

CABINET BRIEFING REPORT

DEFENCE PARTNERSHIP & CITY CENTRE PROGRAMME

UPDATE



I. EXECUTIVE SUMMARY

PART ONE DEFENCE PARTNERSHIP

- 1.1 A defence partnership is working across the city with private sector partners and National Government. It will deliver the workforce, infrastructure, and wider business ecosystem to drive inclusive sustainable long-term growth and deliver defence capability for the nation. HMNB Devonport & Dockyard and the wider defence industry impacts extend beyond the city's boundaries.
- 1.2 Currently, the defence sector delivers 14% of the city's economic output and HMNB Devonport & Dockyard is the daily workplace for 11,600 workers. We propose working across government departments to capitalise on the major investments in HMNB Devonport & Dockyard, learning from good practice across other large investments such as Hinkley in Somerset. Investment in Plymouth is nationally significant and links to investments in Barrow-in-Furness and Derby. Together with Aldermaston, these facilities are at the heart of delivering our Continuous at Sea Deterrent (CASD); this is vital in protecting UK interests at home and abroad. To increase resilience and strengthen the defence outputs innovation and autonomy plays a critical key role in the future of defence and Plymouth's role as the National Centre for marine autonomy is significant area for future defence growth.
- 1.3 Plymouth's defence supply chain and workforce extends into Cornwall, Torbay and Devon. At the same time, the impacts also need to positively affect the communities of Devonport and the others that sit alongside HMNB Devonport & Dockyard, transforming them from some of the most deprived areas of the city into great places to live and work.
- 1.4 At present, the city does not have sufficient skilled labour due to legacy challenges of poor education, poor health outcomes and skilled labour retention, and the lack of high-quality housing and entry level graduate housing. There has been strong growth of 7,000 jobs in the past two years, with projections of more than 25,000 jobs than people of working age within the next 10 years. This creates huge risks to local growth, social cohesion and cost increases to the defence programme.
- 1.5 Plymouth City Council, the Royal Navy and Babcock have established a defence partnership to ensure the vital defence outputs are delivered into the future; whilst supporting the region's growth, understanding the risks and opportunities and scoping potential solutions. MOD and Babcock are investing heavily in the City. The MOD have confirmed £4.4 billion of investment over the next 10 years and Babcock issued the statement [Babcock Delivering Defence Dividend Blueprint for Regional Regeneration - Babcock International Group](#)

PART TWO CITY CENTRE PROGRAMME

- 1.6 The regeneration and transformation of Plymouth City Centre, including the provision of many more homes that the City needs, is a core part of the City's adopted growth strategy in the Plymouth Plan and Joint Local Plan. While significant progress has been made on regenerative projects in leisure, culture and public space in recent years, the market has failed to deliver new City Centre homes. The defence partnership presents an unprecedented opportunity to lever this economic and jobs growth and to drive forward regeneration plans in the City Centre. To

this end, on 31 March 2025 the Cabinet noted Plymouth City Council's work with Homes England to deliver over 10,000 homes in and around Plymouth City Centre as part of a vision for 'a new town in the city', kickstarting a transformational regeneration programme.

- I.7 Cabinet delegated to Officers to agree the terms of a Memorandum of Understanding (MoU) with Homes England and future Joint Venture arrangements. The MoU with Homes England was formally signed June 2025. The City Council and Homes England have also engaged with the Government's New Towns Task Force 'call for evidence' process to consider the potential alignment of the Plymouth MoU for a new town in the city and the emerging new towns programme. Cabinet is asked to note these updates and to endorse future engagement with Government on the new towns programme as necessary.
- I.8 As part of joint-working arrangements under the MoU, Homes England and the Ministry of Housing, Communities and Local Government (MHCLG) have committed to fund the preparation of technical studies to guide the delivery of development in and around the City Centre. The technical studies will also inform any future discussions with Government on the potential alignment of the Plymouth proposals with the new towns programme. A Council Decision is required to receive the funding, to commence procurement for a consultant team and to delegate the award of contract to the Strategic Director for Growth following the procurement exercise.

PURPOSE OF THE REPORT

- I.9 To endorse partnership working with the MoD, MHCLG and Babcock to drive a sustainable growth dividend from defence investment. This will deliver the following aims: Strong Foundations; Drive economic growth; Regeneration and attraction; Break down barriers to opportunity.
- I.10 To note the signing of the Memorandum of Understanding (MoU) with Homes England to progress ambitions to deliver 'a new town in the city' of 10,000 new homes in and around the City Centre.
- I.11 To note engagement with the Government's New Towns Taskforce call for evidence and to endorse further discussions with Government on the new towns programme as necessary.
- I.12 To accept funding up to £1 million funding for technical studies and master planning work, to authorise procurement of this work and delegate award of contract to the Strategic Director for Growth.

PART ONE DEFENCE PARTNERSHIP UPDATE

2. RATIONALE

- 2.1. Our Vision is to maximise the opportunity for defence investment to support CASD, whilst driving sustainable and inclusive growth, encouraging innovation, and building opportunities extending well beyond Plymouth city boundaries into the regional footprint.
- 2.2. Plymouth is a vibrant waterfront city, home to the largest naval base in Western Europe. Plymouth is a critical hub for naval operations, defence technology and innovation. Plymouth plays a fundamental role in our country's defence, with HMNB Devonport & Dockyard a crucial support base for both surface ships and submarines and the only UK location capable of comprehensive maintenance of our submarines to support our CASD.
- 2.3. The Ministry of Defence (MoD) is investing an additional £4.4bn over the next 10 years in HMNB Devonport & Dockyard to support the next phase of submarine and nuclear works. This requirement extends to 2070 and therefore creates an extremely rare, long-term financial commitment to Plymouth and its wider region.
- 2.4. Government support is required for Plymouth to grow its local talent base city-wide, develop a new living offer to attract people to relocate, ensure adequate transport around the region and capitalise on the city's innovation assets.

3. KEY OUTCOMES

- 3.1. This is a once-in-a-life-time opportunity and aims to:
 - Enable the sustainment of the Defence Nuclear Enterprise and wider defence operational asset infrastructure and support services efficiently and securely.
 - Address the skills and workforce gap and remove barriers to employment.
 - Deliver the vital housing and transformational public realm needed to attract and retain workforce.
 - Recognise the need for investment in infrastructure and natural environment (transport, health, and culture).
 - Support the wider business ecosystem to encourage innovation and strong supply chains.
 - Address stubborn inequalities and inter-generational factors undermining social mobility.
 - Catalyse growth in sectors adjacent to the defence industry, with a focus on innovation, maritime autonomy and dual-use capabilities.

4. THE OPPORTUNITY

- 4.1. The MoD investment in HMNB Devonport & Dockyard presents a once in a lifetime opportunity for Plymouth.
- 4.2. To maximise the opportunity to achieve inclusive growth and local impact we need to collaborate effectively across the departments and the city to tackle the challenges that block success.

5. OUR MISSIONS

- 5.1. To achieve our vision, we have developed 4 key missions to demonstrate the role that the defence partnership can play in delivering for both defence and the city:

- 5.2. Strong Foundations – the plan will be based on data and a strong evidence base. The defence partnership will share intelligence and insight to make evidence-based decisions.
- 5.3. Drive economic growth – the plan will deliver growth through partnerships with a focus on business innovation and technology that embraces Marine Autonomy and AI marine tech. We will help local businesses access defence contracts, grow the supply chain build a defence economic dividend. Supporting local people, graduates and veterans to take advantage of high value jobs and new opportunities.
- 5.4. Regeneration and attraction – the plan will deliver an enhanced living environment with 10,000 new homes in the City Centre, creating a more vibrant and safer town centre.
- 5.5. Break down barriers to opportunity – the plan has a clear focus on skills from pre-16 education through to post-16 skills. This will raise attainment and achievement amongst our school children while building skills to enable everyone to take advantage of the opportunities that growth will bring.
- 5.6. These missions will be delivered through a programme of works. These are set out in Appendix A.
- 5.7. The development of the defence partnership also aligns with the future regeneration of the City Centre. It provides an economic opportunity to catalyse future investment and support the delivery of a City Centre regeneration and development programme as set out in Part Two below.

PART TWO CITY CENTRE PROGRAMME

6. MEMORANDUM OF UNDERSTANDING

- 6.1. The City Centre has long been a focus for growth and regeneration in Plymouth. Successive Local Plans and masterplans, over the past two decades, have identified that Plymouth City Centre is overly reliant on retail uses and has a very low population density when compared to other top English city centres. The area is currently designated as one of three 'growth areas' in the adopted Joint Local Plan. The Local Plan recognises that while the City Centre should continue to be a regional hub for shopping, it also needs to develop a vibrant mix of other uses including culture, leisure, employment, events and festivals, and places to live.
- 6.2. The growth in jobs and growth in the economy, as part of the defence investment outlined in Part I of this report, presents an unprecedented opportunity to drive forward and accelerate the regeneration and growth opportunities in the City Centre. The defence investment not only generates a demand for new homes in the city, but it also generates demand for new office and employment space and new demand in the service economy. This economic stimulus and improved investor interest in Plymouth can be harnessed by the City Centre as a place to help meet these demands, as well as to accommodate existing local needs for quality homes and services. By investing in affordable, high-quality housing and associated infrastructure, the City will support defence capabilities, create a thriving, inclusive city for future generations, retain local talent, attract new families, and ensure that all communities benefit from the opportunity.
- 6.3. In the context of emerging defence investment, Plymouth City Council has been working closely with Homes England on plans to drive forward regeneration and growth in the City Centre. In March 2025, the Cabinet noted Plymouth City Council's work with Homes England and a shared ambition to deliver "a new town in the city" with over 10,000 new homes in and around Plymouth City Centre, kickstarting a transformational regeneration programme. Cabinet delegated to Officers to agree the terms of a Memorandum of Understanding (MoU) with Homes England and future Joint Venture arrangements. The MoU was formally signed by the partners in June 2025 and this paves the way for joint-working between the organisations to plan for the delivery of high-quality new homes and associated infrastructure.

7. NEW TOWNS PROGRAMME

- 7.1. In July 2024 the Government published a policy statement on new towns. In addition to new communities built on greenfield land and urban extensions, the scope of the policy includes urban regeneration schemes. The government appointed a New Towns Taskforce to advise ministers on the appropriate location and delivery of new towns, with the objective of supporting and unlocking economic growth as well as making a significant contribution to meeting housing demand in England.
- 7.2. The Taskforce launched a national 'call for evidence' process to help aid location identification. The City Council and Homes England have engaged with the Taskforce through the call for evidence process. The purpose of this engagement has been to consider whether inclusion in the new towns programme could be a suitable delivery mechanism for the City Centre ambitions. The Interim Update from the Taskforce in February 2025 identified that over 100 responses had been received.
- 7.3. New towns are expected to contain at least 10,000 homes, be well-connected, well-designed, sustainable and attractive places where people want to live and have all the infrastructure, amenities and services necessary to sustain thriving communities. It is expected that new towns will deliver to the highest standards and help meet housing need by targeting rates of 40% affordable housing with a focus on genuinely affordable social rented homes (New Towns Policy Statement July 2024). The Taskforce is due to submit its recommendations to MHCLG

ministers this summer, which will include a list of places new towns could potentially be located, as well as wider recommendations on the funding and delivery of new towns.

- 7.4. Officers consider that at this high-level, there is considerable alignment between the aspirations for the City Centre under the MoU and the new towns policy statement. The proposals are aligned on the aims to maximise the provision of new homes, accelerate delivery of new homes and to diversify the housing market. Cabinet is asked to note this engagement with the new towns task force to date and to endorse further discussions, as necessary, with the Government or their representatives on the programme. Engagement with Government on the new towns programme does not bind the Council or Government to any outcome.

8. TECHNICAL STUDIES AND MASTERPLANNING

- 8.1. The signing of the MoU with Homes England and engagement with the new towns programme represents a major shift in the ambitions for the City Centre. While the area benefits from a pro-growth planning and development framework through existing masterplans and the Local Plan, new work is now required. The masterplans for the area (City Centre Masterplan and Waterfront Masterplan) were published in 2017. Much has changed in the last eight years in terms of developments completed and in the pipeline; economic conditions and property markets; consumer trends; housing needs and supply; climate change and sustainability; and the strategic relationship with Homes England. The new work to be commissioned will respond to this new context.
- 8.2. The City Council and Homes England now need to commission the technical studies to set out how, where and when up to 10,000 new homes, along with a mix of other uses and physical and social infrastructure, could be delivered. To do this the partners are seeking to appoint a suitably qualified and skilled multi-disciplinary consultant team. The consultant team will work with the City Council and Homes England to prepare a suite of technical documents, including a City Living Framework and Masterplan, to enable the accelerated delivery of transformational change and diversity of new homes under the partnership and any subsequent delivery programmes.
- 8.3. The technical studies are expected to be design-led and achieve buy-in through co-design of proposals with stakeholders and the local community. It is intended that, following a full programme of public engagement, the documents will be adopted by the City Council. They will be used to inform the determination of any future planning applications in the area and to help inform the preparation of the next Local Plan.
- 8.4. The final scope of the commission is yet to be finalised but will include a range of professional services including public and stakeholder engagement, master planning/ urban design and architecture, project and cost management, town planning/ environment and sustainability, landscape design and ecology, heritage, engineering, transport and traffic. Once commissioned the work is expected to take 12 months to complete.

9. CONCLUSION AND RECOMMENDATIONS

- 9.1. The MoD investment in HMNB Devonport & Dockyard and delivery of the City Centre programme presents a once in a lifetime opportunity for Plymouth.
- 9.2. To maximise the opportunity to achieve inclusive growth and local impact we need to collaborate effectively across the departments and the city to tackle the challenges that block success.
- 9.3. Cabinet is asked to:
- endorse the partnership working with the MoD, MHCLG and Babcock as set out in the report to drive the delivery of a sustainable growth dividend from defence investment in

Plymouth. This will deliver the following aims: Strong Foundations; Drive economic growth; Regeneration and attraction; Break down barriers to opportunity.

- note the signing of the Memorandum of Understanding (MoU) with Homes England to progress ambitions to deliver 'a new town in the city' of 10,000 new homes within the City Centre and surrounding area.
 - note the engagement by the City Council with the Government's New Towns Taskforce call for evidence as set out in the report and to endorse further discussions with Government on the new towns programme as necessary.
- 9.4. In order to take forward the ambitions of the MoU, Cabinet is asked to approve acceptance of funding and the commencement of procurement for the necessary technical studies and masterplans and delegate award of contract to the Strategic Director for Growth.

APPENDIX A DEFENCE PARTNERSHIP DELIVERY PROGRAMME

WORKSTREAMS

The delivery approach includes five interconnected workstreams, with sustainable and inclusive growth as a cross-cutting theme. These delivery workstream support fully support the missions aligned to the vision.

These are:



Business & Innovation

Education (pre-16)

Transport

City Centre, Housing & Regeneration

Skills (post-16)

THE CHALLENGES



BUSINESS & INNOVATION & MARINE AUTONOMY

Plymouth has a relatively high employment rate that is higher than the national average, but the city suffers from a low productivity rate of 83.1% of the UK average. Business and technological innovation is required to increase the productivity rate within the Defence sector in Plymouth. HMNB Devonport & Dockyard employs 11% of Plymouth's full-time economically active population and contributes 14% of Plymouth's economic output. HMNB Devonport & Dockyard has many local firms and SMEs in its supply chain.

There are concerns that without intervention Plymouth could become a city with one large employer dominating the local economy. The MoD and Babcock require innovation of technology advancements to compete globally in future warfare. Innovation is more likely to happen at pace through a diverse ecosystem of local businesses and SMEs rather than overreliance on one large employer to provide the jobs of the future.



EDUCATION

Plymouth has an aging population with 36% of the city's population outside of the working age, combined with a slow population growth. Consequently, the number of unique vacancies has increased from 500 to 3,200 in under 3 years. Plymouth is within the 20% most deprived local authorities in England with 15% of the city's population income deprived and 12.5% of children living in absolute low-income families. Plymouth has below national and regional averages in GCSE attainment 93% primary school attendance and 89% secondary school attendance in 2022/23.



TRANSPORT

Transport is at capacity across the city, this is further compounded as the HMNB Devonport & Dockyard already suffers from limited parking capacity and the additional development works increasing the logistics demands to the area.



CITY CENTRE, HOUSING & REGENERATION

To enable two thirds of the projected future jobs in Plymouth to be filled by an external workforce remaining / relocating to the city, the city requires the housing and transport capacity along with the leisure and cultural offerings to allow people to move to Plymouth and want to stay in Plymouth.

Plymouth City Centre has approximately 1,000 residential units compared to around 8,000 residential units of city centres of comparative spatial size. At least 50 people are chasing each rented house that comes up for rent and hotel occupancy rates are around 90%. Plymouth needs the investment to create a thriving city centre that will attract the required future numbers of external workers to the city



SKILLS

Based on the planned future Government investment into Plymouth's Defence sector and His Majesty's Naval Base (HMNB), the total number of jobs in Plymouth is projected to rise by circa 15,000 over the next 10 years. There is currently a jobs gap of circa 10,000 between the current total jobs in Plymouth and the economically active, working-age population. This gap is projected to increase to circa 25,000 over the next 10 years. Within the 25,000 jobs gap, Babcock will require 3,500 new recruits in the next five years, with an anticipated 5,500 overall new recruits over the next ten years. An additional circa 2,000 jobs in civil engineering and construction are required to support the Royal Navy's nuclear requirements at HMNB Devonport & Dockyard and to support the incoming Dreadnought class of submarines.

Altogether, Babcock and the Royal Navy require 5,500 recruits in the next five years, and 7,500 in the next ten years to continue to deliver the CASD. The average Babcock apprenticeship takes 4 years to complete, however, the duration will alter dependent upon the level of the apprenticeship. Two thirds of the future workforce will either be recruited from existing businesses within the city or be relocations from outside of the city.

Historically, Babcock has had challenges finding local people with the skills to fill the required job roles and so have recruited from outside the city along with attracting top talent from other local business. These new recruits have significantly higher average salaries than the average salary of Plymouth city, which is already lower than the national average. This leads to an inequality gap between HMNB Devonport & Dockyard employees and non-HMNB Devonport & Dockyard employees within in the city.

THE OPPORTUNITIES BY WORKSTREAM



BUSINESS & INNOVATION

The partnership aims to foster a local community of business and innovation, to support the growth agenda and to develop an inclusive supply-chain ecosystem that supports Defence in Plymouth.



EDUCATION (PRE-16)

The partnership aims to improve attendance and inclusion within the city's schools to ensure that the secondary school curriculum best serves Plymouth's students, whilst also encouraging uptake on STEM subjects and increasing the attainment of GCSEs required for the future career demands of the city through championing local career pathways.



TRANSPORT

The partnership aims to ensure the local area has improved sustainable transport systems to respond effectively to the increased demand from the increased investment in the area, including rail, bus and cycling between the planned new homes in the city centre, travel to work area, the HMNB Devonport & Dockyard and other Skills and innovation hubs across the city.



CITY CENTRE, HOUSING AND REGENERATION

The partnership aims to address the housing shortages and high rents across the city whilst in parallel enticing relocation of skilled workforces to the area. In attaining investment, it seeks to create a “new town in the city centre” and to continue driving forward housing development across the wider city and urban extensions and regeneration projects that will revitalise the arts, cultural and leisure offerings of the city.



SKILLS (POST-16)

The partnership aims to address the large emerging skills gap in Plymouth, with 25,000 additional employees being needed over the next 10 years. It will achieve this through collaboration and partnership of Higher / Further education and training providers, whilst also maximising the potential of the local population through schemes to support the economically inactive gain employment.