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Dear Councillor

SOUTH HAMS EXECUTIVE - THURSDAY, 11TH MARCH, 2021

I refer to the agenda for the above meeting and attach papers in connection with the following item(s).

Agenda No	Item
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| 2. | <u>Urgent Business</u> (Pages 1 - 2) |
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Plymouth and South Devon Freezone

Yours sincerely

Darryl White
Democratic Services Manager

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South Hams Executive March 11th 2021

Plymouth and South Devon Freezone

Urgent Item Briefing Paper

Recommendations:

That the Executive:

- 1) notes the briefing note as set out below;
- 2) agrees that the Council works with MHCLG and partner organisations to work up the detail of the Plymouth and South Devon Freezone;
- 3) notes that once the detail of the Plymouth and South Devon Freezone has been finalised the Director of Place and Enterprise will bring a further report seeking a formal decision whether to proceed or not.

Background

Freeports are one of the key national economic development and job creation policies of the UK over the next ten years. There are few alternatives and we need to embrace this policy and make it work for us.

All members will be aware from the information circulated in the member's bulletin on the 5th February that we supported a joint non-binding bid to MHCLG for Freeport status. The bid included three sites, Oceansgate in Plymouth, Langage and Sherford Business Park in South Hams. 22 bids were received.

As part of the budget announcement on 3 March 2021, the Chancellor of the Exchequer announced that our bid had been selected as one of the 8 potential Freeport sites, above some very strong competition. In view of the need to progress work on the details of the proposals quickly, this item is being brought to the Executive as an urgent item.

The Bid

The bid was able to draw on the success and credibility of the Joint Local Plan (JLP), cross boundary working and strong governance that it has created. By proposing the use of pre-identified employment and growth sites from JLP, we are able to use national policy to facilitate the delivery of our local policy agenda: Delivering the JLP, inclusive growth and responding to the climate emergency (decarbonising maritime innovation and delivery, getting cargo direct via short sea rather than road, local job creation).

The bid anchors Princess Yachts and Babcock in the region both of whom are keen to expand into Sherford/Langage, and onshore elements of the supply chain and manufacturing process. Crucially it also provides transport gap funding which has held Langage in particular, back for so long.

Next steps

There is a great deal of due diligence work to do and it starts with governance arrangements before addressing the particulars of business rate retention and the interface with the transport authority (DCC) and PCC as partner organisations. In the coming weeks MHCLG will appoint a lead officer to our bid team, with the aim of working through the many aspects of the project, preliminary business case and ultimately full business case.

Accordingly, a report will be brought to Executive and Council setting out the proposition in full, including governance (board structure), opportunities, employment impact, financial impact and business rate position for consideration when enough detail is known so that formal decisions can be taken. In the meantime, senior officers will work up the details of these arrangements with the identified partner organisations and MHCLG.

The bid identified this due diligence phase and money has been secured within it to fund both the team and external advice on specific topics, such as HMRC tax areas and customs advice. The whole process, subject to member approval, is anticipated to take around seven months or more.

Conclusions

This is an opportunity to shape national policy around our own objectives, secure up to £17m of infrastructure funding, drive inward investment and exceed our already ambitious JLP delivery targets for employment sites, jobs and the economy. The decision to further commit once the detail of the Plymouth and South Devon Freezone has been finalised will be subject to a further report.