

EX64. Forth Green Freeport

The Executive considered a report by the Director of Place Services which provided an overview of progress on the Forth Green Freeport Outline Business Case (OBC) and highlighted key matters that should be considered in relation to the Forth Green Freeport.

Following the announcement in January 2023 which confirmed the successful bid for the Forth Green Freeport the Executive agreed in February 2023 to: act as the Accountable Body for the Green Freeport proposals; work with Fife and City of Edinburgh Councils on the Green Freeport; and progress arrangements for the Councils' role in the Green Freeport's governance structure. There had been progress in moving forward to formal designation and the new Forth Green Freeport was proposed to be operational from Spring 2024.

An Interim Governance Board had been formed led by Charles Hammond OBE, Chief Executive of Forth Ports. The Council had two voting members, being the Director of Place Services and the Chief Finance Officer. The Interim Board would be disbanded when an independent Chair was recruited, and a permanent board established. The Interim Board also included representation from the Ministry of Defence and Calachem Ltd.

The Interim Board had agreed that the Chair would write to the Chief Executives of City of Edinburgh, Fife and Falkirk Councils seeking appointment of appropriately experienced and qualified Elected Members to represent the interests of their respective Council areas. The proposed membership of the permanent board was:-

- Independent Chair (1)
- Accountable Body Finance Officer (1)
- Representatives from three Local Authority Areas (3)
- Industry and Landowner Representatives (4)
- Accountable Body Secretariat (non-voting)
- Technical and professional officers (non-voting).

The Board would oversee the establishment and management of the Forth Green Freeport and would be supported by five sub committees:-

- Communications and Engagement
- Trade and Investment
- Innovation and Net zero
- Fair Work and Skills
- Infrastructure Communities and Place.

The Board would set up the Forth Green Freeport Company and this would employ staff to carry and deliver the day to day operations of the Forth Green Freeport.

Falkirk Council would act as Accountable Body for the Forth Green Freeport and could take advantage of operational synergies and complimentary investment proposals between the Tax Increment Finance, Growth Deal and

Levelling Up investment programmes. The Accountable Body role would be at the strategic centre for coordinating of OBC and FBC submissions to Governments. In addition, this role had responsibility for establishing governance arrangements, and distribution of grant funding (including holding partners to account for these).

As part of the establishment of the Accountable Body remit, appropriate agreements would require to be entered into with both Fife and CEC Councils to cover matters such as governance, distribution and application of support for infrastructure investments, financial support for the PMO and dealing with cross boundary activities (i.e. workforce and skills programmes). It was proposed that delegated authority was provided to the Director of Place Services to enter into necessary agreements such as partnership and funding agreements to ensure the Councils Accountable Body responsibilities could be effectively and efficiently discharged.

The Outline Business Case (OBC) was progressing and following the Treasury Green Book five case method / model. The timetable had slipped slightly over the summer with completion of OBC moving to mid-November. This was approximately two to three months behind initial estimates. At the present time there was no indication that there would be any additional delays however, given the Green Freeports were entirely new and as such come with many interdependencies, governance, and regulatory implications, the possibility of further delay could not be ignored.

The OBC process required a robust Financial Case for the sustainability of the Green Freeport. This had been approached with the intention of ensuring that costs were kept as low as possible whilst recognising that Management, Board and workstream activities needed to be supported. In addition, there would be ongoing costs associated with various other aspects to ensure delivery and coordination of activities (i.e. marketing, research, legal fees etc). The current estimate was an operating budget of circa £800k per annum which included Accountable Body costs, operating costs and legal and audit costs.

Decision

The Executive:-

- (1) noted the progress in establishment of the Forth Green Freeport with current estimated operational commencement in Spring 2024;**
- (2) noted the forthcoming request for Falkirk Council Elected Member representation on the Forth Green Freeport Governance Board;**
- (3) agreed that the Director of Place Services is delegated authority to enter into any necessary agreements with other partners (and specifically Fife and CEC Councils) to ensure obligations on the Council as Accountable Body could be effectively and efficiently undertaken, and**

- (4) noted proposals for land-owner contributions for which the Council would be subject to for its tax site ownerships.**