



West Country Voices event – Friday 17th November

PASD Freeport Company response to key questions to be considered (based on event summary)

What exactly is a Freeport?

Countries around the world have adopted Freeports or other kinds of Special Economic Zones (SEZs). The UK government has worked in partnership with ports, businesses, local authorities, and wider stakeholders through a public consultation (Freeport bidding prospectus <https://www.gov.uk/government/publications/freeports-bidding-prospectus>) to develop a highly ambitious, world leading Freeports model for the UK.

UK Freeports are designated areas within the UK's borders where different economic regulations apply to encourage investment, infrastructure and innovation to the area. Tax sites benefits unlock new investment and otherwise difficult developments, and custom site benefits will increase international trade.

Whilst UK Freeports are able to offer additional tax benefits and customs incentives within clearly defined sites and boundaries, there is no dilution of employment legislation in UK Freeports and, aside from the tax and customs benefits, UK Freeport areas are subject to the same legislation and regulations as the rest of the country.

These sites have been carefully selected for their suitability for development by local authorities and private partners/landowners and sit within an outer boundary, which represents the geographical location within which the benefits of Freeports are targeted and does not in itself confer any other status.

UK Freeports have three strategic objectives:

- To be national hubs for global trade and investment
- To be hotbeds of innovation
- To promote regeneration

Why does the Plymouth and South Devon freeport encompass such a large area, including Dartmoor?

The Freeport bidding prospectus required an outer boundary to be defined for all Freeports with a clear economic rationale - this had a pass/fail criteria. The government expected proposals to be focused primarily on land assembly, site remediation, and small-scale transport infrastructure to connect sites within the Freeport to each other, the travel to work area or other economic assets within the outer boundary – creating a defined area that is expected to benefit most directly from the Freeport's economic impacts. Freeport policy allowed for the creation of three tax sites within the outer boundary. The three discrete sites that have been designated within Plymouth and South

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Devon (PASD) Freeport are shown here: <https://www.gov.uk/government/publications/maps-of-plymouth-and-south-devon-freeport-tax-sites>

Government required Freeports to be developed at pace and encouraged bidders to consider the use of Local Development Orders (LDOs). The three Local Authority members (Plymouth City Council, South Hams District Council and Devon County Council) did not wish to pursue this option for the PASD Freeport because the Joint Local Plan <https://www.southhams.gov.uk/your-council/council-plans-policies-and-reports/policies/planning-policies/plymouth-and-south-west> is already in place which had previously been consulted on extensively and had been signed off through the democratic processes of each Local Authority (LA). The Freeport's outer boundary is aligned to the Plymouth and South West Devon Joint Local Plan.

As highlighted above, Freeport policy allowed for the creation of three tax sites and the chosen sites all aligned with provisions that had already been set out within the Joint Local Plan. The PASD Freeport outer boundary was therefore drawn to reflect the geographic boundary of the Joint Local Plan, giving it a coherent economic rationale. As LA members chose to reject the use of an LDO, all PASD Freeport developments will still be subject to the usual planning permissions as determined by each LA.

The three PASD Freeport tax sites (South Yard, Langage and Sherford) have already been designated in agreement with HMRC and current policy does not allow them to be expanded nor additional tax sites added. Additional secure, enclosed customs sites could still be designated, subject to separate HMRC agreement in accordance with their strict security measures, within the outer boundary, but this would only be the case if there was a clear business need to do so and such a development would typically (though not exclusively) come forward on the business's own existing footprint. In any event, this would require the business to submit a planning application in the usual manner which would have no preferential treatment because of Freeport status.

The outer boundary does not confer any special planning or regulatory status (and does not undermine the special status of protected landscapes such as National Parks and AONBs) and Local Authorities within it retain all their statutory powers and responsibilities, including responsibility for providing planning permission.

What opportunities and threats does it present for our region?

PASD Freeport status has secured £25 million of national Government funding to unlock infrastructure development of the three sites. This seed capital funding, in addition to match funding from local authorities and the private sector, will enable further investment, growth and a more resilient, sustainable and productive future for the area.

The Freeport will support green/blue jobs, skills, training and apprenticeship opportunities, command higher value wages and salaries and provide pathways for people within the core sectors whilst also supporting the local supply chain. It will create new jobs for local people at all levels and will be a key tool for ensuring that people living and working in Plymouth, South Hams and the wider area have access to both entry level and higher skilled/better paid jobs.

Based on the three core objectives for the UK Freeports programme, indicative outputs for the PASD Freeport (based on modelling as part of the Full Business Case) include:

As national hubs for global trade and investment:

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- new businesses trading through the Freeport tax sites
- new FDI attracted to the Freeport
- multi-million-pound additional trade throughput
- increase in value and volume of cargo through the Port of Plymouth by 2046

As promoting regeneration and job creation:

- 88.3 hectares of land developed
- Over 3,500 new jobs created
- Multi million private sector investment in buildings and development on our three sites (based on modelling)
- Approx. 50 people upskilled, gaining qualifications (through aligned activity) per year
- Approx. 10% of jobs filled by inactive claimants and registered unemployed
- 3,000 Sqm of skills infrastructure (Marine Skills Academy)

As creating hotbeds of innovation with a strong zero carbon focus:

- new innovation centre;
- and an innovation service delivering:
- business diagnostics
 - multi million private R&D investment
 - new to market and new to firm products, and patents filed
 - Collaborative business/academic projects including KTPs, industrial PhDs and large-scale JIPs/industry consortia

The PASD Freeport provides a unique opportunity to drive:

- **Physical regeneration** – by delivering infrastructure to unlock key employment sites and innovation assets, supporting business clustering and clean growth opportunities;
- **Economic regeneration** – by delivering inward investment, supply chain opportunities and productivity gains within identified growth sectors; and,
- **Social regeneration** – by delivering a pipeline of jobs across the spectrum of employment from entry level to higher skilled/high value with upskilling opportunities.

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