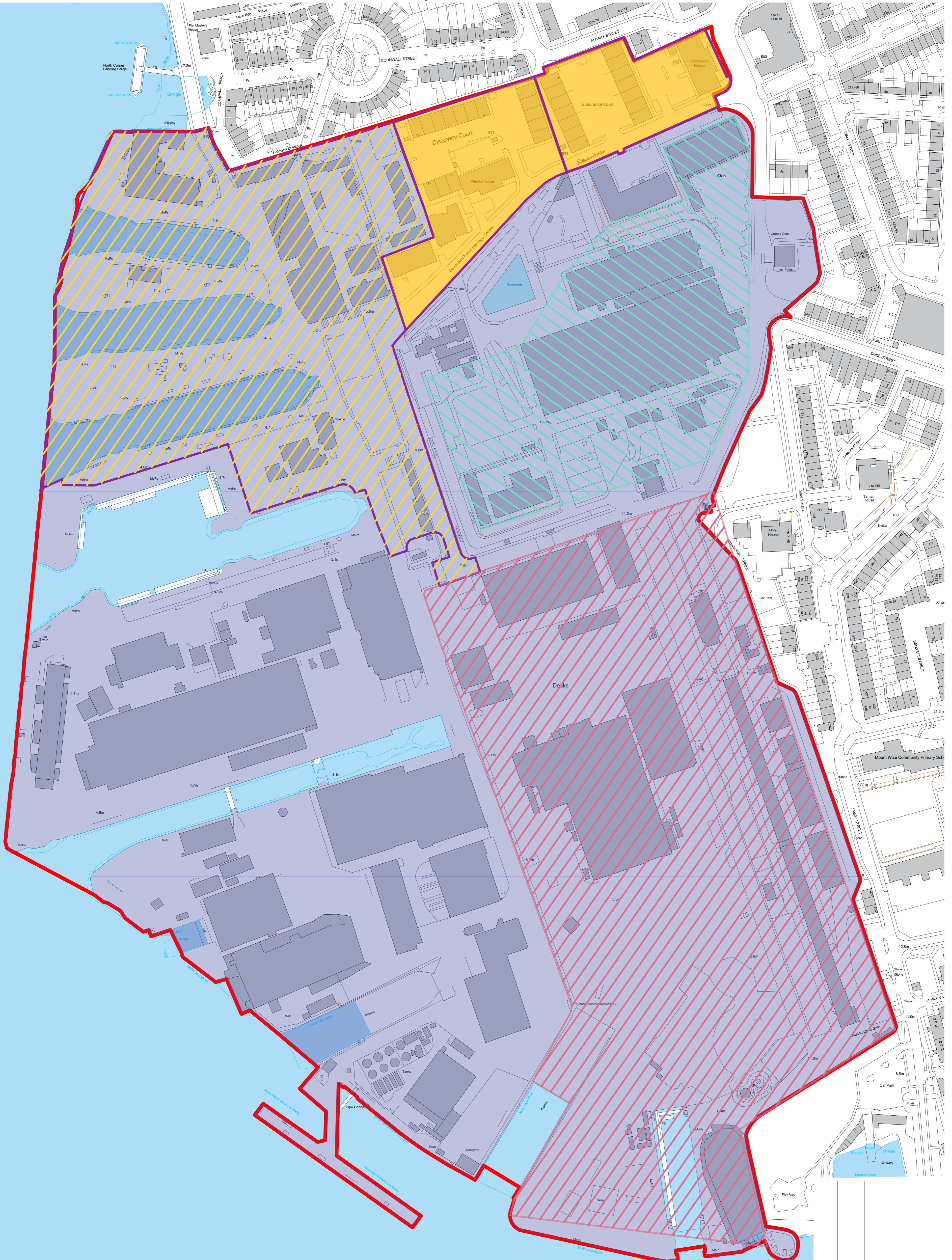
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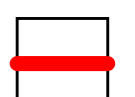


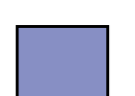



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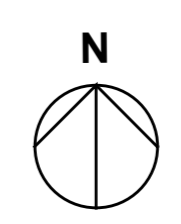
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Key:

	Tax Site Boundary		Plymouth City Council		City Deal Phase 3 Long Lease
	MOD Land Ownership		Princess Yachts Long Lease		Babcock CWEW Long Lease
	Phase Boundaries				



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REV	DATE	COMMENTS	AUTHOR / CHECKED

PROJECT TITLE
Plymouth Freeport Masterplan

DETAIL
South Yard Site - Land Ownership

DRAWING NUMBER
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S2

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