

BRIEFING PAPER FOR PASD FREEPORT PROJECT DECISION – PRINCESS YACHTS

Overview of project



BACKGROUND

Princess Yachts is a luxury motor yacht builder operating in a global market from its base within Plymouth. The growth of Princess Yachts and the export demand for its products has reached a point where the maximum physical capacity of the company's five sites is limiting the number of boats that can be built, impacting on turnover, profit and employment. Princess also has an ambition to build a new motor yacht (for which there is an identified demand), which will be the first to integrate all of its sustainability initiatives including an efficient hull design, electrification, decarbonization and use of sustainable materials.

Princess is also a significant local employer and an anchor tenant within the Freeport's South Yard Tax Site, having been actively engaged in the Freeport agenda since its inception.

The Plymouth and South Devon Freeport Full Business Case included a seed funding allocation of 0.9m for site remediation to enable Princess Yachts to create a new factory but they have since altered the plans and this project will enable them to expand their operation by building a 30 metre extension to an existing Unit at their South Yard site. This extension will support an increase in production and will, in particular, accommodate a moulding platform for the production of the motor yacht mentioned above. This yacht is bigger in both length and beam than previous yachts and cannot be built within the current Princess Yachts footprint. This comes with a smaller seed funding request of £0.315m.

The investment will take place on land already owned by Princess Yachts and will include site remediation, construction of an extension to the south of Unit 4 for the Motor Yacht platform canopy assembly and pre/post launch finished boat work area and the extension of the existing overhead crane running beams / structure to cover new expanded envelope.

The project will enable an anchor tenant to develop their product range, increasing sales for an export market. As well as safeguarding 350 jobs it will create 20-40 new highly skilled roles on the South Yard site (which is located within one of the most deprived communities in Plymouth) and in the company's supply chain.

It will also bring an under-utilised site on an historic naval dockyard within the South Yard Tax Site into productive use, providing a spring board for future developments.

The new 90 m yacht will also be the first to integrate all of Princess Yachts' sustainability initiatives through the use of efficient design, electrification and sustainable materials. This will showcase UK capabilities to the rest of the world, thereby also contributing to Maritime 2050, the Export UK strategy and the UK's Innovation Strategy.

The business case is now covered by the Subsidy Scheme recently introduced by DLUHC and thus there is no requirement for subsidy control assessment by Princess Yachts or PCC. Furthermore, in this instance the amount of seed capital being requested falls within the threshold for Minimum Financial Assistance, under section 36 of the UK Subsidy Control Act 2022 so it would not require subsidy control assessment anyway.