

SOUTH WEST WALES CORPORATE JOINT COMMITTEE

Report of the Chief Executive

Report Title: Publication of Freeports Prospectus for Wales

Purpose of Report	To apprise Members on the content of the Freeport Prospectus as it applies to Wales, including the timescales for the bidding process and also the specific reference to CJC's under Section 4 (Delivery Requirements) of the Prospectus Policy Paper.
Recommendation	It is recommended that (a) Members note the content of the report (b) Indicate the support of the CJC to the bid being prepared by Pembrokeshire CC, Neath Port Talbot CBC in partnership with the ports of Milford Haven and Port Talbot.
Report Author	Karen Jones
Finance Officer	Chris Moore
Legal Officer	Craig Griffiths

Background:

1. On the 1st of September 2022, the Welsh Government, jointly with the UK Government, published the prospectus for the Freeport Programme in Wales.
2. The prospectus will launch the competition through which potential sites can bid for investment and it sets the parameters they will be assessed against.
3. Within the Cabinet Statement issued by Rebecca Evans MS, Minister for Finance and Local Government and Vaughan Gething MS, Minister for Economy on September 1 2022, it is stated that "Welsh Ministers agreed to support Freeport policies in Wales following the UK Government's agreement that it would meet the Welsh Government's demands that both governments would act in a 'partnership of equals' to deliver Freeports in Wales. In addition, UK Ministers also agreed to provide at least £26 million of non-repayable starter funding for any Freeport established in Wales, which represents parity with the deals offered to English Freeports."

4. The Welsh and UK Governments have worked together to design a Freeport model which will deliver on three main objectives which must be met by applicants: (1) Promote regeneration and high-quality job creation; (2) Establish the Freeport as a national hub for global trade and investment across the economy; and (3) Foster an innovative environment. The bidding prospectus describes expect bidders are expected to show how the Freeport will achieve these 3 objectives.
5. In noting the above, it should also be noted that the Cabinet Statement also states that a Welsh Freeport will need to operate within the Welsh legislative framework on sustainability and well-being – the Well-being of Future Generations (Wales) Act 2015 – and the Welsh Government commitment to net zero.
6. Members will note that bids are now being invited for Freeport status. The bidding process opened on 1 September 2022 and will close at 6pm on 24 November 2022.
7. Pembrokeshire County Council, Neath Port Talbot County Borough Council, together with the ports of Milford Haven and Port Talbot have formed a consortium with the view to exploring the case to submit a bid for a green Freeport in the region.
8. Both Neath Port Talbot and Pembrokeshire have exciting, shared opportunities for nationally significant energy infrastructure to support the development of floating offshore wind in the Celtic Sea, hydrogen and sustainable fuels. Combining this potential with the region's skill base, existing facilities and proximity to key markets offers a compelling argument for a potential freeport bid. The proposition will also contribute significantly to realising the ambitions set out in the Regional Energy Plan and Regional Economic Delivery Plan approved by the CJC earlier this year.
9. A South-West Wales freeport would bring together the ports of Port Talbot and Milford Haven to unlock the widest possible opportunity for Wales and for the UK by accelerating investment and fast-tracking modern skills development for new green industries. It would strengthen export opportunities while supporting Welsh and UK Governments' ambitions to drive economic growth.
10. The consortium will work with local authority regional partners, established and emerging industry representatives, unions, academics and other key stakeholders to map out the full opportunity and create a compelling case for a South-West Wales joint freeport bid grounded in green economic growth. This accelerated investment pathway and modern skills programmes will enable local communities and the wider region to share in the substantial benefits of green freeport growth.
11. The bid will, amongst other things, also need to demonstrate how tax sites' location mitigate displacement of local economic activity from other areas – a key issue raised by local authority partners within the region when taking informal soundings about the proposed consortium bid.

Summary of Prospectus content

12. The Prospectus provides detailed guidance in respect of the following matters:
- a. Objectives of the Freeport Programme (Section 2);
 - b. Freeport geography, including guidelines on site size and design (Section 3.1);
 - c. How the different policy levers will work (e.g. how reserved and devolved taxes will work) (Section 3.2 to 3.8);
 - d. Governance and delivery of the Freeport Programme (Section 4);
 - e. The fair, open, and transparent selection (Section 5) and
 - f. The application questions (Sections 5.6 to 5.9).

Timescales

13. Section 1.5 of the Prospectus summarises the key dates as follows:
- (a) 1 September 2022 - Prospectus published, applicants can submit clarification questions, and application portal opens;
 - (b) 6 October 2022 - Deadline for all prospectus clarification questions to be submitted;
 - (c) 27 October 2022 – Deadline for publication of summary of prospectus clarification question responses;
 - (d) 24 November 2022 – Application deadline, 6pm;
 - (e) Early spring 2023 – Announcement of winning bid,
 - (f) Summer 2023 – Freeport becomes operational.

Financial Impacts:

14. It is not considered that there will be any financial impacts for the CJC itself in the consideration of this report.

Integrated Impact Assessment:

15. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.

- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

16. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Workforce Impacts:

17. There are no impacts associated with the workforce of the CJC.

Legal Impacts:

18. This report seeks to inform the CJC about the creation of a consortium that is exploring the potential to submit a bid into the Freeport programme. There are no specific legal duties that arise in relation to this report.

Risk Management Impacts:

19. The activities described in this paper are consistent with the priorities already identified and approved by the CJC - the Regional Economic Delivery Plan and related Regional Energy Plan relate. A successful Freeport bid has the potential to accelerate work in the region to achieve these agreed priorities. Risks identified would be subject to suitable mitigations.

Consultation:

20. There is no requirement for external consultation on this report.

Reasons for Proposed Decision:

21. To formally advise the CJC of the actions taken by Pembrokeshire CC, Neath Port Talbot CBC and the ports of Milford Haven and Port Talbot to form a consortium to explore the opportunity to submit a bid under the Freeport Wales programme. To seek the formal support of the CJC to the work of the consortia which has the potential to accelerate work in the region to achieve the CJC's agreed priorities in relation to renewable energy and related economic growth.

Implementation of Decision:

22. This decision is to be implemented immediately

Appendices:

23. None

List of Background Papers:

24. [Link to the Welsh Government Statement](#)

[Link to the Prospectus](#)

[Regional Economic Delivery Plan – CJC Report 15 March 2022](#)

[Regional Energy Plan – CJC Report 15 March 2022](#)

[Link to CJC meeting 15 March 2022](#)