

To: Leadership Board

On: 16 June 2021

Report by: Chief Executive

Heading: Freeports/Greenports – Potential Glasgow City Region Bid Update

1. Summary

- 1.1 This report aims to make members aware of a potential bid by Glasgow City Region (GCR) member authorities in partnership with the private sector in GCR for a Freeport (Greenport) designation.
 - 1.2 The bid would only be submitted following publication of, and in response to, a prospectus seeking such bids by Scottish Government. This is expected to be published in summer 2021.
-

2 Recommendations

- 2.1 It is recommended that the Board:
 - i. note the potential for a combined bid by GCR local authorities for a Freeport / Greenport designation during 2021; and
 - ii. agrees to Renfrewshire Council participating in the preparation and submission of such a bid to Scottish Government; and
 - iii. (if required due to timing of a bid submission) agree to delegate authority to the Chief Executive, in consultation with the Leader of the Council, to confirm the content of such a bid and designation as it affects Renfrewshire.
-

3 Background

- 3.1 The freeport concept has been in existence for some time around the world. There are an estimated 3,000 such designations worldwide.

They tend to be located primarily at sea ports and operate as secure custom zones where, although inside the country's border, are subject to bespoke custom and tax arrangements aimed at bringing benefits to the competitiveness of the companies located there who import, manufacture, process and export goods.

- 3.2 Goods that move into and out of a country are normally subject to tariffs (duty) payable to that country. Goods that arrive into designated freeports are normally exempt from such tariffs. Although these locations often offer reductions in regulatory and administration burdens for businesses, they are designed to incentivise private investment in the locality and create jobs and other economic benefits for the adjacent local economies. If the goods are then moved elsewhere in the UK, they would be subject to the normal tariffs and therefore any such designation in Scotland needs to be specifically defined.
- 3.3 Scotland had an established freeport at Prestwick Airport for many years, although this designation ceased in 2012 when legislation was not renewed by the UK Government.
- 3.4 The UK Government consulted on the principle of establishing 10 new freeports across the UK in February 2020. At the launch the UK Government set out a desire to have at least one freeport in Scotland.
- 3.4 At the March 2021 UK Budget the Government announced 8 locations for new freeports in England. The designation of such zones is a devolved matter. The English locations selected from a total of 18 bids were:
 - East Midlands Airport
 - Felixstowe and Harwich
 - Humber region
 - Liverpool City Region
 - Plymouth
 - Solent
 - Thames
 - Teesside
- 3.5 In January 2021 the Scottish Government confirmed that it was preparing to launch a prospectus for Scottish local authorities (and other interested parties) to bid for a "greenport" (freeport) designation in Scotland. The Scottish Government have placed an emphasis on the decarbonisation of the economy (hence the change of title from freeport to greenport) and want to support a green recovery from the pandemic through this initiative. They have also placed an emphasis on supporting business innovation and high quality employment opportunities at any Scottish greenport. The Scottish Government also insist that any business benefiting from greenport incentives will be expected to pay their employees the real living wage as a minimum.
- 3.6 The publication of the Scottish prospectus was delayed due to the Scottish elections in May 2021, as well as awaiting sign-off on elements from UK Government, but is likely to be released to bidders by the summer. There is no indication as yet of timescales / deadlines for bids.

4. Glasgow City Region's Greenport Bid

- 4.1 Over recent months several the GCR local authorities – Glasgow, North Lanarkshire, Inverclyde, West Dunbartonshire and Renfrewshire have held officer level discussions on the potential for a GCR greenport bid. These discussions have involved the private sector associated with some of the principal infrastructure facilities in GCR. We know from analysis of the successful English bids how important the infrastructure components are to any submission to government.
- 4.2 The GCR Chief Executive's Group agreed in principle to the preparation of a bid by the 8 member authorities in April 2021.
- 4.3 Recognising that the GCR will require consultancy support to prepare a greenport bid (in what could be a relatively short deadline) the consortium have sought expressions of interest from suitable qualified consultants. The estimated costs of this support will be paid for by equal contributions from each of the private sector partners and the remainder being met from funding secured from GCR budgets. There are no additional budget requirements for the submission of a bid for Renfrewshire Council, beyond existing officer time resource.

5. Next Steps

- 5.1 Following the expected publication of a prospectus for a Scottish greenport, the GCR consortium will commence work on a submission to Scottish Government.
- 5.2 Officers are conscious we will not be able to determine the timing of this and it may not necessarily coincide with Council Board dates to allow the presentation of a draft bid to elected members for their approval. If such circumstances arise this report is seeking the delegation of authority to the Chief Executive, in consultation with the Leader of the Council, to agree to the content of the greenport bid as it affects the Renfrewshire area.

Implications of the Report

1. **Financial**
No financial implications from the bidding process other than officer time, which will be drawn from existing resources in the Economy & Development Team, and other departments as required.
2. **HR and Organisational Development –None.**
3. **Community Planning**
 - Our Renfrewshire is thriving – The greenport 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 the greenport concept offers the potential to attract additional manufacturers and their supply chain to the area;
4. **Legal – None.**

5. **Property/Assets** - none that we are aware of to date but any implications for AMIDS and other Council owned sites will be closely monitored.
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.

List of Background Papers

- (a) None.
-

Author: Alasdair Morrison, Head of Economy and Development
(Tel: 0141 618 4664)