

PLYMOUTH AND SOUTH DEVON FREEZONE



Freezone Development Team

1.0 PLYMOUTH AND SOUTH DEVON FREEZONE - AN OVERVIEW

- 1.1. Our Plymouth and South Devon Freezone will help us bounce back from the COVID pandemic and grow the local economy. We expect it to generate thousands of new jobs and over £100 million pounds of new investment over the next 10 years.
- 1.2. As Britain's Ocean City, with its natural harbour and direct deep water access to the English Channel and Atlantic Ocean, Plymouth is ideally located for accessing European and global markets. The Organization for Economic Co-operation and Development predicts the global Ocean Economy will be worth more than £2 trillion by 2030.
- 1.3. The Plymouth and South Devon Freezone is about building on our strengths to drive growth across the region. Our Freezone will harness the power of Plymouth's marine economy to drive economic growth and, working with Devon as the Local Transport Authority, fund road network improvements that unlock underutilized employment land at Sherford and Langage.
- 1.4. Our proposal directly targets key growth areas such as marine manufacturing, wind and wave energy and marine autonomy. Our success will bring in an immediate injection of at least £20m capital. With the locally raised match element being funded through the business rates uplift, the Freezone will generate, there will be no diversion of Council funding from other priorities.
- 1.5. It will provide an opportunity to deliver clean growth and the high quality jobs we need for the future whilst protecting our unique historic and natural infrastructure.

Partnership

- 1.6. Our Freezone will have a positive economic impact on the region's economy, particularly in the South Devon area and that is we have formed a partnership with Devon County Council and South Hams District Council to ensure these benefits are fully realized.
- 1.7. We already have a commitment from some of our biggest local employers, Babcock and Princess Yachts and this will help us create over 1,000 new jobs over the first two years of Freezone operations.
- 1.8. Our first business stakeholder event held on 25 June 2021 attracted 131 delegates from a range of industrial sectors including Port Operators, the Marine Innovation Sector, Manufacturing and Landowners who will be key stakeholder groups as we move forward.
- 1.9. Our governance model is based on a public/private partnership with oversight and accountability provided by a Joint Local Partnership Group made up of the Leaders and Chief Executives of the three Local Authority Partners.
- 1.10. As we progress towards operational status we are appraising alternative governance arrangements to establish the Freezone as a legal entity which may include incorporation or a contractual joint vehicle. In the interim we have established a shadow board chaired by our Strategic Director for Place. The schematic below sets out our interim governance arrangements.

Vision

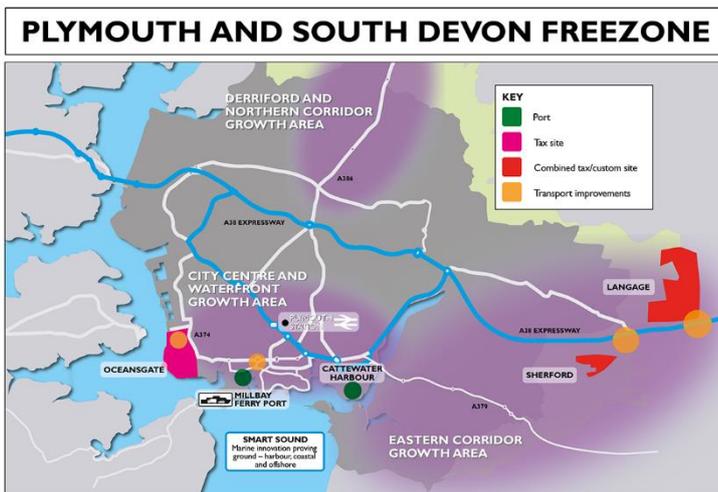
- 1.1.1. The terms of reference adopted at the first meeting of Shadow Board included Vision for the Plymouth and South Devon Freezone.

The Plymouth and South Devon Freezone will provide a simplified commercial and regulatory environment to accelerate the clean growth of our marine, defence, engineering and manufacturing sectors to provide the high quality jobs we need for the future. It will:-

- Create a public and private sector partnership between national and local government, industry, the port of Plymouth and major local landowners.
- Build on our world class business and marine innovation assets to support further innovation and research, attract new domestic and global investment and provide supply chain opportunities across the South West Region.
- Embed our commitment to tackle climate change, e.g. by decarbonising marine manufacturing and reducing the carbon impact of local commuting.
- Galvanize our efforts to upskill our workforce ensuring it benefits as many people as possible.

It will drive economic growth across the region generating thousands of new jobs and over a 10 year period provide a major uplift in public and private investment to build a more resilient, sustainable and productive economy.

Spatial Geography



Map showing spatial relationship between the tax and customs sites, transport infrastructure improvements and ports.

- 1.12. Plymouth and South Devon Freezone spans an area that is contiguous with the Plymouth and South Devon Joint Local Plan. Within this wider area there are three sites with special status as either tax or customs sites. South Yard is designated as a tax site only, Langage Energy Park and the Sherford Employment Zone are designated as tax sites and within those sites, areas are set aside as customs sites.
- 1.13. Bringing forward these sites will require major improvements to transport infrastructure to better connect them to the existing road network and to ensure they are able to support the increased traffic flow they will generate. A major transport scheme will need to be delivered to upgrade the network at Deep Lane Junction and at Voss Farm.
- 1.14. The ports serving the Freezone will be Millbay Docks and Cattewater Harbour. They will not have any special tax or customs status but we will adopt a strategy aimed at optimising the benefits from the increased traffic flow into the ports, and, between them and the Freezone tax and customs sites.

2.0 DELIVERING ON OUR CORPORATE PRIORITIES

Britain's Ocean City

- 2.1. We aim to build on our marine innovation strengths, our world class business and marine innovation assets, the Oceansgate Enterprise Zone, the University of Plymouth's Marine Institute, Plymouth Marine Laboratory and the Smart Sound ocean technology proving ground.

Our Freezone will

- Galvanise our existing innovation activity with a new innovation centre which will become a major collaboration hub for marine and defence innovation.
- Further develop our unique innovation platforms like Smart Sound for marine and defence solutions.
- Enable us to prototype and bring new products to the international marketplace that are made in Devon.
- Operate gateway policies to ensure businesses setting up in these zones form powerful clusters around key themes and don't just displace existing business activity.

To be a green, sustainable city that cares about the environment

- 2.2. We are surrounded by areas of outstanding natural beauty and we are serious about our commitment to tackle climate change - that is why our bid is unique and different. We: -

- Have built in our commitment to growing a green and sustainable city, to decarbonising marine manufacturing and by reducing the carbon impact of local commuting.
- Will encourage short sea shipping routes using smaller vessels that are more likely to decarbonise in the near future to reduce carbon heavy road haulage.
- Will utilize our existing port capacity to reduce our overall carbon footprint
- Will focus our innovation activity on clean propulsion, we will aim to attract marine engine manufacturers to use our testing, assembly and system integration workshops in South Yard;
- To support Princess Yachts, Babcock and other clean propulsion R&D efforts such as electric vehicles, hydrogen and hybrids, and digital ocean technologies.

A vibrant economy, developing quality jobs and skills

- 2.3. We will aim to deliver economic growth that benefits as many people as possible. The Plymouth and South Devon Freezone will galvanise efforts to up-skill our workforce, including those vulnerable to redundancy as a result of the pandemic:

- By adopting the Lifetime Skills Guarantee and putting industry at the heart of the skills development agenda
- Establishing a Marine Skills Academy aligning it with existing provision developed through our existing City Deal?
- Working with the marine cluster that is already here and the new players that the Freezone will bring.
- We will ensure a full range of quality jobs from entry level apprenticeships to highest value specialists ensuring that there opportunities at all skill levels.
- The clustering of marine focused businesses will allow skills to be shared and provide opportunities for career progression.
- Create a varied, efficient sustainable transport network

Create a varied, efficient sustainable transport network

- 2.4. Bringing forward our tax and customs sites will require major improvements to transport infrastructure to better connect them to the exiting road network and to ensure they are able to support the increased traffic flow they will generate.

- A major transport scheme will need to be delivered to upgrade the network at Deep Lane Junction and at Voss Farm.
- A transport impact study will be commissioned as part of our master planning work to consider the impact of the Freezone on other parts of the road network, e.g. connecting the Ports and South Yard with the Langage and Sherford sites.
- Our transport planning will include consideration of the carbon impact of additional commuting and we will promote sustainable transport solutions to address these needs.
- Our plans to encourage short sea shipping will mitigate the carbon impact of road haulage.

3.0 PROGRESS TO DATE AND NEXT STEPS

- 3.1 In the early stage delivering the Freezone requires that we pass through a series of gates. In each case we must evidence certain criteria have been met in order to unlock some benefit. The first of these related to having our Governance structures in place. These have been signed off by the Ministry for Housing Communities and Local Government.
- 3.2 The next requirement was to submit a capacity funding application setting out our budget for 2021/22. Following a process of negotiation we have submitted a budget that takes us up to the point of submitting the Outline Business Case. We expect to have a further opportunity to submit a capacity funding claim once that milestone is reached. We received an initial payment of £300,000 in late June whilst this is welcomed, we will also need to maximise the use of internal existing resource to support development of the Outline Business Case.

Budget Head	£
Salaries	£32,621.00
Consultancy	£189,600.00
Research	£5,000.00
Port optimisation	£25,000.00
Contingency	£47,779.00
Total	£300,000.00

- 3.3 The next steps were to establish an implementation plan and deliver the outline business case we are required to submit in the autumn. At the current time the implementation plan includes seven projects. Each of these will have a lead responsible officer who will be responsible to an overall programme board for delivery.

<i>Project</i>	<i>Responsible Office</i>
<i>Overall Freezone Delivery</i>	Richard May (PCC)
<i>Programme Management</i>	Caroline Cozens (PCC)
<i>Freezone Efficiency</i>	Kevin McKenzie (PCC)
<i>Customs and security</i>	Tony Walford (Supply Solutions)
<i>Infrastructure (Transport & Sites)</i>	Dave Black (DCC)/Caroline Cozens (PCC)
<i>Port Optimisation</i>	Tom Batchelor (ABP)
<i>Innovation & Cluster Formation</i>	Kevin Forshaw (UoP)
<i>Trade & Investment</i>	Consultant/ New Hire
<i>Skills & Employment</i>	Phill Adams (DCC)

- 3.4 Each of these projects encompasses a number of discreet work streams and small groups of officers with relevant skills sets, drawn from the three Local Authorities and other key

partners will be assigned to each one. In areas where the expertise available from the partners is inadequate we will bring in consultancy support to bolster our in house capacity.

- 3.5 The purpose of the programme delivery team is to deliver the Freezone. To ensure we deliver the Outline Business Case within the required timeline we have established a tighter core team of officers to work specifically on the Business Case supported by the same team we employed to write our successful bid.

OFFICIAL

Plymouth and South Devon Freezone Set Up and Planning Phase - Governance Model

