

# Plymouth and South Devon Freeport Annual Plan

Covering the period from 1st April 2025 to 31st March 2026



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## Annual Plan – 2025-2026

Plymouth and South Devon (PASD) Freeport aims to unlock employment land and workspace after many years of inactivity, overcoming long standing viability gaps and supporting business clustering, job creation and skills. This delivers against the national Freeport programme's core policy objectives, focusing on the target sectors of marine, defence and space as well as advanced manufacturing/ engineering and Net Zero tech.

PASD Freeport's Annual Plan for 2025-26 focuses on investment, growth and additionality.

With tax benefits extended until September 2031, the complete £25m of seed capital funding now drawn down, and a comprehensive infrastructure programme mobilised, this third Annual Plan prioritises delivering the sites and securing investment, with clear focus on realising the potential and rates income of our employment sites at Langage and Sherford.

We will also support landowners at South Yard to achieve their objectives and wider growth plans. Growth Alliance Plymouth (GAP) has been established to unite Plymouth City Council, Babcock and the Royal Navy in ensuring that the city has the right infrastructure in place to enable Devonport's critical Defence programmes to be delivered. Within this context, the Freeport will play a critical role in supporting land optimisation, stimulating innovation with the University of Plymouth in alignment with the City-wide Innovation Task Force, and driving new business investment, both within and outside of [REDACTED]. Actions will also support delivery of the Plymouth Economic Strategy.

Nationally, we will respond to the Government's Modern Industrial Strategy by ensuring that the Freeport policy delivers against its missions.

### Immediate Priorities for 2025-6

Underpinned by a targeted investment strategy, our site-specific priorities are as follows:

- **Langage** - secure the development of Plots 2 and 3 as well the Green Hydrogen Hub development within Plot 4. This will provide a step-change in the overall site delivery and generate confidence for wider Tax Site build out.
- **Sherford** – lock-in the identified end-user's intent for the site as a matter of urgency and either proceed as planned or initiate a master-planning exercise for alternative uses which will be fully scoped if it is required. This will provide certainty for Tax Site development.
- **South Yard** – pro-actively engage in site optimisation planning. This will enable the effective use of Freeport levers for all landowners and potential uses within the Tax Site, aligned with city priorities.

Core team resources will be deployed to deliver the above, whilst maintaining 'business as usual activities.'

Opportunities and options will be regularly brought to the Freeport Board to support delivery.

### Activities and Outcomes

To achieve these priorities, activities for 2025-26 will specifically focus on:

1. **Site investment and delivery - accelerating the capital programme beyond seed capital to unlock land, attract investment and create jobs:**
  - a. Fully utilising the seed capital funding to make the Langage and Sherford sites ready for build-out and occupation.
  - b. Securing investment in the sites.
  - c. Supporting the Green Hydrogen Hub development.

- d. Securing landowner and developer commitments: refreshing Landowner Agreements across all Tax Sites (by March 2026) and developing added Value Partnership Agreements.
- 2. End user investment - strengthening innovation and clustering:**
  - a. Securing pre-lets for all four Beaumont Way units.
  - b. Securing pre-lets for the South Yard Oceansgate units.
  - c. Securing sufficient pre-lets and or Heads of Terms to trigger development of Plots 2 and 3.
  - d. Landing at least one significant tenant at Langage.
  - e. Securing end user commitments: developing added value Partnership Agreements.
- 3. Good governance – with resilient operations, finances, compliance and effective contribution to local priorities:**
  - a. Reviewing, refreshing and creating new MOUs with strategic partners as needed.
  - b. Optimising Board level expertise and contacts to support delivery.

These activities will enable us to unlock workspace land after many years of inactivity, overcome long-standing viability gaps and support business clustering, ensuring that, as per our local KPIs:

- Seed capital is effectively spent.
- Land and buildings are developed.
- Retained rates are generated.
- Business investment is secured.

Activities will be underpinned by the Freeport’s supportive programmes which will both leverage and strengthen innovation within the area’s sub-sector specialisms; as well as developing people and skills within our supported businesses.

Our commitments to clean green growth and decarbonisation are embedded throughout the above and achieved through meeting and exceeding planning processes and adherence to Local Authority stakeholders’ Net Zero objectives.

In delivering the above, PASD Freeport will accelerate its contribution to the national Freeport programme’s core policy objectives:

- Creating a national hub for Trade & Investment.
- Promoting regeneration and job creation.
- Creating hotbeds for innovation.

## Year Three Objectives in More Detail

### **1) Site Investment and Delivery - accelerating the capital programme beyond seed capital to unlock land, attract investment and create jobs**

With a clear plan to September 2031, the focus will be on accelerating the capital programme to unlock land, attract investment and create jobs. Having fully committed our seed capital funding in 2024, our priority for 2025-26 is to ensure that major infrastructure projects are completed, making sites ready for investment and adding value to landowners, tenants and stakeholders with carbon management plans also in place. Core activities for the PASD Freeport team are set out below, all of which will be delivered in partnership with landowners, tenants and seed capital project sponsors who are critical to the Freeport's success.

#### **Langage:**

- Augment support for Devon County Council (DCC)'s delivery team to ensure:
  - a) Completion of Spine Road 1a by the end of 2025, to unlock Plots 7 and 8 of Langage Energy Park and secure full planning permission for Spine Road 1b by March 2026.
  - b) The pedestrian/cycle bridge seed funding is fully utilised by March 2026.
- Work with Carlton Power to ensure full utilisation of their seed capital allocation for the access road project to unlock access to Plot 2; and core infrastructure project to deliver power to Plots 2 and 3 by March 2026.
- Work with PCC's delivery team to ensure full utilisation of their seed capital allocation for the Beaumont Way development by autumn 2025 which will deliver over 4,615m<sup>2</sup> of BREEAM Excellent employment space, ready for occupancy from spring 2026.
- Leverage government contacts to support [REDACTED] in overcoming challenges with their [REDACTED] development as well as considering utilities on site and securing power.
- Work with [REDACTED] to identify their [REDACTED] by March 2026.
- Drive developer interest and investment in LEPL plots and [REDACTED].
- Refresh and extend to end of March 2032 existing Landowner Agreements by March 2026 and create Agreements with any new landowners (as required).
- Market the site, drive development/occupancy – updating and improving rates income profile accordingly.

#### **Sherford:**

- Work with the Sherford Consortium to ensure full utilisation of their seed capital allocation for the access road and core infrastructure projects by March 2026 to enable site development.
- Work with SHDC through the Options Agreement to lock-in the identified end-user's intent for the site and either proceed as planned or initiate a master-planning exercise for alternative uses by June 2025.
- Develop an added value Partnership Agreement with the Sherford Consortium by March 2026.

#### **South Yard:**

- Work with Plymouth City Council (PCC)'s delivery team to ensure full utilisation of their seed capital allocation for Oceansgate by March 2026, which will deliver over 1,700m<sup>2</sup> of high-quality workspace for marine and defence innovation.
- Work with [REDACTED] to ensure full utilisation of their seed capital allocation by March 2026, which will optimise their site for growth.
- Identify demand from defence contractors and suppliers through engagement with [REDACTED] by December 2025, supporting land optimisation with Freeport levers.
- Refresh and extend to end of March 2032 existing Landowner Agreements by March 2026.
- Develop added value Partnership Agreements for anchor tenants ([REDACTED]) to support their growth plans by September 2025, maximising Freeport policy levers.

## 2) Landing End User Investment - Strengthening Innovation and Clustering

To drive development investment and occupancy, the priority for 2025-26 is to continue raising awareness of the Freeport opportunity amongst target businesses and landing at least one significant tenant in Langage – this is likely to leverage and further the innovation proposition and strengthen our clustering efforts. Core activities for the Freeport team are as follows:

### **Raising awareness of Langage:**

- Deliver a minimum of two significant events aimed at landing investment at Langage, the first by the summer of 2025 and the second before Christmas 2025.
- Present the investment opportunity of Langage at a minimum of one event/round table per partner during 2025-26 (e.g. with Chambers of Commerce, SW Regional Defence & Security Cluster, Global Underwater Hub, Maritime UK SW, Dept for Business & Trade (DBT), innovation partners).
- Conduct a targeted Langage investment campaign with prospective overseas investors by end of June 2025, with support from DBT, to include profiling, prioritising and bespoke follow up.
- Leverage the Beauhurst database to identify investors in Langage with a close match to PASDF's profile and develop specific propositions for them – quarterly through the year.
- Design collateral, process and prioritisation strategy for speculative pitches to target companies by July 2025; execute thereafter.
- Complete the website refresh to sharpen content for potential investors and showcase the Langage property offer by the end June 2025.
- Grow engagement and followers on social media and the newsletter, identifying opportunities for case studies, thought leadership pieces/articles, press releases and PR (local/regional/national/international).

### **Leveraging the Freeport's innovation proposition to raise awareness and drive investment/ occupancy:**

- Market and land pre-lets for the Oceansgate innovation development.
- Look to align with and support the City-wide Innovation Task Force, including work to build on the area's strengths in marine autonomy.
- Leverage DBT to target investors aligned with the City's Defence objectives and specialisms, developing a demand proposition for marine autonomy.
- Provide and broker innovation funding for target businesses by:
  - a) Delivering the Marine Tech Accelerator programme in partnership with Tech SW, by end of November 2025.
  - b) Scoping a Freeport innovation fund proposition by end of September 2025, establishing a route to either develop a Freeport Fund or design a brokerage solution. Delivery thereafter.
- Complete rollout of the innovation portal to showcase the area's assets and include updated content for Advanced Engineering and Net Zero sectors by September 2025.
- Develop initiatives with key partners to address innovation gaps so as to further deliver innovation hotbeds for primarily marine and defence - establishing the Freeport's role in the city's innovation ecosystem; progressing the recent innovation audit and ecosystem analysis into a set of project candidates for funding/resourcing.
- Leverage the Freeport Regulatory Engagement Network (FREN) to create practical delivery applications from the Regulatory Pioneer Fund win and outcomes.

### **3) Good Governance - with Resilient Operations, Finances, Compliance and Effective Contribution to Local Priorities**

Underpinning the above, the focus will be on ensuring that the Freeport company, governance structures and wider partnerships are robust and resilient to deliver the Freeport's vision, add value and secure private sector funding through to at least end of March 2032.

#### **Optimising delivery:**

- Set team objectives at task level to deliver the annual plan by April 2025.
- Review MOUs by September 2025 and identify new ones, for example, with the University of Plymouth, and MOD, which identify areas of control and dependencies.

#### **Ensuring good governance:**

- Complete Board review and addition of strategically aligned Directors by December 2025.
- Reconfigure Board meetings to better engage members in supporting delivery by June 2025.
- Complete Advisory Board review to mobilise activities for demand by September 2025, including a proposal for raising Net Zero profile and strengthening its governance.
- Host a cross advisory board symposium in December 2025.
- Consider the implications of the Government's Industrial Strategy and embed it into governance arrangements.
- Complete the annual policy review by October 2025 and ensure that Nolan principles are upheld.
- Agree a method with the Accountable Body and S151 Officer for developing a new Retained Rates Policy as soon as possible for a new policy to be in place during 2027.
- Support completion of the fraud risk assessment – commissioned by the Accountable Body in April 2025.

#### **Monitoring and Evaluation:**

- Complete the M&E returns bi-annually in May and November 2025, engaging all relevant stakeholders in the submission and maintaining the MHCLG relationship.
- Undertake a review and refresh of FBC commitments and reframe delivery plans as needed by March 2026.
- Maintain KPIs for local reporting.
- Create an infographic that shows the full programme milestones, interdependencies, challenges, and progress to clearly communicate the development timetable and expected deliverables at each stage.

#### **Ensuring resilient finances:**

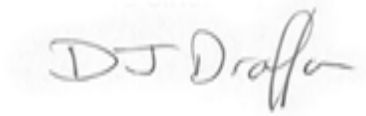
- Orientate the new PCC Section 151 Officer and Head of Finance by May 2025.
- Continue leading the PASD Freeport Financial Resilience Working Group with key partners and board [REDACTED]
- Complete the financial model refresh [REDACTED] by March 2026.
- Develop and agree with Local Authority partners a rate card of Freeport services for new investors.

**PASD Freeport Annual Plan 2025/6**

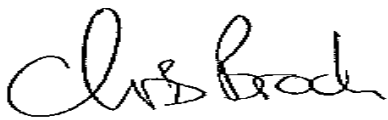
*Approved by:*

**Members Steering Group – delegated representatives.**

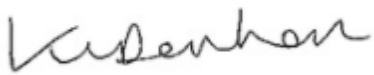
David Draffan (Plymouth City Council)

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Chris Brook (South Hams District Council)

Handwritten signature of Chris Brook in black ink.

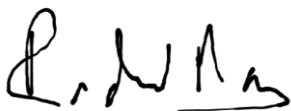
Keri Denton (Devon County Council)

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*Adopted by:*

**Plymouth and South Devon Freeport Ltd.**

Richard May (CEO)

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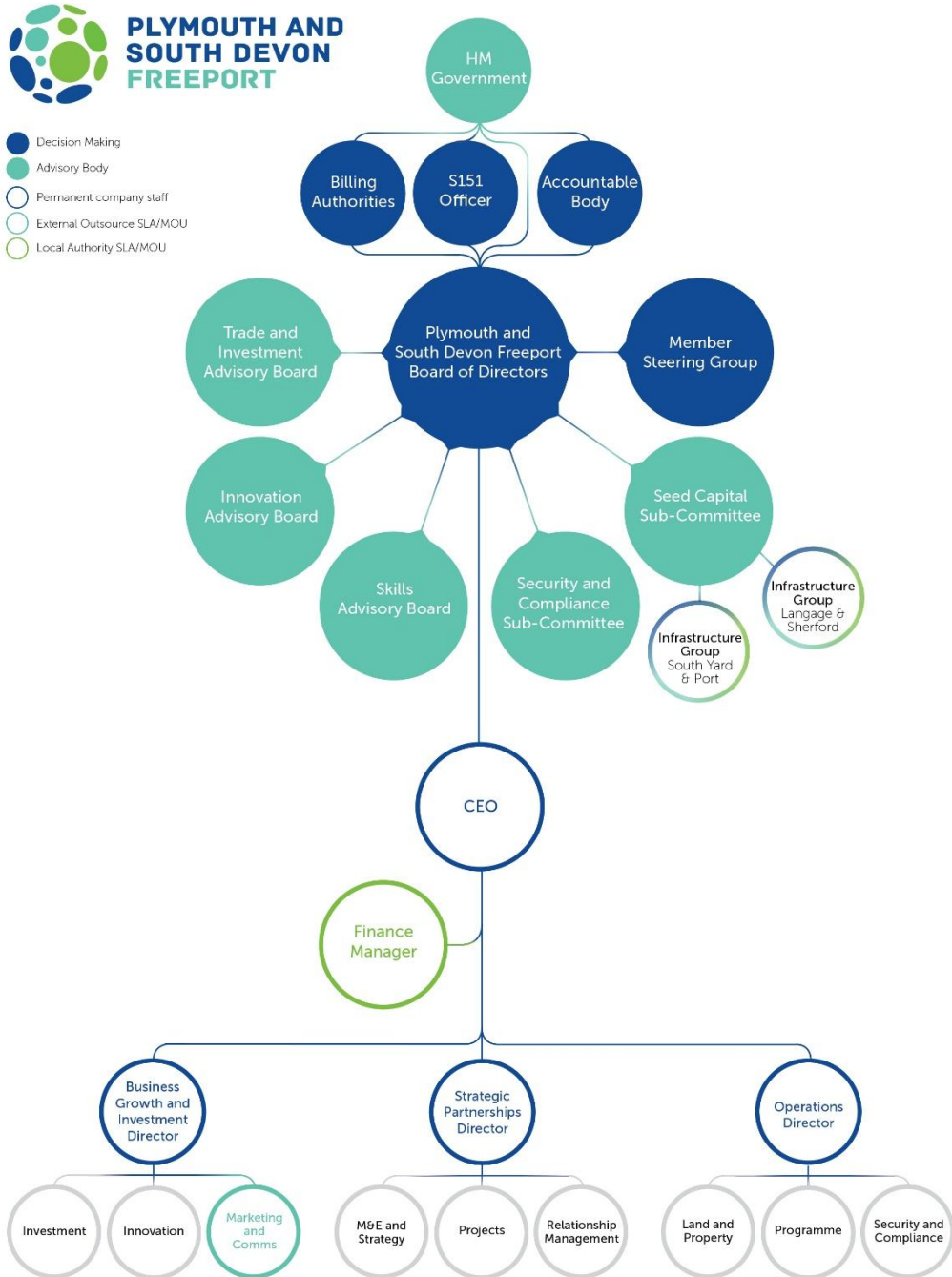
Jan Ward (Chair of Board)

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# ANNEXES

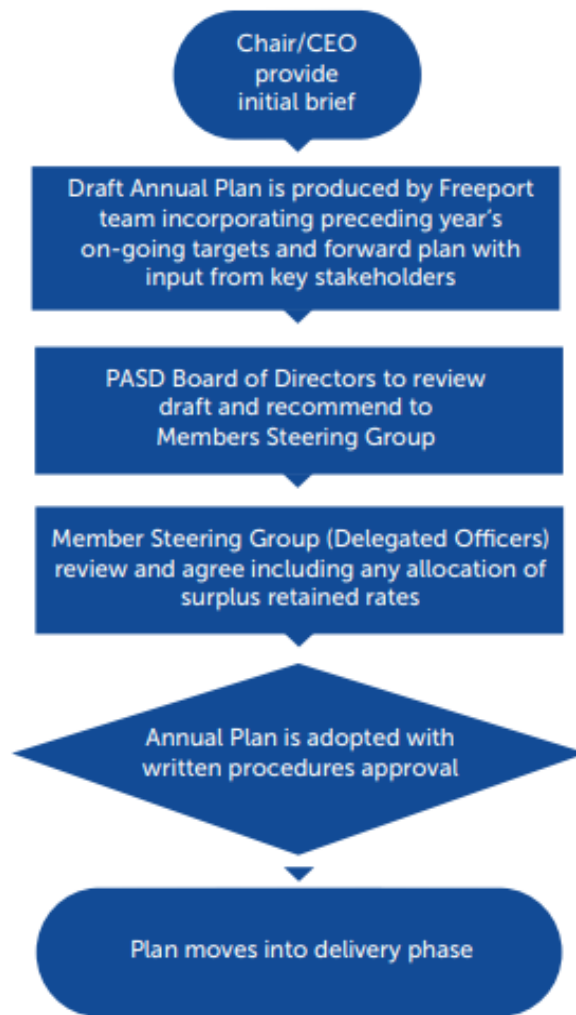
## ANNEX A: TEAM STRUCTURE AND OBJECTIVES

### Governance Chart



ANNEX B: ANNUAL PLANNING PROCESS

Annual Planning Cycle



## ANNEX C: SUMMARY OF CURRENT SEED CAPITAL ALLOCATIONS

Sponsor	Project	Seed Funding Allocation
<b>Tax Site 1: South Yard and Ports</b>		
<b>Plymouth City Council</b>	Innovation Units	£3.556m
<b>Princess Yachts</b>	Factory Extension Project	£0.315m
<b>Associated British Ports</b>	Port Optimisation Project	£1.3m
<b>Cattewater Harbour Commissioner</b>	Port Enhancements Project	£0.382m
<b>Tax Site 2: Langage</b>		
<b>Plymouth City Council</b>	Beaumont Way Units	£4.0m
<b>Devon County Council</b>	Phase 1 a Spine Road Extension	£4.0m
<b>Devon County Council</b>	Cycle and Pedestrian Bridge	£4.519m
<b>Langage Energy Park Ltd</b>	Core Infrastructure	£0.925m
<b>Langage Energy Park Ltd</b>	Plot Access	£0.8m
<b>Tax Site 3: Sherford</b>		
<b>South Hams District Council</b>	Land Assembly and Masterplan	£3.7m
<b>Sherford Consortium</b>	Access Road/Core Infrastructure	£1.2m
<b>Programme Management</b>		
<b>Freeport Company</b>	Strategic Programme Management	£0.303m





## **ANNEX E: RISK MANAGEMENT**

### **Seed Capital Risk Register**

The Freeport's Memorandum of Understanding (MOU) with Central Government requires the Freeport Accountable Body (Plymouth City Council) to maintain:

- Appropriate records relating to Freeport delivery, including, but not limited to project plans and risk registers for HMG funded activity.

The Accountable Body maintains the Seed Capital Risk Register for all projects that are allocated seed funding. The risk register gives a rating on the likelihood of each project completing within the required timeframe, considering the anticipated timeline to receiving the project business case, achieving a signed funding agreement, and the projected delivery window.

The Freeport Member Steering Group and Board of Directors are collectively accountable for the management of all risks associated with Freeport seed capital funding.

The Accountable Body is responsible for ensuring that they are supported to discharge this function effectively.

Responsibility for regular review of the Seed Capital Risk Register is within the remit of the Seed Capital Sub-Committee with the expectation that this will be conducted at least quarterly and in timely fashion to inform the Board where this may be required.

Risk Management is also included in the submission of the opinion of the Accountable Body's Section 151 Officer requested as part of the Annual Review.

### **Programme Risk Register**

The Freeport Governing Body, the Board of Directors and the Freeport Member Steering Group are obligated by the MOU to ensure:

- The documentation and active management of all overall delivery risks related to the Freeport and the dedication of proportionate resources to ongoing risk management.
- Suitable escalation to address, mitigate and resolve significant risks through the governance procedures put in place.
- Regular and thorough maintenance of the Freeport's risk register(s), risks, associated mitigations, progress, and removal.

The Freeport Board of Directors are collectively accountable for the management of all risks associated with the Freeport programme.

The Freeport Chief Executive Officer is responsible for ensuring that they are supported to discharge this function effectively and that risks that are recorded on the Programme Risk Register where the residual risk is assessed as being high (red) post-mitigation are reported to the Board of Directors.

The Programme Risk Register is reviewed monthly by the Operations Director and shared for further review and scrutiny at the Security and Compliance Sub-Committee.

The Freeport Operations Director is the lead officer responsible for maintaining the Programme Risk Register.

As of 17<sup>th</sup> March 2025, five risks are RAG rated red post-mitigation:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

All five risks have been escalated to the PASD Freeport Board for consideration and mitigation plans are in place, as laid out in the full Freeport Programme Risk Register.

The Freeport’s Risk Management Policy provides a comprehensive overview of risk management governance and processes, and is published within the governance section of the Freeport’s website:

<https://pasdfreeport.com/wp-content/uploads/2023/12/PASD-Freeport-Risk-Management-Policy-FINAL.pdf>