

Meeting: Overview and Scrutiny Board

Date: 4 September 2024

Wards affected: All

Report Title: Plymouth and South Devon Freeport Status - Impact on Torbay

When does the decision need to be implemented? None

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1. Purpose of Report

- 1.1 To provide Overview and Scrutiny with a position in relation to Freeports Status in Plymouth and how that impacts on Torbay Council and Torbay's economy.

2. Reason for the Proposal and its benefits

- 2.1 There is no Proposal within this report.

3. Recommendation(s) / Proposed Decision

- 3.1 There are no recommendations or a proposed decision, but the supporting information is centred around concerns raised by Members in relation to Plymouth Freeport status and how that may be a risk to the Fish Market at Brixham or other economic activities in Torbay.

Supporting Information

1. What is a Freeport

- 1.1 Freeports are specifically designated areas where tariffs on imports are either substantially cut or waived. Freeports are aimed to encourage economic activity near both maritime ports and airports and generally Freeports are exempt from taxes that are normally paid to the government.
- 1.2 The Plymouth & South Devon Freeport was established in 2022 following a longer campaign by Plymouth City Council and its partners Devon County Council and South Hams District Council. The Freeport's boundary is that of the housing market area for Plymouth which includes West Devon but it does not extend to Torbay.
- 1.3 The benefits of freeport status are an allocation of capital to improve the infrastructure of the port and the incentives are considered important in the attraction of private investment, business relocation and job creation or skills development. Generally the Freeport status for Plymouth should be seen in the context of the long term focus that Plymouth has maintained for a focus on the "blue" economy with investments at the University, the close relationship with MoD for the naval dockyard, the establishment of Oceansgate as a marine science park, the national marine park and the branding of Plymouth as Britain's Ocean city.
- 1.4 The tax and customs incentives may present a risk to inward investment coming to Torbay and there are risks that some businesses will consider relocation to Plymouth if there is a compelling reason to do so.
- 1.5 Torbay should consider how this consistent and long term approach to developing the brand and cluster around a high value sector can be further developed locally i.e. in respect of the hi tech sector as well as in respect of the fisheries and wider marine opportunities that Torbay has where each of which are bolstered by the Levelling Up Fund 3 grants.

2. Options under consideration

- 2.1 There are no options under Consideration

3. Financial Opportunities and Implications

- 3.1 As above Freeports offer Tax incentives to imported goods. This does not assist anyone from a fisheries perspective as fish, from the catching sector, are not imported as they are caught within UK waters.
- 3.2 Non-UK registered vessels will only enter UK waters if in possession of UK quota, but this has reduced significantly since the UK left Europe but land their catch in Ireland.

- 3.3 Generally businesses within a Freeport are within a Local Enterprise Zone, LEZ, and benefit from relief in such things as Business rates, NI contributions, Land Value Tax and Customs site ease of trading.
- 3.4 Due to the closure of regional fish markets it is unlikely that there will be any significant benefit to any new fish business within a Freeport by way of imports and it is likely that the direction of travel or focus of the freeport will be towards new startups with potential for significant growth in employment.

4. Legal Implications

- 4.1 No legal implications were identified.

5. Engagement and Consultation

- 5.1 No consultation took place for this report

6. Purchasing or Hiring of Goods and/or Services

- 6.1 None

7. Tackling Climate Change

- 7.1 No Impact

8. Associated Risks

- 8.1 The recent closure of adjacent regional Fish Markets has caused concerns towards the impact any new operators outside of Brixham and how that could possibly jeopardise the fish landings in Brixham. In particular Plymouth fisheries is owned by an independent operator whose intentions, at this stage, are unknown but potentially are looking to develop the old fish market area into residential with a scaled down fish market infrastructure.
- 8.2 The Freeport Status for Plymouth is very much for the benefit of new businesses as alluded to above and I believe poses a minimal if not negligible risk to Torbay Fisheries.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			X

People with caring Responsibilities			X
People with a disability			X
Women or men			X
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			X
Religion or belief (including lack of belief)			X
People who are lesbian, gay or bisexual			X
People who are transgendered			X
People who are in a marriage or civil partnership			X
Women who are pregnant / on maternity leave			X
Socio-economic impacts (Including impact on child poverty issues and deprivation)			X
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			X

10. Cumulative Council Impact

10.1 Minimal

11. Cumulative Community Impacts

11.1 As above