

Plymouth and South Devon Freeport Annual Plan

Covering the period from 1st April 2023 to 31st March 2024





CONTENTS

ANNUAL PLAN	3
ANNEXES	9
ANNEX A: COMPANY STRUCTURE	10
ANNEX B: ANNUAL PLANNING PROCESS	12
ANNEX C: SUMMARY OF SEED CAPITAL ALLOCATIONS	13
ANNEX D: MONITORING AND EVALUATION	14
ANNEX E: OPERATIONAL BUDGETS	14

ANNUAL PLAN 2023/24

This Annual Plan for Plymouth and South Devon (PASD) Freeport sets out the key objective and activities to be delivered for its first full year of operation, from 1st April 2023 to 31st March 2024. The Annual Plan, approved by Founding Members and adopted by the Board, allows for the Freeport executive team and delivery partners to develop their respective Action Plans in agreement with the Chief Executive Officer – which will deliver a full set of team objectives and Service Level Agreements. The annexes outline governance and functional structures, annual planning process, budgets and reporting requirements.

The Annual Plan has the following **objectives**:

1. Finalise **Company Mobilisation** by end of July 2023.
2. **Governance Set Up** by end of August 2023.
3. **Service Level Agreements** with delivery partners agreed and operational by end of August 2023.
4. **Capital Programme** reprofiled and change request made by end of September 2023.
5. **Tax Site Delivery** projects all activated by end of March 2024.
6. **Custom Site Activated** by mid-October 2023.
7. **Supportive Programme** for skills, innovation, and net zero fully mobilised by end of September 2023.
8. **Marketing** collateral fully deployed by September 2023.
9. First year **Sales** targets achieved by end of March 2024.

More detail on each objective and scope of work:

1. Company Mobilisation

- a. Team Recruitment
 - i. Business Growth and Investment Director (BGID). Executive Search – start ASAP before end of July 2023; interim resource hired from early April 2023
 - ii. Operations Manager (OM). Appointed - start 1st May 2023
 - iii. Project Coordinator. Advertised – start ASAP before end of May 2023.
- b. Objectives Setting – each role will have a list of objectives to deliver this Annual Plan. The officers of CEO, BGID and OM will have specific responsibilities that govern team and delivery partner activity. The Board and CEO will have specific accountability as appropriate. End of July.
- c. Performance Management – the Chair and CEO will put in place the necessary systems and meetings to manage and develop team performance. End of July.

Accountability: Chair of Board

Responsibility: CEO

Aligned Team: Member representatives.

2. Governance Set Up

- a. Policies and Process – remaining policies drafted, approved and operational and published as needed. Allowance for varying Annual Plan at each Members' Steering Group meeting 3 times years (see Annex A for schedule). Mid-May 2023 – board meeting approval.
- b. Advisory Boards and Sub-Committees activated. End of May 2023.
- c. Risk Management – establish a comprehensive risk management process including escalation by topic and update communications. End of May 2023.
- d. Monitoring and Evaluation – establish all Monitoring and Evaluations reporting templates and processes. End of April 2023 (submitting reports as per deadlines given by DLHUC – see Annex D).

Accountability: Chair of Board, Board Directors

Responsibility: CEO

Aligned Team: Member representatives, legal teams, Governance and Policy teams, Accountable Body.

3. Service Level Agreements (SLA)

- a. Delivery Partner Objectives – listed and agreed ahead of SLA drafting. End of April 2023.
- b. Process – co-design key working practices between company and delivery partners ahead of SLA drafting. Mid-May 2023.
- c. Draft and Sign-off SLA - with Freeport delivery partners securing the right level of resource to deliver first year objectives. Account for all funding and in-kind grants. Mid-June 2023.

Accountability: CEO

Responsibility: Operations Manager, with the Programme Manager leading on behalf of public sector delivery partners.

Aligned Team: Accountable Body, all delivery partners, legal teams, Governance and Policy teams, BGID.

4. Capital Programme

Brief context: Twelve capital projects were identified within the Full Business Case (FBC) and approved by government (see Annex C). These will enable the Freeport to deliver the South Yard, Langage and Sherford tax sites. They will also support infrastructure improvements at Millbay Port and the Octagon roundabout in the Centre of Plymouth and construction of a cycle and pedestrian bridge across the A38. In addition, the public sector will make improvements to the access from Langage (at Sandy Road) to the A38 outside of the capital allocation.

The FBC was developed in the early part of 2022. The suite of individual investments was at varying levels of maturity, and it was expected that these would be further developed through more detailed design work. In addition, since the FBC was submitted the economic landscape has changed significantly, exerting pressure on both construction (through rising inflation costs) and borrowing (through higher interest rates). Expected timetables for delivery have also shifted as the MoU with Government was signed considerably later than expected.

Considering the above, the immediate scope of work is:

- a. Review and redevelop the capital programme – to reflect changes since the FBC and new strategies based on funding gaps and assemble of land status. Mid-May 2023.
- b. Re-profiled Project Timelines – ensuring design and planning consideration factored in and accelerated. End of May 2023.
- c. Refreshed Costs – updating outstanding cost profiles and better understanding of project designs. Mid-June 2023.
- d. Change Request – make formal change request to DLUHC adjusting the seed funding profile. After above and by end of September 2023.
- e. Release Seed Capital – bring forward business cases as quickly as possible for Technical Appraisal and Business Case Approval – to release grant and raise other funds efficiently to deliver projects at pace and on time. Ongoing as per project timelines.

Project snapshot:

Within Plymouth

- Rescope and mobilise the South Yard Mobility Hub and Freeport Innovation Centre development.
- Work with partner, ABP, to bring forward their investment at the Port.
- Work with partner, Princess Yachts, to bring forward their investments at South Yard.
- Mobilise and deliver the Octagon roundabout improvements within year one.

Within South Hams and Devon

- Mobilise and deliver the units at Beaumont way as first available new units in Langage.
- Mobilise the spine road, core infrastructure and Langage link at Sandy Road/Holland Road as well as the pedestrian and cycle bridge.
- Mobilise the access road and core infrastructure at Sherford.

- Bring forward the Ley Farm component of the Langage site either through a development route with the current landowner or through a CPO.

Accountability: CEO

Responsibility: Operations Manager, with primary support from Programme Manager

Aligned Team: Capital Programme Leads responsible for each project, Members accountable for projects in their area, Capital Finance and modeling teams, and Accountable Body for technical assessment and public funds.

5. Tax Site Delivery

- a. Site Delivery Plan – for each Tax Site public and private projects including agreeing Section 106 agreements - high level for capital planning. End of May 2023.
- b. Public Site and Infra Project Plans – detailed for each public project with key milestones, timelines and interdependencies, critical flow. Ongoing but at pace – plan delivery deadline agreed project by project.
- c. Private Development Project Plans – detailed for each public project with key milestones, timelines and interdependencies, critical flow. Ongoing but at pace – plan delivery deadline agreed project by project – mindful of tax incentive benefit deadline of September 2026.
- d. Mobilise Projects – with systems in place for active monitoring and project risk management.

Accountability: CEO

Responsibility: Operations Manager, with primary support from Programme Manager

Aligned Team: Accountable Body, Capital Programme Leads responsible for each project, Members accountable for projects in their area, Planners for efficient planning control, Landowners and their development teams and agents.

6. Custom Site Activated

Brief context: The customs offer is central to the Freeport proposition and in the longer term will be fulfilled by the Langage and Sherford developments and other custom sites within the Freeport's Outer Boundary. In the shorter term a small, temporary, customs site was brought forward on the Burrington Way Industrial Estate to enable immediate needs to be met. This site will need to be activated within twelve months of authorisation to satisfy Government. Alongside this, options will be explored for additional custom site locations whilst the Langage and Sherford sites are being developed. As a core enabling activity for the above, the Freeport Company will contract with its own certified Authorised Economic Operator (AEO)(S) operator that will be offered to service new Custom Site Operator (CSO) and their Custom Site as they come forward and are authorised.

Considering above, the immediate scope of work is:

- a. Activate Primary Custom Site. Ensure that the temporary customs site at Burrington Way is operational by 13th October 2023.
- b. Select and contract certified Authorised Economic Operator (AEO)(S) operator. Mid-July 2023
- c. Identify additional Customs Site locations and CSO. Mid-July 2023.
- d. Assist new CSO with HMRC authorisation. Mid-October 2023.

Accountability: CEO

Responsibility: Operations Manager

Aligned Team: Babcock supply chain team for activating their site and assisting with additional site lessons learned, Planners for efficient planning control, Freeport Hub for AEO(S) selection process and HMRC Freeport team for flexibility, guidance, and authorisation.

7. Supportive Programme

Trade & Investment; Innovation; Skills; and Net Zero activities to are key to PASD Freeport overall proposition to businesses and investors.

Trade & Investment

- a. Identify target markets and key businesses in our subsector focuses. End of April 2023.
- b. Set up a Freeport Task Force with the Department for Business and Trade to generate prioritised leads and board room targets and approaches, working with DBT's Knowledge Lab and, in conjunction with the UK Freeport Marketing Function. End of May 2023.
- c. Actively make pitches and follow up proposals. Ongoing – six by end of March 2024.

Accountability: CEO

Responsibility: Business Growth and Investment Director

Aligned Team: Trade & Investment Advisory Board and LA Inward Investment teams as well as the Freeport Marketing Function.

Innovation

- a) Co-design with key stakeholder Plymouth and South Devon Innovation Campus, facilities across existing and proposed sites like South Yard, services, and collaborative working relations. End of August 2023.
- b) Co-design the Freeport Innovation Service offer - targeted and modular programme of support - scalable to available funding – leveraging existing support initially. End of August 2023.
- c) Identify priority innovation and test facilities projects that are integral to the delivery of the Freeport - highlight additional support/ input/ funding required. Ongoing and in keeping with new business arrivals. Review end of October.

Accountability: CEO

Responsibility: Business Growth and Investment Director

Aligned Team: Innovation Advisory Board, University Delivery Partners, Sector Cluster leads, and also in conjunction with Skills Advisory Board.

Skills

- a) Commission a Skills and Career Mapping Study for specific sectors – End of September 2023
- b) Engage with Freeport employers around emerging demand as well as with providers around supply in order to identify required support. Ongoing.
- c) Draw up Freeport offer in conjunction with Colleges, Universities and wider Training Providers, ready for the 2023/24 academic year using a skills escalator approach. Mid-December 2023.
- d) Launch Freeport specific model for those entering work or career jumping to be in place. Mid-December 2023.

Accountability: CEO

Responsibility: Operations Manager

Aligned Team: Devon County Council skills lead – as day-to-day lead, working with the Skills Advisory Board and with input from the BGID and Innovation Advisory Board.

Net Zero

Brief context: The Freeport Net Zero strategy will include alignment with all other aspects of the Freeport support programme whilst also engaging externally with the Devon Carbon Plan leads and Devon Climate Emergency Response Group to ensure wider representation and contribution.

This year's scope of work is:

- a. Develop a bespoke Net Zero strategy for the Freeport covering seed capital developments (including sustainable construction) and wider objectives with stepped targets to 2030. Mid-December 2023.
- b. Develop material and campaigns for site owners and occupiers. End of Feb 2024.

Accountability: CEO

Responsibility: Operations Manager

Aligned Team: Net Zero lead - as day-to-day lead, in conjunction with the three Advisory Boards leads.

8. Marketing

- a. Develop Collateral/ Website on all key offerings. End of July 2023.
 - i. Prospectus of plots/ buildings and their availability – with listings, images, and site overviews
 - ii. Innovation hotbed/ campus
 - iii. Workforce assembly support and skills development plans.
- b. Develop appropriate marketing collateral for all stages of the Freeport investment process and aftercare. End of July 2023.
- c. Set up regular stakeholder engagement events. End of April 2023.

Accountability: CEO

Responsibility: Business Growth and Investment Director

Aligned Team: Marketing function, Trade & Investment Advisory Board, HMG communications teams (DBT, HMRC and DLUHC), partner communication leads, all other Advisory Boards and Sub-Committees.

9. Sales

- a. Highly Targeted Campaign – co-design with sector cluster leads and implement in partnership with DBT and inward investment teams. At pace and ongoing. Review Mid-October 2023.
 - i. Secure a minimum of three private sector investment opportunities
 - ii. Make at least six proposals to prospective investors including features on Freeport supporting programme offer
 - iii. Confirm Anchor Tenants.
- b. Sales Process – fine tune to ensure consistent professional approach and effectiveness. Assemble broad sales team covering complete value proposition. End of June 2023.
- c. Aftercare Support – review comprehensiveness to ensure new business and investors supported appropriately throughout Freeport lifecycle. End of September.

Accountability: CEO

Responsibility: Business Growth and Investment Director

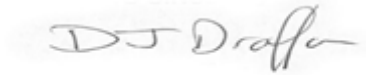
Aligned Team: Inward Investment teams, Landowners and agents, planners, Trade & Investment Advisory Board, economic development teams, Skills leads, Innovation leads.

PASD Freeport – Annual Plan 2023/24

Approved by:

Members Steering Group – representatives.

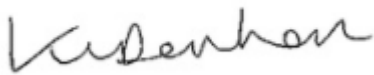
David Draffan (Plymouth City Council)



Chris Brook (South Hams District Council)



Keri Denton (Devon County Council)



Adopted by:


Plymouth and South Devon Freeport Ltd

Jan Ward



Chair of Board

Richard May



CEO

ANNEXES

Annex A: Company Structure – showing the governance chart and functions.

Annex B: Annual Planning Process – how the Annual Plan is developed, approved, and adopted each year.

Annex C: Summary of Seed Capital Allocations – as per Full Business Case projections.

Annex D: Monitoring and Evaluation – beginnings of upcoming review/ rescope.

Annex E: Operational Budgets – company and public funded budgets for year ending 31st March 2024.

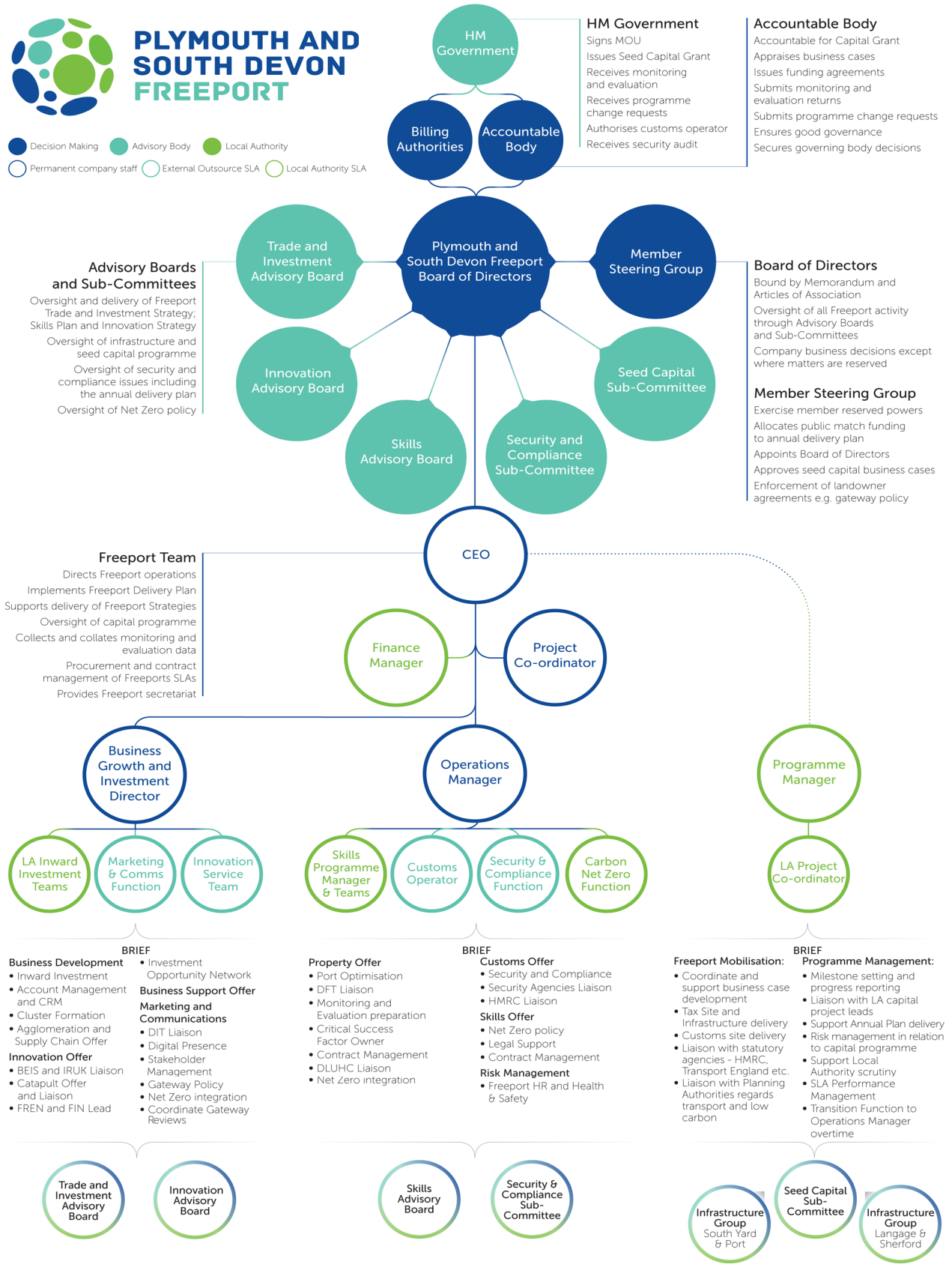
ANNEX A – COMPANY STRUCTURE

Governance Chart



PLYMOUTH AND SOUTH DEVON FREEPORT

- Decision Making
- Advisory Body
- Local Authority
- Permanent company staff
- External Outsource SLA
- Local Authority SLA



Within this structure, the Governing Body has overall responsibility for delivery of the outputs and outcomes presented in the FBC. The Annual Plan is developed by the Governing Body working closely with the Members Steering Group and with approval from the Members Steering Group as a reserved matter. The Members Steering Group is made up by one leading Economic Development officer representing each of the founding Local Authorities of Plymouth City Council, South Hams District Council and Devon County Council.

In subsequent years the Freeport Chair and CEO will be accountable for the preparation of the Annual Plan and ensuring that it is aligned to the Freeport strategic vision, liaising closely with the Chairs of the Advisory Boards and sub-committees with approval remaining with the Members Steering Group. The Advisory Boards and sub-committees will drive forward the associated T&I, innovation and skills agendas as well as ensuring Freeport compliance (including security compliance). In respect of the capital delivery, two infrastructure groups (one for South Yard and the Port and one for Langage and Sherford) will feed into a Seed Capital Sub-committee which will have oversight of the capital programme.

Schedule of Meetings

Board		Dates			
Freeport Board	March 30 th , 2023 (EGM)	May 11 th 2023	August 10 th 2023	November 9 th 2023	February 22 nd , 2024 (AGM)
Member Steering Group		April 28 th 2023		September 15 th 2023	
Seed Capital Sub Committee	March 24 th 2023	May 23 rd 2023	July 31 st 2023	September 7 th 2023	December 7 th 2023

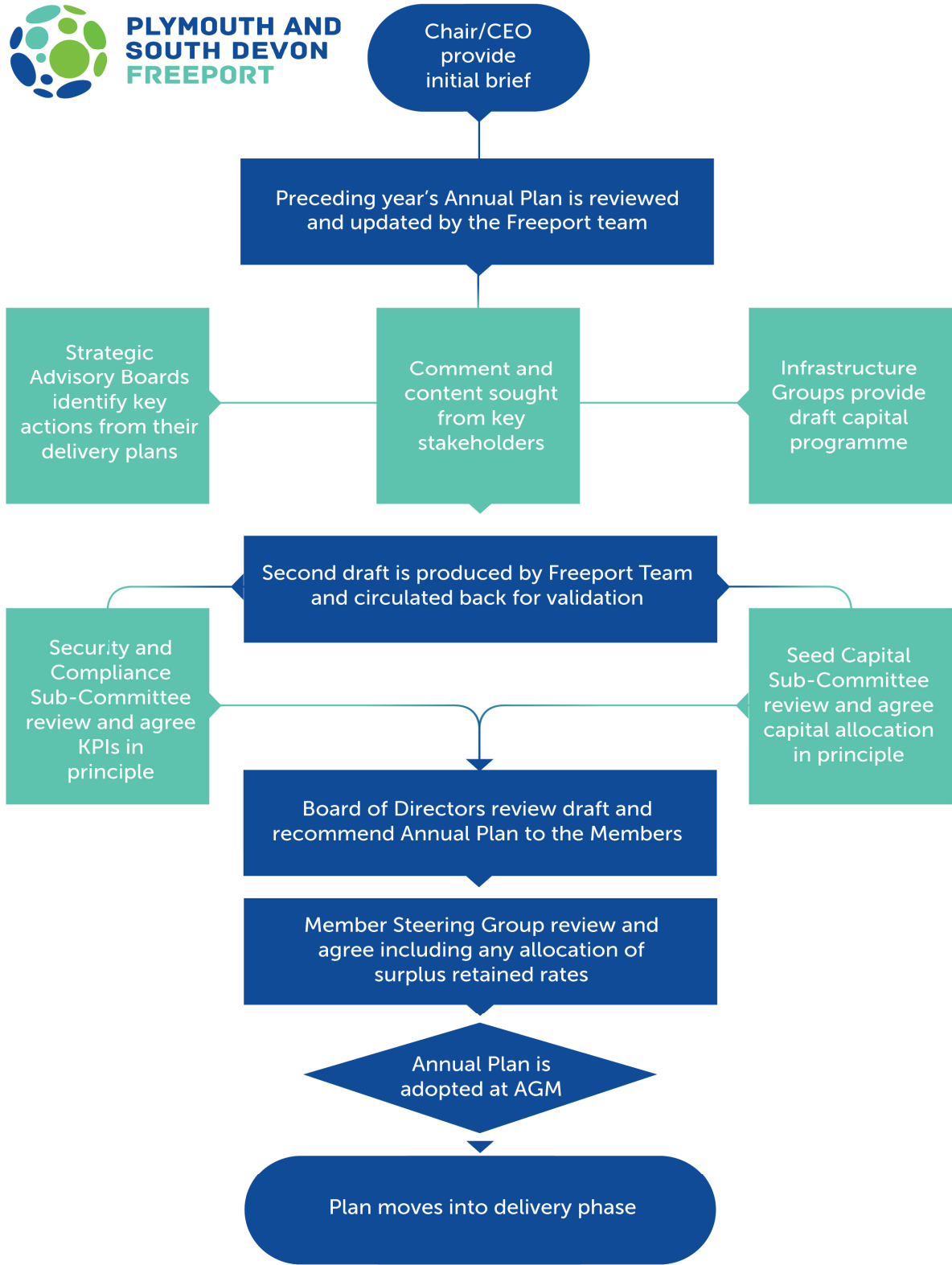
ANNEX B – ANNUAL PLANNING PROCESS

Allowance will be made for revisions to Annual Plan during the year.

Annual Planning Cycle



PLYMOUTH AND SOUTH DEVON FREEPORT



ANNEX C – SUMMARY OF SEED CAPITAL ALLOCATIONS

Summary of Seed Capital Approved within FBC - Plymouth

Area	Investment	Detail	Allocated Funding	Lead
Tax site 1: South Yard	Innovation Centre	The Innovation Centre builds on existing investment at South Yard and is key to creating the critical mass for the Freeport's Innovation Hotbed. Seed funding will contribute to site remediation and demolition along with the provision of drainage and utility services	£1.95m	PCC
	Mobility Hub	This is a multi-story car park backing directly onto the MOD land and effectively provides the physical barrier between the Innovation Centre and the MOD which is a security requirement as well as providing parking provision	£3.75m	PCC
	Re-routing Cabling	Re-routing of the cabling is an essential part of the construction process, without which the development could not proceed	£1.556m	PCC
	Princess Yachts Factory	Site remediation will enable an anchor tenant to bring forward a new factory which will create 450 jobs by closing a viability gap where the private sector return would not be sufficient	£0.9m	Princess Yachts
Plymouth City Centre	Octagon Roundabout	Roundabout improvements will enable access for larger articulated HGVs	£0.1m	PCC
Port of Plymouth	Millbay Ferry Port	Port improvements will enable Millbay to service the exporting needs of the industries that will be attracted to the Freeport	£1.3m	ABP

Summary of Seed Capital Projects Approved at FBC - South Hams and Devon

Area	Investment	Detail	Allocated Funding	Lead
Tax Site 2: Langage	Spine road extension	The road extension will provide plot access to the Langage site	£5.95m	DCC
	Core infrastructure	Core infrastructure will enable the site to be developed	£1.125m	SHDC
	Land assembly	Purchase of land to the South of the site aims to bring the site in to an efficient ownership structure	£3.5m	SHDC
Tax Site 3: Sherford	Access road	The road will provide access to the Sherford site	£0.984m	Sherford Consortium
	Core infrastructure	Core infrastructure will enable the site to be developed	£0.216m	Sherford Consortium
Supporting Infrastructure	Pedestrian and cycle bridge	The bridge will provide access across the A38 for residents in Sherford and Plympton, allowing pedestrian and cyclists to access the tax sites from both communities and the wider Plymouth area	£3.669m	DCC
Enabling Infrastructure	Linkage from Langage to Sandy Road	This investment will provide enabling infrastructure to unlock the Langage site	None	DCC

ANNEX D - MONITORING AND EVALUATION

DLUHC requires quarterly site-specific monitoring as well as bi-annual reporting for the whole Freeport. Having provided a baseline M&E return in Autumn 2022, and the first quarterly site-specific return on February 2023, reporting to DLUCH will take place on the cycles shown below from 2023 onwards.

The CEO is accountable with responsibility for reporting assigned to the Operations Manager, working with the Programme Manager and Delivery Partners.

M&E Reporting

Frequency	Reporting Period	Due Date
Quarterly project, financial and risk data (site and capital delivery)	<ul style="list-style-type: none"> Q1: 1st April – 30th June Q2: 1st July – 30th September Q3: 1st October - 31st December Q4: 1st January – 31st March 	<ul style="list-style-type: none"> 30th August 30th November 28th February 31st May
Bi-annual indicator reporting (overall Freeport monitoring)	<ul style="list-style-type: none"> H1: 1st April – 30th September H2: 1st October – 31st March 	<ul style="list-style-type: none"> 30th November 31st May
Annual indicator reporting (overall Freeport monitoring)	<ul style="list-style-type: none"> 1st April – 31st March 	<ul style="list-style-type: none"> 31st May

ANNEX E - FREEPORT OPERATIONAL BUDGET

The PASD Freeport company budget and the publicly funded budget is shown below. The CEO is responsible for the day-to-day management of these budgets (working with the Accountable Body to administer the Public Funded Budget). Both budgets have amounts carried forward from previous financial year ending 31st March 2023.

The income for the company budget is purely from board partner contributions for the year ending March 2024. This is also the intention for subsequent years with inflation (currently set at 2%) being added for each year. Any additional funding from Retained Business Rates will need to have approval from the Members Steering Group and is not expected or modelled until 2026/27 financial year.

The company budget for 2023/24 has a £160k plus carry forward from last year and this surplus is being used for contingency and upfront set-up costs, recruitment, increased marketing, and travel spend. It may also provide for a subsequent carry forward to the following year. [REDACTED]

[REDACTED]

DLUHC may provide further capacity grant funding.

It is intended that the services provided by Local Authority deliver partners will be Business As Usual once this Public Funded budget has been spent.

Summary of Company Budget

	Apr-23	May- 23	Jun- 23	Jul-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	TOTALS
INCOME													
Landowner contributions	£0	£408,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£408,000
TOTAL	£0	£408,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£408,000
EXPENDITURE													
Team	£9,500	£15,500	£19,250	£27,250	£27,250	£27,250	£27,250	£27,250	£27,250	£27,250	£27,250	£27,250	£289,500
Professional services	£2,626	£3,316	£1,416	£951	£9,546	£1,451	£951	£951	£1,451	£951	£951	£3,251	£27,812
Office and equipment	£410	£3,410	£4,385	£3,410	£3,410	£3,410	£3,410	£3,410	£3,410	£3,410	£3,410	£3,410	£38,895
Marketing	£2,500	£0	£1,500	£4,000	£1,500	£1,500	£1,500	£4,000	£1,500	£1,500	£1,500	£4,000	£25,000
T&S	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£60,000
Recruitment Set-up	£19,200	£19,200	£9,600		£0	£0	£0	£0	£0	£0	£0	£0	£48,000
Contingency	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	20,000	£20,000
TOTAL	£39,236	£46,426	£41,151	£40,611	£46,706	£38,611	£38,111	£40,611	£38,611	£38,111	£38,111	£62,911	£509,207

Cashflow	Apr-23	May- 23	Jun- 23	Jul-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan -24	Feb-24	Mar-24
Carried Forward 22/23	166215											
Closing balance	126979	488553	447402	406791	360085	321474	283363	242752	204141	166030	127919	65008

Summary of Publicly Funded Budget

	Apr-23	May- 23	Jun- 23	Jul-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan -24	Feb-24	Mar-24	TOTALS
INCOME													
DLUHC Capacity Grant*	£45,040	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£45,040
TOTAL	£45,040	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£45,040
EXPENDITURE													
██████████	£0	£0	£0	£0	£0	£0	£10,000	£0	£0	£0	£0	£0	£10,000
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██████████	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£24,000
██████████	£35,000	£0	£0	£0	£0	£0	£20,000	£0	£0	£0	£0	£30,000	£85,000
██████████	£0	£4,250	£4,250	£4,250	£4,250	£4,250	£4,250	£4,250	£4,250	£4,250	£4,250	£4,250	£46,750
██████████	£4,238	£4,238	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£8,476
██████████	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£12,000
██████████	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£0	£0	£0	£0	£0	£21,000
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██████████	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£2,000
██████████	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£15,925	£15,925
TOTAL	54,738	23,488	19,250	19,750	19,250	19,250	49,750	13,250	13,250	13,750	13,250	59,175	£318,151

Cashflow	Apr-23	May- 23	Jun- 23	Jul-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan -24	Feb-24	Mar-24
Opening balance	273111											
Closing balance	263413	239925	220675	200925	181675	162425	112675	99425	86175	72425	59175	0

*It is possible that DLUHC will provide additional Capacity Grant funds (c. £100k) during this year.