

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee



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| Date of meeting: | 14 July 2021 |
| Title of Report: | Plymouth and South Devon Freezone |
| Lead Member: | Councillor Nick Kelly |
| Lead Strategic Director: | Anthony Payne (Strategic Director for Place) |
| Author: | Kevin Mckenzie – Freeport Delivery Team |
| Contact Email: | kevin.mckenzie@plymouth.gov.uk |
| Your Reference: | PASDFZ001/21 |
| Key Decision: | No |
| Confidentiality: | Part I - Official |

Purpose of Report

To update members on progress with delivering the Plymouth and South Devon Freezone

Recommendations and Reasons

Members are asked to note the report and the progress we have made in the relatively short period of time since the Plymouth and South Devon Freezone was announced as one of 8 successful bids for Freeport status.

Alternative options considered and rejected

We will seek to develop the Freezone with an appropriate Investment Model. The scale of that will be determined through the business case process.

Relevance to the Corporate Plan and/or the Plymouth Plan

Our Plymouth and South Devon Freezone bid played to our strengths as Britain's Ocean City. It will support our vision to be one of Europe's most vibrant waterfront cities, our mission to build back better and is consistent with our values. In particular it will help us to deliver our growing city priorities: -

- To be a green, sustainable city that cares about the environment
- A vibrant economy, developing quality jobs and skills
- Create a varied, efficient sustainable transport network

The Freezone also builds on our city and region's strengths in marine and advanced manufacturing to support the delivery of our Plymouth Plan Polices: -

- INT2 – Plymouth in the Global Marketplace
- INT6 – Enhancing Plymouth's Green City Credentials

Implications for the Medium Term Financial Plan and Resource Implications:

As the lead accountable body for the Plymouth and South Devon Freezone Plymouth City Council has undertaken to be responsible for borrowing against future business rates uplift to generate the required match funding. The borrowing requirement is expected to be in the order of £25m. Ongoing work and modelling will be required to ensure the business rates generated covers all borrowing costs and there are no additional costs or financial burden added to Plymouth's MTFP.

The Ministry for Housing, Communities and Local Government will provide some capacity funding to develop our Business Case, the first tranche of the £300,000 has been received, it is anticipated that additional funds will be provided as we pass key milestones in the delivery process.

Carbon Footprint (Environmental) Implications:

The Freezone is surrounded by areas of outstanding natural beauty and we are serious about our commitment to tackle climate change.

We have embedded our commitment to achieve Carbon Net Zero by 2030 by: -

- Decarbonising marine manufacturing and reducing the carbon impact of commuting.
- Encouraging short sea shipping routes to reduce carbon heavy road haulage.
- Developing innovation clusters around new clean low carbon technologies and clean propulsion.

We will expect businesses that want to operate from within the Freezone to support our ambitions for clean growth and we will use our Gateway policy to encourage them to have a net zero plan.

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.*

- In the operational phase Plymouth and South Devon will be subject to the normal health and safety requirements applied to businesses operating in the UK.
- We are maintaining a comprehensive risk register which is reviewed regularly as we develop our business case.
- The Shadow Freezone Board have adopted an Equality and Diversity statement which is appended to this report and which was itself based on an Equality Impact Assessment carried out on our bid.

Appendices

**Add rows as required to box below*

| Ref. | Title of Appendix | Exemption Paragraph Number (if applicable) | | | | | | |
|------|-----------------------------------|--|---|---|---|---|---|---|
| | | <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i> | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| A | Plymouth and South Devon Freezone | | | | | | | |
| B | Equality and Diversity Statement | | | | | | | |

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

| Title of any background paper(s) | Exemption Paragraph Number (if applicable) | | | | | | |
|---|---|---|---|---|---|---|---|
| | If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box. | | | | | | |
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| Freezone Bid Prospectus | | | | | | | |
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Sign off:

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| Originating Senior Leadership Team member: David Draffan | | | | | | | | | | | |
| Please confirm the Strategic Director(s) has agreed the report? Yes | | | | | | | | | | | |
| Date agreed: 01/07/2021 | | | | | | | | | | | |
| Cabinet Member approval: [electronic signature (or typed name and statement of 'approved by email/verbally')] Cllr N Kelly approved by email. | | | | | | | | | | | |
| Date approved: 02/07/2021 | | | | | | | | | | | |