

An aerial photograph of Plymouth, Devon, showing the city's dense urban area, the harbor, and the surrounding coastline. The city is built on a peninsula, with the harbor to the west and the open sea to the east. The surrounding landscape is a mix of green fields and urban sprawl. The sky is blue with some light clouds.

**Plymouth and
South Devon Freezone**
A snapshot for business

Freeports are special economic zones with different rules to make it easier and cheaper to do business. The **Plymouth and South Devon Freezone** will provide:

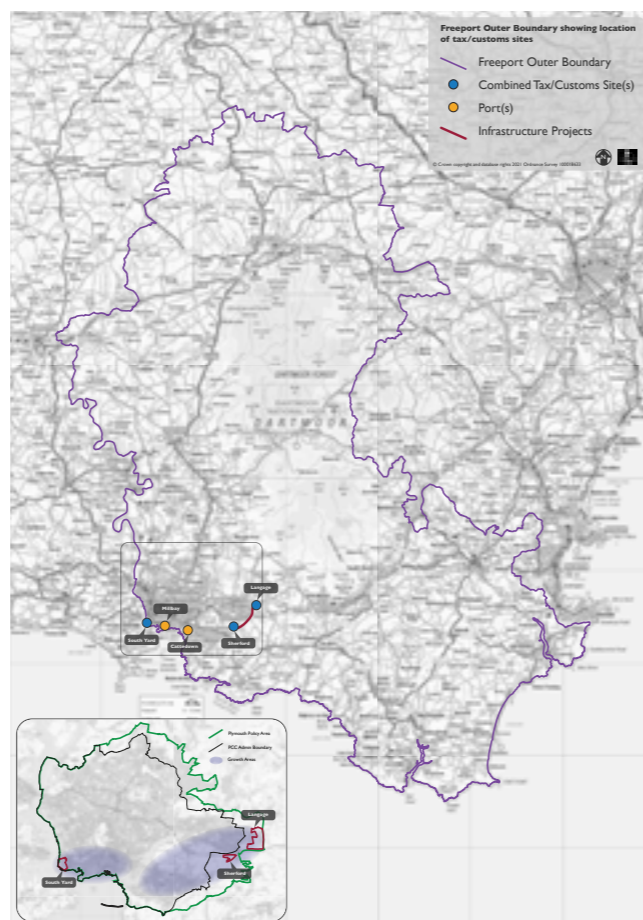
- Simpler planning – 108 hectares of underutilised land designated for employment purposes released for further development.
- Infrastructure funding – to improve transport links on the A38.
- Cheaper customs – with favourable tariffs, VAT or duties to increase the use of Port of Plymouth.
- Lower taxes – with tax breaks to encourage construction, private investment and up to 9000 new jobs.
- An unprecedented economic boost for Plymouth, Devon and the South West.
- Makes Plymouth and the UK more competitive for Foreign Direct Investment.

Objective 1 - Creating hotbeds of innovation

- **Innovation:** Supercharge marine sector innovation across the whole regional marine engineering supply chain, building on our Oceansgate programme which is already recognised by the Department for International Trade as having high potential opportunity (HPO) for Marine Autonomy, and linking with HPOs in Dorset (aquaculture), Cornwall (offshore renewable energy) and in Torbay (Photonics) through the emerging Future Oceans Institute supercluster.
- **Design better regulation:** work through the new Freeport Regulation Engagement Network to deregulate our Smart Sound area for innovation and testing purposes to create new standards and regulations better suited to new technology.
- We aim to support 40 business and higher education institute collaborations annually from 2022 and to host up to five PhD projects at any one time.
- We predict this will attract £20 million in private research and development investment every year from 2027, with at least five new products per year from 2024 and 10 new patent applications submitted annually from 2027 onwards.

Objective 2 - Establish a regional hub for global trade and investment

- **Trade:** a substantial (60%) increase in tonnage and an enrichment in value through our ports building on the export potential



of our marine and defence businesses and improved regional connectivity which will contribute to achieving net zero targets by 2030.

- **Investment:** We expect to have 75 businesses trading through the Freezone with 10 new major Foreign Direct Investment projects attracted by 2030 and 100 established businesses expanded bringing more than more than £100M of additional investment within the Plymouth and South Devon Freezone boundary and surrounding area.

Objective 3 - Regeneration and levelling up

- **Employment:** More than 1,000 new jobs will also be created in the first two years at all levels, from warehouse operatives through to management and technical specialists. At least 400 of these will be high value, helping to achieve an increase in average wages in deprived areas in and around the freezone.
- **Skills:** Working with our educational providers we will establish a Maritime Skills Academy and by linking this with opportunities across the wider region such as Harland and Wolff we will ensure that up to 600 people will be up-skilled to take advantage of those jobs by 2027 we will also create at least 60 new apprentices and 10 internships annually.

- **Economic activity:** Productivity in the marine sector is currently 7% above the city average. Increased specialisation in activities such as marine and defence engineering, technology and high value manufacturing will ensure the Freezone makes a greater contribution to growing our economy than would be the case if it simply maintained the current makeup of the local economy.
- **Tax sites.** Businesses located within the freezone will be able to benefit from a number of tax reliefs to accelerate investment and job creation.
- **An enhanced 10 per cent rate of Structures and Buildings Allowance** for constructing or renovating non-residential structures and buildings brought into use by 30 September 2026.
- **An enhanced capital allowance of 100 per cent** for companies investing in plant and machinery for use in freezone tax sites. This will remain available until 30 September 2026.
- **Full relief from Stamp Duty Land Tax** on the purchase of land or property within freezone tax sites. The relief will be available until 30 September 2026.
- **Full Business Rates relief** in freezone tax sites. Relief will be available to all new businesses, and certain existing businesses where they expand, until 30 September 2026.
- **Employer National Insurance Contributions relief** for eligible new employees in all freezone tax sites from April 2022, subject parliamentary approval and a review after five years.
- **Custom sites** – will contain areas where businesses will benefit from more generous tax reliefs, customs benefits and wider Government support, bringing investment, trade and jobs to regenerate regions across the country that need it most.

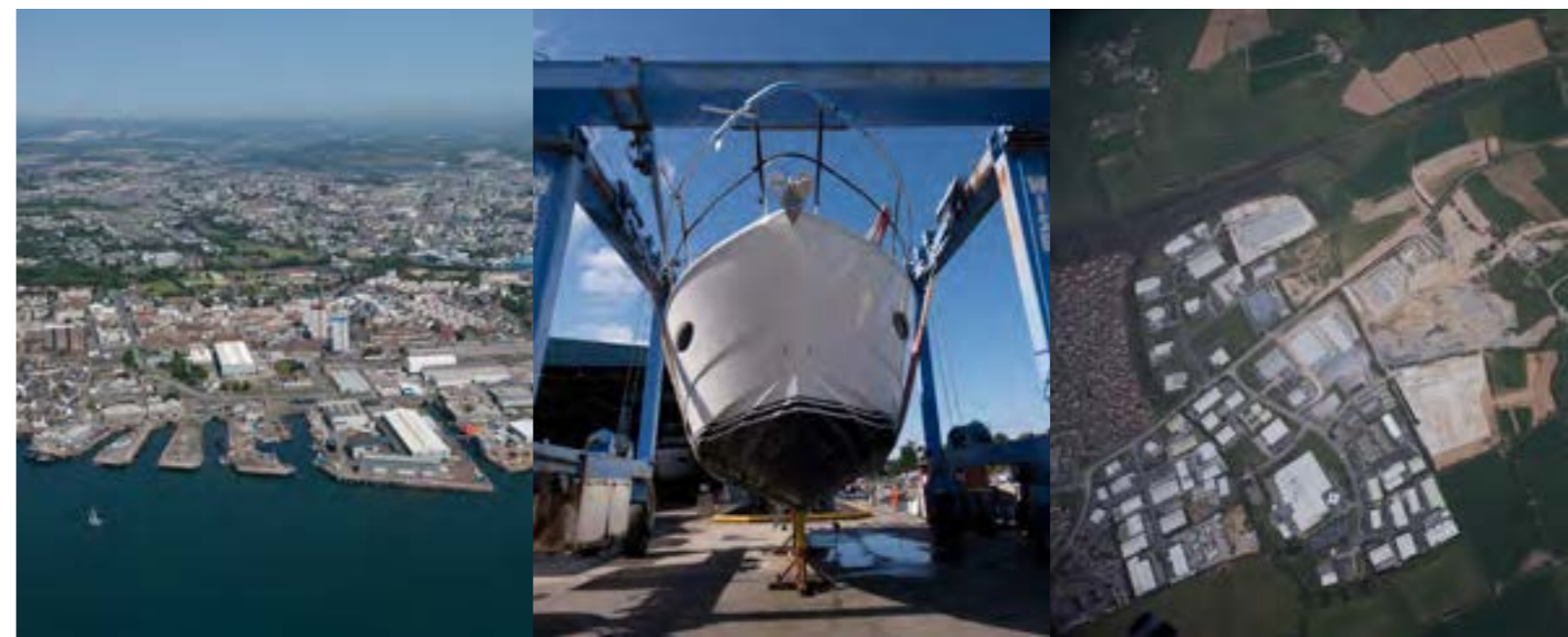
- **Tariff benefits** including duty deferral while the goods remain on site and duty inversion if the finished goods exiting the freezone attract a lower tariff than their component parts.
- **Customs duty exemption** on goods that are imported into a freezone, processed into finished goods and subsequently re-exported (subject to the UK's Free Trade Agreements).
- **Suspended VAT** on goods entering the freezone.
- **Simplified import procedures.**

Plymouth and South Devon Freezone - supports the Sustainable Development Goals of the 'World Free Zone Organisation's - Zone of the Future Programme'.

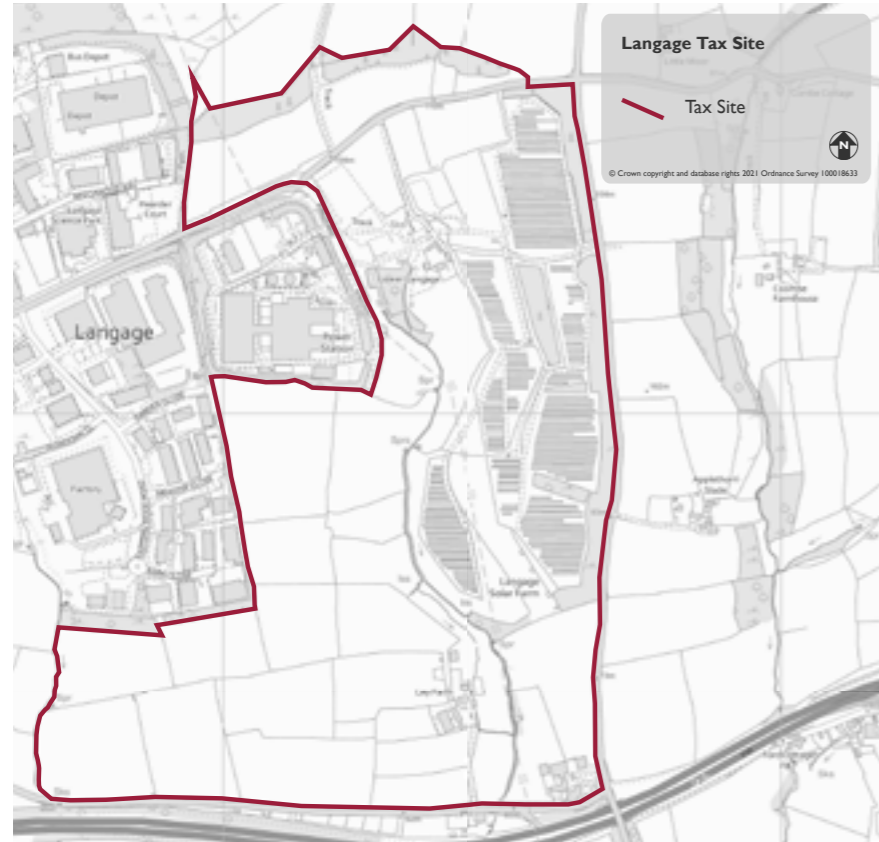
- Environmental Sustainability - capitalise on Plymouth's rich maritime history to advance the 'Ocean City Maritime Green Agenda' through the decarbonisation of maritime commerce.
- Employment Sustainability - embraces the International Labour Organisation's 'Decent Work Agenda' - to pursue the objectives of full and productive employment and decent work.

The Ocean Economy - will be worth over £2 trillion by 2030 with key growth opportunities in marine manufacturing, offshore renewables and marine autonomy.

- The Plymouth and South Devon Freezone builds on Plymouth's strengths in marine innovation and established shipping routes into Europe.
- To create transformational growth in the most sustainable location in the far South West.



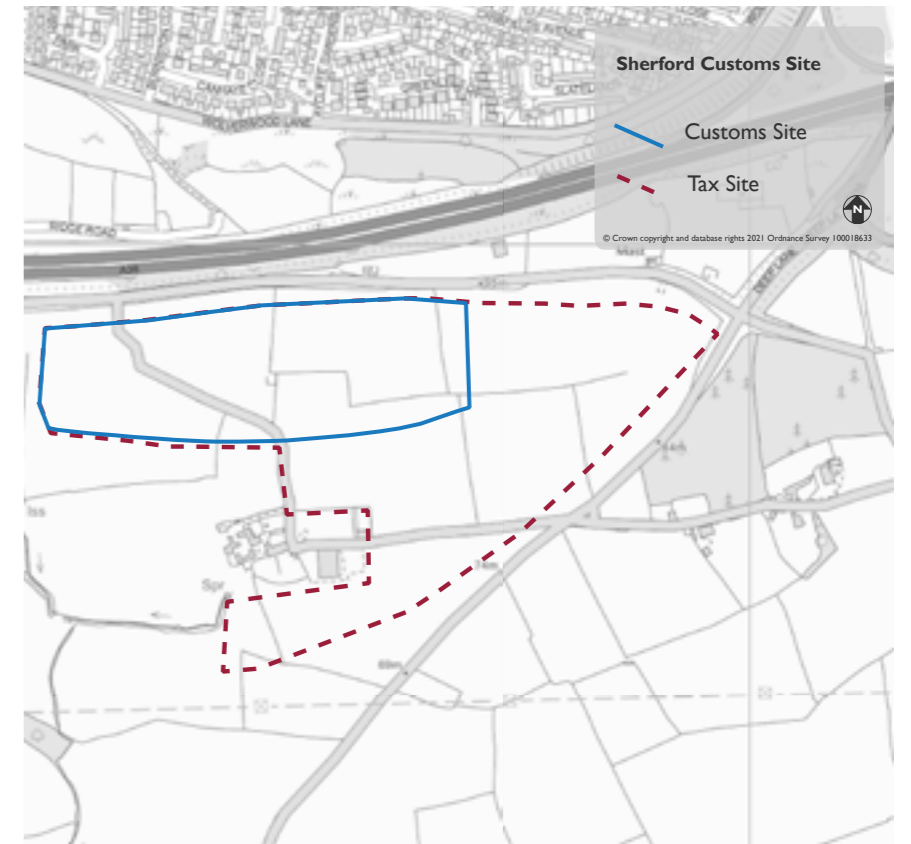
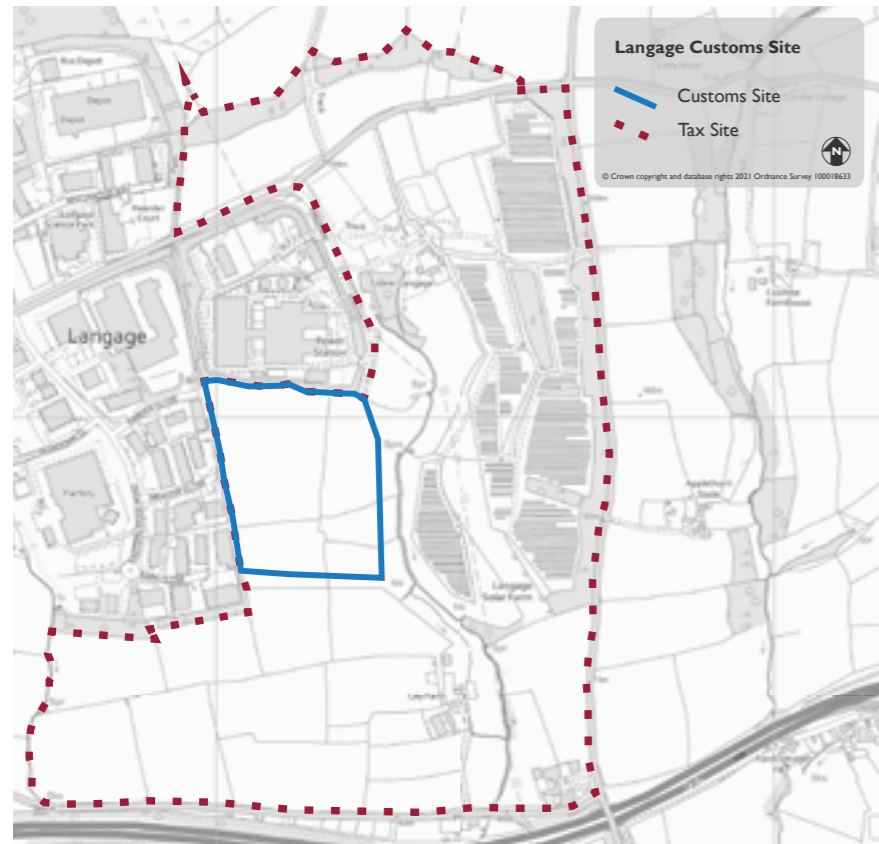
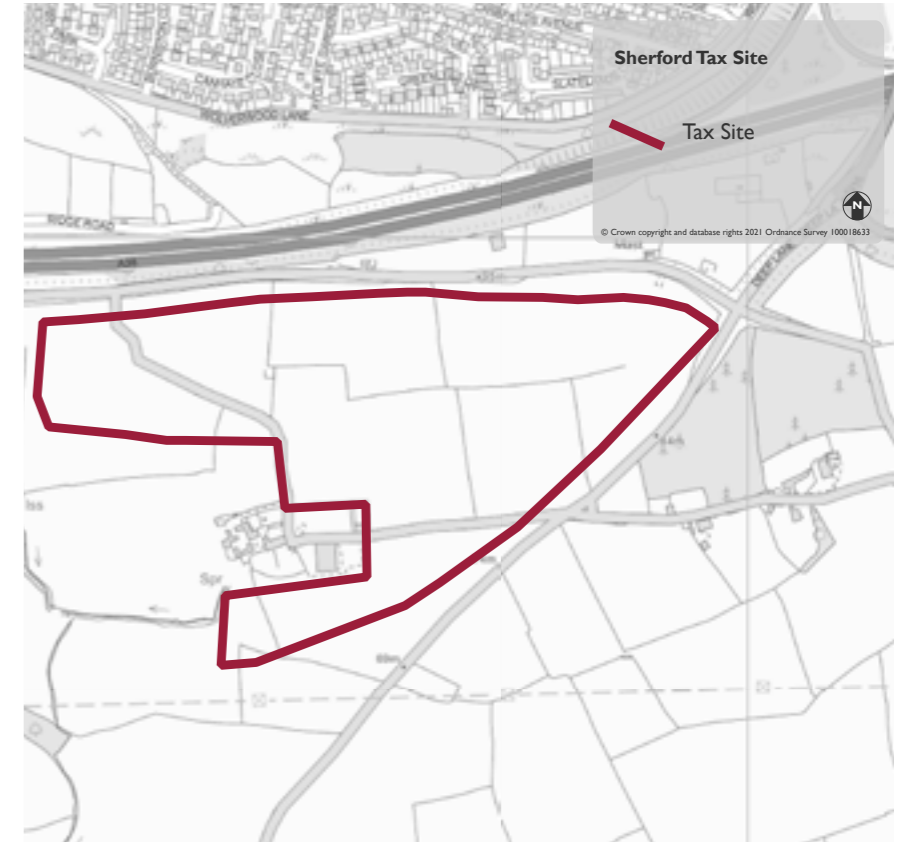
Langage Energy Park site



South Yard site



Sherford site





What next?

Spring and Summer 2021

- Initial Governance set-up and approval with the Ministry for Housing Communities and Local Government.
- Mobilisation with, Ministry for Housing Communities and Local Government, HM Revenues and Customs, Border Agency, Local Authorities, and key stakeholders.
- Business Planning, Approvals, Custom Authorisation.
- Wider Stakeholder Engagement and International Marketing.

Autumn 2021

- New Site Development starts.
- Freezone organisation operational.
- Freezone Phase One possible opening in South Yard.

Summer 2022 onwards

- Phase Two - Sherford Employment Zone opens
- Later Phases - Langage Energy Park Site developed and Transport Infrastructure upgraded

