



**PLYMOUTH AND
SOUTH DEVON
FREEPORT**

Plymouth and South Devon Freeport

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Business Growth & Investment Director



PASD Freeport

Why is the Freeport important to Plymouth and South Devon?

UK Freeports have three strategic objectives:

- To be national hubs for global trade and investment
- To be hotbeds of innovation
- To promote regeneration

Tax Sites benefits to unlock new investment and otherwise difficult developments.

Custom Site benefits to increase international trade.

Transformational opportunity for the region: capitalises on existing strengths in marine (autonomy/ clean/ digital), defence and advanced manufacturing and support the growing UK space sector

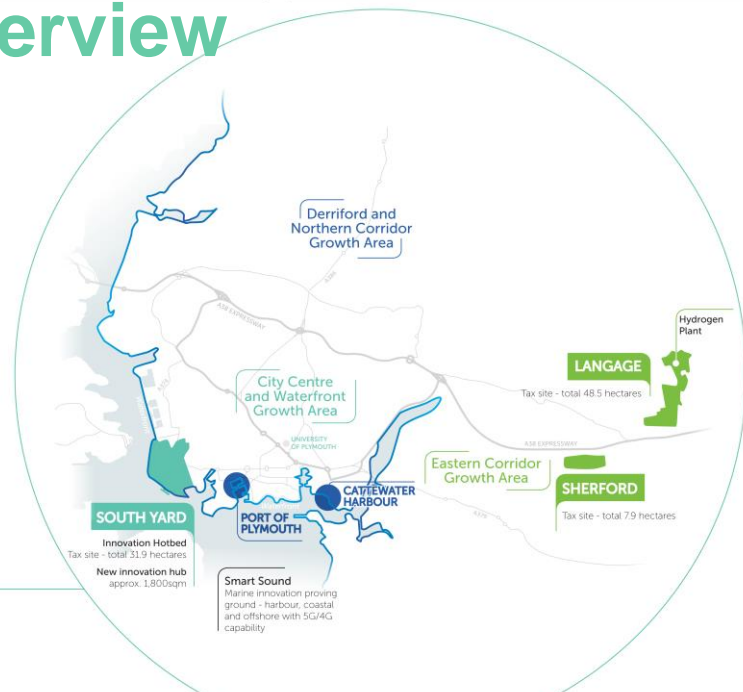


PASD Freeport – an overview

- **Sites** at South Yard, Langanage and Sherford: **total footprint 88.3 Ha.**
- **Funding £55m+** (£25m seed capital and £30m+ local match)
- **Additional private sector investment** expected of **nearly £250m.** Total investment to **over £300m.**
- **Capital projects** include new **innovation centre, infrastructure** for our tax and customs sites, **land assembly and port improvements.**
- **Levelling Up - 3,584 jobs** from inclusive starter roles through to high value technical roles; 2,745 jobs > average wage. **Upskilling 300 to 500** people per annum.



*Subject to HMRC authorisation and usual planning permissions





PASD Freeport – surrounded by a strong business base

“Supercharging the South West economy by building on our unique national capabilities in marine, defence and space to form globally impactful clusters and UK Innovation Superpower.”



Babcock/Supacat partnership - Project Jackal



Project CETUS



Exploring FLOW opportunities





PASD Freeport – innovation & skills

World-class innovation strengths: testing & development

- World-leading research bodies
- >1000km² of authorised and de-conflicted water space
- Diverse environment – hostile environment
- Deep water for sub-surface platform missions
- Heavily instrumented – intensively studied
- High speed on-water connectivity (5G & Steatite) in-port & up to 20 miles offshore

World-class institutions

- University of Plymouth, University of Exeter, Plymouth Marine Laboratory, Smart Sound Plymouth, Plymouth Science Park, Exeter Science Park, EPIC Torbay





PASD Freeport – innovation & skills

Regulatory – Assessment Sandbox

Marine Regulatory Innovation Framework (MRIF)

- Support the UK to take a leading role as an **international centre for zero emissions and autonomous vessel innovation** and manufacturing hub
- Develop evidence base & framework for testing autonomous and clean prototype vessels for R&D.
- Working with stakeholders to address the industry's needs to drive R&D in a safe, timely and cost-effective manner.

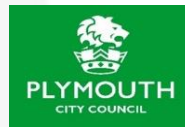
- Supported by **Freeport Regulatory Engagement Network**
- Plymouth Marine Laboratory (PML), University of Exeter, and University of Plymouth support and Maritime & Coastguard Agency (MCA) and King's Harbour Master
- Project completes March 2025

PML

Plymouth Marine
Laboratory



UNIVERSITY OF
PLYMOUTH
Marine Institute



UNIVERSITY OF
EXETER



PASD Freeport – innovation & skills

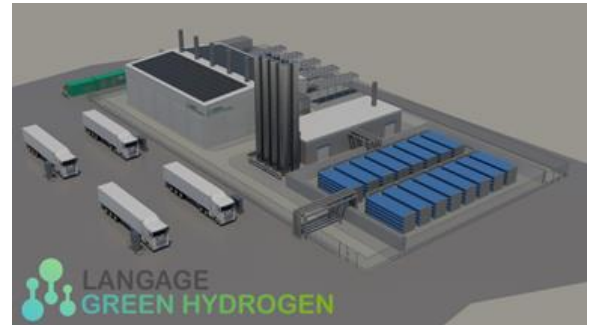
- **Skills plan** - to deliver **work readiness activity**; **up-skilling people for hard-to-fill vacancies**; **working with employers to provide technical training/apprentices**; **working with universities to develop higher-level skills**
- **A strong skills infrastructure: Hinkley Point C experience**, e.g. National College for Nuclear



Net Zero Plan

In Focus: Green Hydrogen

- **Langage tax site** will be home to a green hydrogen plant developed by Carlton Power. Earmarked to enter operation in **2025**
- Key part of the Freeport's **net zero strategy**.
- Renewable energy will produce green hydrogen fuel which will help **decarbonise industry**, and in the future, transport and heating.
- Carlton Power has signed partnership agreements to supply **Sibelco** and **Imerys**.
- Initial capacity of **10MW = heat for 14,000 homes**
- **Shortlisted** by the UK Government for financial support (16th August 2023): decision expected imminently.



Tax Reliefs

There are a host of tax benefits you can take advantage of by locating in a Freeport tax site.

[View locations of tax sites in Freeports](#)

Enhanced Structures and Buildings Allowance

Freeports offer a 10% p/a rate of structures and buildings allowance compared to 3% outside Freeport tax sites. This significantly accelerates tax relief for businesses on qualifying expenditure for constructing, renovating or adapting premises.

Available for qualifying expenditure on non-residential structures and buildings where construction commences from the date a tax site is designated and the asset is brought into qualifying use by 30 September 2026.

Full Stamp Duty Land Tax Relief

Freeport tax sites can offer total relief from Stamp Duty Land Tax on property used for qualifying commercial purposes, until 30 September 2026. This makes it easier to establish premises within a Freeport.

Scottish Green Freeports will offer equivalent Land and Buildings Transaction Tax Relief.

Outside of Freeports, purchasers buying non-residential land and buildings pay 0% on the first £150,000, 2% on the next £100,000 and 5% on the remaining amount.

Enhanced Capital Allowance

Freeports provide 100% first year allowances for qualifying expenditure on plant and machinery which is primarily for use in a Freeport tax site. This significantly accelerates tax relief on qualifying expenditure.

Available for expenditure incurred from the date a tax site is designated until 30 September 2026 – a longer window than full expensing.

100% Business Rates Relief

Full relief from business rates on qualifying new properties and partial relief for expanded properties in Freeport tax sites.

Scottish Green Freeports offer equivalent Non-Domestic Rates Relief.

Claimable until 30 September 2026, with the relief applying for five years from the point at which you receive it.

0% National Insurance Contributions Relief

0% Employer NICs paid on salary up to £25,000 p/a, for 3 years per eligible employee.

Eligible employees are new hires that spend more than 60% of their working time in the Freeport and are hired between April 5 2022 and 6 April 2026.



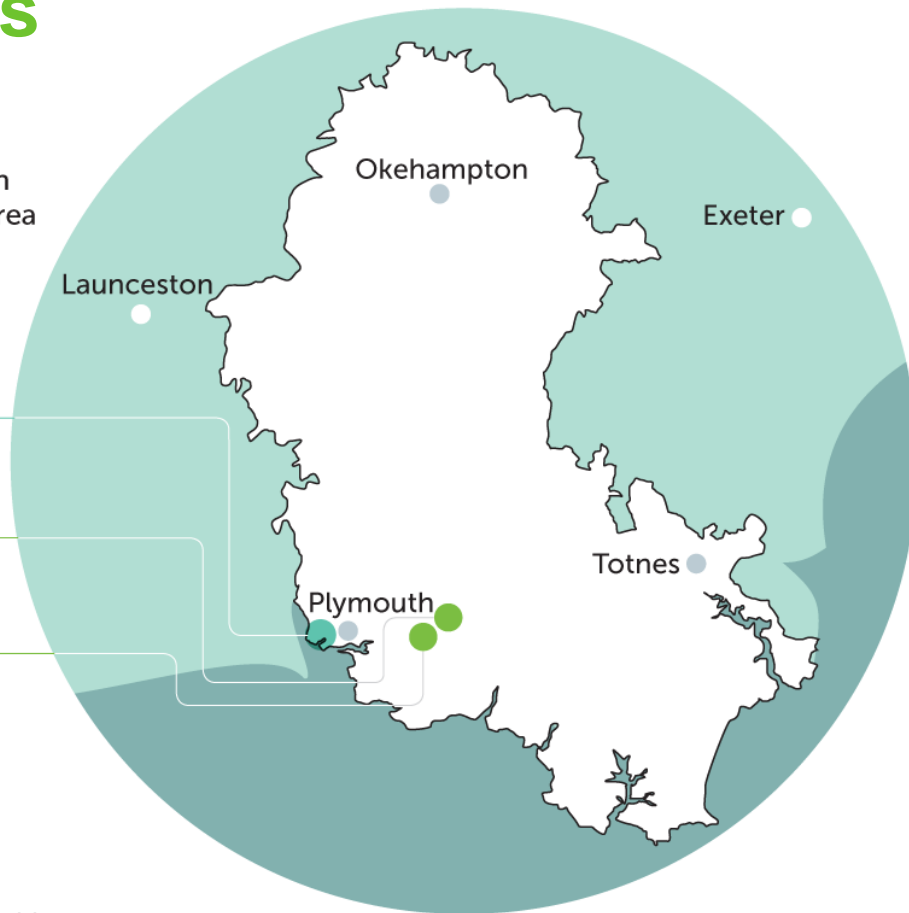
Customs sites

Plymouth and South Devon
Freeport outer boundary area
for new Customs sites*

 South Yard

 Langage

 Sherford



* Subject to HMRC authorisation and usual planning permissions

Customs & Planning



Tariff benefits

Defer duty payments if goods are stored onsite and receive an exemption if they are re-exported.

Take advantage of duty inversion; if finished goods exiting a Freeport attract a lower tariff, a drawback may be possible.

Trade benefits

Freeports sites provide simplified import procedures and an expansion on existing customs facilitations and procedures. This allows you to benefit from more streamlined and direct procedures.

Customs sites that offer these benefits can be set up anywhere within the outer boundary of the Freeport and goods can be moved between customs sites without entering free circulation.

VAT benefits

Freeports offer a VAT suspension until the goods leave the customs site entering into free circulation in the UK. This allows you more efficient management of your operational capital

A supportive planning environment

- Freeports have supportive local planning environments with strong engagement from local planning authorities which can help accelerate your business development.
- Some Freeports sites also have Local Development Orders in place to provide greater planning certainty for new buildings.
- Public sector support for Freeports is making sure that the sites are supported with land remediation, site preparation, skills programmes and other investments designed to make Freeports attractive places to invest.

Freeports' flexible customs model permits multiple sites with economic links to ports to take advantage of the Freeport's customs benefits.

Planning reforms within the Freeport outer boundary will facilitate your ease of construction and reduce lead time of planning approvals.



Tax site incentives and benefits

Access the benefits

The tables provide an example of how setting up operations in a Freeport could save you money through enhanced structures and buildings allowance, Stamp Duty and National Insurance contributions relief incentives.

Reliefs from tax	Cost outside Freeport (£)	Cost in Freeport (£)	Net savings (£)
Stamp Duty Land Tax	87,500	0	87,500
Business rates relief	30,000	0	30,000
National Insurance contributions relief	602,000	0	602,000*1
Total			719,500

Allowances	Capital Allowances outside Freeport (£)	Capital Allowances in Freeport (£)	Net tax benefit in Freeport (year 1) (£)
Enhanced Structures and Buildings Allowance	150,000	500,000	87,500*2
Enhanced Capital Allowance	180,000	1,000,000	205,000*2
Total			292,500*2

Scenario 1

- Company acquires non-residential property in Freeport for £2 million
- Company employs 200 people with salaries of £20,000 each

*1 savings for 1 year (approximate figure). Includes Health and Social Care Levy from April 2023. 0% Employer NICs only apply to salaries below £25,000

Scenario 2

- Company spends £5 million renovating building for non-residential use
- Company spends £1 million on plant and machinery

*2 Net tax benefit is calculated on the basis of a 25% CT rate applied to remaining profits after CAPEX allowances have been applied.

These figures are indicative. Investors should obtain their own independent financial, taxation and legal advice before making any investment decisions.



Thank you.
Any questions?

To find out more about the **Plymouth and South Devon Freeport** and how your business may benefit from being involved please contact the team directly via **info@pasdfreeport.com**

To keep up-to-date with the latest news, events and opportunities please follow via LinkedIn, X (formerly Twitter) or visit **pasdfreeport.com**