



**PLYMOUTH AND
SOUTH DEVON
FREEPORT**

**Update for Growth and
Infrastructure Overview and
Scrutiny Committee**

7th December 2022



HMG Relations

Update

- **Tax Sites** – all three sites designated
- **Custom Site** – designated and Custom Site Operator authorised
- **Full Business Case** - approved by HMG panel and signed off by minister.
- **Memorandum of Understanding (MOU)** - MOU with Freeport, Accountable Body and Billing authorities drafted with key inputs from FBC. Ready for approval December.
- **Seed Capital** - On track for first seed capital claim late Dec for January fund transfer.
- **Performance Management**, Security Audit and Assurance Framework ('the **Freeports Framework**') - PASDF baseline return made on 11th November. Next half year return – 31st May 2023.
- **PASD Freeport Pitchbook** with DIT still being drafted.
- **Investment Zones** – PASD Freeport expression of interest was submitted. HMG reviewing this policy. Lobbying being made to extend Investment Zone at least for Freeports and their Innovation Hotbeds.
- **Levelling Up Bid** – policy and outcome unsure – originally expected November timeframe.
- **Innovate UK Launchpad** – Freeport and Ocean Futures made EOI through Great South West. £7.5M grant to SME business over 2 years. Co-design with Innovate UK.
- **BEIS Regulators Pioneer Fund** – bid made with help from Freeport Regulator Engagement Network (FREN) for £830k to set up sandbox for Marine Autonomy and Clean Propulsion R&D and new regulation in partnership with Maritime and Coastguard Agency (MCA)



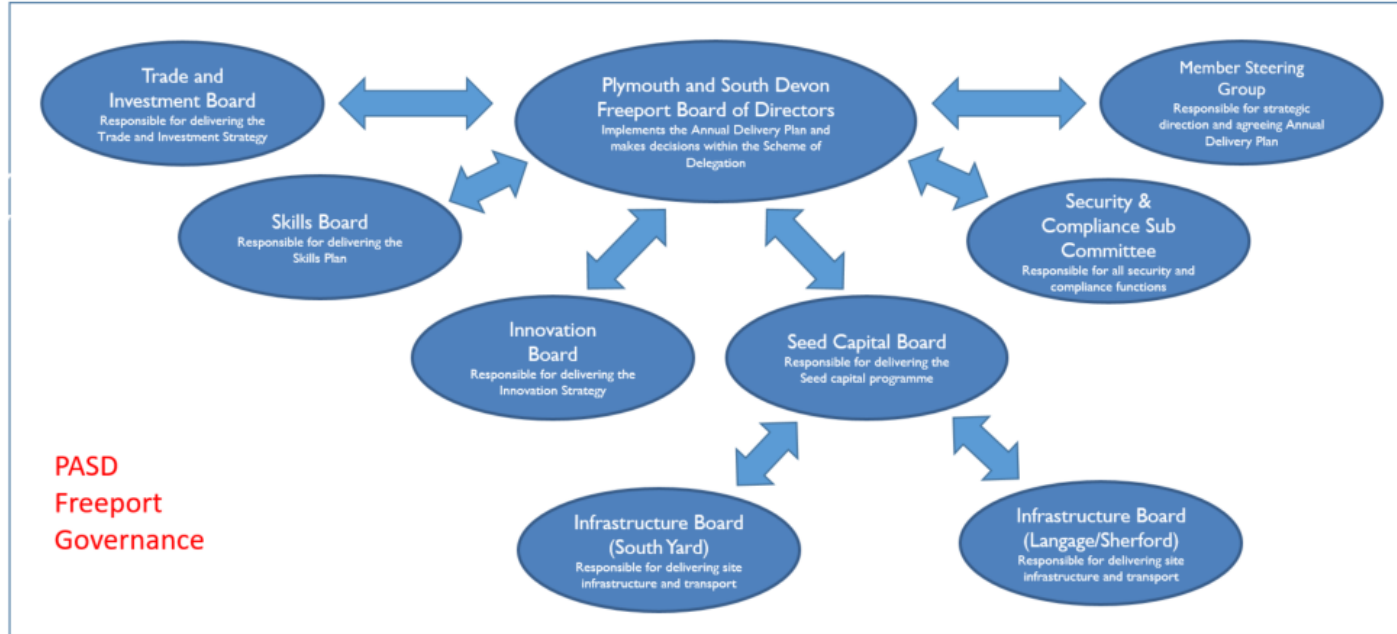
Governance and Resourcing Update

- **Company Board** - set up for interim. Landowners and LA lead officers and members – met 3 times.
 - **New Chair Recruitment** by selected agent (Penna) active – final interviews early December
- **Company Staff** - Interim CEO seconded from PCC to mobilise company.
 - **New CEO Recruitment** – national ads by Penna active – closed – interviews early January
 - **New Team Recruitment** – 3 new roles for Business Growth and Investment Director, Operations Manager and Project Co-Ordinator to start shortly – interviews Jan/ Feb – sequenced with above appointments.
- **Company essentials** - set up – Banking, Legal, Accountant, Auditor, Insurance, IT Services, HR Services – Employee Handbook and Contract drafts, Coms – Branding, Website. Company budget agreed and contributions being made Nov/ Dec.
- **Annual Plan** – initial drafting underway – for approval March 2023.
- **LA Resourcing** – SLA drafts Dec to cover aligned resourcing and support. DLUHC £1M Capacity Grant budget being reviewed. SLA to back off HMG MOU.
- **Sub-boards** for Trade & Investment; Site Delivery; Innovation; Skills initial meetings had and regularised. These will be reviewed once permanent CEO and team in position.
- **Freeport Capital Board** – established as new sub-board to govern the Seed Capital process including reporting. It is chaired by the accountable body (PCC) and meets every two months. The terms of reference and associated processes are now being finalised.



Governance

Freeport Capital Board





Site and Infrastructure Development Update

- **Compulsory Purchase Order** for Ley Farm in Langage South. South Hams started the CPO process through a Political Council decision to proceed. In addition, they are continuing to pursue a market purchase on the site to avoid a CPO. Landowners have made a counteroffer to SHDC which they are considering.
- **Site and Infrastructure Sub-Board** to be separated into two – South Yard (Chaired by James Whitelock of PCC) and Sherford and Langage (Chaired by Jamie Hulland of DCC). Multiple handover meetings held ahead of Caroline Cozens leaving PCC.
- **Key Focus** – to initiate capital works (design and delivery) ASAP on fully funded projects to reduce continuing expose to construction inflation and risk of increased LA borrowing cost.
- Freeport Capital Board looking at options for projects not yet full funded with potentially re-purposing seed capital under a project change request.



Trade and Investment Update

- **DIT Freeport Team** and wider team - regular meetings. PASD Freeport **Pitchbook** still to be created by DIT.
- **Marketing collateral** developed (branding – with trademark pending, initial website, social media active presence, communications plan).
- **Pipeline** progressing well – with proactive drive to launch in New Year
 - South Yard - two businesses looking for sizeable buildings in South Yard to start production in New Year. PY investments - active discussions.
 - Langage – LEPL Hydrogen plant bid made to HMG; first phase of speculative units progressing - interests for FDI – like: drone manufacturers, H2 engine manufacturing.
 - Sherford - still confirming Logistic Facility.
- **Account management systems** reviewing solutions as well as simple shared spreadsheet on secure SharePoint.
- RM was guest speaker on panel with Siemens, ABP and a Minister at **Green Tech and Investment Expo** in Gateshead on 1st November with global CXO, investment banks and senior government officials. There is a UK Freeport DIT stand at the event with space given to PASDF.



Next Six Months

Complete Mobilisation

- **Finish Mobilisation** (Q1 2023) – MOU with HMG - SLA with Local Authorities on Delivery Support - Recruitment of core team – Initiate sub-boards for Innovation and Skills
- **Highly Targeted Trade & Investment Campaign** (Q1 and Q2 2023) - **Secure key strategic investors** with DIT and Office for Investment (OFI) support
- **Site and Infrastructure Development - first projects initiated** (Q1 and Q2 2023) - Seed Capital Funding issued first tranche c. £9M – detailed scope, tendering and initial contracts - design and initial works. **Funding gap** for Freeport Innovation Centre resolved.