

## Celtic Freeport Public Funds Committee

(Via Microsoft Teams)

**Members Present:**

**26 September 2024**

**Chairperson:** Councillor J.Harvey

**Vice Chairperson:** Councillor S.K.Hunt

**Councillors:** J.Hurley, S.A.Knoyle, P.Miller and J.Beynon

**Officers In Attendance** K.Jones, C.Griffiths, S.Brennan, H.Jones, W.Bramble, R.Moxey, J.Haswell, R.Young and C.Plowman

**External Advisors:** L.Atter

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### 1. **Welcome and Introductions**

The Monitoring Officer for the Celtic Freeport Public Funds Committee welcomed everyone to the meeting.

### 2. **Appointment of Chairperson**

**RESOLVED:**

That Cllr Jon Harvey (Pembrokeshire County Council) be appointed Chair of the Celtic Freeport Public Funds Committee.

### 3. **Appointment of Vice Chairperson**

**RESOLVED:**

That Cllr Steve Hunt (Neath Port Talbot Council) be appointed Vice Chair of the Celtic Freeport Public Funds Committee.

### 4. **Declaration of Interests**

There were no declarations of interests received.

## 5. Terms of Reference

Members were presented with the Terms of Reference for the Celtic Freeport Public Funds Committee.

It was explained that a key principle of the Freeport programme was that decisions will be made via a process and structure that preserves both the public-private 'dual key' approach, ensuring democratic accountability for the expenditure of public funds; to enable that democratic process to take place it was decided that a Public Funds Committee would be created.

Officers confirmed that the role of the Joint Committee will be to ensure proper democratic accountability for the allocation of public funds, including ensuring compliance with the legislative requirements and value for money; the Joint Committee will be able to either approve or reject proposals from the Celtic Freeport Company.

Reference was made to the functions that the Joint Committee will have, which includes considering and reviewing project business cases seeking financial support from public funding as recommended to the Joint Committee by the Celtic Freeport Board. Another key function highlighted was the ability to approve project business cases eligible to receive funding from public funding; the Joint Committee will have absolute discretion on whether to approve or reject any project business cases recommended by the Celtic Freeport Board for financial support from public funding. In addition, the Joint Committee will oversee the general day to day management of those public funds, with Neath Port Talbot Council acting as the accountable body to UK Government in respect of them.

It was stated that the Joint Committee will comprise of six Members in total, three from each Local Authority; with the ability to appoint a deputy Cabinet Member as a substitute, if one Member cannot attend. It was important to note that the quorum for the meeting was three Members from each Local Authority.

The Committee was informed that each Member of the Joint Committee will have one vote. It was explained that in the event that votes on any matter being considered by the Joint Committee were tied (Deadlock), the relevant matter giving rise to the Deadlock will be rescheduled as an item agenda to be reconsidered by the Joint Committee at the next available meeting; the Chair does not have a casting vote.

It was asked if there was a process in place if the Members did not reach an agreement, following the matter being re-considered at the next meeting. Officers highlighted that there were dispute resolution clauses within the agreement where there will be the opportunity for some independent arbitration.

**RESOLVED:**

That the terms of reference for the Celtic Freeport Public Funds Committee be noted.

6. **Celtic Freeport - Seed Capital Proposals**

Officers presented a report which was seeking approval for the list of seed capital proposals to be included in the Full Business Case for the Celtic Freeport.

The Chief Executive of Pembrokeshire County Council provided an overview of the background regarding the Freeport endeavour thus far, and the next steps in moving forward with the Outline Business Case and Full Business Case.

It was explained that the Outline Business Case had previously been endorsed by the two Local Authorities and submitted to UK Government; Officers had expected to receive feedback and a decision to approve the Outline Business Case by now, however the snap General Election held in July 2024 had disrupted the timetable. Members were informed that this process was still yet to be completed.

In regard to the Full Business Case, UK Government had recently asked for the submission of this to be accelerated to early October 2024; this was to try to ensure that this process was completed by the end of October 2024. It was noted that Members of both Local Authorities will receive the draft Full Business Case over the coming weeks for review and decision before final submission to UK Government.

The Committee was informed that within the Full Business case, was the requirement to submit proposals for the investment of the seed capital funding from UK Government. The circulated report set out the proposed use of seed capital for the consideration of the Joint Committee and Officers sought a decision on the list of projects to be included in the Full Business Case.

It was mentioned that the proposals had been subject to a fairly rigorous process, however the accelerated timeline had impacted on the level of scrutiny for some specific projects.

Members were informed that the seed capital element of up to £25million per Freeport, was a long-established part of the package; with the idea to help propel prime investments at an early stage in order to help the Freeport deliver on its objectives.

It was highlighted that the Full Business Case was one stage in the process of allocating seed capital; if the Full Business Case was approved, there were then individual business cases required to fill in the details of each of the propositions. Officers stated that other Freeports had experienced the need to re-visit their allocation as the detailed business cases in respect of some of the propositions didn't deliver; there were many reasons for this, such as business plans had changed, and/or private match funding hadn't arrived.

A discussion took place in regard to the series of processes that the Freeport had established to progress with allocations; this involved recommendations from an independent panel going to the Freeport Board, before being brought to the Joint Committee. It was noted that this process had to be foreshortened, specifically the scrutiny of the individual propositions by the independent panel; however, recommendations were provided to the Freeport Board, which then shaped the recommendations contained within the circulated report for consideration by the Joint Committee.

The Joint Committee agreed that Appendix 1 and 2 to the circulated report were not for publication pursuant to Regulation 5(2) & (5) of Statutory Instrument 2001 No. 2290 and Paragraph 14 of Part 4 of Schedule 12A to the Local Government Act 1972. Pursuant also to Paragraph 21 of the Schedule, and in all the circumstances of the case, the public interest in maintaining the exemption is considered to outweigh the public interest in disclosing the information.

In order to discuss and consider the private Appendices, Members took the decision to move into private session, for the reasons above. Following discussion of these private Appendices, the Joint Committee resolved to resume in public session. The decision below was agreed in public session.

**RESOLVED:**

That the list of projects set out in Appendix 2 of the circulated report be approved for inclusion in the Full Business Case.

7. **Urgent Items**

There were no urgent items received.

**CHAIRPERSON**