
To: Economy and Regeneration Policy Board

On: 23 May 2023

Report by: Chief Executive

Heading: Green/Freeports - update

1. Summary

- 1.1 This report offers members an update on the recent bid (summer 2022) by Glasgow City Region (GCR) partners to gain a Green/Freeport designation from the Scottish and UK Governments.
- 1.2 An announcement on two such designations in Scotland was made in early 2023 confirming the selected locations as Firth of Forth (Edinburgh / Grangemouth) and Moray Firth (Inverness / Black Isle).
- 1.3 Since the announcement further discussions have taken place with the governments about the potential for an Investment Zone designation within GCR as part of an allocation of such designations in Scotland. A decision on Scottish Investment Zones is awaited.

2. Recommendations

2.1 It is recommended that the Board:

- i. Note the outcome of the decision by the Scottish and UK Governments on Green/Freeport designations in Scotland;
 - ii. Note that there is the potential for an Investment Zone designation being confirmed within Glasgow City Region during 2023 and that the implications of any such decision will be subject to a future Board report;
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3. Background

- 3.1 In June 2022 Board approved the submission of the GCR bid for a Green/Freeport designation as it affected Renfrewshire. This included the designation of land around Glasgow Airport, Netherton Farm, Inchinnan Business Park and Westway Industrial Estate.
- 3.2 The bid had been made by the eight GCR local authorities in conjunction with a private sector consortium consisting of Glasgow Airport, Peel Ports and J&D Stirling (Mossend rail freight hub).

4. Green/Freeport assessment

- 4.1 Five Green Freeport bids were received on the closing date of 20 June 2022. These were from:
- Clyde (GCR);
 - Firth of Forth;
 - Inverness and Cromarty Firth;
 - North East Scotland (Aberdeen and Peterhead)
 - Orkney
- 4.2 Assessment of the bids was undertaken jointly by the Scottish Government (SG) and UK Government (UKG).
- 4.3 Although the Orkney bid failed on one of the Pass/Fail questions considered in their application, the governments agreed the bid should proceed to full assessment alongside the other four bids.
- 4.4 The five bids were assessed against a range of criteria in accordance with the published prospectus for Green/Freeport bids, including promotion of regeneration, job creation and decarbonisation. A summary of how each of the five bidders fared against these criteria is set out in Appendix 1 of this report.
- 4.5 All four other bids (apart from Orkney) were considered deliverable and appointable by the Assessment Panel.
- 4.6 A cross-government group of senior officials (forming the Green Freeports Programme Board) oversaw the process. They approved a list of appointable candidates to be submitted to Ministers for final selection.
- 4.7 Scotland's Deputy First Minister met with the UK's Secretary of State for Levelling Up, Housing and Communities and the Secretary of State for Scotland to discuss the appointable bids.
- 4.8 Ministers agreed that the priorities for additional considerations were:
- prioritising proposals with a "high" assessment for the decarbonisation criterion when choosing between similar appointable applications;
 - reserving the right to ensure a fair spread across Scotland;
- 4.9 Minister selected the **Firth of Forth** bid as the clear highest scoring bid overall. They noted that the **Clyde** and **Inverness / Cromarty Firth** bids achieved scores that were comparable.

However, when they took into account the additional considerations (see above) from the published prospectus they decided to select **Inverness / Cromarty Firth** as their second Green/Freeport location for Scotland.

5. Investment Zones

- 5.1. UKG Budget Statement (March 2023) stated that a minimum of 4 Investment Zone designations were being considered for Scotland, Wales and Northern Ireland. England already has a process for local authorities and regions to bid for such designations.
- 5.2. Meetings have taken place recently between SG and UKG about Investment Zone designations for Scotland.
- 5.3. Feedback to date is that there will be one or two in Scotland. The process for confirming is these is likely to be allocative rather than competitive, with an agreed set of metrics being applied to the selection process.
- 5.4. There is some consideration being given by the Governments to whether a geographic or thematic approach should be applied to such selections. If thematic then (for instance) it could be for net zero and cover multiple geographies, with partnering between different regions.
- 5.5. The scale of such designations (circa 600 hectares) is like that for the allocated Green/Freeports and the fiscal incentivisation on offer for potential investment in these locations is also along similar lines.
- 5.6. A decision on any such Scottish designations is likely to be made in summer 2023. Any implications for Renfrewshire will be the subject of future reports to Board.

Investment Zones in England

- 5.7. So far, the UKG have shortlisted eight locations in England for potential Investment Zones. All of these are based on city-regions.
- 5.8. These city-regions and their constituent local authorities have been invited to submit Investment Zone proposals for a specific area within their boundaries. Zones are expected to be set across a “sensible economic geography” to facilitate effective collaboration between industry and academia (universities). If proposals choose to take up the government’s tax incentive offer, they must be located in dedicated tax sites.
- 5.9. This is a very similar approach to the one taken in Scotland for the (now completed) bidding process for Gren/Freeport status.
- 5.10. With the English Investment Zone proposals, the financial incentives offered to investment in this location is comparable to that offered for Green/Freeports and includes
:
 - Stamp Duty Land Tax relief;
 - Exemption from business rates
 - Enhanced Capital Allowances – 100% first year allowance

- Enhanced Structures and Buildings Allowance
 - Lower employer National Insurance Contributions
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Implications of the Report

1. **Financial** - No financial implications.
 2. **HR and Organisational Development** – None.
 3. **Community Planning**
 - Our Renfrewshire is thriving – The green/freeport and investment zone concept offers an opportunity for increased economic activity and job creation in Renfrewshire.
 - Reshaping our place, our economy, and our future – Renfrewshire already has a significant cluster of manufacturing companies and an international freight airport and therefore, the green/freeport concept and investment zone offers the potential to attract additional manufacturers and their supply chain to the area;
 4. **Legal** – None.
 5. **Property/Assets** – The Council-owned AMIDS site was put forward for inclusion in one of the tax sites included in the green/freeport bid for GCR.
 6. **Information Technology** - None.
 7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – None.
 9. **Procurement** – None.
 10. **Risk** – None.
 11. **Privacy Impact** – None.
 12. **COSLA Policy Position** – None.
 13. **Climate Risk** – None.
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List of Background Papers

- (a) *Freeports (Greenports) board report; Leadership Board; June 2021*
- (b) *Green Freeports in Scotland: bidding prospectus; Department for Levelling Up, Housing and Communities; UK Government; March 2022*
- (c) *Clyde Green/Freeport bid - update; Economy & Regeneration Board; June 2022*

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Appendix 1

Assessment Matrix for Scottish Green/Freeport Bids; 2022 / 2023

	Policy Criteria				Delivery Criteria	
Green Freeport	Criterion A: Promote regeneration and high-quality job creation	Criterion B: Promote decarbonisation and a just transition to a net zero economy	Criterion C: Establishing hubs for global trade and investment	Criterion D: Fostering an innovative environment	Criterion E: Deliverability of proposal effectively at pace	Criterion F: Level of private sector involvement in the proposal
Clyde Green Freeport	HIGH	MEDIUM	MEDIUM	MEDIUM/HIGH	HIGH	HIGH
Firth of Forth Green Freeport	HIGH	HIGH	HIGH	MEDIUM	HIGH	HIGH
Inverness and Cromarty Firth Green Freeport	HIGH	MEDIUM/HIGH	HIGH	MEDIUM/HIGH	MEDIUM	MEDIUM
North East Scotland Green Freeport	MEDIUM/HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH	MEDIUM
Orkney Green Freeport*	MEDIUM/LOW	MEDIUM	LOW	LOW/MEDIUM	LOW	LOW