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To: The Chair and Members
of the Cabinet

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Date: 5 April 2022

Contact: Karen Strahan, 01392 382264

Email: karen.strahan@devon.gov.uk

CABINET

Wednesday, 13th April, 2022

12 Plymouth and South Devon Freeport (Pages 1 - 16)

Impact Assessment, attached.

*Electoral Divisions(s): Bickleigh &
Wembury*

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Impact Assessment



Assessment of: Plymouth and South Devon Freeport

Service: Economy Enterprise and Skills

Head of Service: Keri Denton

Version / date of sign off by Head of Service: 01/04/2022

Assessment carried out by (job title): Senior Manager Economic Infrastructure and Strategic Development

1. Description of project / service / activity / policy under review

The Plymouth and South Devon Freeport (Freeport) is a partnership with Plymouth City Council, South Hams District Council and private sector landowners to invest to bring forward the sites in the Freeport to generate growth and jobs in the area. This includes 1 site in Plymouth and 2 in South Hams, at Sherford and Langage. The Freeport vision is:

The Freeport aims to grow the local and regional economy by building on our unique national capabilities in Marine, Defence and Space and through a focus on key assets such as the Naval port in Plymouth and the opportunities of growing supply chains around these capabilities, support the whole of the regional economy.

The Freeport can also support the wider levelling up agenda and stimulate local skills, jobs and higher wages. The creation of a supportive tax and

regulatory environment can foster innovation and develop further strong collaborations from our business base, Exeter and Plymouth Universities. A number of sub-sector specialisms including marine autonomy, maritime decarbonisation, smart port shipping and offshore renewable energy have been identified within our business base which have the potential to increase productivity and develop links with other specialisms such as digital and low carbon technologies.

2. Reason for change / review

Decision by Cabinet on the Council's participation in the Freeport.

3. Aims / objectives, limitations and options going forwards (summary)

The Freeport proposal has the potential to transform the local and regional economy. Significant economic and employment modelling has been undertaken to support the development of the business case and working of various growth scenarios. The anticipated outputs will be refined in the final business case but currently are:

1. 3,584 direct jobs created with an average wage level of at least £13.92 per hour
2. 10% of jobs created to be filled by inactive claimants and registered unemployed
3. 3,000 m² of skills infrastructure
4. 2,400 m² of new innovation space
5. 137.9 hectares of land developed
6. 5 new businesses each year
7. 2-3 new FDI each year
8. 40 Business/Higher education collaborations annually from 2022
9. £4m a year in private investment in research & development
10. 10 new products developed for market

It is expected that the Freeport will deliver wider benefits such as an uplift in land value, labour supply, a skills uplift and the jobs/GVA arising from the construction of the Freeport. Our economic modelling estimates the total value of these and other benefits at £409.5m over a 15-year

timeframe.

In addition to the economic outputs highlighted above, the Freeport will generate a positive impact on the Council's corporate strategic plan 2021-2025 priorities, including Invest in Devon's economic recovery and Respond to the climate emergency. It also supports the aims of the Team Devon Recovery Prospectus and the Economy Skills and Enterprise Service's Strategy for Growth.

4. People affected, diversity profile and analysis of needs

The Plymouth and South Devon Freeport is committed to equality and diversity and to ensuring that residents feel the benefit of this initiative. This high-level impact assessment explores the potential impacts for people with protected characteristics and wider social impact and inequality such as access to employment and skills development in areas of deprivation. The Freeport is committed to ensuring that a minimum of 10 per cent of the jobs created by the Freeport are directed towards our most deprived areas. The EIA has also considered the wider social impacts which the Freeport may have in the Plymouth, South Hams and Devon areas.

The shadow board have adopted the Equality and Diversity Statement and are committed to ensuring that residents and local people, especially those from deprived areas and marginalised communities, are able to reap the benefits of the Freeport. This EIA builds upon the commitment made by the shadow Freeport board to mainstream equality and diversity within the Plymouth and South Devon Freeport.

To minimise risks from the Freeport, a security and illicit risk assessment has been carried out separately to this EIA. The security and illicit risk assessment will be monitored separately and covers potential issues such as modern slavery and human trafficking.

Adverse environmental impacts such as reduced air quality and noise and disturbance identified in this equality impact assessment will be fed into our Freeport environmental impact assessment to ensure that impacts that we have identified which may adversely affect groups with protected characteristics will be appropriately mitigated.

Where additional formal decisions are required to inform the delivery and development of the Plymouth and South Devon Freeport, an IA will be completed where required in line with the Council's usual IA process.

This IA will be periodically reviewed and monitored within the wider Plymouth and South Devon Freeport monitoring and evaluation framework.

5. Stakeholders, their interest and potential impacts

Stakeholders include local businesses occupiers of the site, landowners, the public sector partners, the Universities of Exeter and Plymouth, local residents, business representative organisations and local businesses, in and beyond the Freeport, particularly supply chain or sector organisations. This also applies to aspirational business and public sector occupiers of the site.

6. Additional research used to inform this assessment

An outline business case and full business case have been commissioned to enable government to approve the freeport which considers all impacts of the scheme, including environmental and equality aspects. In the development of the business cases, relevant links have been made to stakeholder groups, such as colleges and training providers, the Climate Emergency Response group and others, including other services in the Council.

7. Equality analysis

Giving Due Regard to Equality and Human Rights

The local authority must consider how people will be affected by the service, policy or practice. In so doing we must give due regard to the need to: eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity and foster good relations.

Where relevant, we must take into account the protected characteristics of age, disability, gender, gender reassignment, pregnancy and maternity, marriage and civil partnership, sexual orientation, race, and religion and belief. This means considering how people with different needs get the different services they require and are not disadvantaged, and facilities are available to them on an equal basis in order to meet their needs; advancing equality of opportunity by recognising the disadvantages to which protected groups are subject and considering how they can be overcome.

We also need to ensure that human rights are protected. In particular, that people have:

- A reasonable level of choice in where and how they live their life and interact with others (this is an aspect of the human right to 'private and family life').
- An appropriate level of care which results in dignity and respect (the protection to a private and family life, protection from torture and the freedom of thought, belief and religion within the Human Rights Act and elimination of discrimination and the promotion of good relations under the Equality Act 2010).
- A right to life (ensuring that nothing we do results in unlawful or unnecessary/avoidable death).
- The Equality Act 2010 and other relevant legislation does not prevent the Council from taking difficult decisions which result in service reductions or closures for example, it does however require the Council to ensure that such decisions are:
 - Informed and properly considered with a rigorous, conscious approach and open mind, taking due regard of the effects on the protected characteristics and the general duty to eliminate discrimination, advance equality and foster good relations.
 - Proportionate (negative impacts are proportionate to the aims of the policy decision)
 - Fair
 - Necessary
 - Reasonable, and
 - Those affected have been adequately consulted.

Characteristics	Potential or actual issues for this group. [Please refer to the Diversity Guide and See RED]	How will the project / service / policy / activity: <ul style="list-style-type: none"> • eliminate or reduce the potential for direct or indirect discrimination, harassment or disadvantage, where necessary. • advance equality (meet needs / ensure access, encourage participation, make adjustments for disabled people, 'close gaps'). • foster good relations between groups (tackled prejudice and promoted understanding), if relevant? In what way do you consider any negative consequences to be reasonable and proportionate in order to achieve a legitimate aim? Are you complying with the DCC Equality Policy ?
All residents (include generic equality provisions)	None	The Freeport will provide extensive employment and educational opportunities.
Age	Not applicable	No impact
Disability (incl. sensory, mobility, mental health, learning disability, neurodiversity, long term ill health) and carers of disabled people	None	The employment and skills plan will include engagement with the Department for Work and Pensions and other partners working with people with disabilities to ensure they are able to access the benefits of the Freeport. Engagement will also take place with local voluntary and community sector partners working with people with disabilities to raise awareness of the employment and education offer available.
Culture and ethnicity: nationality/national origin, ethnic origin/race, skin colour, religion and belief	Not applicable	No impact

Characteristics	Potential or actual issues for this group. [Please refer to the Diversity Guide and See RED]	How will the project / service / policy / activity: <ul style="list-style-type: none"> eliminate or reduce the potential for direct or indirect discrimination, harassment or disadvantage, where necessary. advance equality (meet needs / ensure access, encourage participation, make adjustments for disabled people, 'close gaps'). foster good relations between groups (tackled prejudice and promoted understanding), if relevant? <p>In what way do you consider any negative consequences to be reasonable and proportionate in order to achieve a legitimate aim?</p> <p>Are you complying with the DCC Equality Policy?</p>
Sex, gender and gender identity (including men, women, non-binary and transgender people), and pregnancy and maternity (including women's right to breastfeed)	None	The Freeport will provide opportunities for females to gain experience in STEM subjects through apprenticeships, internships and jobs. Encouraging female representation in STEM subjects (and employment in high paying jobs) will likely positively impact any gender pay gaps within companies.
Sexual orientation and marriage/civil partnership	None	No impact
Other relevant socio-economic factors such as family size/single people/lone parents, income/deprivation, housing, education and skills, literacy, sub-cultures, 'digital exclusion', access to transport options, rural/urban	None	No impact

8. Human rights considerations:

No negative consequences envisaged.

9. Supporting independence, wellbeing and resilience. Give consideration to the groups listed above and how they may have different needs:

In what way can you support and create opportunities for people and communities (of place and interest) to be independent, empowered and resourceful?

There are no negative impacts on equality considerations from a decision to endorse this report. The report is aiming to increase investment and improve the facilities for businesses, generate jobs and hence provide benefits for residents in the area. This includes making sure employment space is fit for the future, particularly around aspects of sustainability and reducing the impact on the local environment as well as providing solutions for future employment needs, driving resilience.

In what way can you help people to be safe, protected from harm, and with good health and wellbeing?

Not applicable

In what way can you help people to be connected, and involved in community activities?

Not applicable

10. Environmental analysis

An impact assessment should give due regard to the following activities in order to ensure we meet a range of environmental legal duties. The policy or practice does not require the identification of environmental impacts using this Impact Assessment process because it is subject to (please mark X in the relevant box below and proceed to the 4c, otherwise complete the environmental analysis table):

Devon County Council's Environmental Review Process	
Planning Permission	
Environmental Impact Assessment	
Strategic Environmental Assessment	

	Describe any actual or potential negative consequences. (Consider how to mitigate against these).	Describe any actual or potential neutral or positive outcomes. (Consider how to improve as far as possible).
Reduce, reuse, recycle and compost:	Additional businesses present on the employment sites will mean additional services will be required, including for recycling and waste. Control through regulatory processes. These will be provided via commercial waste contracts, not via the Council's services.	Not applicable in this report
Conserve and enhance wildlife:	No impact identified – status quo. These sites are earmarked for employment already with control through the Joint Local Plan process. Further decisions on environmental mitigation would take place via the planning process.	Not applicable in this report.
Safeguard the distinctive characteristics, features and special qualities of Devon's landscape:	No impact identified – status quo as above	Future development of the sites aims to reduce carbon and transport emissions as much as possible, reducing the impact on Devon's landscape.
Conserve and enhance Devon's cultural and historic heritage:	No impact identified	Not applicable

<p>Minimise greenhouse gas emissions:</p>	<p>As the sites develop out there is an increase in carbon emissions compared to a fallow area.</p>	<p>The sites are the optimal choice for the area and offer the best value because they:</p> <ul style="list-style-type: none"> ▪ Are located in identified growth areas. ▪ Are already fully or partially serviced, thus reducing infrastructure costs. Langage also has discounted hot water, high pressure gas and electricity from the adjacent power station and green energy from the adjoining solar park. ▪ Have excellent road connectivity, minimising the need for large-scale transport costs. ▪ Enable us to deliver the Freeport at pace.
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<p>Minimise pollution (including air, land, water, light and noise):</p>	<p>There will be increased noise and transport emissions due to the additional volumes of business occupancy. Any impacts would be safeguarded through the planning process.</p>	<p>These elements are managed through the planning process.</p> <p>Provision of a pedestrian/cycle bridge to link the two sites will enable residents from the new community of Sherford to travel to both sites using active travel options.</p> <p>Government net zero regulations mean transport emissions will be reduced over time through the use of electric vehicles and other technologies, such as hydrogen.</p> <p>Sherford employment zone is part of the wider Sherford development. Langage, the largest site where most of the construction is going to take place, is greenfield and is not directly adjacent to residential area.</p> <p>Noise and disturbance – Increased traffic</p> <p>The freeport partners will consider the possibility to explore noise monitoring and reduction initiatives in the vicinity if required. Any noise complaints will be monitored for trends.</p> <p>Freeport approach will require buildings to be built using sustainable materials, be well insulated and have renewables (such as solar or heat pumps) integrated.</p> <p>Construction will be delivered in line with local guidance to ensure minimal disruption to the local area.</p> <p>Within the Freeport we will use a combination of electric and hydrogen powered vehicles to move cargo between</p>
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		the port and customs sites. Emissions from commuter transport will be minimised through green transport initiatives, which will include public transport options (including park and ride) as well as walking and cycling, which build on existing infrastructure such as cycle ways.
Contribute to reducing water consumption:	Water consumption will increase from current underdeveloped position. However these sites are already allocated for employment so any impacts would be safeguarded through the planning process.	The freeport net zero aims and planning/building regulations aim to minimise water consumption from new growth.
Ensure resilience to the future effects of climate change (warmer, wetter winters; drier, hotter summers; more intense storms; and rising sea level):	Any impacts would be managed through the planning process.	The freeport has an aim to minimise the environmental impact from development and contribute to net zero targets.
Other (please state below):		

11. Economic analysis

	Describe any actual or potential negative consequences. (Consider how to mitigate against these).	Describe any actual or potential neutral or positive outcomes. (Consider how to improve as far as possible).
Impact on knowledge and skills:	No impact identified.	The freeport has a skills plan and tax incentives from government to generate significant training and apprenticeship opportunities.
Impact on employment levels:	No impact identified.	The development of the freeport will increase employment opportunities in the area. Overall aim is an increase of around 3,500 jobs.
Impact on local business:	There is a risk of displacement from businesses moving into the Freeport and benefitting from the tax incentives. However a gateway policy is in place to remove the incentive for local businesses to relocate into the Freeport. The aim of the Freeport is to bring in additional growth from abroad and an Inward Investment strategy has been developed.	<p>The development of the freeport will increase business opportunities in the area, for example for supply chain providers.</p> <p>Displacement</p> <p>To mitigate any potential negative impacts the Freeport gateway criteria has a clear policy on moving into the Freeport if not in local area (including wider geography and outer boundary). For example, the Freeport gateway criteria means that businesses cannot relocate to the Freeport purely to get tax/tariff exemptions.</p> <p>We will further mitigate any potential displacement by putting in place a gateway policy at all our tax sites. Businesses that express interest in the Freeport will need to demonstrate their compliance with the gateway policy.</p>

12. Describe and linkages or conflicts between social, environmental and economic impacts (Combined Impacts):

The freeport is expected to increase local traffic but this is balanced by the provision of cycle / pedestrian route/bridge and road infrastructure and the Freeport aims to ensure development contribute to net zero. Economic benefits include job creation, business investment and training opportunities. The Freeport should help to accelerate the Sherford housing development, further enhancing the availability of good quality private housing stock. Overall, there are no negative social impacts expected from the development of the two sites.

13. How will the economic, social and environmental well-being of the relevant area be improved through what is being proposed? And how, in conducting the process of procurement, might that improvement be secured?

As explained above, this report is about the future growth of two existing sites which will continue to be developed. This will be under the control of the planning process and to meet the Council and Freeport aims to develop in a fashion to contribute to net zero targets. The Freeport will generate significant economic and social benefits in terms of jobs creation, training opportunities and support for businesses.

14. How will impacts and actions be monitored?

Through the planning process and through the freeport monitoring and evaluation process.